
Neohorm A/S

Nyhavn 55, DK-1051 København K

Annual Report for 2015

CVR No 79 45 17 11

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 and Board of Directors have today considered and adopted the Annual Report of Neohorm A/S for the financial year 1 January - 31 December 2015.

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

In our 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.

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

Copenhagen, 10 March 2016

Executive Board

Thomas Larsson

Board of Directors

Ole Kjerulf-Jensen
Chairman

Jan Frederik Paulsen

Eric K. Horten

Thomas Larsson

Independent Auditor's Report on the Financial Statements

To the Shareholder of Neohorm A/S

Report on the Financial Statements

We have audited the Financial Statements of Neohorm A/S 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

Neohorm A/S
Nyhavn 55
DK-1051 København K

CVR No: 79 45 17 11
Financial period: 1 January - 31 December
Incorporated: 4 October 1985
Municipality of reg. office: Københavns Kommune

Board of Directors

Ole Kjerulf-Jensen, Chairman
Jan Frederik Paulsen
Eric K. Horten
Thomas Larsson

Executive Board

Thomas Larsson

Auditors

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

Group Chart

Group Enterprises

NEY Investments BV
Siriusdreef 22
NL-2132 WT Hoofddorp
Parent company

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

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

Strandesplanaden ApS
Nyhavn 55
1051 København K
CVR No 27 39 46 47
Subsidiary

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

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

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

Management's Review

Main activity

The company's objectives are to acquire, develop and manage real property, through individual subsidiaries, if convenient, and to carry on other investment activities as directed by the supervisory board.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 14,768,830, of which value adjustments on investments property amount to DKK 2,400,000, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 287,114,944.

The results of operations for the year were affected by a total positive value adjustment of the group's properties and debt, approx. DKK 26,6 million before tax. A significant part of the total increase in the valuation of the group's properties relates to positive adjustments in Industriholmen 1 ApS (DKK 15.8 million) and Stamholmen 217 ApS (DKK 4.9 million).

The results of operations are considered less satisfactory.

The company has, to a considerable extent, lent excess liquidity to group entities and associates. Thus, loans to the parent, approx. DKK 9.8 million, and loans to other group entities, approx. DKK 48.9 million, had been advanced at the end of the year.

The lease of the group's properties is affected by the adverse market conditions. Thus, only 24% (2014: 20%) of the group's total floorage was occupied at year-end. However, a lease was concluded at the end of 2014 according to which the area let out has increased to 75% as from 1 January 2016.

Through the incorporated subsidiary Soundport A/S, Neohorm A/S has in 2013 purchased a plot of land in Kastrup on which it intends to build a domicile investment property of approx. 30,000 sq m. Design work has commenced.

Since its incorporation in the autumn of 2002, the subsidiary Stamholmen ApS has incurred projecting expenses relating to a plot of land of approx. 20,000 sq m. The expenses incurred have not presently resulted in the initiation of any final project.

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		1,318,973	1,312,344
Other external expenses		-1,160,116	-1,278,511
Gross profit/loss before value adjustments		158,857	33,833
Value adjustments of assets held for investment		2,400,000	1,100,000
Gross profit/loss after value adjustments		2,558,857	1,133,833
Staff expenses	1	-166,484	-148,440
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-238,544	-238,544
Profit/loss before financial income and expenses		2,153,829	746,849
Income from investments in subsidiaries		11,702,455	-3,494,029
Financial income	2	2,156,557	3,571,122
Financial expenses	3	-340,343	-605,198
Profit/loss before tax		15,672,498	218,744
Tax on profit/loss for the year	4	-903,668	-890,313
Net profit/loss for the year		14,768,830	-671,569

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	11,702,455	-3,494,027
Retained earnings	3,066,375	2,822,458
	14,768,830	-671,569

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Investment properties	6	20,500,000	18,100,000
Other fixtures and fittings, tools and equipment	5	2,259,705	2,498,249
Property, plant and equipment		22,759,705	20,598,249
Investments in subsidiaries	7	203,322,382	191,619,927
Investments in associates	8	1,772,035	1,768,069
Receivables from associates		10,861,396	9,437,092
Fixed asset investments		215,955,813	202,825,088
Fixed assets		238,715,518	223,423,337
Receivables from group enterprises		56,368,547	85,735,324
Receivables from associates		171,209	248,873
Prepayments		36,333	4,003
Receivables		56,576,089	85,988,200
Cash at bank and in hand		1,898,609	245,071
Currents assets		58,474,698	86,233,271
Assets		297,190,216	309,656,608

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		20,000,000	20,000,000
Share premium account		50,541,871	50,541,871
Reserve for net revaluation under the equity method		27,628,808	15,926,353
Retained earnings		<u>188,944,265</u>	<u>185,877,890</u>
Equity	9	<u>287,114,944</u>	<u>272,346,114</u>
Provision for deferred tax		<u>774,685</u>	<u>297,039</u>
Provisions		<u>774,685</u>	<u>297,039</u>
Credit institutions		0	24,439,065
Trade payables		124,051	143,034
Payables to group enterprises		8,569,135	10,681,887
Corporation tax		426,022	1,597,973
Other payables		<u>181,379</u>	<u>151,496</u>
Short-term debt		<u>9,300,587</u>	<u>37,013,455</u>
Debt		<u>9,300,587</u>	<u>37,013,455</u>
Liabilities and equity		<u>297,190,216</u>	<u>309,656,608</u>
Contingent assets, liabilities and other financial obligations	10		
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Notes to the Annual Report

	<u>2015</u>	<u>2014</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	166,484	148,440
	<u>166,484</u>	<u>148,440</u>
2 Financial income		
Interest received from group enterprises	1,534,100	3,011,008
Interest received from associates	578,747	559,132
Other financial income	1	304
Exchange adjustments	43,709	678
	<u>2,156,557</u>	<u>3,571,122</u>
3 Financial expenses		
Interest paid to group enterprises	165,981	256,360
Other financial expenses	174,362	314,321
Exchange adjustments, expenses	0	34,517
	<u>340,343</u>	<u>605,198</u>
4 Tax on profit/loss for the year		
Current tax for the year	426,022	697,958
Deferred tax for the year	477,646	192,355
	<u>903,668</u>	<u>890,313</u>

Notes to the Annual Report

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	<u>4,688,604</u>
Cost at 31 December	<u>4,688,604</u>
Impairment losses and depreciation at 1 January	2,190,355
Depreciation for the year	<u>238,544</u>
Impairment losses and depreciation at 31 December	<u>2,428,899</u>
Carrying amount at 31 December	<u>2,259,705</u>

6 Assets measured at fair value

	Investment pro- perties DKK
Cost at 1 January	<u>14,849,848</u>
Cost at 31 December	<u>14,849,848</u>
Value adjustments at 1 January	3,250,152
Revaluations for the year	<u>2,400,000</u>
Value adjustments at 31 December	<u>5,650,152</u>
Carrying amount at 31 December	<u>20,500,000</u>

Notes to the Annual Report

6 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 3.75% compared to 4.25% in 2014. Evaluated market rent per square meter is the same compared to 2014.

The decreasing required rate of return is a result of the low rate of interest and increased capital abundance.

A restatement at fair value is recognised in the income statement under the item "Value adjustments of assets held for investment".

	<u>2015</u> DKK	<u>2014</u> DKK
7 Investments in subsidiaries		
Cost at 1 January	<u>175,693,572</u>	<u>175,693,572</u>
Cost at 31 December	<u>175,693,572</u>	<u>175,693,572</u>
Value adjustments at 1 January	15,926,355	19,420,384
Net profit/loss for the year	<u>11,702,455</u>	<u>-3,494,029</u>
Value adjustments at 31 December	<u>27,628,810</u>	<u>15,926,355</u>
Carrying amount at 31 December	<u>203,322,382</u>	<u>191,619,927</u>

Notes to the Annual Report

7 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Industriholmen 1 ApS	Nyhavn 55 1051 København K	1,000,000	100%	39,931,337	4,037,771
Stamholmen ApS	Nyhavn 55 1051 København K	1,000,000	100%	16,599,329	1,747,579
Strandesplanaden ApS	Nyhavn 55 1051 København K	1,000,000	100%	14,697,494	-2,042,860
Stamholmen 217 ApS	Nyhavn 55 1051 København K	300,000	100%	33,691,408	6,150,859
Roskilde ApS	Nyhavn 55 1051 København K	1,000,000	100%	22,878,323	1,827,813
Soundport A/S	1051 København K	8,000,000	100%	75,524,489	-18,707

8 Investments in associates

	2015 DKK	2014 DKK
Cost at 1 January	1,771,275	1,771,275
Cost at 31 December	1,771,275	1,771,275
Value adjustments at 1 January	-3,206	238
Exchange adjustment	3,966	-3,444
Value adjustments at 31 December	760	-3,206
Carrying amount at 31 December	1,772,035	1,768,069

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Grundstücksgesellschaft Egelsbach mbH	Hamburg, Germany	500.000 EUR	47.5%	12,688,932	1,124,366

The figures are from the Company's Annual Report 2014.

Notes to the Annual Report

9 Equity

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	20,000,000	50,541,871	15,926,353	185,877,890	272,346,114
Revaluation for the year	0	0	11,702,455	0	11,702,455
Net profit/loss for the year	0	0	0	3,066,375	3,066,375
Equity at 31 December	20,000,000	50,541,871	27,628,808	188,944,265	287,114,944

The share capital consists of 20,000 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.

10 Contingent assets, liabilities and other financial obligations

Security

Mortgages deeds on property, DKK 2,000,000 have been deposited with the mortgage credit institute as collateral for credit facility.

Contingent liabilities

There is provided absolute guarantee to Nykredit for loans taken up by the subsidiaries Stamholmen 217 ApS (CVR No 17149385) outstanding debts of DKK 6,210,909 and DKK 18,426,874 and Roskilde ApS (CVR No 33152728) outstanding debts of DKK 1,315,262 and DKK 14,749,860.

There is provided absolute guarantee to Realkredit Danmark for loan taken up by the subsidiary Industriholmen 1 ApS (CVR No 20043946) outstanding debts of DKK 34,735,000.

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

11 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 Neohorm A/S 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, real property tax, maintenance, etc.

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 subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investment properties and other property, plant and equipment

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.

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.

Accounting Policies

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.

Other property, plant and equipment

Other property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 10-20 years

Investments in subsidiaries

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Investments in associates

Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower 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.

Accounting Policies

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.

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.