

# Bjarke Ingels Group A/S

Kløverbladsgade 56  
2500 Valby

CVR no. 29 30 93 96

## **Annual report 2019**

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

8 July 2020

\_\_\_\_\_  
chairman

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial highlights of Bjarke Ingels Group A/S	5
Proforma financial highlights of BIG Brand Group's activities*	5
Operating review	6
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Cash flow statement	12
Notes	13
Supplementary statement of Bjarke Ingels Group A/S	25

**Bjarke Ingels Group A/S**  
Annual report 2019  
CVR no. 29 30 93 96

## 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 2019.

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 2019 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations 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, 8 July 2020  
Executive Board:

---

Sheela Maini Søgaard  
Christiansen

Board of Directors:

---

Bjarke Bundgaard Ingels  
Chairman

---

Shahrazad 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 2019 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 2019 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2019 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.

#### 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 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

## Independent auditor's report

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.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 July 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik O. Larsen  
State Authorised  
Public Accountant  
mne15839

## Management's review

### Financial highlights of Bjarke Ingels Group A/S

DKK'000	2019	2018	2017	2016	2015
Gross profit	214,841	178,046	166,268	164,190	79,291
Ordinary operating profit/loss	65,632	43,973	45,404	75,424	10,462
Net financial income and expenses	2,168	1,345	-9,887	2,140	6,385
Profit for the year	84,675	58,912	62,533	62,850	38,115
Total assets	379,809	271,239	269,453	208,539	133,419
Investment in fixed assets	-11,556	-4,695	-6,173	-4,703	-1,607
Equity	279,985	192,955	193,567	137,011	73,169
Return on assets	17.3%	16.2%	16.9%	36.2%	7.4%
Return on equity	35.8%	30.5%	37.8%	59.8%	70.1%
Solvency ratio	73.7%	71.2%	71.8%	65.7%	55.0%
Average number of full-time employees	253	222	216	152	109

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	2019	2018	2017	2016	2015
Gross profit	446,257	349,374	363,868	357,276	300,402
Ordinary operating profit/loss	102,221	44,447	96,450	119,748	78,369
Net financial income and expenses	-390	1,954	-10,609	-1,596	4,089
Profit for the year	86,367	35,428	63,732	82,011	57,255
Total assets	428,759	304,301	365,196	295,168	208,132
Equity	270,912	183,732	229,422	169,124	87,255
Return on assets	23.8%	14.6%	26.4%	40.6%	37.7%
Return on equity	38.0%	17.2%	32.0%	64.0%	65.9%
Solvency ratio	63.2%	60.4%	62.8%	57.3%	41.9%

\*Reference is made to Supplementary statement page 25-32.

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

## Management's review

### Operating review

#### Main activities

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. The BIG Group consists of entities owned and operated under BIG's Denmark based entity, including a number of entities outside of Denmark, as well as a number of entities that operate under the BIG brand name but which have different ownership structures.

For the purpose of clarity, the Danish audited report includes only the entities owned and governed by BIG A/S. These include an entity in Denmark as well as an entity in Spain and entities in the United States whose main activity is providing architectural and related services.

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 the other entities which operate under the BIG Brand. These count two entities, one in the UK as well as one in the United States. The proforma financial statements are included as a supplementary statement to the 2019 annual report.

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

The income statement for 2019 shows a profit of DKK 84,675 thousand, and the balance sheet at 31 December 2019 shows equity of DKK 279,985 thousand.

The proforma income statement including all entities operating under the BIG brand name for 2019 shows a profit of DKK 86,367 thousand, and the proforma balance sheet at 31 December 2019 shows equity of DKK 270,912 thousand.

2019 was a satisfactory year for the BIG Brand Group. Gross profit growth of 28% was in line with management's expectations.

All of the entities under the BIG Brand Group have contributed to the impressive revenue growth in 2019. As such the group has expanded its geographical reach in servicing a growing number of markets around the world.

The Group continues to expand upon its portfolio of projects and 2019 witnessed important progress in education and infrastructure projects. Additionally, BIG has developed its abilities in city and urban planning allowing an earlier introduction to the clients' design process.

In 2019, Management the group successfully implemented a number of updated software systems allowing even better management of project progress. This trend will continue into 2020. Further the expansion and investment into BIG Engineering and BIG Landscape continued in 2019. In 2019 BIG successfully gained the projects that include services from all disciplines in the BIG group, including architectural, engineering and landscape design.

For the group, headcount grew by 75 (17%).

#### 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.

## **Management's review**

### **Operating review**

#### **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**

While BIG closed 2019 with very positive expectations for growth in 2020, the Covid-19 pandemic in early 2020 has gravely affected expectations for 2020.

The Group expects a severe blow to growth numbers and anticipates prioritizing safeguarding of equity and skills for the long term during 2020. While Management expects some geographical regions to continue investments into real estate and therefore also work to continue to flow from these regions, the group expects growth from new projects in Europe and USA to wane in 2020.

The group is braced for a severely stormy 2020.

#### **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. 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 for 2019 is accessible on the UN Global Compact website. In addition, BIG is deeply committed to sustainable construction having buildings certified or soon to be certified in 10 different sustainable certification systems: LEED (USA), BREEAM (UK), DGNB (DE), Estidama (UAE), Green Star (SP), Green Building Label (CN), Minergie (CH), Passive House (DE), WELL (USA), Living Building Challenge (USA).

#### **Subsequent events**

The Corona Virus, Covid-19, has since the beginning of 2020 had material effect on global markets and almost all industries. The expected impact on the company going forward is described in the paragraph "development expectations" and the impact hereof has a great level of uncertainty. COVID-19 has not affecting the assessment of the annual report 2019.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2019	2018
<b>Gross profit</b>		214,841	178,046
Staff costs	2	-144,611	-129,656
Depreciation, amortisation and impairment losses		<u>-4,598</u>	<u>-4,417</u>
<b>Operating profit</b>		65,632	43,973
Income from equity investments in group entities		30,148	23,584
Financial income	3	2,502	1,444
Financial expenses		<u>-334</u>	<u>-99</u>
<b>Profit before tax</b>		97,948	68,902
Tax on profit/loss for the year	4	<u>-13,273</u>	<u>-9,990</u>
<b>Profit for the year</b>	5	<u><u>84,675</u></u>	<u><u>58,912</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
	6		
Acquired patents		867	708
Software		2,725	2,613
		<u>3,592</u>	<u>3,321</u>
<b>Property, plant and equipment</b>			
	7		
Property, plant and equipment in progress		4,126	760
Fixtures and fittings, tools and equipment		5,734	5,912
Leasehold improvements		2,940	1,477
		<u>12,800</u>	<u>8,149</u>
<b>Investments</b>			
	8		
Equity investments in group entities		127,167	93,106
Other securities and equity investments		4,205	4,205
Deposits		504	511
		<u>131,876</u>	<u>97,822</u>
<b>Total fixed assets</b>		<u>148,268</u>	<u>109,292</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		39,829	44,294
Receivables from group entities		101,033	49,970
Construction contracts	9	21,080	12,021
Other receivables		13,958	1,055
Receivables tax		2,886	0
Prepayments	10	3,519	3,711
		<u>182,305</u>	<u>111,051</u>
<b>Cash at bank and in hand</b>		<u>49,236</u>	<u>50,896</u>
<b>Total current assets</b>		<u>231,541</u>	<u>161,947</u>
<b>TOTAL ASSETS</b>		<u><u>379,809</u></u>	<u><u>271,239</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	11	500	500
Reserve for net revaluation under equity method		127,125	93,065
Retained earnings		92,360	99,390
Proposed dividends for the financial year		60,000	0
<b>Total equity</b>		<u>279,985</u>	<u>192,955</u>
<b>Provisions</b>			
Provisions for deferred tax	12	23,577	17,960
Provisions for equity investments in subsidiaries		1,558	0
<b>Total provisions</b>		<u>25,135</u>	<u>17,960</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Lease obligations	13	450	859
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		343	161
Banks, current liabilities		156	19
Trade payables		10,500	11,524
Payables to group entities		9,568	7,081
Other payables		28,357	18,330
Deferred income		2,354	2,354
Prepayments received regarding work in progress	9	22,961	19,996
		<u>74,239</u>	<u>59,465</u>
<b>Total liabilities other than provisions</b>		<u>74,689</u>	<u>60,324</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>379,809</u></u>	<u><u>271,239</u></u>
<b>Contractual obligations, contingencies, etc.</b>	14		
<b>Related party disclosures</b>	15		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Reserve for net revaluation under equity method	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2019	500	93,065	99,390	0	192,955
Exchange adjustment	0	2,355	0	0	2,355
Transferred over the profit appropriation	0	31,705	-7,030	60,000	84,675
<b>Equity at 31 December 2019</b>	<b>500</b>	<b>127,125</b>	<b>92,360</b>	<b>60,000</b>	<b>279,985</b>

## Financial statements 1 January – 31 December

### Cash flow statement

DKK'000	Note	2019	2018
Profit for the year		84,675	58,912
Adjustments	16	<u>-13,050</u>	<u>-12,655</u>
Cash flows from operations before changes in working capital		71,625	46,257
Changes in working capital	17	<u>-59,875</u>	<u>27,145</u>
Cash flows from ordinary activities		11,750	73,402
Interest income		2,502	1,076
Interest expense		-334	-99
Corporation tax paid		<u>-5,838</u>	<u>-12,828</u>
<b>Cash flows from operating activities</b>		<u>8,080</u>	<u>61,551</u>
Acquisition of intangible assets incl. patents		-1,459	-2,064
Acquisition of property, plant and equipment		-12,498	-4,695
Sale of property, plant and equipment		0	1,648
Acquisition of subsidiaries and activities		0	-41
Disposal of property, plant and equipment		4,437	0
Acquisition of associates		7	2,425
Acquisition of financial assets		<u>0</u>	<u>-145</u>
<b>Cash flows from investing activities</b>		<u>-9,513</u>	<u>-2,872</u>
Change in lease obligation		-227	157
Repayment of receivables from group entities		0	7,250
Dividends distributed		<u>0</u>	<u>-63,520</u>
<b>Cash flows from financing activities</b>		<u>-227</u>	<u>-56,113</u>
<b>Cash flows for the year</b>		-1,660	2,566
Cash and cash equivalents at the beginning of the year		<u>50,896</u>	<u>48,330</u>
<b>Cash and cash equivalents at year end</b>		<u><u>49,236</u></u>	<u><u>50,896</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Bjarke Ingels Group A/S for 2019 has been prepared 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.

Reclassifications to comparative figures in the financial statements have been made.

#### 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.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### 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 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.

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

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Staff expenses**

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

##### **Other external expenses**

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### **Amortisation, depreciation and impairment losses**

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

##### **Income from equity investments in group entities**

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

##### **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.

##### **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 entities in proportion to their taxable incomes.

##### **Balance sheet**

###### **Intangible assets**

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

Patents are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates are 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.



## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

Deposits are recognised at amortised cost.

#### **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 calculating the net present value, 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 treated 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.

#### **Equity investments in group entities**

Equity investments in group entities 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.

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 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.

#### **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.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

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.

#### **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 based 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 comprises 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

### Notes

#### 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 Company's share of 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 dividends 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial ratios

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

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

Return on assets  $\frac{\text{Profit before financial income and expenses} \times 100}{\text{Total assets}}$

Return on equity  $\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

Solvency ratio  $\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$

##### Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

#### 2 Staff costs

DKK'000	2019	2018
Wages and salaries	129,203	111,924
Pensions	8,852	7,743
Other social security costs	1,688	1,436
Other staff costs	4,868	8,553
	144,611	129,656
Average number of full-time employees	253	222

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

#### 3 Financial income

Interest income, intercompany receivables	1,085	1,064
Other interest income	22	12
Foreign exchange gains	1,395	368
	2,502	1,444

## Financial statements 1 January – 31 December

### Notes

#### 4 Tax on profit/loss for the year

DKK'000	2019	2018
Current tax for the year	9,298	5,777
Deferred tax adjustment for the year	5,629	4,213
Adjustment of tax concerning previous years	-1,654	0
	<u>13,273</u>	<u>9,990</u>

#### 5 Proposed profit appropriation

Reserve for net revaluation under equity method	31,705	26,085
Proposed dividends for the year	60,000	0
Retained earnings	-7,030	32,827
	<u>84,675</u>	<u>58,912</u>
Extraordinary dividend distributed after the balance sheet date	0	63,520
	<u>0</u>	<u>63,520</u>

#### 6 Intangible assets

DKK'000	Acquired patents	Software	Total
Cost at 1 January 2019	708	8,579	9,287
Additions for the year	159	1,301	1,460
Cost at 31 December 2019	<u>867</u>	<u>9,880</u>	<u>10,747</u>
Amortisation and impairment losses at 1 January 2019	0	-5,966	-5,966
Amortisation for the year	0	-1,189	-1,189
Amortisation and impairment losses at 31 December 2019	<u>0</u>	<u>-7,155</u>	<u>-7,155</u>
<b>Carrying amount at 31 December 2019</b>	<u>867</u>	<u>2,725</u>	<u>3,592</u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Property, plant and equipment

DKK'000	Property, plant and equipment in progress	Fixtures and fittings, tools and equipment	Leasehold improve ments	Total
Cost at 1 January 2019	760	13,772	6,354	20,886
Additions for the year	4,126	5,567	1,863	11,556
Disposals for the year	0	-3,527	0	-3,527
Transfers for the year	-760	0	0	-760
Cost at 31 December 2019	4,126	15,812	8,217	28,155
Depreciation and impairment losses at 1 January 2019	0	-8,367	-4,877	-13,244
Depreciation for the year	0	-2,558	-400	-2,958
Depreciation and impairment losses at 31 December 2019	0	-10,925	-5,277	-16,202
<b>Carrying amount at 31 December 2019</b>	4,126	4,887	2,940	11,953
Assets held under finance leases	0	847	0	0

#### 8 Investments

DKK'000	Equity investments in subsidiaries
Cost at 1 January 2019	41
Cost at 31 December 2019	41
Revaluations at 1 January 2019	93,065
Profit for the year	30,148
Exchange adjustment	2,355
Equity investments with negative net asset value	1,558
Revaluations 31 December 2019	127,126
<b>Carrying amount at 31 December 2019</b>	127,167

Name/legal form	Registered office	Ownership	Equity DKK'000	Profit/loss for the year DKK'000
Subsidiaries:				
Bjarke Ingels Group NYC LLC	New York	100%	122,418	26,982
Bjarke Ingels Group Architecture Spain S.L.P.	Spain	100%	-1,558	-1,580
Bjarke Ingels Group California Inc	New York	100%	4,749	4,746
			125,609	30,148

## Financial statements 1 January – 31 December

### Notes

#### 9 Contract work in progress

DKK'000	2019	2018
Selling price of production for the period	275,344	191,255
Work in progress, invoicing on account	<u>-277,225</u>	<u>-199,230</u>
	<u>-1,881</u>	<u>-7,975</u>
<b>that can be specified as follows:</b>		
Contract work in progress (assets)	21,080	12,021
Invoicing on account (equity and liabilities)	<u>-22,961</u>	<u>-19,996</u>
	<u>-1,881</u>	<u>-7,975</u>

#### 10 Prepayments

Insurance	8	171
Rent	3	29
Software and licenses	3,003	3,216
Other prepayments	<u>505</u>	<u>295</u>
	<u>3,519</u>	<u>3,711</u>

#### 11 Equity

The contributed capital consists of 500 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

#### 12 Provisions for deferred tax

Intangible assets	658	607
Tangible assets	-804	-187
Other current assets	6,747	18,283
Provisions and alike	<u>-1,530</u>	<u>-743</u>
	<u>5,071</u>	<u>17,960</u>

#### 13 Lease obligations

Between 1 and 5 years	343	859
Within 1 year	<u>450</u>	<u>161</u>
	<u>793</u>	<u>1,020</u>

## Financial statements 1 January – 31 December

### Notes

#### 14 Contractual obligations, contingencies, etc.

##### 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.

The Company has payment guarantees in the bank at 31 December 2019, amounted to DKK 2,287 thousand.

DKK'000	<u>2019</u>	<u>2018</u>
<b>Lease obligations under operating leases.</b>		
<b>Total future lease payments:</b>		
Within 1 year	495	26
Between 1 and 5 years	<u>800</u>	<u>0</u>
	<u>1,295</u>	<u>26</u>
Rent obligations	<u><u>1,320</u></u>	<u><u>1,128</u></u>

#### 15 Related party disclosures

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

##### Control

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)  
Shahrazad Rafati (Member of the Board of Directors)  
Finn Nørkjær (Member of the Board of Directors)  
Bjarke Ingels Group NYC LLC (Group enterprise)  
Bjarke Ingels Group Architecture Spain S.L.P (Group enterprise)  
Bjarke Ingels Group California Inc (Group enterprise)  
Bjarke Ingels Group Thailand Limited (Group enterprise)  
BIG Partners Limited (Other)  
BIG Architecture D.P.C. (Other)

##### Related party transactions

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

### Notes

#### 16 Adjustments

DKK'000	<u>2019</u>	<u>2018</u>
<b>Cash flow statement - adjustments</b>		
Profit from investments in group entities	-30,148	-26,085
Financial income	-2,502	-1,444
Financial expenses	334	99
Depreciation, amortisation and impairment losses, including losses and gains on sales	4,598	4,417
Tax on profit for the year	13,273	9,990
Currency adjustments	<u>1,395</u>	<u>368</u>
	<u><u>-13,050</u></u>	<u><u>-12,655</u></u>

#### 17 Changes in working capital

<b>Cash flow statement - change in working capital</b>		
Change in receivables	-17,836	6,784
Change in payables to group entities, joint taxation	-54,143	18,472
Change in trade payables, etc.,	<u>12,104</u>	<u>1,889</u>
	<u><u>-59,875</u></u>	<u><u>27,145</u></u>

## **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 2019.

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, 8 July 2020  
Executive Board:

---

Sheela Maini Søgaard

Board of Directors:

---

Bjarke Ingels  
Chairman

---

Shahrazad 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 2019 comprising income statement, balance sheet, statement of changes in equity and accounting policies.

In our opinion, the supplementary statement gives a true and fair view of the Company's assets, liabilities and financial position 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 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.

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.

## Independent auditor's report

### Auditor's responsibilities for the audit of the 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 represents the underlying transactions and events in a manner that gives a true and fair view.

## 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, 8 July 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik O. Larsen  
State Authorised  
Public Accountant  
mne15839

## Financial statements 1 January – 31 December

### Income statement

DKK'000	2019	2018
<b>Gross profit</b>	446,257	349,374
Staff costs	-331,505	-288,066
Depreciation, amortisation and impairment losses	-12,531	-16,861
<b>Profit before financial income and expenses</b>	102,221	44,447
Income from other equity investments and securities	0	-2,501
Financial income	1,451	2,315
Financial expenses	-1,841	-361
<b>Profit before tax</b>	101,831	43,900
Tax on profit for the year	-15,464	-8,472
<b>Profit for the year</b>	<u>86,367</u>	<u>35,428</u>
<b>Proposed distribution of profit</b>		
Proposed dividends for the financial year	60,000	0
Retained earnings	<u>26,367</u>	<u>35,428</u>
	<u>86,367</u>	<u>35,428</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	2019	2018
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Acquired patents	867	708
Software	5,389	4,184
	<u>6,256</u>	<u>4,892</u>
<b>Property, plant and equipment</b>		
Assets under construction	4,126	1,689
Fixtures and fittings, tools and equipment	13,863	15,603
Leasehold improvements	26,590	26,289
	<u>44,579</u>	<u>43,581</u>
<b>Investments</b>		
Other investments	4,371	4,205
Deposits	4,550	4,407
	<u>8,921</u>	<u>8,612</u>
<b>Total fixed assets</b>	<u>59,756</u>	<u>57,085</u>
<b>Current assets</b>		
<b>Receivables</b>		
Trade receivables	152,073	86,739
Contract work in progress	64,791	36,838
Receivables from group entities	16,905	17,299
Other receivables	14,446	4,096
Receivables tax	2,886	0
Prepayments	21,008	10,744
	<u>272,109</u>	<u>155,716</u>
<b>Cash at bank and in hand</b>	<u>96,894</u>	<u>91,500</u>
<b>Total current assets</b>	<u>369,003</u>	<u>247,216</u>
<b>TOTAL ASSETS</b>	<u>428,759</u>	<u>304,301</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	2019	2018
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	502	502
Retained earnings	210,410	183,230
Proposed dividends for the financial year	60,000	0
<b>Total equity</b>	<b>270,912</b>	<b>183,732</b>
<b>Provisions</b>		
Provisions for deferred tax	18,306	17,330
<b>Total provisions</b>	<b>18,306</b>	<b>17,330</b>
<b>Liabilities other than provisions</b>		
<b>Non-current liabilities other than provisions</b>		
Lease obligations	818	1,380
	818	1,380
<b>Current liabilities other than provisions</b>		
Current portion of non-current liabilities	539	434
Banks, current liabilities	210	19
Trade payables	22,272	18,383
Other payables	56,647	38,460
Deferred income	2,354	2,354
Corporation tax	3,941	3,862
Prepayments received regarding work in progress	52,760	38,347
	138,723	101,859
<b>Total liabilities other than provisions</b>	<b>139,541</b>	<b>103,239</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>428,759</b>	<b>304,301</b>

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividends for the financial year	Total equity
<b>Equity at 1 January 2019</b>	502	183,230	0	183,732
Exchange adjustments	0	813	0	813
Profit for the year	0	26,367	60,000	86,367
<b>Equity at 31 December 2019</b>	<u>502</u>	<u>210,410</u>	<u>60,000</u>	<u>270,912</u>



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The supplementary statement of Bjarke Ingels Group A/S for 2019 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, Bjarke Ingels Group California Inc, Bjarke Ingels Group Architecture Spain S.L.P, 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 13-19.

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.