
COBE ApS

Trangravsvej 6, DK-1436 København K

Annual Report for 1 January - 31 December 2015

CVR No 30 91 46 78

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
13/5 2016

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 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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

Copenhagen, 13 May 2016

Executive Board

Dan Stubbergaard Hansen
Executive Officer

Independent Auditor's Report on the Financial Statements

To the Shareholders of COBE ApS

Report on the Financial Statements

We have audited the Financial Statements of COBE ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 13 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen
statsautoriseret revisor

Hans Jørgen Andersen
statsautoriseret revisor

Company Information

The Company

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Trangravsvej 6
DK-1436 København K

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Facsimile: 32544301
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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: 8th financial year
Municipality of reg. office: København

Executive Board

Dan Stubbergaard Hansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of COBE ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

COBE ApS is a knowledge-based community of architects dedicated to development of and consultancy on building, urban planning, public space designs and landscape architecture primarily in Denmark, Scandinavia and Germany.

Development in the year

2015 was a year characterised by development and growth, which is reflected in the number of employees and revenue growth, but also in a decline in results. In 2015, COBE invested in new employees and the resulting IT equipment and software, and COBE moreover had to expand its premises and therefore invest in fitting up the new square meters in connection with the existing ones at Christiansholm. COBE moreover invested in the establishment in 2015 of a landscape architecture division thus enabling COBE's provision of consulting services within all aspects of architecture.

COBE has made contributions to a large number of prestigious architecture competitions in Denmark and abroad and has been successful in several of them.

The Company's income statement shows revenue of DKK 59.473.405, profit of DKK 6.035, and the Company's balance sheet at 31 December 2015 shows equity of DKK 5.136.227.

COBE assignments and projects in 2015

In 2015, COBE was the architect of a large number of building projects in progress with related project follow-up and expert supervision. These projects include the Christianshavn village for children – the largest daycare institution in Denmark - Tingbjerg Culture House and Library as well as The SILO - a transformation to exclusive flats of an old DLG grain silo at Nordhavn in Copenhagen.

COBE has completed a number of building projects in Copenhagen and the surrounding area, including the three housing units on Krøyers Plads – a housing project that received the prestigious MIPIM award for the best housing project in March 2015 - and Denmark's rock museum in Roskilde called RAGNAROCK. In addition to this, there is the Frederiksvej kindergarten at Frederiksberg and the transformation of Nørreport Station.

COBE has worked intensively with the planning of a number of projects in progress such as the Køge Nord Station and pedestrian bridge as well as a convention centre for Adidas in the sports brand's headquarters in Southern Germany. The latter project was performed in cooperation with a local German architecture firm through a German joint venture. The cooperation and the relations to the client have been successful and have resulted in increasing awareness on the German market where COBE is now to a higher extent contacted to take part in tenders and competitions.

Management's Review

In 2015, COBE moreover performed projects in Oslo, Stavanger, Stockholm, Helsinki, Tampere, London, Lund and Abu Dhabi. COBE will also in future focus on the Nordic territory with Norway, Sweden, Finland, Denmark and Germany as the most important markets.

COBE has in 2015 increased its project portfolio with a number of housing projects within different segments. The housing projects range from exclusive flats in The SILO and Krøyers Plads, to apartment houses in the Bella neighbourhood (for which COBE was in charge of the master plan in 2014) and the Irma district to a number of competitions and small projects performed for public cooperative housing societies.

COBE has contributed to a number of competitions, several of which have been successful, including the competition regarding Christiansholm involving the transformation of Paper Island located in the heart of Copenhagen Harbour. COBE moreover won the competition of the transformation of the KUA University Square in Copenhagen. An important project for the continued development of COBE's newly established landscape architecture division which grew from two to six employees in 2015.

Outlook for 2016

COBE expects that 2016 will offer small growth in the number of employees and in revenue and, therefore, results are expected to improve. 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. COBE will in 2016 publish a book on COBE and do a monographical exhibition in the Danish Architecture Centre in addition to the opening of new public buildings: RAGNAROCK, Tingbjerg Culture House, Red Cross Volunteer House and the Christianshavn village for children. COBE expects to start up two large projects in Finland which will be the starting signal of its venture into the Finnish market.

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	2015 DKK	2014 DKK
Revenue		59.473.405	45.127.994
Project expenses		-17.353.607	-11.020.168
Other external expenses		-5.805.277	-4.448.003
Gross profit/loss		36.314.521	29.659.823
Staff expenses	1	-35.473.439	-28.603.024
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-724.144	-312.062
Profit/loss before financial income and expenses		116.938	744.737
Financial income	2	66.597	21.394
Financial expenses	3	-162.157	-174.882
Profit/loss before tax		21.378	591.249
Tax on profit for the year	4	-15.343	307.705
Net profit/loss for the year		6.035	898.954

Distribution of profit

Proposed distribution of profit

Retained earnings	6.035	898.954
	6.035	898.954

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Software		291.610	99.049
Intangible assets	5	291.610	99.049
Other fixtures and fittings, tools and equipment		1.101.623	685.128
Leasehold improvements		759.361	281.250
Property, plant and equipment	6	1.860.984	966.378
Deposits		267.008	249.554
Fixed asset investments		267.008	249.554
Fixed assets		2.419.602	1.314.981
Trade receivables		12.647.523	9.727.331
Contract work in progress		434.539	216.470
Receivable from parent company		1.507.419	1.220.028
Corporation tax		0	192.000
Prepayments		100.000	0
Receivables		14.689.481	11.355.829
Cash at bank and in hand		137.023	813.316
Currents assets		14.826.504	12.169.145
Assets		17.246.106	13.484.126

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		125.000	125.000
Retained earnings		5.011.227	5.005.193
Equity	7	5.136.227	5.130.193
Provision for deferred tax		1.528.323	1.512.980
Provisions		1.528.323	1.512.980
Credit institutions		359.184	0
Trade payables		4.352.779	1.545.584
Other payables		5.869.593	5.295.369
Short-term debt		10.581.556	6.840.953
Debt		10.581.556	6.840.953
Liabilities and equity		17.246.106	13.484.126
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership	9		

Notes to the Financial Statements

	2015 DKK	2014 DKK
1 Staff expenses		
Wages and salaries	29.047.244	22.888.791
Pensions	3.836.317	2.846.550
Other social security expenses	277.109	215.887
Other staff expenses	2.312.769	2.651.796
	35.473.439	28.603.024

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

2 Financial income

Other financial income	66.597	21.394
	66.597	21.394

3 Financial expenses

Other financial expenses	58.791	37.939
Exchange adjustments, expenses	103.366	136.943
	162.157	174.882

4 Tax on profit for the year

Current tax for the year	0	137.513
Adjustment of tax concerning previous years	15.343	-445.218
	15.343	-307.705

Notes to the Financial Statements

5 Intangible assets

	Software DKK
Cost at 1 January	117.228
Additions for the year	308.595
Cost at 31 December	425.823
Impairment losses and amortisation at 1 January	18.179
Amortisation for the year	116.034
	134.213
Carrying amount at 31 December	291.610

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	1.115.145	450.000
Additions for the year	787.275	715.441
Cost at 31 December	1.902.420	1.165.441
Impairment losses and depreciation at 1 January	430.017	168.750
Depreciation for the year	370.780	237.330
Impairment losses and depreciation at 31 December	800.797	406.080
Carrying amount at 31 December	1.101.623	759.361
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	5.005.192	5.130.192
Net profit/loss for the year	0	6.035	6.035
Equity at 31 December	125.000	5.011.227	5.136.227

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 31 December 2017. The rent obligation amounts to DKK 2,233k.

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 70k.

9 Related parties and ownership

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

COBE Holding ApS, Trangravsvej 6, 1436 København K, Denmark

Accounting Policies

Basis of Preparation

Financial Statements of COBE ApS for 2015 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.

Financial Statements for 2015 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. Gains and losses 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 transaction date rates are recognised in financial income and expenses in the income statement.

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

Accounting Policies

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.

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.

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 Danish enterprises in proportion to their taxable incomes.

Accounting Policies

Balance Sheet

Intangible assets

Software 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 3 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

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Contract work in progress

Contract work in progress is measured at the 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.

Accounting Policies

Prepayments and 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.

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, 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.

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.