
Strandesplanaden ApS

Nyhavn 55, DK-1051 København K

Annual Report for 2015

CVR No 27 39 46 47

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
10/3 2016

Eric K. Horten
Chairman

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Strandesplanaden ApS for the financial year 1 January - 31 December 2015.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

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

Copenhagen, 10 March 2016

Executive Board

Thomas Larsson

Independent Auditor's Report on the Financial Statements

To the Shareholder of Strandesperplanaden ApS

Report on the Financial Statements

We have audited the Financial Statements of Strandesperplanaden ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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 determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Copenhagen, 10 March 2016

Ernst & Young

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Peter Jensen

State Authorised Public Accountant

Company Information

The Company

Strandesplanaden ApS
Nyhavn 55
DK-1051 København K

CVR No: 27 39 46 47

Financial period: 1 January - 31 December

Incorporated: 16 October 2003

Municipality of reg. office: Københavns Kommune

Executive Board

Thomas Larsson

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
DK-2000 Frederiksberg

Group Chart

Group Enterprises

Neohorm A/S
Nyhavn 55
1051 København K
CVR No 79 45 17 11
Parent company

Industriholmen 1 ApS
Nyhavn 55
1051 København K
CVR No 20 04 39 46
Affiliated company

Stamholmen ApS
Nyhavn 55
1051 København K
CVR No 10 09 21 16
Affiliated company

Stamholmen 217 ApS
Nyhavn 55
1051 København K
CVR No 17 14 93 85
Affiliated company

Roskilde ApS
Nyhavn 55
1051 København K
CVR No 33 15 27 28
Affiliated company

Soundport A/S
Nyhavn 55
1051 København K
CVR No 35 23 40 98
Affiliated company

Management's Review

Main activity

The company's objective is trade and investment, including acquisition and management of real property.

Development in the year

The income statement of the Company for 2015 shows a loss of DKK 2,042,860, of which value adjustments on investments property amount to DKK 1,100,000, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 14,697,494.

Since its establishment in the autumn of 2003, the company has acquired a laboratory and office building at Strandesperplanaden in the southern part of Copenhagen.

The Company's property is largely not let out at the end of the year.

The company has made intensified efforts to rent out the vacant floorage.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Revenue		390,167	1,212,262
Other operating income		250,000	0
Other external expenses		-3,813,001	-2,208,156
Gross profit/loss before value adjustments		-3,172,834	-995,894
Value adjustments of assets held for investment		1,100,000	-1,100,000
Gross profit/loss after value adjustments		-2,072,834	-2,095,894
Financial income		4,307	19,545
Financial expenses	1	-589,480	-801,098
Profit/loss before tax		-2,658,007	-2,877,447
Tax on profit/loss for the year	2	615,147	669,418
Net profit/loss for the year		-2,042,860	-2,208,029

Distribution of profit

Proposed distribution of profit

Retained earnings		-2,042,860	-2,208,029
		-2,042,860	-2,208,029

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Investment properties		39,800,000	38,700,000
Property, plant and equipment	3	39,800,000	38,700,000
Fixed assets		39,800,000	38,700,000
Other receivables		479,929	12,526
Corporation tax		398,674	0
Prepayments		79,009	0
Receivables		957,612	12,526
Cash at bank and in hand		1,970,903	266,749
Currents assets		2,928,515	279,275
Assets		42,728,515	38,979,275

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		1,000,000	1,000,000
Share premium account		8,500,000	8,500,000
Retained earnings		5,197,494	7,240,354
Equity	4	14,697,494	16,740,354
Provision for deferred tax		307,928	132,978
Provisions		307,928	132,978
Mortgage loans		6,395,077	7,173,032
Other payables		268,650	0
Long-term debt	5	6,663,727	7,173,032
Mortgage loans	5	839,228	1,112,561
Trade payables		212,897	180,583
Payables to group enterprises		20,007,241	13,015,580
Other payables		0	624,187
Short-term debt		21,059,366	14,932,911
Debt		27,723,093	22,105,943
Liabilities and equity		42,728,515	38,979,275
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		

Notes to the Annual Report

	<u>2015</u>	<u>2014</u>
	DKK	DKK
1 Financial expenses		
Interest paid to group enterprises	391,661	551,260
Other financial expenses	<u>197,819</u>	<u>249,838</u>
	<u>589,480</u>	<u>801,098</u>
2 Tax on profit/loss for the year		
Current tax for the year	-398,674	0
Deferred tax for the year	-177,352	-669,418
Adjustment of tax concerning previous years	<u>-39,121</u>	<u>0</u>
	<u>-615,147</u>	<u>-669,418</u>
3 Assets measured at fair value		
		Investment pro- perties <u>DKK</u>
Cost at 1 January		<u>47,688,213</u>
Cost at 31 December		<u>47,688,213</u>
Value adjustments at 1 January		-8,988,213
Revaluations for the year		<u>1,100,000</u>
Value adjustments at 31 December		<u>-7,888,213</u>
Carrying amount at 31 December		<u>39,800,000</u>

Notes to the Annual Report

3 Assets measured at fair value (continued)

The Company's investment properties have been let out for business purposes. The purpose of the property is to achieve a profit by way of rental income exclusive of expenses related to the letting business and, in the long term, to achieve a capital gain. Investment properties are treated as long-term investments and are recognised at fair value.

Recognition at fair value is based on a third-party assessment made by the real estate agents Sadolin & Albæk A/S, dated December 2015.

The discount factor is fixed on a market-based interest and at 6.5% compared to 6.5% in 2014.

Allowance has furthermore been made for restoration expenses after the company's main lessee has vacated the lease and for expected loss on non-occupation. The non-occupancy rate for the area is 18 months. The positive fair value adjustment in 2015 is mainly due to an increase in estimated annual market rent of the property due to revised floor plans. Compared to 2014 estimated cost relating to the vacant space is reduced while costs for refurbishment has increased.

The fair value adjustment is recognised in the income statement under the item "Value adjustments of assets held for investment".

4 Equity

	Share capital	Share premium	Retained	Total
	DKK	account	earnings	DKK
	DKK	DKK	DKK	DKK
Equity at 1 January	1,000,000	8,500,000	7,240,354	16,740,354
Net profit/loss for the year	0	0	-2,042,860	-2,042,860
Equity at 31 December	1,000,000	8,500,000	5,197,494	14,697,494

The share capital consists of 1,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Annual Report

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2015</u> DKK	<u>2014</u> DKK
Mortgage loans		
After 5 years	2,929,355	3,758,497
Between 1 and 5 years	3,465,722	3,414,535
Long-term part	<u>6,395,077</u>	<u>7,173,032</u>
Within 1 year	839,228	1,112,561
	<u>7,234,305</u>	<u>8,285,593</u>
Other payables		
After 5 years	268,650	0
Long-term part	<u>268,650</u>	<u>0</u>
Within 1 year	0	0
Other short-term payables	0	624,187
	<u>268,650</u>	<u>624,187</u>

6 Contingent assets, liabilities and other financial obligations

Security

Mortgage deed of EURO 1,916,400 respectively have been deposited with the mortgage credit institute as collateral for credit facility.

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed income of the Group etc. The total tax charge for 2015 amounts to DKK 0. Neohorm A/S is the management company of the joint taxation. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Annual Report

7 Related parties

Consolidated Financial Statements

The Group Annual Report of 2015 may be obtained at the following addresses:

NEY Investments BV, Siriusdreef 22, NL-2132 WT Hoofddorp, The Netherlands
Haydn Holding AB, Husargatan 3, 211 28 Malmö, Sweden

Accounting Policies

Basis of Preparation

Financial Statements of Strandesplanaden ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue comprises rentals which are recognised on a straight line-basis over the lease term.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Accounting Policies

Other external expenses

Other external expenses comprise administration, maintenance, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with its parent company and affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of investment properties are recognised in cost over the construction period.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

Accounting Policies

In Management's opinion it has not been possible to determine fair value through market information for the year and, consequently, valuation has been made based on discount models.

The fair value is made up by management together with real property advisors. The property is measured by reference to a yield-based market value. The net income, calculated as possible rental income including loss on non-occupation less operating expenses, is capitalized using a fixed market-based yield requirement. Estimated refurbishment expenses are deducted and the net present value of any above normal rent level relative to the estimated market level is added to the fair value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debt to financial institutions is initially measured at fair value of the consideration paid or received. Subsequently, debt to financial institutions is measured at fair value like investment properties.

Accounting Policies

Changes in the fair value of financial debts are recognised in “Financial expenses” in the income statement.

Borrowing costs incurred when contracting financial debts are recognised in “Financial expenses” in the income statement.

Other payables comprising deposits, trade payables, group enterprises and other payables are measured at amortised cost.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.