
Soundport A/S

Nyhavn 55, DK-1051 København K

Annual Report for 2021

CVR No. 35 23 40 98

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/2 2022

Bjarke Sanbeck
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Soundport A/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 28 February 2022

Executive Board

Thomas Larsson
CEO

Board of Directors

Eric K. Horten
Chairman

Jan Frederik Paulsen

Thomas Larsson

Bjarke Sanbeck

Independent Auditor's report

To the shareholder of Soundport A/S

Opinion

We have audited the Financial Statements of Soundport A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

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

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.

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.

Independent Auditor's report

- 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.

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 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 Financial 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.

Copenhagen, 28 February 2022

BDO

Statsautoriseret Revisionsaktieselskab

CVR No 20 22 26 70

Martin Dahl Jensen

state authorised public accountant

mne34294

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: Copenhagen
Board of Directors	Eric K. Horten, chairman Jan Frederik Paulsen Thomas Larsson Bjarke Sanbeck
Executive board	Thomas Larsson
Auditors	BDO Statsautoriseret Revisionsaktieselskab Havneholmen 29 DK-1561 København V

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 2021 shows a profit of DKK 145,746,276, and at 31 December 2021 the balance sheet of the Company shows positive equity of DKK 526,825,496.

The Company's property, which is situated in the industrial area Scanport at Amager Strandvej 405, 2770 Kastrup, close to Copenhagen Airport, is to be a new domicile containing headquarters and laboratory facilities.

Unusual events

The Company has nearly completed its construction of the property and at the end of 2021, a reliable determination of the property's fair value was available. As a consequence, the Company's accounting policies for the recognition of investment properties have changed from cost to fair value through profit or loss.

See the section "Changes in the accounting policies regarding investment properties" in the accounting policies for a description of the change of practice and the effect on this financial year.

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	2021	2020
		DKK	DKK
Value adjustments of assets held for investment		192,548,727	0
Other external expenses		-381,786	-130,080
Gross profit/loss		192,166,941	-130,080
Financial expenses		-5,312,742	-5,402,379
Profit/loss before tax		186,854,199	-5,532,459
Tax on profit/loss for the year	1	-41,107,923	1,217,139
Net profit/loss for the year		145,746,276	-4,315,320

Distribution of profit

	2021	2020
	DKK	DKK
Proposed distribution of profit		
Retained earnings	145,746,276	-4,315,320
	145,746,276	-4,315,320

Balance sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Investment properties		1,936,000,000	1,320,984,040
Property, plant and equipment	2	1,936,000,000	1,320,984,040
Deposits	3	137,500	137,500
Fixed asset investments		137,500	137,500
Fixed assets		1,936,137,500	1,321,121,540
Trade receivables		6,680,143	0
Other receivables		4,795,411	14,104,836
Deferred tax asset		0	6,323,697
Corporation tax		846,667	1,132,917
Receivables		12,322,221	21,561,450
Cash at bank and in hand		117,682,424	12,844,041
Current assets		130,004,645	34,405,491
Assets		2,066,142,145	1,355,527,031

Balance sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		45,000,000	42,000,000
Share premium account		365,000,000	338,000,000
Reserve for hedging transactions		-23,527,307	-36,763,187
Retained earnings		140,352,803	-5,393,472
Equity		526,825,496	337,843,341
Provision for deferred tax		39,364,091	0
Provisions		39,364,091	0
Payables to group enterprises		373,348,150	162,000,000
Deposits		43,957,020	43,957,020
Other payables		30,163,214	47,132,292
Long-term debt	4	447,468,384	253,089,312
Credit institutions		965,595,926	692,095,922
Trade payables		86,888,248	72,498,456
Short-term debt		1,052,484,174	764,594,378
Debt		1,499,952,558	1,017,683,690
Liabilities and equity		2,066,142,145	1,355,527,031
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Statement of changes in equity

	Share capital	Share premium account	Reserve for hedging transactions	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	42,000,000	338,000,000	-36,763,188	-5,393,473	337,843,339
Cash capital increase	3,000,000	27,000,000	0	0	30,000,000
Fair value adjustment of hedging instruments, end of year	0	0	16,969,078	0	16,969,078
Tax on adjustment of hedging instruments for the year	0	0	-3,733,197	0	-3,733,197
Net profit/loss for the year	0	0	0	145,746,276	145,746,276
Equity at 31 December	45,000,000	365,000,000	-23,527,307	140,352,803	526,825,496

Notes to the Financial Statements

	2021	2020
	DKK	DKK
1. Income tax expense		
Current tax for the year	-846,668	-1,132,917
Deferred tax for the year	45,687,788	-1,424,512
	<u>44,841,120</u>	<u>-2,557,429</u>
thus distributed:		
Income tax expense	41,107,923	-1,217,139
Tax on equity movements	3,733,197	-1,340,290
	<u>44,841,120</u>	<u>-2,557,429</u>
Calculated 22.00% tax on profit/loss for the year before tax	41,107,924	-1,217,141
	<u>41,107,924</u>	<u>-1,217,141</u>

2. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	1,320,984,040
Additions for the year	422,467,233
Cost at 31 December	<u>1,743,451,273</u>
Value adjustments at 1 January	0
Revaluations for the year	192,548,727
Value adjustments at 31 December	<u>192,548,727</u>
Carrying amount at 31 December	<u>1,936,000,000</u>
Interest expenses recognised as part of cost	18,409,790

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 determination of fair value is based on a Discounted Cash Flow model, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. The fair value is stated based on assumptions that Management considers probable and realistic. Management reassesses assumptions on a current basis, and any changes to the assumptions are reflected in the fair value.

The fair value of Amager Strandvej 405, 2770 Kastrup (Office and laboratories) has been calculated based on the following assumptions:

Notes to the Financial Statements

	<u>2021</u>
The fair value of investment properties amounts to	1,936,000,000
Value adjustment, income statement	192,548,727
Budget period (Non-terminable period)	15 years
Discount rate	3.5%
After expiry of the non-terminable period, it is assumed that the rent will be adjusted to estimated market rent for the property.	

3. Other fixed asset investments

	<u>Deposits</u>
	<u>DKK</u>
Cost at 1 January	137,500
Cost at 31 December	<u>137,500</u>
Carrying amount at 31 December	<u>137,500</u>

Notes to the Financial Statements

4. 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>2021</u>	<u>2020</u>
	DKK	DKK
Payables to group enterprises		
After 5 years	162,000,000	162,000,000
Between 1 and 5 years	<u>211,348,150</u>	<u>0</u>
Long-term part	<u>373,348,150</u>	<u>162,000,000</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>373,348,150</u>	<u>162,000,000</u>
Deposits		
After 5 years	<u>43,957,020</u>	<u>43,957,020</u>
Long-term part	<u>43,957,020</u>	<u>43,957,020</u>
Within 1 year	<u>0</u>	<u>0</u>
Other deposits	<u>0</u>	<u>0</u>
Short-term part	<u>0</u>	<u>0</u>
	<u>43,957,020</u>	<u>43,957,020</u>
Other payables		
After 5 years	<u>30,163,214</u>	<u>47,132,292</u>
Long-term part	<u>30,163,214</u>	<u>47,132,292</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>30,163,214</u>	<u>47,132,292</u>

Notes to the Financial Statements

5. 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:

	2021	2020
	DKK	DKK
Liabilities	30,163,214	47,132,292

Interest rate swap contract has been concluded to hedge future interest payments on expected floating rate loan. The contract has a term of 120 months. Under the contract, an interest rate of CIBOR +0% is exchanged for a fixed rate of interest of 1.635% on expected loan with a principal amount of DKK 300,000,000. The interest rate swap contract has been concluded for a period of the expected loan of 10 years without installments. At the balance sheet date, the fair value of the interest rate swap amounts to DKK 30,163,214 (liability).

2021	2020
DKK	DKK

6. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Mortgage deeds registered to the mortgagor totalling DKK 1,000,000,000, providing security on land and buildings at a total carrying amount of	1,936,000,000	1,320,984,040
Pledge of bank deposits	117,682,243	12,843,859

Other 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.

A supplier and its parent companies have raised two claims against the Company totaling DKK 165,3 million. One case is an arbitration case in Denmark and the other case has been filed before the courts of Milan, Italy. The Company has calculated a counterclaim under the same contract with the supplier. In the arbitration case the final hearing is scheduled for June 2022. The pending case in Italy is still in the initial stage. On the present basis, it is not possible to assess the outcome of the claims.

7. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the smallest group:

Name	Place of registered office
NEY Investments BV	Siriusdreef 29, NL-2132 WT Hoofddorp, The Netherlands

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Soundport A/S for 2021 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 Financial Statements for 2021 are presented in DKK.

Changes in accounting policies

With effect as from the financial year 2021, the Company has chosen to apply the option of the Danish Financial Statements Act of recognising investment property at fair value. So far, the Company has recognised investment properties at cost, implying that the Company has thus changed its accounting policies.

The Company's accounting policies have been changed as it is Management's assessment that the changed accounting policies to a greater extent provide a true and fair view of the financial position and the results of the Company. Moreover, the change means that the Company now applies the same accounting policies as the rest of the Group, of which the Company is a part.

Comparatives have not been restated upon changing the accounting policies, and the effect in terms of an adjustment to retained earnings at 1 January 2021 has not been recognised, as the fair value cannot be measured reliably back in time.

The change has resulted in an increase of ordinary earnings for the current year with DKK 192,548,727 and the year's result with DKK 150,188,006. It has also affected the company's fixed assets with DKK 192,548,727 and the total balance sheet with DKK 189,552,098. Equity is affected by DKK 150,188,006

The tax effect on tax for the year and deferred tax amounts to DKK 42,360,720.

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

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 expenses for administration, 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.

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 assets 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 properties are recognised in cost over the construction period.

As from 2021 investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

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

Notes to the Financial Statements

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.

The estimates applied are based on historical 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.

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2021 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. 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 in the balance sheet.

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.

Other fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

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.

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.

Notes to the Financial Statements

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.