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# ***Soundport A/S***

Nyhavn 55, DK-1051 København K

## **Annual Report for 2018**

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CVR No 35 23 40 98

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/5 2019

Eric K. Horten  
Chairman of the General  
Meeting

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company Information</b>	
Company Information	5
Group Chart	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	8
Balance Sheet 31 December	9
Notes to the Financial Statements	11

# **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Soundport A/S for the financial year 1 January - 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, 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, 31 May 2019

## **Executive Board**

Thomas Larsson

## **Board of Directors**

Eric K. Horten  
Chairman

Jan Frederik Paulsen

Thomas Larsson

# Independent Auditor's Report

To the Shareholder of Soundport A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Soundport A/S for the financial year 1 January - 31 December 2018, 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, 31 May 2019

**BDO**

Statsautoriseret revisionsaktieselskab

*CVR No 20 22 26 70*

Iben Larsen

State Authorised Public Accountant

mne34474

## **Company Information**

### **The Company**

Soundport A/S  
Nyhavn 55  
DK-1051 København K

CVR No: 35 23 40 98  
Financial period: 1 January - 31 December  
Incorporated: 24 April 2013  
Municipality of reg. office: København

### **Board of Directors**

Eric K. Horten, Chairman  
Jan Frederik Paulsen  
Thomas Larsson

### **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

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

## **Management's Review**

### **Key activities**

The company's main activity is to acquire, develop and administer the real property title number 1 aeg Kastrup by, Kastrup, and to carry on other investment activities as directed by the supervisory board.

### **Development in the year**

The income statement of the Company for 2018 shows a profit of DKK 144,776, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 197,854,276.

The Company's property, which is situated in the industrial area Scanport farthest out on Amager, is to be a new domicile containing headquarters and laboratory facilities.

### **Subsequent events**

After year end, the Parent Company Neohorm A/S has issued a letter of support to Soundport A/S. We refer to note 1 to the Financial Statements for further details.

## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Other external expenses		-95,506	-409,450
<b>Gross profit/loss before value adjustments</b>		<b>-95,506</b>	<b>-409,450</b>
Financial expenses		-54	-684,137
<b>Profit/loss before tax</b>		<b>-95,560</b>	<b>-1,093,587</b>
Tax on profit/loss for the year	2	240,336	21,276
<b>Net profit/loss for the year</b>		<b>144,776</b>	<b>-1,072,311</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		144,776	-1,072,311
		<b>144,776</b>	<b>-1,072,311</b>

## Balance Sheet 31 December

### Assets

	Note	2018 DKK	2017 DKK
Property, plant and equipment in progress		498,567,215	282,785,599
<b>Property, plant and equipment</b>	3	<b>498,567,215</b>	<b>282,785,599</b>
Deposits		200,000	232,530
<b>Fixed asset investments</b>	4	<b>200,000</b>	<b>232,530</b>
<b>Fixed assets</b>		<b>498,767,215</b>	<b>283,018,129</b>
Other receivables		6,785,405	5,441,837
Deferred tax asset		561,455	0
Corporation tax		1,166,102	618,776
Prepayments		170,603	0
<b>Receivables</b>		<b>8,683,565</b>	<b>6,060,613</b>
<b>Cash at bank and in hand</b>		<b>2,152,906</b>	<b>4,297,601</b>
<b>Currents assets</b>		<b>10,836,471</b>	<b>10,358,214</b>
<b>Assets</b>		<b>509,603,686</b>	<b>293,376,343</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		25,000,000	25,000,000
Share premium account		185,000,000	185,000,000
Retained earnings		-12,145,724	-5,405,418
<b>Equity</b>	5	<b>197,854,276</b>	<b>204,594,582</b>
Provision for deferred tax		0	434,500
<b>Provisions</b>		<b>0</b>	<b>434,500</b>
Credit institutions		241,595,245	28,059,548
Deposits		35,631,475	35,631,475
Other payables	7	14,315,066	5,488,037
<b>Long-term debt</b>	6	<b>291,541,786</b>	<b>69,179,060</b>
Trade payables		20,207,624	19,168,201
<b>Short-term debt</b>		<b>20,207,624</b>	<b>19,168,201</b>
<b>Debt</b>		<b>311,749,410</b>	<b>88,347,261</b>
<b>Liabilities and equity</b>		<b>509,603,686</b>	<b>293,376,343</b>
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

# Notes to the Financial Statements

## 1 Subsequent events

After year end, Soundport A/S has ascertained that the construction project is likely to be delayed, and that the total project amount will increase significantly compared to budget. As a result of the delay and budget overrun of the construction project, the covenants of the loan agreement with the Company's bank have been breached. After year end, the Parent Company has issued a letter of support to the effect that Neohorm A/S will cover the Company's need for capital to enable it to complete the construction project.

Negotiations are ongoing with the Company's bank with a view to increasing its credit line so that the construction project may be completed within the new expected timeline.

	2018 DKK	2017 DKK
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	-1,166,102	-618,776
Deferred tax for the year	-995,955	-609,868
Adjustment of tax concerning previous years	-20,226	0
	<b>-2,182,283</b>	<b>-1,228,644</b>
which breaks down as follows:		
Tax on profit/loss for the year	-240,336	-21,276
Tax on changes in equity	-1,941,947	-1,207,368
	<b>-2,182,283</b>	<b>-1,228,644</b>

## 3 Property, plant and equipment

	Property, plant and equipment in progress DKK
Cost at 1 January	282,785,599
Additions for the year	215,781,616
Cost at 31 December	498,567,215
<b>Carrying amount at 31 December</b>	<b>498,567,215</b>
Interest expenses recognised as part of cost	14,573,863

## Notes to the Financial Statements

### 4 Fixed asset investments

	<u>Deposits</u> DKK
Cost at 1 January	232,530
Disposals for the year	<u>-32,530</u>
Cost at 31 December	<u>200,000</u>
<b>Carrying amount at 31 December</b>	<b><u>200,000</u></b>

### 5 Equity

	<u>Share capital</u> DKK	<u>Share premium</u> <u>account</u> DKK	<u>Retained</u> <u>earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	25,000,000	185,000,000	-5,405,418	204,594,582
Fair value adjustment of hedging instruments, end of year	0	0	-8,827,029	-8,827,029
Tax on adjustment of hedging instruments for the year	0	0	1,941,947	1,941,947
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>144,776</u>	<u>144,776</u>
<b>Equity at 31 December</b>	<b><u>25,000,000</u></b>	<b><u>185,000,000</u></b>	<b><u>-12,145,724</u></b>	<b><u>197,854,276</u></b>

The share capital consists of 25,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

### 6 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>2018</u> DKK	<u>2017</u> DKK
<b>Credit institutions</b>		
Between 1 and 5 years	241,595,245	28,059,548
Long-term part	<u>241,595,245</u>	<u>28,059,548</u>
Within 1 year	0	0
	<b><u>241,595,245</u></b>	<b><u>28,059,548</u></b>

## Notes to the Financial Statements

### 6 Long-term debt (continued)

	2018 <u>DKK</u>	2017 <u>DKK</u>
<b>Deposits</b>		
After 5 years	35,631,475	35,631,475
Long-term part	35,631,475	35,631,475
Within 1 year	0	0
	<b>35,631,475</b>	<b>35,631,475</b>
<b>Other payables</b>		
After 5 years	14,315,066	5,488,037
Long-term part	14,315,066	5,488,037
Within 1 year	0	0
	<b>14,315,066</b>	<b>5,488,037</b>

### 7 Derivative financial instruments

Derivative financial instruments contracts in the form of interest rate swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	2018 <u>DKK</u>	2017 <u>DKK</u>
Liabilities	14,315,066	5,488,037

Interest rate swap contracts have been concluded to hedge future interest payments on floating rate loans. The contracts have a term of 144 months. Under the contracts, an interest rate of CIBOR +0% is exchanged for a fixed rate of interest of 1.635% on loans with a principal amount of DKK 300,000,000. The interest rate swap contract has been concluded for the maturity period of the loan of 10 years. At the balance sheet date, the fair value of the interest rate swap amounts to DKK 14,315,066 (liability).

# Notes to the Financial Statements

	2018 DKK	2017 DKK
<b>8 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
Mortgage deeds totalling DKK 300,000,000 that provide a charge in land and buildings at a total carrying amount of	498,567,215	282,785,599
Pledge of bank deposits	2,144,368	4,289,008

## Contingent liabilities

Contractual obligations related to the construction were stated at DKK 632 million at 31 December 2018.

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 un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 9 Related parties

### Consolidated Financial Statements

The Group Annual Report of 2018 may be obtained at the following addresses:

Name	Place of registered office
NEY Investments BV	Siriusdreef 41, NL-2132 WT Hoofddorp, The Netherlands
Haydn Holding AB	Moore Stephens Malmö AB, Stortorget 8, Box 4051, 203 11 Malmö, Sweden

# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of Soundport A/S for 2018 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 2018 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.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

### Hedge accounting

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

## Income Statement

### Other external expenses

Other external expenses comprise office expenses, etc.

### Financial income and expenses

Financial income and expenses comprise interest as well as extra payments and repayment under the on-account 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.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Balance Sheet

#### Property, plant and equipment

Property, plant and equipment in progress are measured at cost price plus borrowing costs and other building-related costs.

#### 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.

#### Fixed asset investments

Fixed asset investments consist of deposits.

#### 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 rent.

#### 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

## 10 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 loans from credit institutions, 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.

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