

ANNUAL REPORT

2018

Company: Phoam Studio ApS
CVR: 33039417

Svanevej 12, 4
2400 København NV

Accounting period: 1 January - 31
December 2018

Chairman: David Casado
24.05.2019

Contents

Management's report and Auditor's Report	
Statement by Board of Directors and Management	2
Company Information	
Company Information	3
Management's Review	4
Annual accounts for Phoam Studio ApS	
Income statement 1 January – 31 December	5
Balance Sheet 31 December	6
Statement of equity	8
Notes to Financial Statements	9

Statement by Board of Directors and Management

The Board of Directors and management have today considered and adopted the annual report for the financial year 1 January - 31 December 2018 for Phoam Studio ApS.

The annual report is prepared in accordance with the Danish Financial Statement Act.

In our opinion, the financial statements give a true and fair view of the financial position as at 31 December 2018 of the Company and of the results of the Company's operations for 2018.

It is also our opinion that the Management's Review a true and fair account of the development of Company's activities and financial conditions, the profit for the period and the Company's financial position as a whole, and a description of the significant risks and uncertainty factors that the Company faces.

The annual report is submitted to the Ordinary General Meeting for approval.

Copenhagen, 24 May 2019

Board of Directors

Pradeep Pattem

David Casado Vazquez

Company Information

Company

Phoam Studio ApS

Svanevej 12

DK-2400 København NV

CVR no.: 33 03 94 17

Financial Period: 1 January – 31 December

Incorporated: 21 June 2010

Registered office: Copenhagen, Denmark

Board of Directors

Pradeep Pattem

David Casado Vazquez

Management's Review

Key activities

The company's main activity is to run an architectural business.

Development in the year

On September 1, 2018 Park Street Nordicom A/S acquired 100% of the existing shares of the company from the previous shareholders. The income statement of the Company for 2018 shows a loss of DKK 329 thousand compared to a loss of DKK -215 thousand in 2017.

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	Amounts in DKK	2018	2017
	Gross profit / (loss)	4,128,511	3,098,791
2	Employee benefit expenses	-4,527,047	-3,249,211
	Depreciation, amortisation and impairment	-	-10,978
	Profit before financial items	-398,536	-161,938
	Financial income	1,599	200
3	Financial expenses	-37,889	-110,089
	Profit before tax	-434,826	-271,287
4	Tax on Profit / loss for the period	106,231	56,756
	Profit for the period	-328,595	-214,531
	Distributed as follows		
	Dividends	-	600,000
	Parent's shareholders	-328,595	-814,531
	Profit for the period	-328,595	-214,531

Balance Sheet 31 December

Note	Amounts in DKK	2018	2017
ASSETS			
Non-current assets			
	Machinery and equipment	15,550	15,550
	Deposits	79,698	77,107
	Total Non-current assets	95,248	92,657
Current assets			
	Receivables	161,100	1,205,525
	Receivables - Work in Progress	2,208,907	1,577,869
4	Deferred Tax assets	177,817	59,154
	Prepaid expenses and accrued income	874,512	67,399
	Cash and short-term deposits	178,986	1,266
	Total current assets	3,601,322	2,911,213
	Total assets	3,696,570	3,003,870

Balance Sheet 31 December

Note	Amounts in DKK	2018	2017
	LIABILITIES		
	Equity		
	Share capital	133,333	133,333
	Accumulated profit	882,367	1,210,962
5	Total equity	1,015,700	1,344,295
	Liabilities		
	Current liabilities		
	Credit Institutions	-	312,350
	Trade and other payables	513,324	154,294
6	Debt to related entities	1,025,833	515,729
	Other liabilities	1,141,713	677,202
	Total liabilities	2,680,870	1,659,575
	Total equity and liabilities	3,696,570	3,003,870

Statement of equity

Amounts in DKK	Share capital	Accumulated profit	Proposed dividend	Equity Total
Statement of equity for 2018:				
Equity as at 1 January 2018	133,333	1,210,962	0	1,344,295
Net Profit / Loss for the period	0	-328,595	0	-328,595
Equity as at 31 December 2018	133,333	882,367	0	1,015,700

Summary

Note 1	Accounting policies, accounting estimates and risks, etc.
Note 2	Employee benefit expenses
Note 3	Financial expenses
Note 4	Tax on profit/loss for the year
Note 5	Equity
Note 6	Related parties
Note 7	Contingent assets and liabilities

Notes

Note 1 - Accounting policies, accounting estimates and risks, etc.

BASIS OF PREPARATION

The annual report of Phoam Studio ApS for 2018 has been prepared in accordance with the provisions of Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C. The annual report is presented in Danish crown (DKK), which is considered to be the primary currency of the Company's activities and the functional currency of the company.

Recognition and measurement

Revenues are recognised in the income statement as earned. 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.

PROFIT AND LOSS STATEMENT

Gross profit

Gross profit includes net revenue and other external costs.

Revenue is recognized in the income statement when the delivery and risk transfer to the buyer has taken place before the end of the year, and if the income can be reliably calculated and expected to be received.

Other external costs include cost of sales, advertising, administration, rent of premises and losses from debtors.

Financial income and expenses

Financial items include interest income and interest expenses, foreign exchange rate adjustments, amortization premiums / discounts, realized and unrealized gains and losses on securities as well as surcharges and refunds under the tax.

Borrowing costs directly attributable to the development projects of investment or project portfolios, added to the cost of the assets until the time when the project is completed and the property can be used for the intended purpose. If there is a loan directly to finance the development project, calculated borrowing costs on the basis of an average interest rate of the group's loans except for loans recorded at the acquisition of specific assets. Other borrowing costs are recognized in the income statement in the periods to which they relate.

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

BALANCE STATEMENT

Machinery and equipment

All machinery and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight line method to allocate the cost over the asset's estimated useful lives as stated above on Investment properties. Machinery and equipment are depreciated over the assets / components estimated useful lives in 5 years.

Small assets with an expected useful life of less than 1 year are recognized as costs in the income statement in the year of acquisition.

Depreciation is based on revalued amount less estimated residual value after useful life (residual value).

Receivables

Receivables are measured at amortized cost. Impairment losses are made for losses which are deemed to have resulted in an objective indication that an individual receivable is impaired.

Prepayments

Prepayments recognized under assets comprise incurred costs related to coming financial years. Prepayments are measured at cost.

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.

Dividends

Dividends are recognized as a liability at the time of adoption at the general meeting. Dividends proposed for distribution is shown as a separate component of equity until the Annual General Meeting.

Liabilities

Financial liabilities are initially measured at fair value and subsequently measured as described below. Financial liabilities are derecognised when they expiry, are cancelled or are converted into equity. A substantial modification of the terms of a financial liability is treated as a settlement of the original liability and recognition of a new liability. A change in the present value of the contractual cash flows with at least 10%, measured on the basis of the original effective interest rate, is treated as a substantial modification.

Financial liabilities attributable to investment properties are measured at amortised cost. Prior to the significant modification of the liabilities attributable to investment property, they were measured at fair value through profit or loss. Adjustments to financial liabilities attributable to investment properties were recognized in the income statement under "Adjustment at fair value, net".

Other liabilities, including non-current liabilities, debt to suppliers and other debt, are measured at amortized cost.

When a financial liability without equity conversion features is converted into equity, the liability is considered settled at the fair value of the shares issued. A gain or loss is recognised in financial items.

Note 2 – Employee benefit expenses

Amounts in DKK	2018	2017
Salary	3,644,892	2,651,212
Contribution-based pensions	303,076	451,663
Other social security costs	325,459	23,762
Other staff costs	253,620	122,574
	4,527,047	3,249,211
Average number of employees	8	7

Note 3 – Financial expenses

Amounts in DKK	2018	2017
Interest expenses, liabilities to credit institutions measured at amortized cost	12,056	84,081
Interest expenses, liabilities to related entities	25,833	26,008
	37,889	110,089

Note 4 – Tax on profit/loss for the year

Amounts in DKK	2018	2017
Current tax for the year	118,663	59,154
Current tax, previous years	-12,432	-2,398
Current tax	106,231	56,756
Amounts in DKK	2018	2017
Deferred tax asset at 1st of January	59,154	0
Recognized in the income statement	118,663	59,154
Deferred tax assets at 31 December	177,817	59,154

Note 5 – Equity

On September 1, 2018 Park Street Nordicom A/S acquired 100% of the existing shares of the company from the previous shareholders.

Note 6 – Related parties

As stated in note 3 the Company is 100% owned by the company Park Street Nordicom A/S.

The Company has entered into a facility agreement with the parent company Park Street Nordicom A/S of DKK 1 million with a maturity on the 29th of August 2020.

Note 7 – Contingent assets and liabilities

Park Street Nordicom A/S has provided a parent company guarantee to a bank to secure financing on the company's daily operations. The credit has a nominal limit of DKK 500,000.

Contingent liabilities

The Company has no contingent liabilities as at December 31, 2018.

Contingent assets

The Company has no contingent asset as at December 31, 2018.