

ANNUAL REPORT

2021

Company: Phoam Studio ApS
CVR: 33039417

Svanevej 12, 4
2400 København NV

Accounting period: 1 January - 31 December
2021

Chairman: Ann-Sofie Trampe Jarløv

24 June 2022

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

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 June 2022

Board of Directors

Pradeep Patten

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 Patten

Management's Review

Key activities

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

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 1 Million (2020: profit of DKK 127 thousand), and on 31 December 2021, the balance sheet of the Company shows equity of DKK -102 thousand (2020: DKK 990 thousand).

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	2021	2020
	Gross profit / (loss)	-358,765	2,371,964
2	Employee benefit expenses	-377,918	-1,945,642
	Profit /Loss before financial items	-736,683	426,322
	Financial income	0	0
3	Financial expenses	-355,142	-298,882
	Profit/ Loss before tax	-1,091,826	127,440
4	Tax on Profit / loss for the period	0	0
	Profit / Loss for the period	-1,091,826	127,440
	Distributed as follows		
	Dividends	0	0
	Parent's shareholders	-1,091,826	127,440
	Profit / Loss for the period	-1,091,826	127,440

Balance Sheet 31 December

Note	Amounts in DKK	2021	2020
ASSETS			
Non-current assets			
	Machinery and equipment	24,842	24,842
	Deposits	24,561	92,061
	Total Non-current assets	49,403	116,903
Current assets			
	Receivables	162,198	161,883
5	Receivables from related parties	1,625,316	1,625,316
	Receivables - Work in Progress	2,104,357	2,104,357
4	Deferred Tax assets	0	0
	Prepaid expenses and accrued income	180,770	66,493
5	Prepaid expenses and accrued income from related parties	0	3,413,478
	Cash and short-term deposits	0	0
	Total current assets	4,072,641	7,371,527
	Total assets	4,122,044	7,488,430

Balance Sheet 31 December

Note	Amounts in DKK 1000s	2021	2020
	LIABILITIES		
	Equity		
	Share capital	133,333	133,333
	Accumulated profit	-235,336	856,490
	Total equity	-102,003	989,823
	Liabilities		
	Current liabilities		
	Trade and other payables	0	390,535
5	Debt to related entities	2,168,327	4,839,255
	Other liabilities	2,055,720	1,268,817
	Total liabilities	4,224,047	6,498,607
	Total equity and liabilities	4,122,044	7,488,430

Statement of equity

Amounts in DKK	Share capital	Accumulated profit	Equity Total
Statement of equity for 2021:			
Equity as at 1 January 2021	133,333	856,490	989,823
Net Profit / loss for the period	0	-1,091,826	-1,091,826
Equity as at 31 December 2021	133,333	-235,336	-102,003
Statement of equity for 2020:			
Equity as at 1 January 2020	133,333	729,050	862,383
Net Profit / loss for the period	0	127,440	127,440
Equity as at 31 December 2020	133,333	856,490	989,823

Summary

Note 1	Accounting policies, accounting estimates and risks, etc.
Note 2	Employee benefit expenses
Note 3	Financial expenses
Note 4	Related parties
Note 5	Contingent assets and liabilities
Note 6	Subsequent events

Notes

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

BASIS OF PREPARATION

The annual report of Phoam Studio ApS for 2021 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. The accounting policies remain unchanged from last year.

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.

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. Machinery and equipment are depreciated over the assets / comonents 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.

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	2021	2020
Salary	243,837	1,674,075
Contribution-based pensions	18,727	122,779
Other social security costs	0	4,544
Other staff costs	115,354	144,244
	377,918	1,945,642
Average number of employees	1	2

Note 3 – Financial expenses

Amounts in DKK	2021	2020
Interest expenses, liabilities to credit institutions measured at amortized cost	23,954	3,611
Interest expenses, liabilities to related entities	274,928	351,532
	355,142	298,882

Note 4 – Transactions with related parties

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

Amounts in DKK	2021	2020
Receivables from related parties	1,625,316	1,625,316
Prepaid expenses and accrued income from related parties	0	3,413,478
Intercompany receivables (Joint Corporate tax)	0	0
Balance at 31 December	1,625,316	5,038,794

Amounts in DKK	2021	2020
Debt to related parties	2,168,327	4,839,255
Debt to related parties at 31 December	2,168,327	4,839,255

The Company has entered into a credit line facility with the parent company Park Street A/S of DKK 5 million of which 4.7 million have been utilized at 31.12.21 (4.7 million utilized at 31.12.20) with an annual interest rate of 7.5% payable at the maturity of the loan.

Note 5 – Contingent assets and liabilities

Park Street Nordicom A/S has provided a parent company guarantee to a bank to secure financing for 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, 2021.

Contingent assets

The Company has no contingent asset as at December 31, 2021.

Note 6 – Subsequent events

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