
COBE ApS

Trangravsvej 6, DK-1436 København K

Annual Report for 1 January - 31 December 2017

CVR No 30 91 46 78

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/05 2018

Dan Stubbergaard Hansen
Chairman



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of COBE ApS for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 30 May 2018

Executive Board

Nina Mathiesen
Executive Officer

Independent Auditor's Report

To the Shareholder of COBE ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of COBE ApS for the financial year 1 January - 31 December 2017, 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 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.

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 misstate-

Independent Auditor's Report

ment, 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.
- 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.

Independent Auditor's Report

- 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.

Hellerup, 30 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen
statsautoriseret revisor
mne18628

Company Information

The Company

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Website: www.cobe.dk

CVR No: 30 91 46 78

Financial period: 1 January - 31 December

Incorporated: 15 October 2007

Financial year: 10th financial year

Municipality of reg. office: København

Executive Board

Nina Mathiesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of COBE ApS for 2017 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 Annual Report has been prepared under the same accounting policies as last year.

Key activities

COBE ApS is a knowledge-based community of architects specialized in the development and realization of projects within the field of architecture, city- and landscape planning and product design, primarily in Denmark, Norway, Sweden, Finland, Germany, Canada and USA.

Development in the year

In 2017 COBE contributed to a large number of prestigious architecture competitions in Denmark and abroad and was successful in several of them, including Place Schuman in Brussels – the entrance to the European Union, the station forecourt for the coming Nordhavn metro extension in Copenhagen and AAU Science & Innovation Hub in Aalborg.

2017 was a year characterized by development and growth, which is reflected in the number of employees, revenue growth and increase in profitability. In 2017, COBE invested in new employees and since the lease of the current office premises expires in 2018, COBE has also invested in a new office space at Pakhus 54 in Copenhagen's Nordhavn, where COBE will relocate mid-2018.

The income statement of the Company for 2017 shows a profit of DKK 5.185.420, and at 31 December 2017 the balance sheet of the Company shows an equity of DKK 8.010.769.

COBE assignments and projects in 2017

In 2017, COBE was the architect on a large number of projects under construction. In Copenhagen, these projects included, amongst others, Tingbjerg Library, Frederiksberg Alle 41, Køge North Station, Karen Blixens Plads and Paper Island, as well as international projects such as Adidas HalfTime conference center in Germany. The latter was performed in cooperation with a local German architecture firm through a German joint venture. The cooperation and the relation to the client has been very successful and has resulted in increased awareness in the German market.

COBE's first project in North America, also began in 2017. In Toronto, COBE designs a 24,000 sqm luxury mix-use highrise.

In 2017, COBE furthermore completed the award winning project The Silo in Copenhagen's Nordhavn - a former industrial grain silo converted into private residential apartments and public functions, Landgangen boardwalk in Esbjerg, Red Cross Volunteer House in Copenhagen and Kids' City Christianshavn in Copenhagen – the largest daycare institution in Denmark.

In 2017, COBE has moreover done projects in Boston, Toronto, Brussels, Bremen, Cologne, Montpellier, Oslo, Stavanger, Tampere and Hyllie.

Management's Review

Outlook for 2018

COBE expects that 2018 will offer a rapid growth in the number of employees and in revenue and, therefore, results are expected to improve further. COBE wants to consolidate and concentrate on its core activities and markets and in that way build the foundation of future development and new investments. In 2018, COBE will therefore focus on work primarily in Northern Europe and North America.

Subsequent events

No events have occurred after the balance sheet date which materially affect the assessment of the Company's financial position.

Income Statement 1 January - 31 December

	Note	2017 DKK	2016 DKK
Gross profit/loss		55,861,862	39,088,488
Staff expenses	1	-47,799,571	-36,099,551
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1,129,369	-989,271
Profit/loss before financial income and expenses		6,932,922	1,999,666
Financial income	2	58,907	64,308
Financial expenses	3	-327,878	-214,484
Profit/loss before tax		6,663,951	1,849,490
Tax on profit for the year	4	-1,478,531	-430,368
Net profit/loss for the year		5,185,420	1,419,122

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	1,830,000	1,900,000
Retained earnings	3,355,420	-480,878
	5,185,420	1,419,122

Balance Sheet 31 December

Assets

	Note	2017 DKK	2016 DKK
Software		394,263	425,304
Intangible assets	5	394,263	425,304
Other fixtures and fittings, tools and equipment		402,331	852,277
Leasehold improvements		812,773	408,381
Property, plant and equipment	6	1,215,104	1,260,658
Deposits		1,902,572	248,655
Fixed asset investments		1,902,572	248,655
Fixed assets		3,511,939	1,934,617
Trade receivables		17,879,570	17,625,500
Contract work in progress		1,302,235	285,133
Receivables from group enterprises		1,501,753	793,559
Prepayments		618,761	174,715
Receivables		21,302,319	18,878,907
Cash at bank and in hand		2,153,125	147,419
Currents assets		23,455,444	19,026,326
Assets		26,967,383	20,960,943

Balance Sheet 31 December

Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		125,000	125,000
Retained earnings		7,885,769	4,530,349
Equity	7	8,010,769	4,655,349
Provision for deferred tax		3,437,222	1,958,691
Provisions		3,437,222	1,958,691
Credit institutions		0	2,528,222
Trade payables		4,654,252	5,173,418
Contract work in progress, liabilities		1,047,490	0
Payables to owners and Management		30,633	46,835
Other payables		9,787,017	6,598,428
Short-term debt		15,519,392	14,346,903
Debt		15,519,392	14,346,903
Liabilities and equity		26,967,383	20,960,943
Contingent assets, liabilities and other financial obligations	8		
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Notes to the Financial Statements

	2017 DKK	2016 DKK
1 Staff expenses		
Wages and salaries	39,282,879	29,478,259
Pensions	5,260,228	3,874,117
Other social security expenses	337,209	271,261
Other staff expenses	2,919,255	2,475,914
	47,799,571	36,099,551
Average number of employees	86	74
2 Financial income		
Interest received from group enterprises	58,194	64,308
Other financial income	713	0
	58,907	64,308
3 Financial expenses		
Other financial expenses	122,246	59,408
Exchange adjustments, expenses	205,632	155,076
	327,878	214,484
4 Tax on profit for the year		
Current tax for the year	0	0
Deferred tax for the year	1,478,531	430,368
	1,478,531	430,368

Notes to the Financial Statements

5 Intangible assets

	Software DKK
Cost at 1 January	727,662
Additions for the year	240,000
Cost at 31 December	967,662
Impairment losses and amortisation at 1 January	302,358
Amortisation for the year	271,041
Impairment losses and amortisation at 31 December	573,399
Carrying amount at 31 December	394,263
Amortised over	3 years

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	2,123,221	1,165,441
Additions for the year	0	812,773
Cost at 31 December	2,123,221	1,978,214
Impairment losses and depreciation at 1 January	1,270,943	757,060
Depreciation for the year	449,947	408,381
Impairment losses and depreciation at 31 December	1,720,890	1,165,441
Carrying amount at 31 December	402,331	812,773
Depreciated over	3-10 years	4 years

Notes to the Financial Statements

7 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	125,000	4,530,349	4,655,349
Extraordinary dividend paid	0	-1,830,000	-1,830,000
Net profit/loss for the year	0	5,185,420	5,185,420
Equity at 31 December	125,000	7,885,769	8,010,769

The share capital consists of 125 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

8 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income etc.

Miscellaneous assets have been placed as security with mortgage credit institutes, DKK 5,000k.

The Company has entered into a tenancy agreement concerning the Company's domicile. The tenancy agreement is non-terminable until 15 February 2028. The rent obligation amounts to DKK 33,940k.

The Company has also entered into an agreement regarding leasing assets. The agreement is non-terminable until 1 July 2019. The obligation amounts to DKK 26k.

The Company has entered into a financial leasing agreement. Outstanding obligation on unrecognised financial assets amounted to DKK 320k. The agreement is non-terminable until 1 November 2019.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of COBE ApS for 2017 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 2017 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 including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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.

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Revenue

Net turnover is determined on the basis of the selling price of work performed for the year. As the completion of the individual projects will generally progress over several accounting periods, the percentage-of-completion method is applied for turnover recognition.

Accordingly, profits on work performed are recognised as income and in proportion to the stage of completion.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Project expenses

Project expenses include expenses directly attributable to projects, excluding own salaries.

Other external expenses

Other external expenses comprise administrative expenses, office expenses, marketing expenses as well as other expenses.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

9 Accounting Policies (continued)

Tax on profit 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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding years.

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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

Other fixtures and fittings, tools and equipment	3-10	years
Leasehold improvements	4	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment 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.

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

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

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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 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 legisla-

Notes to the Financial Statements

9 Accounting Policies (continued)

tion 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.

Financial debts

Loans, such as mortgage loans and 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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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