

Herzog & de Meuron Denmark ApS

c/o Nielsen & Thomsen, Østbanegade 55, 4., 2100 København Ø

Company reg. no. 38 77 87 49

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 17 February 2021.

Mauro Di Domenica
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the executive board has presented the annual report of Herzog & de Meuron Denmark ApS for the financial year 1 January - 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København Ø, 17 February 2021

Executive board

Jason Kamlukin Frantzen

Adrian Keller

Mauro Di Domenica

Independent auditor's report on extended review

To the shareholders of Herzog & de Meuron Denmark ApS

Opinion

We have performed an extended review of the financial statements of Herzog & de Meuron Denmark ApS for the financial year 1 January to 31 December 2020, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties concerning the enterprise's ability to continue as a going concern

We point out that there is significant uncertainty that may raise necessary doubts about the company's ability to continue as a going concern. We refer to the annual reports note 1, where the circumstances is described. Our conclusion has not been changed regarding these matters.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report on extended review

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Copenhagen, 17 February 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Carsten Ingemann Johansen

State Authorised Public Accountant
mne32071

Company information

The company

Herzog & de Meuron Denmark ApS
c/o Nielsen & Thomsen
Østbanegade 55, 4.
2100 København Ø

Company reg. no. 38 77 87 49
Financial year: 1 January - 31 December

Executive board

Jason Kamlukin Frantzen
Adrian Keller
Mauro Di Domenica

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Herzog & de Meuron Basel Ltd.

Management commentary

The principal activities of the company

The main activity consist of running a architectural and design consultancy in connection with construction and design.

Development in activities and financial matters

The gross profit for the year totals DKK 3.121.466 against DKK 357.046 last year. Income or loss from ordinary activities after tax totals DKK 855.953 against DKK -2.052.249 last year. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for Herzog & de Meuron Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Significant errors

The management has found that payables to group enterprises in the financial year 2019 has been incorrectly classified as short term liabilities.

As a result, the management has made consequential corrections. The effect on individual accounting items, in the comparison year 2019 is the following.

Short term payables to group enterprises have changed from DKK 5.495.163 to DKK 495.163.

Long term payables to group enterprises have changed from DKK 0 to DKK 5.000.000.

The changes have not had an effect on earnings in 2019.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for administration.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life
Other fixtures and fittings, tools and equipment	3 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	3.121.466	357.046
2 Staff costs	-1.976.785	-2.946.371
Depreciation and writedown relating to tangible fixed assets	-25.677	-31.560
Operating profit	1.119.004	-2.620.885
Other financial income	3	2.510
3 Other financial costs	-29.406	-11.360
Pre-tax net profit or loss	1.089.601	-2.629.735
4 Tax on net profit or loss for the year	-233.648	577.486
Profit or loss from ordinary activities after tax	855.953	-2.052.249
Net profit or loss for the year	855.953	-2.052.249
Proposed appropriation of net profit:		
Transferred to retained earnings	855.953	0
Allocated from retained earnings	0	-2.052.249
Total allocations and transfers	855.953	-2.052.249

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
5	Other fixtures and fittings, tools and equipment	0	25.677
	Total property, plant, and equipment	0	25.677
	Total non-current assets	0	25.677
Current assets			
	Trade receivables	852.954	619.031
	Deferred tax assets	390.063	623.711
	Other receivables	404.552	0
	Prepayments and accrued income	3.787	0
	Total receivables	1.651.356	1.242.742
	Cash on hand and demand deposits	3.857.545	2.622.650
	Total current assets	5.508.901	3.865.392
	Total assets	5.508.901	3.891.069

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity		
Contributed capital	100.000	100.000
Retained earnings	-1.360.663	-2.216.616
Total equity	-1.260.663	-2.116.616
Liabilities other than provisions		
Payables to group enterprises	5.000.000	5.000.000
Other payables	215.575	65.115
Total long term liabilities other than provisions	5.215.575	5.065.115
Trade payables	375.148	31.587
Payables to group enterprises	0	495.820
Other payables	1.178.841	415.163
Total short term liabilities other than provisions	1.553.989	942.570
Total liabilities other than provisions	6.769.564	6.007.685
Total equity and liabilities	5.508.901	3.891.069

1 Uncertainties concerning the enterprise's ability to continue as a going concern

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company activity is supported by the parent company. The ability to continue as a going concern depends on the parent company's continuing support.

	2020	2019
	<hr/>	<hr/>
2. Staff costs		
Salaries and wages	1.787.746	2.709.918
Pension costs	182.791	227.175
Other costs for social security	6.248	9.278
	<hr/> 1.976.785	<hr/> 2.946.371
Average number of employees	<hr/> 3	<hr/> 4
3. Other financial costs		
Other financial costs	29.406	11.360
	<hr/> 29.406	<hr/> 11.360
4. Tax on net profit or loss for the year		
Adjustment of deferred tax for the year	233.648	-577.486
	<hr/> 233.648	<hr/> -577.486
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	94.679	94.679
Cost 31 December 2020	<hr/> 94.679	<hr/> 94.679
Amortisation and writedown 1 January 2020	-69.002	-37.442
Amortisation and depreciation for the year	-25.677	-31.560
Amortisation and writedown 31 December 2020	<hr/> -94.679	<hr/> -69.002
Carrying amount, 31 December 2020	<hr/> 0	<hr/> 25.677