Bjarke Ingels Group A/S

Kløverbladsgade 56
2500 Valby
Denmark

CVR no. 29 30 93 96

Annual report 2017

The annual report was presented and approved at the Company's annual general meeting on

31 May 2018

Sheela Maini Søgaard
chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Bjarke Ingels Group A/S for the financial year 1 January – 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Copenhagen, 31 May 2018
Executive Board:

Sheela Maini Søgaard

Board of Directors:

Bjarke Ingels Chairman	Shahrzad Rafati	Thomas Christoffersen
Christian Madsbjerg	Finn Nørkjær	

Independent auditor's report

To the shareholders of Bjarke Ingels Group A/S

Opinion

We have audited the financial statements of Bjarke Ingels Group A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 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.

KPMG

Independent auditor's report

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen
State Authorised
Public Accountant
MNE nr. 15839

Management's review

Financial highlights of Bjarke Ingels Group A/S

DKK'000	2017	2016	2015	2014	2013
Gross profit	166,268	164,190	79,291	112,254	87,575
Ordinary operating profit/loss	45,404	75,424	10,462	20,069	26,928
Net financial income and expenses	-9,887	2,140	6,385	4,588	-815
Profit for the year	62,533	62,850	38,115	16,340	19,752
Total assets	269,453	208,539	133,419	134,804	67,569
Investment in fixed assets	-6,173	-4,703	-1,607	-240	-5,140
Equity	193,567	137,011	73,169	34,131	24,248
Return on assets	16.9%	36.2%	7.4%	14.9%	39.9%
Return on equity	37,8%	59.8%	70.1%	56.0%	109.9%
Solvency ratio	71,8%	65.7%	55.0%	25.3%	35.9%
Average number of full-time employees	216	152	109	108	113

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios".

Proforma financial highlights of BIG Brand Group's activities*

DKK'000	2017	2016	2015	2014
Gross profit	363,868	357,276	300,402	149,367
Ordinary operating profit/loss	96,450	119,748	78,369	24,089
Net financial income and expenses	-10,609	-1,596	4,089	-544
Profit for the year	63,732	82,011	57,255	14,806
Total assets	365,196	295,168	208,132	130,563
Equity	229,422	169,124	87,255	29,377
Return on assets	26.4%	40.6%	37.7%	18.5%
Return on equity	32,0%	64.0%	65.9%	58.7%
Solvency ratio	62,8%	57.3%	41.9%	22.5%

*Reference is made to Supplementary statement page 29-37.

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios".

Management's review

Operating review

Main activity

The main activity of Bjarke Ingels Group ("the Company") is customary architectural and related activities.

Group structure

BIG's structure is aligned with the rules and regulations for compliance in the jurisdictions where BIG practices. BIG has an office in Copenhagen that practices architecture as its main activity and a subsidiary in New York that provides design services as well as performs administrative and operational services for B.I.G Architecture DPC. B.I.G Architecture DPC is a licensed architectural practice that operates under the BIG brand name although its ownership structure is separate from BIG. Similarly, BIG London is held in a separate ownership structure. All entities operate under the BIG brand.

In order to provide a complete view of the financial activities of the BIG Brand Group, proforma financial statements have been included with the financial statements for BIG. The proforma financial statements are included as a supplementary statement to the 2017 annual report.

Development in the year and expectations for the BIG Brand Group's activities

The income statement for 2017 shows a profit of DKK 62,533 thousand, and the balance sheet at 31 December 2017 shows equity of DKK 193,567 thousand.

This result is in line with Management expectations as presented in the financial report for 2016.

The proforma income statement for 2017 shows a profit of DKK 63,732 thousand, and the proforma balance sheet at 31 December 2017 shows equity of DKK 229,422 thousand.

In 2017, Management focused on strengthening operational procedures and sharing best practices. Headcount in BIG CPH grew markedly mainly in production while staff number in BIG NYC stayed stable in 2017. Significant investments were made into disciplines and skills that expand on BIG's position as a world class full service consultant for project delivery. Particularly BIG ownership has invested into building in-house engineering skills as well as landscape design skills during 2017. The net investment into these disciplines continue for the financial year 2018.

Management considers the incoming projects and the development in activity level to be satisfactory.

Management's review

Foreign branches

The Company has established temporary foreign branches when required by the activities performed in connection with specific projects and to comply with tax requirements. Management assesses that the branch activities do not represent additional risks.

Special risks – operating risks and financial risks

Foreign exchange risks

The Company has a significant amount of its activities in various international markets. Contracts are primarily entered in USD, EUR or DKK. The Group is thus exposed to currency fluctuations in USD.

Development expectations

Management expects very slight growth in revenue while expecting lower EBIT for 2018 compared to 2017.

Intellectual capital resources

The Company's continuous development is dependent on the Company's ability to attract and withhold qualified architects, designers and engineers from domestically and abroad.

Corporate Social Responsibility

At BIG, architecture is not about building monuments, but about creating possibilities for human life.

BIG has since 2010 participated in the UN Global Compact initiative and has recently communicated on the progress made for the period October 2015 – October 2016, where the BIG Partners have reaffirmed their unwavering support of the Ten Principles of United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption. The progress report is accessible on the UN Global Compact website.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Gross profit		166,268	164,190
Staff costs	2	-115,818	-84,818
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-5,046	-3,948
Profit before financial income and expenses		45,404	75,424
Income from equity investment in group entities		35,547	2,155
Financial income	3	1,062	2,261
Financial expenses	4	-10,949	-121
Profit before tax		71,064	79,719
Tax on profit for the year	5	-8,531	-16,869
Profit for the year	6	62,533	62,850

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Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Intangible assets	7		
Patents		299	0
Software and licences		2,006	1,901
		2,305	1,901
Property, plant and equipment	8		
Assets under contruction		1,155	0
Fixtures and fittings, tools and equipment		6,972	6,799
Leasehold improvements		344	920
		8,471	7,719
Investments	9		
Equity investments in subsidiaries		62,984	33,546
Other investments		6,630	5,392
Deposits		366	213
		69,980	39,151
Total fixed assets		80,756	48,771
Current assets			
Receivables			
Trade receivables		46,422	30,552
Contract work in progress	10	18,925	13,976
Receivables from group entities		57,826	795
Other receivables		15,768	50,505
Prepayments		1,426	1,375
		140,367	97,203
Cash at bank and in hand		48,330	62,565
Total current assets		188,697	159,768
TOTAL ASSETS		269,453	208,539

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Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Share capital		500	500
Reserve for net revaluation under equity method		62,984	33,546
Retained earnings		130,083	102,965
Total equity		193,567	137,011
Provisions			
Provisions for deferred tax	11	13,748	18,775
Total provisions		13,748	18,775
Liabilities other than provisions			
Non-current liabilities other than provisions	12		
Lease obligations		495	731
		495	731
Current liabilities other than provisions			
Credit institutions		14	49
Lease obligations	12	368	463
Trade payables		9,067	7,482
Invoicing on account	10	12,539	12,852
Payables to group entities		10,941	11,596
Other payables		26,360	19,535
Deferred income		2,354	45
		61,643	52,022
Total liabilities other than provisions		62,138	52,753
TOTAL EQUITY AND LIABILITIES		269,453	208,539

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Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total equity
Equity at 1 January 2017	500	33,546	102,965	137,011
Foreign exchange adjustment, foreign subsidiary	0	-6,109	132	-5,977
Transferred over the profit appropriation	0	35,547	26,986	62,533
Equity at 31 December 2017	500	62,984	130,083	193,567

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last five years.

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Cash flow statement

Comparative figures are, as explained in the accounting policies, unchanged.

DKK'000	Note	2017	2016
Profit for the year		62,533	62,850
Adjustments	15	-22,853	16,278
Cash generated from operations before changes in working capital		39,680	79,128
Changes in working capital	16	-37,522	-23,262
Cash generated from operations		2,158	55,866
Interest income		1,062	1,632
Interest expense		-93	-121
Corporation tax paid		-9,484	-5,762
Cash flows from operating activities		-6,357	51,762
Acquisition of intangible assets		-1,549	-1,021
Acquisition of property, plant and equipment		-4,624	-4,703
Acquisition of financial assets		-1,390	0
Fixed asset investments made, etc.		0	-4,081
Sale of intangible assets		0	681
Sale of property, plant and equipment		15	407
Cash flows from investing activities		-7,548	-8,717
Reduction of lease obligations		-330	-597
Cash flows from financing activities		-330	-597
Cash flows for the year		-14,235	42,301
Cash and cash equivalents at the beginning of the year		62,565	20,264
Cash and cash equivalents at year end		48,330	62,565

Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		48,330	62,565
Cash and cash equivalents at year end		48,330	62,565

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1 Accounting policies

The annual report of Bjarke Ingels Group A/S for 2017 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Bjarke Ingels Group A/S and group entities are included in the consolidated financial statements of B.I.G. Bjarke Ingels Group Holding ApS, Kløverbladsgade 56, 2500 Valby, CVR no. 29 24 00 51.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

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1 Accounting policies (continued)

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the annual report.

Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company, the revenue can be reliably measured and when the significant have passed to the buyer.

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 end (percentage of completion method). This method is applied when total revenue and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliable, 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.

Services based on time spent are recognised in revenue as the work is performed.

Staff expenses

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

Other external expenses

Other external expenses comprise fees to advisors, administrative expenses, office premises, office expenses, etc.

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is jointly taxed with B.I.G Bjarke Ingels Group Holding ApS' Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible assets

Software and licences

Software and licences are measured at cost less accumulated amortisation and impairment losses. Software and licenses are amortised on a straight-line basis over the contract period, however, not exceeding 5 years.

Property, plant and equipment

Leasehold improvements and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Leasehold improvements	5 years
Other fixtures and fittings, tools and equipment	3-5 years

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1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Asset Investments

Equity investments in subsidiaries are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method. The Group's goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is assessed as 5 years.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to

the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities and associates is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Deposits are recognised at amortised cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual construction contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual construction contract.

When the selling price of a construction contract cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual construction contract is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

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1 Accounting policies (continued)

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

When it is probable that total costs will exceed total income from a construction contract, the total projected loss on the work is recognised as a provision. The provision is recognised as production costs.

Liabilities other than provisions

The financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

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

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

Cash flow statement

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

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividend to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

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1 Accounting policies (continued)

Financial highlights

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Return on equity	$\frac{\text{Profit for the year x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$

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	DKK'000	2017	2016
2	**Staff costs and incentive schemes**		
	Wages and salaries	102,674	76,178
	Pensions	7,291	4,928
	Other social security costs	1,408	975
	Other staff costs	4,445	2,737
		115,818	84,818
	Average number of full-time employees	216	152

Pursuant to section 98 8(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

3	**Financial income**		
	Interest income, intercompany receivables	1,011	1,440
	Other financial income	51	192
	Exchange gains	0	629
		1,062	2,261

4	**Financial expenses**		
	Other financial expenses	63	121
	Exchange losses	10,886	0
		10,949	121

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DKK'000		2017	2016
5	**Tax on profit for the year**		
	Current tax for the year	12,828	9,694
	Deferred tax adjustment for the year	-5,028	6,921
	Adjustment of tax concerning previous years	731	254
		8,531	16,869

6	**Profit appropriation**		
	Net revaluation reserve according to the equity method	35,547	2,155
	Retained earnings	26,986	60,695
		62,533	62,850

7 **Intangible assets**

DKK'000	Patents	Software and licences
Cost at 1 January 2017	0	5,793
Additions	299	1,251
Disposals for the year	0	-120
Cost at 31 December 2017	299	6,924
Amortisation at 1 January 2017	0	-3,892
Amortisation	0	-1,146
Amortisation of sold assets for the year	0	120
Amortisation and impairment losses at 31 December 2017	0	-4,918
Carrying amount at 31 December 2017	299	2,006

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8 Property, plant and equipment

DKK'000	Assets under con-struction	Other fix-tures and fittings, tools and equipment	Leasehold improve-ments	Total
Cost at 1 January 2017	0	10,841	4,756	15,597
Additions	1,155	3,160	308	4,623
Disposals	0	-425	0	-425
Cost at 31 December 2017	1,155	13,576	5,064	19,795
Depreciation at 1 January 2017	0	-4,042	-3,836	-7,878
Depreciation	0	-2,873	-884	-3,757
Depreciation on disposals	0	311	0	311
Depreciation at 31 December 2017	0	-6,604	-4,720	-11,324
Carrying amount at 31 December 2017	1,155	6,972	344	8,471
Assets held under finance leases	0	1,141	0	1,141

Financial statements 1 January – 31 December

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9 Investments

DKK'000	Equity investments in subsidiaries
Cost at 1 January 2017	0
Additions	0
Disposals	0
Cost at 31 December 2017	0
Value adjustment at 1 January 2017	33,546
Foreign exchange adjustment	-6,109
Profit for the year	35,547
Value adjustment at 31 December 2017	62,984
Carrying amount at 31 December 2017	62,984

Equity in group entities is specified as follows:

Name	Registered office	Ownership	Share capital	Equity	Profit for the year
Bjarke Ingels Group NYC LLC	New York	100,00%	0	62,984	35,547
			0	62,984	35,547

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	DKK'000	2017	2016
10	**Contract work in progress**		
	Selling price of production for the period	167,537	174,183
	Work in progress, invoicing on account	-161,151	-173,059
		6,386	1,124
	that can be specified as follows:		
	Contract work in progress (assets)	18,925	13,976
	Invoicing on account (equity and liabilities)	-12,539	-12,852
		6,386	1,124
11	**Provision for deferred tax**		
	Intangible assets	451	418
	Tangible assets	176	478
	Other current assets	13,830	18,132
	Provisions and alike	-709	-253
		13,748	18,775
12	**Non-current liabilities other than provisions**		
	Lease obligations		
	Between 1 and 5 years	495	731
	Non-current liability	495	731
	Within 1 year	368	463
		863	1,194

13 Related party disclosures

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

Financial statements 1 January – 31 December

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13 Related party disclosures (continued)

Bjarke Ingels Group A/S' related parties comprise the following:

Control

Controlling interest	Basis
B.I.G. Bjarke Ingels Group Holding ApS	Ultimate parent company
BIG Partners ApS	Parent company

Other related parties	
Bjarke Ingels	Chairman of the Board of Directors
Christian Madsbjerg	Member of the Board of Directors
Thomas Christoffersen	Member of the Board of Directors
Shahrzad Rafati	Member of the Board of Directors
Finn Nørkjær	Member of the Board of Directors
Bjarke Ingels Group NYC LLC	Group enterprise
BIG Architecture D.P.C.	Other
BIG Partners Limited	Other

14 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

DKK'000	2017	2016
Within 1 year	78	477
Between 1 and 5 years	2	0
	80	477
Rent obligations	774	1,008

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes.

Financial statements 1 January – 31 December

Notes

	DKK'000	2017	2016
15	**Cash flow statement – adjustments**		
	Profit / loss on sale of fixed assets	0	-809
	Profit from investments in group entities	-35,547	-2,155
	Financial income	-1,062	-2,163
	Financial expenses	10,979	23
	Depreciation, amortisation and impairment losses, including losses and gains on sales	5,046	3,948
	Tax on profit for the year	8,531	16,869
	Other adjustments	86	68
	Currency adjustments	-10,886	497
		-22,853	16,278

16	**Cash flow statement – change in working capital**		
	Change in receivables	-43,146	-23,063
	Change in payables to group entities, joint taxation	-4,073	0
	Change in provisions	0	-600
	Change in trade payables, etc.,	9,697	401
		-37,522	-23,262

Supplementary statement of Bjarke Ingels Group A/S

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Supplementary statement of Bjarke Ingels Group A/S for the financial year 1 January – 31 December 2017.

The supplementary statement has been prepared in accordance with the accounting policies.

In our opinion, the supplementary statement has been prepared in accordance with the accounting policies.

We recommend that the supplementary statement be approved at the annual general meeting.

Copenhagen, 31 May 2018
Executive Board:

Sheela Maini Søgaard

Board of Directors:

Bjarke Ingels Chairman	Shahrzad Rafati	Thomas Christoffersen
Christian Madsbjerg	Finn Nørkjær	

Independent auditor's report

To the shareholders of Bjarke Ingels Group A/S

Opinion

We have audited the supplementary statement of Bjarke Ingels Group A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and accounting policies.

In our opinion, the supplementary statement give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the accounting policies.

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 supplementary statement " 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 rules and requirements, We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the supplementary statement

Management is responsible for the preparation of a supplementary statement that gives a true and fair view in accordance with the accounting policies described in the accounting policies and for such internal control that Management determines is necessary to enable the preparation of a supplementary statement that is free from material misstatement, whether due to fraud or error.

In preparing the supplementary statement, 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 supplementary statement unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

KPMG

Independent auditor's report

Auditor's responsibilities for the audit of the supplementary statement

Our objectives are to obtain reasonable assurance as to whether the supplementary statement as a whole is 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 in Denmark will always detect a material misstatement when it exists, Misstatements may 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 financial statement users made on the basis of this supplementary statement.

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 company supplementary statement, 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 supplementary statement 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 supplementary statement 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 Company to cease to continue as a going concern,

— evaluate the overall presentation, structure and contents of the supplementary statement, including the disclosures, and whether the supplementary statement represent the underlying transactions and events in a manner that gives a true and fair view,

KPMG

Independent auditor's report

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.

Copenhagen, 31 May 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen
State Authorised
Public Accountant

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Gross profit		363,868	357,276
Staff costs		-256,733	-228,789
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-10,685	-8,739
Profit before financial income and expenses		96,450	119,748
Financial income		0	319
Financial expenses		-10,609	-1,915
Profit before tax		85,841	118,152
Tax on profit for the year		-22,109	-36,141
Profit for the year		63,732	82,011
Proposed distribution of profit			
Retained earnings		63,732	82,011
		63,732	82,011

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Intangible assets			
Software and licences		3,627	5,422
		3,627	5,422
Property, plant and equipment			
Assets under construction		1,155	0
Fixtures and fittings, tools and equipment		17,002	15,099
Leasehold improvements		30,846	6,930
		49,003	22,029
Investments			
Other investments		6,538	5,351
Deposits		3,598	830
		10,136	6,181
Total fixed assets		62,766	33,632
Current assets			
Receivables			
Trade receivables		120,535	100,919
Contract work in progress		35,228	33,459
Receivables from group entities		14,372	1,337
Other receivables		3,086	6,454
Prepayments		6,238	8,370
		179,459	150,539
Cash at bank and in hand		122,971	110,997
Total current assets		302,430	261,536
TOTAL ASSETS		365,196	295,168

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Share capital		502	502
Retained earnings		228,920	168,622
Total equity		229,422	169,124
Provisions			
Provisions for deferred tax		15,976	35,797
Total provisions		15,976	35,797
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations		825	1,461
		825	1,461
Current liabilities other than provisions			
Credit institutions		34	995
Lease obligations		1,071	862
Trade Payables		11,839	18,744
Invoicing on account		37,473	18,245
Corporation tax		20,195	15,085
Other payables		48,098	34,810
Deferred income		263	45
		118,973	88,786
Total liabilities other than provisions		119,798	90,247
TOTAL EQUITY AND LIABILITIES		365,196	295,168

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total equity
Equity at 1 January 2017	502	168,622	169,124
Exchange adjustments	0	-3,434	-3,434
Acquisition of entities	0	0	0
Profit for the year	0	63,732	63,732
Equity at 31 December 2017	502	228,920	229,422

Financial statements 1 January – 31 December

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1 Accounting policies

The supplementary statement of Bjarke Ingels Group A/S for 2017 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act excluding disclosure requirements.

The supplementary statement has been prepared in order to communicate the combined financial performance of the BIG Brand Group's activities.

The supplementary statement of Bjarke Ingels Group A/S consist of a proforma consolidated financial statements of Bjarke Ingels Group A/S, Bjarke Ingels Group NYC LLC, BIG Architecture D.P.C. and BIG Partners Limited. The supplementary statement departs from the Danish Financial Statement Act requirements for consolidation by controlling interest as Bjarke Ingels Group A/S does not hold controlling interests in BIG Architecture D.P.C. and BIG Partners Limited.

All other accounting policies are based on the accounting policies for the legal entity Bjarke Ingels Group A/S and is described at page 15-22.

On consolidation, intra-group income and expenses, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Upon recognition of foreign independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.