The background of the cover is a photograph of a modern building. A tall, narrow, grey concrete pillar rises vertically from the bottom center towards the top. On either side of this pillar, there are rows of vertical, light-colored slats or louvers that form a wall. At the base of the pillar, there are large windows with warm interior lighting visible. The sky above is a clear, pale blue.

Cobe

**Annual Report
1 January-31 December 2020**

Cobe A/S
Orientkaj 4
DK-2150 Nordhavn
Denmark

CVR No 30 91 46 78

The Annual Report was presented and
adopted at the Annual General Meeting
of the Company on 18.05.2021

Martin Delfer 
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Cobe A/S for the financial year 1 January - 31 December 2020.

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

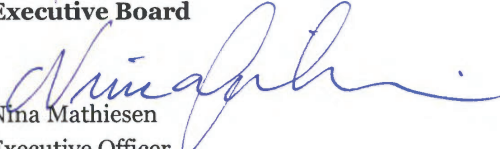
In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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


Copenhagen, 18 May 2021

Executive Board

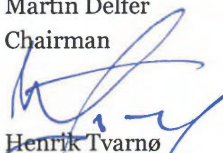


Nina Mathiesen
Executive Officer

Board of Directors

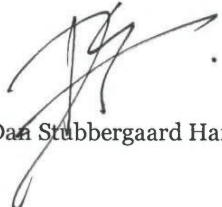


Martin Delfer
Chairman



Henrik Tvarnø

Mari Lea Louekari Randsborg



Dan Stabbergaard Hansen

Independent Auditor's Report

To the Shareholders of Cobe A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Cobe A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("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 Group 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 Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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

Independent Auditor's Report

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 Group and the Company to cease to continue as a going concern.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

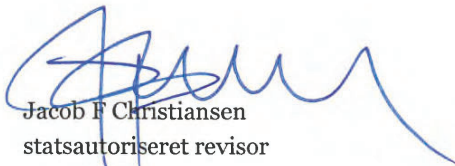
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 18 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Jacob F. Christiansen
statsautoriseret revisor
mne18628

Company Information

The Company

Cobe A/S
Orientkaj 4
DK-2150 Nordhavn

Telephone: + 45 32544300

E-mail: cobe@cobe.dk

Website: www.cobe.dk

CVR No: 30 91 46 78

Financial period: 1 January - 31 December

Municipality of reg. office: København

Board of Directors

Martin Delfer, Chairman
Mari Lea Louekari Randsborg
Dan Stubbergaard Hansen
Henrik Tvarnø

Executive Board

Nina Mathiesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a three-year period, the development of the Group is described by the following financial highlights:

	Group		
	2020 TDKK	2019 TDKK	2018 TDKK
Key figures			
Profit/loss			
Revenue	99.402	121.748	105.779
Operating profit/loss	1.272	10.066	9.630
Profit/loss before financial income and expenses	1.272	10.066	9.630
Net financials	-830	245	-450
Net profit/loss for the year	339	8.022	7.120
Balance sheet			
Balance sheet total	51.211	53.029	41.262
Equity	16.291	18.962	13.435
Investment in property, plant and equipment	393	2.442	4.372
Number of employees	124	134	111
Ratios			
Gross margin	80,4%	74,2%	67,6%
Profit margin	1,3%	8,3%	9,1%
Return on assets	2,5%	19,0%	23,3%
Solvency ratio	31,8%	35,8%	32,6%
Return on equity	1,9%	49,5%	106,0%

The Company has not previously prepared consolidated financial statements, which is why the key figures only comprise of three years.

Management's Review

Consolidated and Parent Company Financial Statements of Cobe A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

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

Principal activity

Cobe A/S is a knowledge-based community of architects dedicated to development of and consultancy on buildings, urban planning, public space designs and landscape architecture primarily in Denmark, Scandinavia, Northern Europe and Canada.

Ownership and Executive Board

Cobe A/S is owned by Founder Dan Stubbergaard, who is in board of directors, and Managing Director Nina Mathiesen. They comprise the Executive Board of Cobe A/S and are authorised to bind the company.

Financial Development of the year

The year was characterized by several projects being stopped or delayed due to COVID19, but still a high level of activity with big international competitions. Gross revenue (revenue including fees for sub-contractors) stood at TDKK 99.402 compared to TDKK 121.748 in 2019. This constitutes an decrease in revenue of 18 pct. Cobe also experienced a decrease in profitability and in the number of employees that fell from 134 to a total of 124.

The company focused on expansion in international markets. But COVID19 put at stop on the international projects. Projects executed outside Denmark represented 30% of consolidated revenue compared with 50% in the previous financial year.

In the past year, COBE has made contributions to a large number of prestigious architecture competitions in Denmark and abroad.

The income statement of the Group for 2020 shows a profit of DKK 339.361, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 16.291.077.

Uncertainties regarding recognition and measurement

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 and the estimated total contract expenses. The total contract expenses is calculated on the basis of budgets. Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value,

Management's Review

which corresponds to nominal value less provisions for bad debts.

Cobe assignments and projects in 2020

In 2020, Cobe opened the Our Urban Living Room exhibition at Aedes Architecture Forum in Berlin, DE. 2020 also marked the ground breaking of Cobe's first buildings in Canada – two residential high-rises in Toronto, and the campus extension of the AAU Science & Innovation Hub, at Aalborg University in Aalborg, DK. Cobe completed two new metro stations in Copenhagen, enabling more efficient and sustainable transport in the Danish capital, and two new ultra-fast charging stations for electric vehicles in Denmark.

Cobe had a large number of projects under construction with related project follow-up and expert supervision. These included, among others, the new Ultra-Fast Charging Stations, Frederiksberg Allé 41, and Europahafenkopf Bremen. Detailed design was also finished for several major projects, including Paper Island and the Opera Park in Copenhagen's Inner harbour as well as the Tip of Redmolen and Kronløb Island in Copenhagen's Nordhavn, all slated for completion by 2023-2024.

Currency risks

A share of Cobe's activities take place abroad. Cobe makes every effort to enter into contracts denominated in either euros or Danish kroner. However, contracts in North America are entered in currencies that are pegged to the US dollar. This means that Cobe is exposed to foreign exchange risks.

COVID-19 Crisis effect on 2020

Several challenges had arisen because of the world pandemic crisis of Covid 19. In general, ongoing projects have continued as planned, but a few projects have stopped due to financial insecurity from the clients' side.

Cobe is experiencing a slowdown in decision making especially among our international clients due to both general insecurity and lack of decision making in public authorities. This has created a shorter project pipeline. However, a lot of projects are waiting for the final go, which we assume will come as soon as the crisis eases.

There is no doubt that the Covid-19 pandemic has affected the results of 2020 in a negative way.

Management's Review

Markets

Cobe has ongoing projects in Denmark, Germany, Belgium, UK, Sweden, Norway, Finland, France and Canada. These projects include execution of major design projects for the construction of residential, commercial, cultural, educational and urban developments.

Activity in the Northern European market includes competition wins like: Hjørring Culture School (DK), Geely Design Center (SE), the Kyffhauser visitor center (DE) and two German harbour transformations, to name a few. Completed projects includes two metro stations in DK, and two ultra-fast charging stations for electric vehicles in DK. All projects include key sectors of landscape architecture, urban planning, education, office, culture, transport and sustainable design. Cobe is finishing the design work on three major projects in Toronto.

Intellectual Capital and Management Culture

At the company's core is a flat organizational structure in which work is performed in project-based teams and where individual employees are given both mandate and responsibility as well as recognition for unique skills and expertise.

Cobe has intellectual capital that include expertise in architectural typologies such as city development & transformation, cultural institutions, education, office and housing.

Employee development takes place through continuous further training, professional challenges and a focus on results, collaboration, and a well-functioning social work environment.

Research and Development Activities

In 2020 Cobe has continued to further invest in developing intellectual capital within sustainability, building materials, research, urbanism, landscape architecture and product design.

In 2020 Cobe has been focusing on embedding the knowledge and results from previous investments in research and development into our ongoing projects, taking full advantage of the knowledge and experience we have gained through the last years, in order to create bigger value for our clients.

Business Areas

Cobe's core business is centered around sustainable solutions in architecture, urban planning, landscape architecture and design. Cobe continues to focus on these areas and a mix of typologies including culture, housing, education, office, urban planning, landscape design, transport and urban space design.

Management's Review

Sustainability policies at Cobe

It is Cobe's mission to create surroundings that actively contribute to extraordinary everyday urban life. The company strives for long-lasting quality in the cities, buildings and landscapes it shapes. Incorporating sustainability into building processes has never been more important. The building industry generates almost 40% of the world's CO₂ emissions and 30% waste. Exchanging the planet's resources into resilient, long-term solutions that are made to outlast our generation is an integral part of the way Cobe works.

In 2020 Cobe has continued our investments in special knowledge within resiliency and sustainability specifically, within our special unit Cobe Resiliency. Through changing our working methods and procedures on our projects, sustainability is now the first design parameter to be taken into consideration on all projects. Cobe is working with well-known sustainability certification programs and tools such as DGNB, The Nordic Eco Label, LCA and LCC analysis and UN's SDGs.

During 2020 we have worked on broadening our competencies within timber constructions as we see this as one of the key elements to lower the Co₂ emissions in new buildings. We will continue to invest in this specific knowledge in 2021.

It is our aim to further expand our knowledge, services and professional partnerships and networks to provide the services needed for our clients and to evaluate the environmental impact of a given project.

Working environment policies and initiatives

As a part of the company's strategy, Cobe is continuously working to improve employee relations and the company's internal working environment. Cobe wants all employees to feel inspired, challenged and appreciated for the work they do. This is done by offering challenging high-profile projects, excellent working conditions and development opportunities within numerous career paths.

The year of 2020 have brought new challenges as many employees have been working on and off from home. This has created new challenges but also possibilities. Cobe will incorporate the experience and knowledge that we have gained through the last year in our future policies and initiatives. Especially when it comes to flexibility we have gained new knowledge that can help us improve the work environment in the future.

Management's Review

Human rights

Cobe supports and respects the protection of internationally proclaimed human rights act and will, to the extent our capacity allows, prevent any violation of human and fundamental rights.

In our current business areas, we have not identified any risks of violation of human rights in 2020, and we follow local legislation where we operate. Cobe has adhere to the European Convention of Human Rights and have not found it necessary to formulate a policy on the matter, however management will continue to monitor the business.

Anti-corruption and bribery

As a professional, international organization, Cobe supports the United Nations' Convention Against Corruption and fully comply with Danish and local legislation where we operate. Cobe has a zero-tolerance policy when it comes to corruption and fraud, and we are committed to fight corruption and will engage in collaborations and relations that share the same mission.

Cobe has not registered any attempts at corruption or bribery in 2020 as to why Cobe believes there are no risks concerning anti-corruption and bribery and has therefore not found it necessary to formulate a policy on the matter, however management will continue to monitor the situation.

Future outlook

Cobe will continue to develop its interdisciplinary competences within high quality and aesthetics, as well as resilient and sustainable solutions related to the built environment.

As a business partner and consultant, Cobe is known for its collaborative approach. Investments will be aimed towards further developing the company's professionalism.

Cobe expects 2021 to be affected by the world pandemic, but Cobe has already won several important competitions and bids, both locally in Copenhagen (Jernbanebyen), and within and outside of Europe. This is expected to affect both revenue and profit positively. Cobe will still maintain a strong focus on furthering its efforts within business development and improving its core services: sketches, competitions, concept development, detailed design, follow up and site supervision during execution and construction administration.

The company's expectations for the future will be affected by how quickly the world opens up after the pandemic, and how fast public authorities and private investors will be ready to take on risks and decisions. Cobe is willing to invest in keeping its current work force and employees to be able to quickly scale up when needed. With new projects planned for starting up in 2021, Cobe expects the revenue to be on level or above 2020 numbers. It is the expectation that Cobe's profit will be higher in 2021.

Income Statement 1 January - 31 December

	Note	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Revenue	2	99.401.894	121.748.205	99.274.564	120.784.681
Expenses for raw materials and consumables		-7.943.950	-15.983.645	-7.860.880	-15.317.693
Other external expenses		-11.543.806	-15.470.556	-11.509.065	-15.401.487
Gross profit/loss		79.914.138	90.294.004	79.904.619	90.065.501
Staff expenses	3	-76.657.999	-78.549.718	-76.657.999	-78.549.718
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-1.984.253	-1.678.643	-1.984.253	-1.678.643
Profit/loss before financial income and expenses		1.271.886	10.065.643	1.262.367	9.837.140
Income from investments in subsidiaries		0	0	-7.288	169.144
Financial income	5	847.008	883.278	847.008	883.162
Financial expenses	6	-1.677.330	-638.079	-1.677.024	-635.099
Profit/loss before tax		441.564	10.310.842	425.063	10.254.347
Tax on profit/loss for the year	7	-102.203	-2.288.886	-95.557	-2.274.035
Net profit/loss for the year		339.361	8.021.956	329.506	7.980.312

Balance Sheet 31 December

Assets

	Note	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Software		109.279	220.504	109.279	220.504
Intangible assets	8	109.279	220.504	109.279	220.504
Other fixtures and fittings, tools and equipment		2.821.492	4.057.486	2.821.492	4.057.486
Leasehold improvements		1.514.271	1.781.326	1.514.271	1.781.326
Property, plant and equipment	9	4.335.763	5.838.812	4.335.763	5.838.812
Investments in subsidiaries	10	0	0	373.217	390.717
Deposits	11	1.650.000	1.650.000	1.650.000	1.650.000
Fixed asset investments		1.650.000	1.650.000	2.023.217	2.040.717
Fixed assets		6.095.042	7.709.316	6.468.259	8.100.033
Trade receivables		18.013.353	28.788.098	18.013.353	28.494.659
Contract work in progress	12	5.197.656	3.656.415	5.197.656	3.656.415
Receivables from group enterprises		487.776	459.711	763.581	676.231
Other receivables		0	323.775	0	235.893
Prepayments	13	2.681.025	1.956.455	2.681.025	1.956.455
Receivables		26.379.810	35.184.454	26.655.615	35.019.653
Cash at bank and in hand		18.736.105	10.134.986	17.595.547	9.585.689
Currents assets		45.115.915	45.319.440	44.251.162	44.605.342
Assets		51.210.957	53.028.756	50.719.421	52.705.375

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Share capital		500.000	500.000	500.000	500.000
Reserve for net revaluation under the equity method		0	0	82.874	100.374
Reserve for foreign currency translation adjustment		-10.212	0	0	0
Retained earnings		15.694.994	15.365.488	15.601.908	15.265.114
Proposed dividend for the year		0	3.000.000	0	3.000.000
Equity attributable to shareholders of the Parent Company		16.184.782	18.865.488	16.184.782	18.865.488
Minority interests		106.295	96.597	0	0
Equity		16.291.077	18.962.085	16.184.782	18.865.488
Provision for deferred tax	15	7.866.881	7.771.324	7.866.881	7.771.324
Provisions		7.866.881	7.771.324	7.866.881	7.771.324
Other payables		7.000.265	2.242.358	7.000.265	2.242.358
Long-term debt	16	7.000.265	2.242.358	7.000.265	2.242.358
Trade payables		3.657.091	8.774.264	3.337.170	8.611.214
Contract work in progress, liabilities	12	2.124.267	2.612.561	2.124.267	2.612.561
Payables to owners and Management		30.642	86.008	30.642	86.008
Other payables	16	14.240.734	12.580.156	14.175.414	12.516.422
Short-term debt		20.052.734	24.052.989	19.667.493	23.826.205
Debt		27.052.999	26.295.347	26.667.758	26.068.563
Liabilities and equity		51.210.957	53.028.756	50.719.421	52.705.375
Unusual circumstances	1				
Subsequent events	19				
Distribution of profit	14				
Contingent assets, liabilities and other financial obligations	17				
Related parties	18				
Accounting Policies	20				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for foreign currency translation adjustment	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500.000	0	0	15.365.488	3.000.000	18.865.488	96.597	18.962.085
Exchange adjustments	0	0	-10.212	0	0	-10.212	-157	-10.369
Ordinary dividend paid	0	0	0	0	-3.000.000	-3.000.000	0	-3.000.000
Net profit/loss for the year	0	0	0	329.506	0	329.506	9.855	339.361
Equity at 31 December	500.000	0	-10.212	15.694.994	0	16.184.782	106.295	16.291.077

Parent

	Share capital	Reserve for net revaluation under the equity method	Reserve for foreign currency translation adjustment	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500.000	100.374	0	15.265.114	3.000.000	18.865.488	0	18.865.488
Ordinary dividend paid	0	0	0	0	-3.000.000	-3.000.000	0	-3.000.000
Exchange adjustments relating to foreign entities	0	-10.212	0	0	0	-10.212	0	-10.212
Net profit/loss for the year	0	-7.288	0	336.794	0	329.506	0	329.506
Equity at 31 December	500.000	82.874	0	15.601.908	0	16.184.782	0	16.184.782

Notes to the Financial Statements

1 Unusual circumstances

Several projects have been postponed or cancelled in 2020 due to COVID-19. Cobe has chosen to maintain the staff, thus retaining the extensive knowledge in the company.

	Group		Parent	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
2 Revenue				
Geographical segments				
Revenue, Denmark	75.987.475	70.760.380	75.987.475	71.362.757
Revenue, exports	23.414.419	50.987.825	23.287.089	49.421.924
	99.401.894	121.748.205	99.274.564	120.784.681
3 Staff expenses				
Wages and salaries	66.507.203	67.839.756	66.507.203	67.839.756
Pensions	5.215.380	5.325.429	5.215.380	5.325.429
Other social security expenses	538.744	490.613	538.744	490.613
Other staff expenses	4.396.672	4.893.920	4.396.672	4.893.920
	76.657.999	78.549.718	76.657.999	78.549.718
Including remuneration to the Executive Board and Board of Directors	1.494.090	1.544.277	1.494.090	1.544.277
Average number of employees	124	134	124	134

Notes to the Financial Statements

	Group		Parent	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	111.225	197.848	111.225	197.848
Depreciation of property, plant and equipment	1.857.376	1.480.795	1.857.376	1.480.795
Gain and loss on disposal	15.652	0	15.652	0
	1.984.253	1.678.643	1.984.253	1.678.643
5 Financial income				
Interest received from group enterprises	13.489	17.833	13.489	17.833
Other financial income	0	80.550	0	80.434
Exchange adjustments	833.519	784.895	833.519	784.895
	847.008	883.278	847.008	883.162
6 Financial expenses				
Other financial expenses	190.765	65.383	190.459	62.403
Exchange adjustments, expenses	1.486.565	572.696	1.486.565	572.696
	1.677.330	638.079	1.677.024	635.099
7 Tax on profit/loss for the year				
Current tax for the year	6.646	14.851	0	0
Deferred tax for the year	95.557	2.274.035	95.557	2.274.035
	102.203	2.288.886	95.557	2.274.035

Notes to the Financial Statements

8 Intangible assets

Group

	Software DKK
Cost at 1 January	775.544
Disposals for the year	-301.839
Cost at 31 December	473.705
Impairment losses and amortisation at 1 January	555.040
Amortisation for the year	111.225
Reversal of amortisation of disposals for the year	-301.839
Impairment losses and amortisation at 31 December	364.426
Carrying amount at 31 December	109.279
Amortised over	3 years

Parent

	Software DKK
Cost at 1 January	775.544
Disposals for the year	-301.839
Cost at 31 December	473.705
Impairment losses and amortisation at 1 January	555.040
Amortisation for the year	111.225
Reversal of amortisation of disposals for the year	-301.839
Impairment losses and amortisation at 31 December	364.426
Carrying amount at 31 December	109.279
Amortised over	3 years

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Total DKK
Cost at 1 January	6.336.605	2.149.201	8.485.806
Additions for the year	376.295	16.685	392.980
Disposals for the year	-312.587	0	-312.587
Cost at 31 December	6.400.313	2.165.886	8.566.199
Impairment losses and depreciation at 1 January	2.279.120	367.875	2.646.995
Depreciation for the year	1.573.636	283.740	1.857.376
Reversal of impairment and depreciation of sold assets	-273.935	0	-273.935
Impairment losses and depreciation at 31 December	3.578.821	651.615	4.230.436
Carrying amount at 31 December	2.821.492	1.514.271	4.335.763
Depreciated over	3-10 years	3-10 years	

Parent

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Total DKK
Cost at 1 January	6.336.605	2.149.201	8.485.806
Additions for the year	376.295	16.685	392.980
Disposals for the year	-312.587	0	-312.587
Kostpris at 31 December	6.400.313	2.165.886	8.566.199
Impairment losses and depreciation at 1 January	2.279.120	367.875	2.646.995
Depreciation for the year	1.573.636	283.740	1.857.376
Reversal of impairment and depreciation of sold assets	-273.935	0	-273.935
Impairment losses and depreciation at 31 December	3.578.821	651.615	4.230.436
Carrying amount at 31 December	2.821.492	1.514.271	4.335.763

Notes to the Financial Statements

10 Investments in subsidiaries

	Parent	
	2020	2019
	DKK	DKK
Cost at 1 January	290.343	206.049
Additions for the year	0	84.294
Cost at 31 December	290.343	290.343
Value adjustments at 1 January	100.374	-74.020
Exchange adjustment	-10.212	5.250
Revaluations for the year, net	-7.288	169.144
Value adjustments at 31 December	82.874	100.374
Carrying amount at 31 December	373.217	390.717

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
COBE-BRUT	Brussels	EUR 35.000	60%
COBE Architects Inc.	Toronto	CAD 10.000	100%
COBE UK	London	GBP 10.000	100%

11 Other fixed asset investments

	Group	Parent
	Deposits	Deposits
	DKK	DKK
Cost at 1 January	1.650.000	1.650.000
Cost at 31 December	1.650.000	1.650.000
Carrying amount at 31 December	1.650.000	1.650.000

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
12 Contract work in progress				
Selling price of work in progress	111.191.071	79.065.463	111.191.071	79.065.463
Payments received on account	-108.117.682	-78.021.609	-108.117.682	-78.021.609
	3.073.389	1.043.854	3.073.389	1.043.854
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	5.197.656	3.656.415	5.197.656	3.656.415
Prepayments received recognised in debt	-2.124.267	-2.612.561	-2.124.267	-2.612.561
	3.073.389	1.043.854	3.073.389	1.043.854

13 Prepayments

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

14 Distribution of profit

Proposed dividend for the year	0	3.000.000	0	3.000.000
Reserve for net revaluation under the equity method	0	0	-7.288	95.124
Minority interests' share of net profit/loss of subsidiaries	9.855	41.644	0	0
Retained earnings	329.506	4.980.312	336.794	4.885.188
	339.361	8.021.956	329.506	7.980.312

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
15 Provision for deferred tax				
Provision for deferred tax at 1 January	7.771.324	5.480.590	7.771.324	5.497.289
Amounts recognised in the income statement for the year	95.557	2.274.035	95.557	2.274.035
This year's regulations for deferred tax in previous years	0	16.699	0	0
Provision for deferred tax at 31 December	7.866.881	7.771.324	7.866.881	7.771.324

16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Other payables				
Between 1 and 5 years	7.000.265	2.242.358	7.000.265	2.242.358
Long-term part	7.000.265	2.242.358	7.000.265	2.242.358
Other short-term payables	14.240.734	12.580.156	14.175.414	12.516.422
	21.240.999	14.822.514	21.175.679	14.758.780

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Debtors, tangible assets and immaterial rights have been placed as security with mortgage credit institutes, DKK 5,000k.

Contingent liabilities

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 17,175k.

The Company has also entered into an agreement regarding leasing assets. The agreement is non-terminable until 1 July 2025. The obligation amounts to DKK 419k.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The company is involved in a minor numbers of disputes. None of these are expected to have an effect on the company.

Notes to the Financial Statements

18 Related parties

	<u>Basis</u>
Controlling interest	
COBE HOLDING A/S	Parent Company
34052786	
Copenhagen	
Dan Stubbergaard	Beneficial owner

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the consolidated financial statements for the parent company

<u>Name</u>	<u>Place of registered office</u>
COBE HOLDING ApS	Copenhagen

The Group Annual Report of COBE HOLDING ApS may be obtained at the following address:

Orientkaj 4, 2150 Nordhavn

19 Subsequent events

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

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Cobe A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Cobe Holding ApS, the Company and the Group have not prepared a cash flow statement.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Cobe A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Compa-

Notes to the Financial Statements

20 Accounting Policies (continued)

ny's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

20 Accounting Policies (continued)

Revenue

Information on geographical segments based on the Group's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

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/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 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

Software is measured at the lower of cost less accumulated amortisation and recoverable amount. Software is amortised over the remaining patent 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.

Interest expenses on loans raised directly for financing the construction of property, plant and equip-

Notes to the Financial Statements

20 Accounting Policies (continued)

ment are recognised in cost over the period of construction.

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	3-10	years

The fixed assets' residual values are determined at nil.

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.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

20 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 regarding service 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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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 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

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$