

Signal Arkitekter ApS

Århusgade 88, 2.

2150 Nordhavn

Annual Report 2018

The Annual Report was presented and adopted at
the Annual General Meeting of the Company

on _____ 2019

Chairman

CVR No. 25 31 93 62

This report contains 18 pages

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Statement by the Board of Directors and the Executive Board

The Board of Directors and Executive Board have today discussed and adopted the annual report for Signal Arkitekter ApS for the financial year 1 January 2018 – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January 2018 – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development and performance of the company's activities and of the company's results for the year and the financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 Maj 2019

Executive Board:

Gitte Andersen

Per Feldthaus

Board of Directors:

Troels Bjerg
Chairman

Andrew Price

Tamilla Vahman

Jens Stener Pedersen

Independent auditor's report

To the shareholders of Signal Arkitekter ApS

Opinion

We have audited the financial statements of Signal Arkitekter ApS for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, and notes, including 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 2018 and of the results of the Company's operations for the financial year 1 January 2018 – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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.

Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 29 Maj 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Kronbak
State Authorised
Public Accountant
mne28675

Company Information

Company details

Signal Arkitekter ApS
Århusgade 88, 2.
2150 Nordhavn

CVR No: 25 31 93 62
Established: 1 April 2000
Registered office: Copenhagen
Financial year: 1 January - 31 December

Board of Directors

Troels Bjerg (Chairman)
Andrew Price
Tamilla Vahman
Jens Stener Pedersen

Executive Board

Gitte Andersen
Per Feldthaus

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
2000 Frederiksberg

Annual General Meeting

The Annual General Meeting is expected to be held on 29 May 2019 at Buddingevej 197, 2860 Søborg.

Management's Review

Operating review

The company's purpose is to carry out consulting architect business as well as any related business activities.

Development in activities and financial position

Result for the period is a profit of DKK 736 thousand (2016/2017: profit of DKK 2,542 thousand). The result for the period is in line with the expectations. Total assets amount to DKK 11,916 thousand (2017: DKK 11,213 thousand) and Equity is DKK 6,083 thousand (2017: DKK 5,347 thousand).

Events after the balance sheet date

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

Financial statements for period 1 January - 31 December 2018

Income statement

| | Note | 2018 DKK'000 | 2016/2017 DKK'000 |
|---|-------|-----------------|----------------------|
| Gross profit | | 20,220 | 22,848 |
| Staff costs | 2 | -19,216 | -20,654 |
| Depreciation and amortisation | 6,7,8 | -87 | -75 |
| Operating profit | | 917 | 2,119 |
| Income from investments in subsidiary | | - | 1,005 |
| Financial income | 3 | 76 | 65 |
| Financial expenses | 4 | -44 | -157 |
| Profit before tax | | 949 | 3,032 |
| Tax on profit for the year | 5 | -213 | -490 |
| Net profit for the year | | 736 | 2,542 |
| Proposed distribution of profit: | | | |
| Retained earnings | | 736 | 2,542 |
| | | 736 | 2,542 |

Financial statements for period 1 January - 31 December 2018

Balance sheet

| | Note | 2018 DKK'000 | 2017 DKK'000 |
|---|------|-----------------|-----------------|
| ASSETS | | | |
| Software | | 71 | 71 |
| Intangible assets | 6 | 71 | 71 |
| Fixtures and fittings, tools and equipment | 7 | 152 | 180 |
| Leasehold improvements | 8 | 94 | 2 |
| Property, plant and equipment | | 246 | 182 |
| Investment in subsidiary | 9 | - | - |
| Other financial assets | | 461 | 409 |
| Financial assets | | 461 | 409 |
| Non-current assets total | | 778 | 662 |
| Trade receivables | | 5,362 | 4,533 |
| Contract work in progress | | 64 | 47 |
| Receivables from companies within the ISS Group | | 4,543 | 4,201 |
| Corporation tax | | - | 616 |
| Prepayments | | 339 | 192 |
| Other receivables | | 69 | 12 |
| Current assets | | 10,377 | 9,601 |
| Liquid funds | | 761 | 950 |
| Current assets total | | 11,138 | 10,551 |
| TOTAL ASSETS | | 11,916 | 11,213 |

Financial statements for period 1 January - 31 December 2018

Balance sheet

| | Note | 2018 | 2017 |
|--|------|---------------|---------------|
| | | DKK'000 | DKK'000 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 10 | 208 | 208 |
| Retained earnings | | 5,875 | 5,139 |
| Total equity | 11 | 6,083 | 5,347 |
| Liabilities | | | |
| Deferred tax | 12 | 48 | 23 |
| Non-current liabilities | | 48 | 23 |
| Trade payables | | 398 | 376 |
| Corporate tax | | 9 | - |
| Prepayments from customers | | - | 532 |
| Other liabilities | | 5,378 | 4,935 |
| Current liabilities | | 5,785 | 5,843 |
| Total liabilities | | 5,833 | 5,866 |
| TOTAL EQUITY AND LIABILITIES | | 11,916 | 11,213 |
| Contingent liabilities and other financial obligation | 13 | | |
| Related parties | 14 | | |

Notes to the financial statements

1 Accounting policies

Basis of preparation

The financial statements for Signal Arkitekter ApS for the financial year ended 31 December 2018 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B with some additional choices of certain provisions applying to class C.

The accounting policies are consistent with those of last year.

The financial statements are presented in Danish kroner (DKK). All amounts have been rounded to nearest DKK thousand, unless otherwise indicated.

Recognition and measurement in general

Income is 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, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously 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 below. Recognition and measurement consider gains, losses and risks that arise before the annual report is presented and which prove or disprove matters existing at the balance sheet date.

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, including depreciations, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously recognised in the income statement.

Income statement

Gross profit or loss

Gross profit or loss comprise revenue, cost of sales and other external costs.

Revenue

With reference to section 32 of the Danish Financial Statement Act, revenue has not been disclosed in the income statement.

Notes to the financial statements

1 Accounting policies (*continued*)

Revenue from rendering services is recognised in the income statement in proportion to the stage of completion of the transaction at the reporting date. Revenue is recognised when the recovery of the consideration is probable and when the amount of revenue, the stage of completion, the costs incurred for the transaction, and the costs to complete the transaction can be measured reliably. The stage of completion of a contract is assessed by reference to the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

Cost of sales

Cost of sales comprise the product consumption measured at cost for the period.

Other external costs

Other external costs comprise costs related to the company's primary activities including rental costs, office costs, sales promotion costs etc. Impairment losses on receivables recognised under current assets are also included.

Staff costs

Staff costs comprise wages and salaries, pensions and other social costs for the company's employees.

Depreciation and amortisation

Depreciation and amortisation comprise depreciation on, amortisation of and impairment relating to property, plant and equipment and intangible assets respectively.

Income from investments in subsidiary

Income from investments in subsidiary comprises the proportionate share of the profit for the year after elimination of internal gains and losses and gains and losses from divestment of subsidiaries.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised gains and losses on securities, gain and losses on transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as additions and reimbursement under the Danish prepayment scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises the current tax for the year and changes in deferred tax. 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.

Balance Sheet

Intangible assets

Software are measured at cost less accumulated amortisation and less any accumulated impairment losses.

Notes to the financial statements

1 Accounting policies (*continued*)

The cost comprises the purchase price and other directly attributable cost of preparing the assets for its intended use.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets, which are:

| | |
|-------------------|---------|
| Software licenses | 5 years |
|-------------------|---------|

Amortisation methods and useful lives are reassessed at each reporting date and adjusted prospectively if appropriate.

Software is written down to recoverable amount if it is lower than carrying amount.

Property, plant and equipment

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

The cost comprises the purchase price and costs directly related to the acquisition until the date when the asset is ready for use.

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

| | |
|--|--------------------------|
| Fixtures and fittings, tools and equipment | 3-5 years |
| Leasehold improvements | 5 years (the lease term) |

Property, plant and equipment are written down to recoverable amount if it is lower than carrying amount.

Receivables

Receivables are measured at amortised cost, which usually approximates the face value, less provision for bad debt.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed at the reporting date.

The selling price is measured based on the stage of completion and the total expected income for each ongoing work. The stage of completion is measured by the ratio of actual resource consumption and the budgeted resource consumption.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Notes to the financial statements

1 Accounting policies (*continued*)

The individual contract work in progress is recognised in the balance sheet under receivables or liabilities, depending on whether the net value, which is calculated as the selling value price prepaid payments received, is positive or negative.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years and is measured at cost.

Liquid funds

Liquid funds comprise cash and bank deposits.

Corporation tax and deferred tax

The company is covered by the Danish rules of joint taxation with the ultimate Danish holding company ISS A/S and other Danish subsidiaries. ISS A/S is the administration company for the joint taxation and settles all tax payments with the tax authorities. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). Payable and receivable joint tax contributions are recognised in the balance sheet as receivables or debt to affiliates.

Deferred tax is measured in accordance with the liability method and comprises all temporary differences between accounting and tax values of assets and liabilities. When alternative taxation rules can be applied to determine the tax base, deferred tax is measured according to management's intended use of the assets or settlement of the liability, respectively.

Deferred tax is measured according to the taxation rules and tax rates applicable at the reporting date when the deferred tax is expected to be realised as current tax. Deferred tax assets, including the tax base of tax losses carried forward, are recognised at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Notes to the financial statements

| | 2018 | 2016/2017 |
|---|---------------|---------------|
| | DKK'000 | DKK'000 |
| 2 Staff costs | | |
| Wages and salaries | 17,083 | 18,732 |
| Pensions | 1,902 | 1,653 |
| Other social security costs | 231 | 269 |
| | <u>19,216</u> | <u>20,654</u> |
| Average number of full-time employees | <u>30</u> | <u>24</u> |
| 3 Financial income | | |
| Interest income from companies within the ISS Group | 66 | 64 |
| Other financial income | 10 | 1 |
| | <u>76</u> | <u>65</u> |
| 4 Financial expenses | | |
| Interest expenses | 14 | 8 |
| Loss on foreign exchange | - | 62 |
| Other financial expenses | 30 | 87 |
| | <u>44</u> | <u>157</u> |
| 5 Income taxes | | |
| Current tax for the year | -188 | -528 |
| Change in deferred tax | -25 | 38 |
| | <u>-213</u> | <u>-490</u> |
| 6 Intangible assets | | |
| Cost at 1 January | 82 | - |
| Addition | 18 | 82 |
| Cost at 31 December | <u>100</u> | <u>82</u> |
| Amortisation at 1 January | -11 | - |
| Amortisation | -18 | -11 |
| Amortisation at 31 December | <u>-29</u> | <u>-11</u> |
| Carrying amount at 31 December | <u>71</u> | <u>71</u> |

Notes to the financial statements

| | 2018 | 2016/2017 |
|---|------------|------------|
| | DKK'000 | DKK'000 |
| 7 Fixtures and fittings, tools and equipment | | |
| Cost at 1 January | 628 | 429 |
| Additions | 20 | 199 |
| Cost at 31 December | 648 | 628 |
| Amortisation at 1 January | -448 | -408 |
| Amortisation | -48 | -40 |
| Amortisation at 31 December | -496 | -448 |
| Carrying amount at 31 December | 152 | 180 |
| 8 Leasehold improvements | | |
| Cost at 1 January | 693 | 693 |
| Additions | 113 | - |
| Cost at 31 December | 806 | 693 |
| Amortisation at 1 January | -691 | -668 |
| Amortisation | -21 | -23 |
| Amortisation at 31 December | -712 | -691 |
| Carrying amount at 31 December | 94 | 2 |
| 9 Investments in subsidiary | | |
| Cost at 1 January | - | 111 |
| Additions | - | 21 |
| Divestment | - | -132 |
| Cost at 31 December | - | - |
| Revaluation at 1 January | - | -111 |
| Divestment | - | 111 |
| Revaluation at 31 December | - | - |
| Carrying amount at 31 December | - | - |
| Income from subsidiary | | |
| Gain on divestment | - | 1,005 |
| Income from subsidiary | - | 1,005 |

Notes to the financial statements

10 Share capital

| DKK'000 | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Share capital at 1 January | 208 | 208 | 208 | 208 | 208 |
| Capital increase | <u>-</u> | <u>-</u> | <u>-</u> | <u>0</u> | <u>0</u> |
| Share capital at 31 December | <u><u>208</u></u> | <u><u>208</u></u> | <u><u>208</u></u> | <u><u>208</u></u> | <u><u>208</u></u> |

11 Equity

| DKK'000 | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total equity</u> |
|------------------------------------|----------------------|--------------------------|---------------------|
| Balance at 1 January 2018 | 208 | 5,139 | 5,347 |
| Distribution of profit | - | <u>736</u> | <u>736</u> |
| Balance at 31 December 2018 | <u><u>208</u></u> | <u><u>5,875</u></u> | <u><u>6,083</u></u> |

The share capital consists of 208,334 shares of a nominal value of DKK 1.

12 Deferred tax

| | <u>2018</u> | <u>2017</u> |
|------------------------------------|------------------|------------------|
| | <u>DKK'000</u> | <u>DKK'000</u> |
| Deferred tax at 1 January | 23 | 61 |
| Change in deferred tax | <u>25</u> | <u>-38</u> |
| Deferred tax at 31 December | <u><u>48</u></u> | <u><u>23</u></u> |

Notes to the financial statements

13 Contingent liabilities

| | 2018 | 2017 |
|---------------------------|---------|---------|
| | DKK'000 | DKK'000 |
| Rent and lease obligation | 779 | 878 |

Rent and lease obligation include a rent obligation of DDK 853 thousand (2017: DKK 394 thousand) and operating lease obligations of DKK 352 thousand (2017: DKK 484 thousand) under lease agreements with a remaining lifetime of up to 22 months (2017: 34 months).

The company is jointly taxed with the Danish companies in the ISS Group. Together with the other Danish companies, the company have a joint and unlimited liability of Danish corporation taxes and Danish withholding taxes on dividends, interests and royalties in the joint taxation. At 31 December 2018, the jointly taxed companies' net liabilities to SKAT amounted to DKK 0 thousand. Any subsequent corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase.

In addition, there are no company liabilities not recognised in the financial statement.

14 Related parties

Signal Arkitekter ApS's related parties comprise the following:

Parties exercising control

ISS Global A/S owns 84% of the shares of the company. The company is included in the consolidated financial statements for ISS Global A/S (CVR no. 21 40 83 95) and Danish holding company ISS A/S (CVR no. 28 50 47 99), both Buddingevej 197, DK - 2860 Søborg.

Transactions with related parties

Besides deposits, loans and interest on the outstanding balances there have been no further transactions with related parties.