

AEROF Denmark Holdings ApS

C/O Citco (Denmark) ApS
Nybrogade 12,
1203 København K

CVR No. 40945725

Annual Report 2022

3. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 6 July 2023

Ole Meier Sørensen
Chairman

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Management's Statement

The board of executives have today discussed and approved the Annual Report of AEROF Denmark Holdings ApS for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 6 July 2023

Executive Board

Ole Meier Sørensen
Director

Caspar Schultz
Director

Independent Auditors' Report

To the shareholders of AEROF Denmark Holdings ApS

Opinion

We have audited the financial statements of AEROF Denmark Holdings ApS for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

Material uncertainty related to going concern

We wish to draw attention to note 5 in the financial statements where management assess the Company's ability to continue as a going concern due to a need for refinancing in 2023. The need for refinancing described in note 5, indicates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. We have not modified our opinion in respect of this matter.

Management's responsibility 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 considers 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 Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Independent Auditors' Report

- * Identify and assess the risks of material misstatement of the 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 Company'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 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 Company'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 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 Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Copenhagen, 6 July 2023

EY Godkendt Revisionspartnerselskab

Kaare Kristensen Lendorf
State Authorised Public Accountant
mne33819

Company details

Company	AEROF Denmark Holdings ApS C/O Citco (Denmark) ApS Nybrogade 12, 1203 København K
CVR No.	40945725
Date of formation	18 November 2019
Registered office	København
Financial year	1 January 2022 - 31 December 2022
Executive Board	Ole Meier Sørensen Caspar Schultz
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Alle 36 2000 Frederiksberg

Management's Review

The Company's principal activities

AEROF Denmark Holdings ApS' purpose is to directly or indirectly own shares or other financial instruments in companies that conduct business within the purchase, sale and development of real estate.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -27.327.268 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 468.376.736 and an equity of DKK 1.960.574.

The parent company Aberdeen European Residential Opportunities Fund SCSp SICAV-SIF has provided a letter of support to UNITY Aarhus ApS, in which the parent company Aberdeen European Residential Opportunities Fund SCSp SICAV-SIF declares its commitment to stand behind the company's obligations as and when they fall due within the period of at least 12 months from the date of signing the consolidated financial statements of Aberdeen European Residential Opportunities Fund SCSp SICAV for the year ended 31 December 2022, through any necessary contributions, thereby ensuring the continued operations of the subsidiary.

Based on this support letter and the management's assessment of UNITY Aarhus ApS's prospects for future earnings, it is the management's view that UNITY Aarhus ApS can continue its operations, and therefore, the annual financial statements of UNITY Aarhus ApS have been prepared on a going concern basis.

Going concern

UNITY Aarhus ApS, a subsidiary of Aerof Denmark Holdings ApS, are expecting to complete the development of an investment property during 2023. Aerof Denmark Holdings ApS have on behalf of its subsidiary UNITY Aarhus ApS entered a credit facility with the property developer.

The recognized liability in relation to the credit facility at the financial year ended 31 December 2022 is DKK 130.2 million incl. accrued interests. The full outstanding amount of the credit facility is due for repayment during 2023.

The Company have transferred the funds to UNITY Aarhus ApS and have a intercompany receivable towards them. UNITY Aarhus ApS plans to refinance the loan with Nykredit so that it is converted into long term Danish mortgage bond financing. Nykredit have indicated to be positive regarding a refinancing and negotiations are in progress. However, no agreement has been reached yet.

Once refinancing is obtained the intercompany receivable that Aerof Denmark Holdings ApS has towards UNITY Aarhus ApS will be settled and thereby enabling the repayment of the credit facility.

In addition, the parent Fund's liquidity position at the end of May 2023 was EUR 53.4 million, and the fund is in the process of selling various assets. Furthermore, the Fund have approximately EUR 19.0 million of undrawn investor commitments that could be called.

The liquidity at the fund's possession will, if required, be used for repayments/partial repayments of the loan facility.

With current assumptions regarding the fair value of the completed investment property in UNITY Aarhus ApS it is assessed that a refinancing will secure sufficient liquidity to repay the short term loans.

Reference is made to note 5 for more details.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of AEROF Denmark Holdings ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Basis of recognition and measurement

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and other external expenses.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Income from investments in group enterprises

Income from investments in group enterprises comprises the dividends received for the year.

Impairment for loss of financial assets

Impairment for loss of financial asset investments comprises impairment for loss for the year of investments in group enterprises.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Investments in group enterprises

Investments in group enterprises have been measured at cost. Cost is reduced by dividends received which exceeds the accumulate earnings after the aquisition.

In the event, the cost exceeds the recoverable amount, a write-down is made to this lower value. Indications of impairment exits for example when dividends exceeds the accumulated earnings since the acquisition or when the cost exceeds the net asset value of the investments companies. Recoverable amount used is the highest value of the expected net sales price and capital value. Capital value is determined as the present value of the expected net cash flow from the possession of the individual investments. Impairment is recognized in the income statement as impairment of financial assets.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Dividends

Proposed dividend for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Accounting Policies

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		-198.237	-351.197
Income from investments in group enterprises		21.271.682	0
Interests from group enterprises		17.116.408	0
Impairment of financial assets		-44.114.203	-47.493.455
Finance expenses	1	-21.402.918	-12.300.264
Profit from ordinary activities before tax		-27.327.268	-60.144.916
Tax expense on ordinary activities	2	0	-1.416.019
Profit		-27.327.268	-61.560.935
Proposed distribution of results			
Retained earnings		-27.327.268	-61.560.935
Distribution of profit		-27.327.268	-61.560.935

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Long-term investments in group enterprises	3	173.854.098	217.968.301
Long-term receivables from group enterprises		272.476.465	0
Investments		446.330.563	217.968.301
Fixed assets		446.330.563	217.968.301
Short-term receivables from group enterprises		6.839.981	191.583.938
Current deferred tax		1.343.524	1.343.524
Receivables		8.183.505	192.927.462
Cash and cash equivalents		13.862.668	2.964.292
Current assets		22.046.173	195.891.754
Assets		468.376.736	413.860.055

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		41.000	41.000
Retained earnings		1.919.574	29.246.842
Equity		1.960.574	29.287.842
Subordinate loan capital		317.801.335	162.202.067
Debt to other credit institutions		0	122.767.529
Long-term liabilities other than provisions	4	317.801.335	284.969.596
Short-term part of long-term liabilities		0	49.153.479
Debt to other credit institutions		128.167.530	0
Payables to group enterprises		16.528.779	0
Other payables		3.918.518	50.449.138
Short-term liabilities		148.614.827	99.602.617
Liabilities other than provisions within the business		466.416.162	384.572.213
Liabilities and equity		468.376.736	413.860.055
Uncertainties relating to going concern	5		
Contingent liabilities	6		
Collaterals and assets pledges as security	7		
Related parties	8		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	41.000	29.246.842	29.287.842
Profit (loss)	0	-27.327.268	-27.327.268
Equity 31 December 2022	41.000	1.919.574	1.960.574

The share capital has remained unchanged for the last 5 years.

Notes

	2022 kr.	2021 kr.	
1. Finance expenses			
Finance expenses arising from group enterprises	16.032.477	7.485.580	
Other finance expenses	5.370.441	4.814.684	
	21.402.918	12.300.264	
2. Tax expense			
Current tax expense	0	1.416.019	
	0	1.416.019	
3. Long-term investments in group enterprises			
Cost at the beginning of the year	265.461.756	264.861.756	
Addition during the year, incl. improvements	0	600.000	
Cost at the end of the year	265.461.756	265.461.756	
Impairment at the beginning of the year	-47.493.455	0	
Impairment losses for the year	-44.114.203	-47.493.455	
Impairment losses and amortisation at the end of the year	-91.607.658	-47.493.455	
Carrying amount at the end of the year	173.854.098	217.968.301	
4. Long-term liabilities			
	Due within 1 year kr.	Due within 1-5 year kr.	Due after 5 years kr.
Subordinate loan capital	0	317.801.335	0
	0	317.801.335	0

Notes

5. Uncertainties relating to going concern

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Once refinancing is obtained the intercompany receivable that Aerof Denmark Holdings ApS has towards UNITY Aarhus ApS will be settled and thereby enabling the repayment of the credit facility.

In addition, the parent Fund's liquidity position at the end of May 2023 was EUR 53.4 million, and the fund is in the process of selling various assets. Furthermore, the Fund have approximately EUR 19.0 million of undrawn investor commitments that could be called.

The liquidity at the fund's possession will, if required, be used for repayments/partial repayments of the loan facility.

With current assumptions regarding the fair value of the completed investment property in UNITY Aarhus ApS it is assessed that a refinancing will secure sufficient liquidity to repay the short term loans.

There is material uncertainty related to the going concern assumption, which casts significant doubt on the Company's ability to continue, and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course.

6. Contingent liabilities

The company is jointly taxed with other group companies and is jointly liable with the other group companies for payable and unsettled corporation and withholding taxes. The total amount for payable corporate tax is shown in the annual report for AEROF Denmark Holding ApS. Any subsequent corrections to the corporate tax and withholding taxes can lead to a higher liability for the company.

7. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

8. Related parties

The company is included in the consolidated report for the parent company Aberdeen European Residential Opportunities Fund SCSp SICAV-SIF.

The consolidated report for Aberdeen European Residential Opportunities Fund SCSp SICAV-SIF can be requested at the following adress:

35a Avenue John F. Kennedy
L1855 Luxembourg

Caspar Schultz

Navnet returneret af dansk MitID var:

Caspar Schultz

Direktør

ID: a6ee246c-b500-40bc-8e2e-497f5421db26

Tidspunkt for underskrift: 07-07-2023 kl.: 09:55:40

Underskrevet med MitID



Ole Meier Sørensen

Navnet returneret af dansk MitID var:

Ole Meier Sørensen

Direktør

ID: e8a1d6c4-613f-4deb-b854-c53fc7c2b1be

Tidspunkt for underskrift: 07-07-2023 kl.: 17:29:09

Underskrevet med MitID



Ole Meier Sørensen

Navnet returneret af dansk MitID var:

Ole Meier Sørensen

Dirigent

ID: e8a1d6c4-613f-4deb-b854-c53fc7c2b1be

Tidspunkt for underskrift: 07-07-2023 kl.: 17:29:09

Underskrevet med MitID



Kaare Kristensen Lendorf

Navnet returneret af dansk NemID var:

Kaare Kristensen

Revisor

ID: 73827337

Tidspunkt for underskrift: 10-07-2023 kl.: 09:49:02

Underskrevet med NemID

NEM ID