Strandesplanaden ApS

Nyhavn 55, DK-1051 København K

Annual Report for 2017

CVR No 27 39 46 47

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15/3 2018

Eric K. Horten
Chairman

Contents

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 2017.

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 2017 of the Company and of the results of the Company operations for 2017.

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

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

Copenhagen, 15 March 2018

Executive Board

Thomas Larsson

Independent Auditor's Report

To the Shareholder of Strandesplanaden ApS

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Strandesplanaden ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the Company 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

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.

Independent Auditor's Report

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 liquidate the Company or to cease 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 about 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 the 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 these Financial Statements.

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

- 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 disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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.

Copenhagen, 15 March 2018
BDO
Statsautoriseret revisionsaktieselskab
CVR No 20 22 26 70

Iben Larsen
State Authorised Public Accountant
mne34474

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: København
Executive Board	Thomas Larsson
Auditors	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 DK-1561 København V

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 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

Key activities

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

Development in the year

The income statement of the Company for 2017 shows a loss of DKK 3,328,329, of which value adjustments amount to DKK -102,295, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 10,108,899.

The Company's intensified effort to rent out the vacant floorage is ongoing. At the end of the year half of the Company's property is leased.

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	2017	2016
		DKK	DKK
Revenue		**1,015,782**	**806,467**
Other operating income		0	185,725
Other external expenses		-4,185,025	-2,212,174
Gross profit/loss before value adjustments		**-3,169,243**	**-1,219,982**
Value adjustments of investment assets		-102,295	100,000
Gross profit/loss after value adjustments		**-3,271,538**	**-1,119,982**
Financial income		0	25,495
Financial expenses	1	-995,548	-521,226
Profit/loss before tax		**-4,267,086**	**-1,615,713**
Tax on profit/loss for the year	2	938,757	355,448
Net profit/loss for the year		**-3,328,329**	**-1,260,265**

Distribution of profit

Proposed distribution of profit

Retained earnings	-3,328,329	-1,260,265
	-3,328,329	**-1,260,265**

Balance Sheet 31 December

Assets

	Note	2017	2016
		DKK	DKK
Investment properties		48,200,000	39,900,000
Property, plant and equipment	3	**48,200,000**	**39,900,000**
Fixed assets		**48,200,000**	**39,900,000**
Trade receivables		1,462	0
Other receivables		4,317,693	50,525
Corporation tax		359,249	645,406
Prepayments		4,497	0
Receivables		**4,682,901**	**695,931**
Cash at bank and in hand		**181,796**	**220,429**
Currents assets		**4,864,697**	**916,360**
Assets		**53,064,697**	**40,816,360**

Balance Sheet 31 December

Liabilities and equity

	Note	2017	2016
		DKK	DKK
Share capital		1,000,000	1,000,000
Share premium account		8,500,000	8,500,000
Retained earnings		608,899	3,937,229
Equity	4	**10,108,899**	**13,437,229**
Provision for deferred tax		18,225	597,733
Provisions		**18,225**	**597,733**
Mortgage loans		4,452,053	5,302,165
Other payables		62,800	291,169
Long-term debt	5	**4,514,853**	**5,593,334**
Mortgage loans	5	858,174	846,434
Trade payables		8,489,677	187,803
Payables to group enterprises		28,873,649	20,134,099
Other payables	5	26,001	19,728
Deferred income		175,219	0
Short-term debt		**38,422,720**	**21,188,064**
Debt		**42,937,573**	**26,781,398**
Liabilities and equity		**53,064,697**	**40,816,360**
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Notes to the Financial Statements

		2017	2016
		DKK	DKK
1	**Financial expenses**		
	Interest paid to group enterprises	884,550	626,858
	Other financial expenses	110,998	-105,632
		995,548	**521,226**

		2017	2016
2	**Tax on profit/loss for the year**		
	Current tax for the year	-359,249	-645,253
	Deferred tax for the year	-579,508	289,805
		-938,757	**-355,448**

3 Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	47,688,213
Additions for the year	8,402,295
Cost at 31 December	56,090,508
Value adjustments at 1 January	-7,788,213
Revaluations for the year	-102,295
Value adjustments at 31 December	-7,890,508
Carrying amount at 31 December	**48,200,000**

Notes to the Financial Statements

3 Assets measured at fair value (continued)

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods.

The fair value of investment properties has been calculated based on the following assumptions:

	2017	2016
	DKK	DKK
The fair value of investment properties amounts to	48,200,000	39,900,000
Expected idle rent in % of rental income	51%	82%
Discount rate	6,5%	6.5%

4 Equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,000,000	8,500,000	3,937,228	13,437,228
Net profit/loss for the year	0	0	-3,328,329	-3,328,329
Equity at 31 December	**1,000,000**	**8,500,000**	**608,899**	**10,108,899**

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

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:

	2017	2016
	DKK	DKK
Mortgage loans		
After 5 years	909,588	1,806,744
Between 1 and 5 years	3,542,465	3,495,421
Long-term part	4,452,053	5,302,165
Within 1 year	858,174	846,434
	5,310,227	**6,148,599**

Notes to the Financial Statements

5 **Long-term debt** (continued)

	2017	2016
	DKK	DKK
Other payables		
After 5 years	62,800	291,169
Long-term part	62,800	291,169
Other short-term payables	26,001	19,728
	88,801	**310,897**

6 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

	2017	2016
Mortgage deeds totalling EUR 1,916,400 that provide a charge in land and buildings at a total carrying amount of	48,200,000	39,900,000

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Neohorm A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Related parties

Consolidated Financial Statements

The Group Annual Report of 2017 may be obtained at the following addresses:

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

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Strandesplanaden ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 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. Exchange differences 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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 main activities of the Company.

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

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

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.

In Management's opinion it has not been possible this year to determine fair value through market information, and, consequently, valuation has been made based on a recognised valuation technique.

The fair value of certain investment properties has been determined at 31 December 2017 for each property by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately

Notes to the Financial Statements

8 Accounting Policies (continued)

in the balance sheet.

The fair value of investment properties has been assessed by the independent assessor firm Sadolin & Albæk at 31 December 2017.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Impairment of fixed assets

The carrying amounts of property are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured 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 insurance premiums.

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 or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

8 Accounting Policies (continued)

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

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

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