
COBOD International A/S

Dronningens Tværgade 26, DK-1302 København K

Annual Report for 1 January - 31 December 2019

CVR No 38 15 18 86

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
26/2 2020

Henrik Lund-Nielsen
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 COBOD International A/S for the financial year 1 January - 31 December 2019.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

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

Copenhagen, 26 February 2020

Executive Board

Henrik Lund-Nielsen
Executive Officer

Board of Directors

Christian Frode Peytz
Chairman

Leonhard Braig

Simon Rolf Klint Bergh

Independent Auditor's Report

To the Shareholders of COBOD International A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of COBOD International A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the

Independent Auditor's Report

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.

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, 26 February 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jens Olsson
statsautoriseret revisor
mne19908

Henrik Dich
statsautoriseret revisor
mne42826

Company Information

The Company

COBOD International A/S
Dronningens Tværgade 26
DK-1302 København K

CVR No: 38 15 18 86
Financial period: 1 January - 31 December
Incorporated: 20 October 2016
Municipality of reg. office: København

Board of Directors

Christian Frode Peytz, Chairman
Leonhard Braig
Simon Rolf Klint Bergh

Executive Board

Henrik Lund-Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of COBOD International A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

Key activities

The company is the leading robotic 3D construction printing company globally. The main activities of the company are development, manufacturing, sales and service of robotic 3D construction printers and related activities. The company is truly global with customers in Asia, The Middle East, Europe and the US.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 151,232, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 6,176,638.

Sales, margin and fixed costs for the year were all higher than budgeted due to a faster growth of the company than expected. The P&L result is as expected, as this year was the first year of real operations of the company. Results are expected to improve as the company will be selling and supplying significantly more printers in the coming year. At the time of this report, the company has already secured orders for app. 30% of the budgeted increased printer sales for the present year.

Research and development

The company is conducting significant R&D efforts related to printing technologies, construction methods and materials. All R&D efforts have been expensed this year, although they represent a significant immaterial asset.

R&D efforts will also be increased significantly in the present year.

Unusual events

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		4.945.929	97.056
Staff expenses	1	-4.456.672	-1.737.042
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-535.735	-478.508
Profit/loss before financial income and expenses		-46.478	-2.118.494
Financial income		1.743	0
Financial expenses		-35.605	-2.919
Profit/loss before tax		-80.340	-2.121.413
Tax on profit/loss for the year	2	231.572	189.589
Net profit/loss for the year		151.232	-1.931.824

Distribution of profit

Proposed distribution of profit

Development costs for the year	501.554	756.632
Retained earnings	-350.322	-2.688.456
	151.232	-1.931.824

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		0	970.042
Development projects in progress		1.613.058	0
Intangible assets	3	1.613.058	970.042
Land and buildings		1.614.747	1.765.356
Other fixtures and fittings, tools and equipment		2.163.117	279.406
Property, plant and equipment	4	3.777.864	2.044.762
Deposits		159.590	74.000
Fixed asset investments		159.590	74.000
Fixed assets		5.550.512	3.088.804
Inventories		260.558	0
Trade receivables		3.271.321	1.027.500
Contract work in progress	5	0	562.206
Receivables from group enterprises		951.308	80.074
Other receivables		453.232	885.453
Corporation tax receivable from group enterprises		231.572	189.589
Prepayments		34.203	25.000
Receivables		4.941.636	2.769.822
Cash at bank and in hand		2.018.347	1.803.714
Currents assets		7.220.541	4.573.536
Assets		12.771.053	7.662.340

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		625.000	625.000
Reserve for development costs		1.258.186	756.632
Retained earnings		4.293.452	4.643.774
Equity		6.176.638	6.025.406
Other payables		104.560	0
Long-term debt	6	104.560	0
Prepayments received from customers		2.927.484	822.000
Trade payables		2.397.928	586.487
Payables to owners and Management		0	21.884
Other payables	6	387.431	206.563
Deferred income		777.012	0
Short-term debt		6.489.855	1.636.934
Debt		6.594.415	1.636.934
Liabilities and equity		12.771.053	7.662.340
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	625.000	756.632	4.643.774	6.025.406
Development costs for the year	0	501.554	0	501.554
Net profit/loss for the year	0	0	-350.322	-350.322
Equity at 31 December	625.000	1.258.186	4.293.452	6.176.638

Notes to the Financial Statements

	2019 DKK	2018 DKK
1 Staff expenses		
Wages and salaries	4.286.244	1.741.382
Pensions	140.153	0
Other social security expenses	45.957	5.018
Other staff expenses	-15.682	-9.358
	4.456.672	1.737.042
Average number of employees	12	8
2 Tax on profit/loss for the year		
Current tax for the year	0	0
Adjustment of tax concerning previous years	-231.572	-189.589
	-231.572	-189.589
3 Intangible assets		
	Completed development projects DKK	Development projects in progress DKK
Cost at 1 January	1.212.554	0
Additions for the year	1.971.057	1.613.058
Disposals for the year	-1.014.530	0
Transfers for the year	-2.169.081	0
Cost at 31 December	0	1.613.058
Impairment losses and amortisation at 1 January	242.511	0
Amortisation for the year	210.431	0
Transfers for the year	-452.942	0
Impairment losses and amortisation at 31 December	0	0
Carrying amount at 31 December	0	1.613.058
Amortised over	5 years	5 years
Development projects relate to the further development of the Company's 3D printers for concrete. The further development consists among other things of new types and systems.		

Notes to the Financial Statements

4 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	1.944.317	336.441
Additions for the year	48.692	293.575
Transfers for the year	0	2.169.081
Cost at 31 December	<u>1.993.009</u>	<u>2.799.097</u>
Impairment losses and depreciation at 1 January	178.961	57.035
Depreciation for the year	199.301	126.003
Transfers for the year	0	452.942
Impairment losses and depreciation at 31 December	<u>378.262</u>	<u>635.980</u>
Carrying amount at 31 December	<u>1.614.747</u>	<u>2.163.117</u>
Depreciated over	<u>10 years</u>	<u>5 years</u>
	2019	2018
	DKK	DKK

5 Contract work in progress

Selling price of work in progress	0	2.160.500
Payments received on account	0	-1.598.294
	<u>0</u>	<u>562.206</u>

Notes to the Financial Statements

6 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:

	<u>2019</u> DKK	<u>2018</u> DKK
Other payables		
Between 1 and 5 years	104.560	0
Long-term part	104.560	0
Other short-term payables	387.431	206.563
	<u>491.991</u>	<u>206.563</u>

7 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Payments under operating leases concerning cars	155.904	0
Rent payment concerning a contract which is intermenable for 6 months	149.513	0

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of The 3D Group A/S (CVR-nr. 3603 7369), which is the management company of the joint taxation purposes (administrationselskab). 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.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of COBOD International A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Notes to the Financial Statements

8 Accounting Policies (continued)

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 Company.

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 Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

8 Accounting Policies (continued)

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 companies related to The 3D Group A/S (administrationssselskab). The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition. Development costs is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

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

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

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

Other buildings	10	years
Plant and machinery	5	years
Other fixtures and fittings, tools and equipment	5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

Fixed asset investments

Fixed asset investments consist of paid deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Contract work in progress

Contract work in progress is measured at 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the 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.

Deferred income

Deferred income comprises government grants provided for the purchase of assets, and is recognized as income in a methodical way over the useful life of the asset.