
COBE Holding ApS

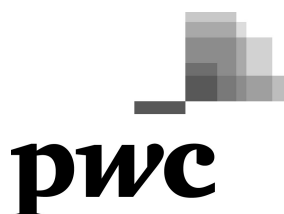
Orientkaj 4, DK-2150 Nordhavn

Annual Report for 1 January - 31 December 2020

CVR No 34 05 27 86

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
18/5 2021

Dan Stubbergaard Hansen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of COBE Holding ApS for the financial year 1 January - 31 December 2020.

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

In my 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 and of consolidated cash flows for 2020.

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

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

Copenhagen, 18 May 2021

Executive Board

Dan Stubbergaard Hansen

Independent Auditor's Report

To the Shareholder of COBE Holding ApS

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 and of consolidated cash flows 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 Holding ApS 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, as well as consolidated statement of cash flows ("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 Holding ApS
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E-mail: kho@cobe.dk

CVR No: 34 05 27 86
Financial period: 1 January - 31 December
Municipality of reg. office: København

Executive Board

Dan Stubbergaard Hansen

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	1.236	10.039	9.599
Profit/loss before financial income and expenses	1.236	10.039	9.599
Net financials	-850	222	7.119
Net profit/loss for the year	285	7.972	14.602
Balance sheet			
Balance sheet total	50.763	52.634	60.316
Equity	15.814	18.539	28.007
Cash flows			
Cash flows from:			
- operating activities	7.248	6.022	9.156
- investing activities	-405	-2.693	-12.671
including investment in property, plant and equipment	-393	-2.442	-3.202
- financing activities	1.739	-1.341	2.630
Change in cash and cash equivalents for the year	8.582	1.988	-885
Number of employees	124	134	111
Ratios			
Gross margin	80,4%	74,1%	67,6%
Profit margin	1,2%	8,2%	9,1%
Return on assets	2,4%	19,1%	15,9%
Solvency ratio	31,2%	35,2%	46,4%
Return on equity	1,7%	34,3%	104,3%

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 Holding ApS 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

The Group 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 Holding ApS is owned by Founder Dan Stubbergaard Hansen, who is executive board.

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 subcontractors) stood at TDKK 99.402 compared to TDKK 121.748 in 2019. This constitutes a 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 284.591, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 15.814.244.

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 are 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, which corresponds to nominal value less provisions for bad debts.

Management's Review

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 risk

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 Group'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.

The Group 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 Group 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

The Group 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 2019, and we follow local legislation where we operate. The Group 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	0	0
Expenses for raw materials and consumables		-7.943.950	-15.983.645	0	0
Other external expenses		-11.579.256	-15.497.256	-19.600	-13.350
Gross profit/loss		79.878.688	90.267.304	-19.600	-13.350
Staff expenses	3	-76.657.999	-78.549.718	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.984.253	-1.678.643	0	0
Profit/loss before financial income and expenses		1.236.436	10.038.943	-19.600	-13.350
Income from investments in subsidiaries		0	0	305.172	7.578.280
Income from investments in associates		-5.687	-4.621	-5.687	-4.621
Financial income	4	833.519	865.445	0	0
Financial expenses	5	-1.677.474	-638.757	-13.594	-17.986
Profit/loss before tax		386.794	10.261.010	266.291	7.542.323
Tax on profit/loss for the year	6	-102.203	-2.288.886	0	0
Net profit/loss for the year		284.591	7.972.124	266.291	7.542.323

Balance Sheet 31 December

Assets

	Note	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Software		109.279	220.504	0	0
Intangible assets	7	109.279	220.504	0	0
Other fixtures and fittings, tools and equipment		2.821.492	4.057.486	0	0
Leasehold improvements		1.514.271	1.781.326	0	0
Property, plant and equipment	8	4.335.763	5.838.812	0	0
Investments in subsidiaries	9	0	0	15.360.059	17.916.094
Investments in associates	10	29.002	34.689	29.002	34.689
Deposits	11	1.650.000	1.650.000	0	0
Fixed asset investments		1.679.002	1.684.689	15.389.061	17.950.783
Fixed assets		6.124.044	7.744.005	15.389.061	17.950.783
Trade receivables		18.013.353	28.788.098	0	0
Contract work in progress	12	5.197.656	3.656.415	0	0
Receivables from group enterprises		3.170	0	40.270	40.270
Other receivables		0	326.945	0	0
Prepayments	13	2.681.025	1.956.455	0	0
Receivables		25.895.204	34.727.913	40.270	40.270
Cash at bank and in hand		18.743.895	10.161.870	2.284	20.489
Currents assets		44.639.099	44.889.783	42.554	60.759
Assets		50.763.143	52.633.788	15.431.615	18.011.542

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Share capital		200.000	200.000	200.000	200.000
Reserve for net revaluation under the equity method		0	0	12.705.157	15.256.182
Reserve for foreign currency translation adjustment		-9.707	0	0	0
Retained earnings		14.739.618	17.323.327	2.024.754	2.067.145
Equity attributable to shareholders of the Parent Company		14.929.911	17.523.327	14.929.911	17.523.327
Minority interests		884.333	1.015.197	0	0
Equity		15.814.244	18.538.524	14.929.911	17.523.327
Provision for deferred tax	15	7.866.881	7.771.324	0	0
Provisions		7.866.881	7.771.324	0	0
Other payables		7.000.265	2.242.358	0	0
Long-term debt	16	7.000.265	2.242.358	0	0
Trade payables		3.679.591	8.776.762	12.500	12.500
Contract work in progress, liabilities	12	2.124.267	2.612.561	0	0
Payables to group enterprises		0	0	463.109	449.620
Payables to owners and Management		56.737	112.103	26.095	26.095
Other payables	16	14.221.158	12.580.156	0	0
Short-term debt		20.081.753	24.081.582	501.704	488.215
Debt		27.082.018	26.323.940	501.704	488.215
Liabilities and equity		50.763.143	52.633.788	15.431.615	18.011.542

Balance Sheet 31 December

Liabilities and equity

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for foreign currency translation adjustment	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	200.000	0	0	17.323.327	17.523.327	1.015.197	18.538.524
Exchange adjustments	0	0	-9.707	0	-9.707	-664	-10.371
Ordinary dividend paid	0	0	0	0	0	-148.500	-148.500
Extraordinary dividend paid	0	0	0	-2.850.000	-2.850.000	0	-2.850.000
Net profit/loss for the year	0	0	0	266.291	266.291	18.300	284.591
Equity at 31 December	200.000	0	-9.707	14.739.618	14.929.911	884.333	15.814.244

Parent

Equity at 1 January	200.000	15.256.182	0	2.067.145	17.523.327	0	17.523.327
Extraordinary dividend paid	0	0	0	-2.850.000	-2.850.000	0	-2.850.000
Exchange adjustments relating to foreign entities	0	-9.707	0	0	-9.707	0	-9.707
Dividend from group enterprises	0	-2.851.500	0	2.851.500	0	0	0
Other equity movements	0	5.010	0	-5.010	0	0	0
Net profit/loss for the year	0	305.172	0	-38.881	266.291	0	266.291
Equity at 31 December	200.000	12.705.157	0	2.024.754	14.929.911	0	14.929.911

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 DKK	2019 DKK
Net profit/loss for the year		284.591	7.972.124
Adjustments	17	3.021.286	3.713.103
Change in working capital	18	4.888.246	-5.889.921
Cash flows from operating activities before financial income and expenses		8.194.123	5.795.306
Financial income		833.519	865.445
Financial expenses		-1.677.475	-638.757
Cash flows from ordinary activities		7.350.167	6.021.994
Corporation tax paid		-102.203	0
Cash flows from operating activities		7.247.964	6.021.994
Purchase of intangible assets		0	-166.910
Purchase of property, plant and equipment		-392.980	-2.441.859
Fixed asset investments made etc		-34.689	-84.294
Sale of property, plant and equipment		23.000	0
Cash flows from investing activities		-404.669	-2.693.063
Raising of other long-term debt		4.702.541	1.008.622
Other equity entries (should be broken down)		34.689	0
Dividend paid		-2.998.500	-2.350.000
Cash flows from financing activities		1.738.730	-1.341.378
Change in cash and cash equivalents		8.582.025	1.987.553
Cash and cash equivalents at 1 January		10.161.870	8.174.317
Cash and cash equivalents at 31 December		18.743.895	10.161.870
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		18.743.895	10.161.870
Cash and cash equivalents at 31 December		18.743.895	10.161.870

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	0	0
Revenue, exports	23.414.419	50.987.825	0	0
	99.401.894	121.748.205	0	0
3 Staff expenses				
Wages and salaries	66.507.203	67.839.756	0	0
Pensions	5.215.380	5.325.429	0	0
Other social security expenses	538.744	490.613	0	0
Other staff expenses	4.396.672	4.893.920	0	0
	76.657.999	78.549.718	0	0
Average number of employees	124	134	0	0

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

4 Financial income

Other financial income	0	80.550	0	0
Exchange adjustments	833.519	784.895	0	0
	833.519	865.445	0	0

Notes to the Financial Statements

5 Financial expenses	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Interest paid to group enterprises	0	0	13.489	17.833
Other financial expenses	190.909	66.061	105	153
Exchange adjustments, expenses	1.486.565	572.696	0	0
	1.677.474	638.757	13.594	17.986

6 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	0	0
	102.203	2.288.886	0	0

7 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

Notes to the Financial Statements

8 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

9 Investments in subsidiaries

	2020 DKK	2019 DKK
Cost at 1 January	2.654.902	2.654.902
Cost at 31 December	2.654.902	2.654.902
Value adjustments at 1 January	15.261.192	10.054.172
Exchange adjustment	-9.707	4.990
Net profit/loss for the year	305.172	7.578.280
Dividend to the Parent Company	-2.851.500	-2.376.250
Value adjustments at 31 December	12.705.157	15.261.192
Carrying amount at 31 December	15.360.059	17.916.094

Notes to the Financial Statements

9 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
COBE A/S	Copenhagen	DKK 500.000	90%
Pakhus Holding ApS	Copenhagen	DKK 125.000	51%
COBE-BRUT	Brussels	EUR 35.000	60%
COBE Architects Inc.	Toronto	CAD 10.000	100%
COBE UK	London	GBP 10.000	100%

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
10 Investments in associates				
Cost at 1 January	40.000	40.000	40.000	40.000
Cost at 31 December	40.000	40.000	40.000	40.000
Value adjustments at 1 January	-5.311	-690	-5.311	-690
Net profit/loss for the year	-5.687	-4.621	-5.687	-4.621
Value adjustments at 31 December	-10.998	-5.311	-10.998	-5.311
Carrying amount at 31 December	29.002	34.689	29.002	34.689

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
COBE-MVRDV ApS	Copenhagen	DKK 80.000	50%

11 Other fixed asset investments

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

Notes to the Financial Statements

	Group		Parent	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
12 Contract work in progress				
Selling price of work in progress	111.191.071	79.065.463	0	0
Payments received on account	-108.117.682	-78.021.609	0	0
	3.073.389	1.043.854	0	0
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	5.197.656	3.656.415	0	0
Prepayments received recognised in debt	-2.124.267	-2.612.561	0	0
	3.073.389	1.043.854	0	0

13 Prepayments

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

14 Distribution of profit

Extraordinary dividend paid	2.850.000	2.350.000	2.850.000	2.350.000
Reserve for net revaluation under the equity method	0	0	305.172	7.573.659
Minority interests' share of net profit/loss of subsidiaries	18.300	429.801	0	0
Retained earnings	-2.583.709	5.192.323	-2.888.881	-2.381.336
	284.591	7.972.124	266.291	7.542.323

Notes to the Financial Statements

	Group		Parent	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
15 Provision for deferred tax				
Provision for deferred tax at 1 January	7.771.324	5.480.590	0	0
Amounts recognised in the income statement for the year	95.557	2.274.035	0	0
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	0	0

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:

Other payables

Between 1 and 5 years	7.000.265	2.242.358	0	0
Long-term part	7.000.265	2.242.358	0	0
Other short-term payables	14.221.158	12.580.156	0	0
	21.221.423	14.822.514	0	0

17 Cash flow statement - adjustments

	Group	
	2020 DKK	2019 DKK
Financial income	-833.519	-865.445
Financial expenses	1.677.474	638.757
Depreciation, amortisation and impairment losses, including losses and gains on sales	1.984.253	1.678.643
Income from investments in associates	5.687	4.621
Tax on profit/loss for the year	102.203	2.288.886
Other adjustments	85.188	-32.359
	3.021.286	3.713.103

Notes to the Financial Statements

	Group	
	2020 DKK	2019 DKK
18 Cash flow statement - change in working capital		
Change in receivables	8.832.709	-7.157.611
Change in trade payables, etc	-3.944.463	1.267.690
	4.888.246	-5.889.921

19 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 Group 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 Group 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 group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the 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.

COBE Holding ApS has provided a surety (primary liability) in respect of the group company Cobe A/S bank facility. On the balance date, Cobe A/S' debt to Jyske Bank A/S amounts to DKK 0.

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

Notes to the Financial Statements

20 Related parties

	<u>Basis</u>
Controlling interest	
Dan Stubbergaard Hansen	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.

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

21 Subsequent events

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

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of COBE Holding ApS 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.

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 Holding ApS, 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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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

22 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

22 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 and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include 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

22 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 and associates

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

The items "Investments in subsidiaries" and "Investments in associates" 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 inter-company profits or losses.

The total net revaluation of investments in subsidiaries and associates 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 and the associates.

Subsidiaries and associates 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

22 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

22 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.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Notes to the Financial Statements

22 Accounting Policies (continued)

The cash flow statement cannot be immediately derived from the published financial records.

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$