CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

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BIG Development ApS

Kløverbladsgade 56, 2500 Valby

Company reg. no. 30 82 27 57

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 14 June 2023.

Sheela Maini Søgaard
Chairman of the meeting

Notes to users of the English version of this document:

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

Contents

	Page
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Consolidated financial highlights	6
Management´s review	8
Consolidated financial statements and financial statements 1 January- 31 December 2022	
Income statement	14
Balance sheet	15
Consolidated statement of changes in equity	19
Statement of changes in equity of the parent	20
Statement of cash flows	21
Notes	22
Accounting policies	36

Management's statement

Today, the Managing Director has approved the annual report of BIG Development ApS for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Valby, 14 June 2023

Managing Director

Bjarke Bundgaard Ingels

To the Shareholders of BIG Development ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of BIG Development ApS for the financial year 1 January to 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group´s and 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 consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that 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 Management’s Review.

Copenhagen, 14 June 2023

Christensen Kjærulff

Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
mne26748

Company information

The company	BIG Development ApS Kløverbladsgade 56 2500 Valby	
	Company reg. no.	30 82 27 57
	Financial year:	1 January - 31 December
Managing Director	Bjarke Bundgaard Ingels	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	
Parent company	BIG Development ApS	
Subsidiaries	BIG Partners 2019 ApS, Copenhagen BIG Partners ApS, Copenhagen BIG Plot ApS, Copenhagen Bjarke Ingels Group LLC, New York Bjarke Ingels Group California Inc., Californien Bjarke Ingels Group Architecture Spain SLP, Barcelona Bjarke Ingels Group (Thailand) Ltd, Bangkok Sundmolen BIG ApS, Copenhagen Friday Home BIG ApS, Copenhagen BIG Partners Ltd, London BIG Investments ApS, Copenhagen Bjarke Ingels Group Design Consultancy (Shenzhen) Ltd, Shenzhen B.I.G. Bjarke Ingels Group Holding ApS, Copenhagen Bjarke Ingels Group A/S, Copenhagen	

Consolidated financial highlights

DKK in thousands.	2022	2021
Income statement:		
Revenue	729.252	538.668
Gross profit	391.895	359.213
Profit from operating activities	55.239	71.751
Net financials	-4.938	-33.870
Net profit or loss for the year	36.262	25.123
Statement of financial position:		
Balance sheet total	1.139.969	984.108
Investments in property, plant and equipment	108.219	0
Equity	651.911	627.750
Cash flows:		
Operating activities	149.185	59.098
Investing activities	-116.183	-146.556
Financing activities	17.190	40.032
Total cash flows	50.192	-47.426
Employees:		
Average number of full-time employees	505	404
Key figures in %:		
Gross margin ratio	53,7	66,7
Profit margin (EBIT-margin)	7,6	13,3
Acid test ratio	198,1	178,9
Solvency ratio	46,2	52,3
Return on equity	1,7	2,1

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio

$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Profit margin (EBIT margin)

$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Acid test ratio

$$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$$

Solvency ratio	$\frac{\text{Equity less non-controlling interests, closing balance x 100}}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{*Profit x 100}}{\text{Average equity exclusive of non-controlling interests}}$
***Profit**	Net profit or loss for the year less non-controlling interests' share hereof

Main activities

The BIG Group is mainly engaged in architectural, landscape, engineering and design related services.

Group Structure

Bjarke Ingels Group (The BIG Group) comprises multiple entities owned and operated under BIG's Denmark based entity, including a number of entities outside of Denmark.

The Annual Report

This Annual report is for the parent company BIG Development ApS and includes the entities owned and operated under BIG's Danish parent entity:

- Bjarke Ingels Group NYC LLC
- Bjarke Ingels Group California Inc.
- Bjarke Ingels Group Architecture Spain SLP
- Bjarke Ingels Group Design Consultant Company (Shenzhen) Limited
- Bjarke Ingels Group (Thailand) Limited
- BIG TH US Holding
- BIG Partners Limited (UK)
- Bjarke Ingels Group A/S
- BIG Investments ApS
- Friday Home BIG ApS
- Sundmolen BIG ApS.
- BIG Partners ApS.
- BIG Partners 2019 ApS
- B.I.G. Bjarke Ingels Group Holding ApS
- BIG Plot ApS

Peformance 2022

The income statement 2022 shows a net profit of mDKK 36,3 while the balance sheet as of 31 December 2022 shows equity of mDKK 651,9.

The 2022 result is in line with Management expectations and considered satisfactory given current market conditions.

Revenue has increased from 2021 to 2022, which the Management considers a satisfactory development. Market conditions, including the war in Europe, the European energy crisis, high inflation as well as high and increasing interest rates, have resulted in a lag in revenue growth trickling to the bottom line and as such the increase in sales is not reflected in the 2022 profit. Considering these unique market conditions, the result is nonetheless considered satisfactory.

In 2022, the Brand Group continued its focus on executing and investing in strategic milestones within different areas of the business.

Commitment to climate conscious design

A key focus area has been to increase the Group's ability to deliver architectural design solutions with a reduced CO_2eq footprint. To this effect, BIG has invested in the development of a proprietary Life-Cycle Analysis Tool. The tool can assess the design solution's Global Warming Potential (GWP) from a very early stage of design thinking, namely at the conception of new design projects. The fact that the BIG LCA tool can be applied from a very early design stage, ensures that environmental considerations can inform the design process and decisions rather than being introduced later in the process when form and orientation have been concluded on. The BIG LCA tool is a testament to BIG's commitment to increase our clients' ability to make informed choices in executing BIG- designed concepts. We continue to advance and refine the tool as we remain committed to delivering climate conscious design solutions.

The new BIG Headquarters in Copenhagen

After 6 years of planning and construction, we topped out our new global headquarters in Nordhavn in 2022 and are excited to move into the new office space in the Fall of 2023. The new building is carefully designed as a high-performance synergy of interlocking passive and mechanical systems. The building will be approximately 60% self-sufficient in energy production for operations.

In the process of developing the new building together, LM Byg, Aalborg Portland and BIG have developed the Uni-Green concrete, a type of concrete with FutureCem cement. FutureCem is an innovative cement type which emits approx. 25 % less CO_2eq than most commonly used cement types. Seventy percent (70%) of the concrete used in BIG's HQ building is Uni-Green concrete. Upon completion, the HQ will be a benchmark for the durability of Uni-Green and its potential. As a Brand Group, we believe in collaborating with other companies within the supply chain of the construction industry and will continue to seek out similar promising collaborations.

Completed Buildings - Setting new records

The Group completed 572.351 m2 of buildings in 2022 – more than any year prior – across four continents and a multitude of typologies. This included residential projects such as Villa Gug in Aalborg, Vejlevej in Billund, Sneglehusene and Kampanilen, both residential buildings in Aarhus, the Sluishuis Residences in Amsterdam, Netherlands, and the ICON Residences in Quito, Ecuador. The summer marked the opening of FLUGT – Refugee Museum of Denmark in Oksbøl, Denmark; the world's most sustainable furniture manufacturing factory The Plus in Norway and the 280-meter-tall high-rise CapitaSpring in Singapore. Furthermore, Google Bay View in California, USA, and Hotel Audemars Piguet Hotel in Le Brassus, Switzerland, opened as well as BIG Landscape's 50 Queens installation, which was exhibited in Copenhagen's King's Square as part of the Golden Days Festival.

With BIG Landscape we succeeded in expanding our scope of work on several large projects and winning our first masterplan project in Australia. The expansion will continue into 2023, with the delivery of a project for Copenhagen-based, City & Harbour (By & Havn), in which BIG Landscape manages the full turn key delivery of a public park. The project is a public space in Nordhavn near BIG HQ, contributing to the positive development of this area of Copenhagen.

In 2022, we secured two of our most ambitious long-term commissions to date, the Vltava Philharmonic in Prague, Czech Republic and the Zürich Airport in Switzerland. In May, the City of Prague unveiled BIG's design for the first national concert hall in over 100 years. In June, after a 2-year design competition, the winning proposal for the largest dock of the internationally acclaimed Zürich airport by BIG was selected from 10 global competition entries. Both of these projects are considered noteworthy and strategic and will support the Group's expansion into transport and infrastructure and solidify its relevance in the cultural performing arts arena.

BIG's Barcelona office expanded its Spanish client base by winning the design competition for the European Commission's Joint Research Center in Sevilla, as well as the competition for designing the new Gastronomy Open Ecosystem for the Basque Culinary Center in San Sebastian, respectively.

In the Group's London office, a series of milestones were reached with Google's HQ at King's Cross topping out, our East Side Tower in Berlin, Germany, breaking ground, and the approval of the Masterplan project in the Canada Water area of London. Additionally, our activities in the Middle East have expanded over 2022 as our contribution to the development of new and climate conscious urban development and cities is solidified in this region.

As the Chinese region recovered from pandemic restrictions, the activity in our sales office in Shenzhen developed slower in 2022 than anticipated. While we remain committed to the region the current regional and political tensions have us closely monitoring any developments to determine the strategy.

Awards and Recognition

Business model and engagement

2022 was a year for significant award wins. To mention a few; MIPIM awarded our Singaporean high-rise project CapitaSpring with the MIPIM ASIA's Silver Award for Best Mixed-Use Development. Additionally, Musée Atelier Audemars Piguet was recognized with the MIPIM award for 'Best Cultural and Sports Infrastructure'. The Maison de l'Économie Créative et de la Culture en Aquitaine (MECA) was awarded a 2022 Global Urban Land Institute (ULI) Global Award for Excellence, and in Denmark, BIG's modular project Sneglehusene received Aarhus City's highest honor. In North America, BIG's highrise project Vancouver House in Vancouver, Canada received the prestigious International High-Rise Award, while our Downton Brooklyn Public Realm Action Plan made it to Fast Company's Most Innovative Design List. Lastly, The Smile won the NYC Brownfield Partnership Award in the Community Advocacy and Engagement category.

Expectations for the BIG Group

We expect 2023 to present continued opportunities in all offices and in many of the markets we operate in. While we expect caution in some typologies and from commercial clients, especially in the office and commercial sectors, we expect to see appetite in others e.g hospitality, residential and education as well as long-term development projects for institutional clients.

BIG's BCN office has again outgrown their current office space in Barcelona and will be moving to a new office location in Summer 2023.

A new entity in Zurich, Switzerland, has been launched in early 2023 to support the development of the Zurich airport expansion which BIG is leading.

We expect top line growth for BIG A/S in 2023 to come from both Denmark and certain Asian markets as well as from expanding on engineering and landscape services.

As of Spring 2023, BIG Brand Group launched a new office in Los Angeles, California. With a presence in Los Angeles, the Group will increase its flexibility in serving existing clients and projects on the West coast of the USA. Additionally, it is anticipated that new opportunities will materialize on the West Coast.

With a growing global presence, the Group expects to increase its ability to attract global talent and seamlessly deliver services to our current and future clients. Attracting and retaining talent is critical to the design process and to the Group's continued success. Collaboration between the Brand Group entities enhances career opportunities for individuals the Group employs. A strong and strategic collaboration between entities in the group has meant that downturns in regions may be countered by upturns in other regions making the business less exposed to any local financial and political uncertainties.

We expect growth in the Brand Group in 2023 to come from an expansion in projects starting up in the USA as well as continued engagement in both European and a number of Middle Eastern projects carried out from the BIG UK office.We expect pressure on costs and the competition for talent to continue into 2023.

We remain optimistic about the future opportunities for the Group.

With regards to the war in Ukraine

The group has no work in Russia or Ukraine and has not experienced direct impact or disruption due to the ongoing conflict. However, the Group anticipates that a continued longterm conflict between nations will eventually have an impact on its activities in all markets.

Financial Risks

We endeavor to minimize foreign exchange risks related to our projects by matching, to the extent possible, the income and expenses in the same currency on individual projects. BIG has a significant amount of its activities in various international markets where contracts are entered primarily in USD, EUR or DKK. The Group is thus exposed to currency fluctuations in USD.

Unusual events

The financial position on 31 December 2022 of the Company and the results of the activities and cash flows of the Group for the financial year 2022 have not been affected by any unusual events.

Subsequent events

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

ESG Report

Commitment to the ESG

In accordance with §99a of the Danish Financial Statements Act, BIG's ESG report for 2022 accounts for the company's social responsibility, and is available on our homepage: BIG | Bjarke Ingels Group.

At BIG, we firmly believe that architecture is not merely about designing buildings and cities but also about giving form to our planet to align with our desired way of life. In doing so, our 2022 ESG report elevates our commitment to Environmental, Social and Governance (ESG) principles, as well as our unwavering support for the 17 UN Sustainable Development Goals and the Ten Principles of the United Nations Global Compact, focusing on Human Rights, Labour, Environment, and Anti-Corruption..

By setting goals and monitoring progress, we aim to continuously assess and improve our environmental impact. Our data collection includes materials used in construction, activities at construction sites, and administrative processes such as waste management and recycling, as well as operations such as travel for client meetings and energy consumption in our offices. Through this approach, we strive to provide transparency into our business practices and foster meaningful dialogue within our industry on sustainability matters.

As we progress on our sustainability journey and adapt to emerging rules and best practices, our priorities, target-setting, and reporting will continue to evolve and mature in alignment with the EU Taxonomy. In the ESG report for 2022, we have focused on laying the foundation for a more comprehensive and transparent assessment of our sustainability practices, aiming to be ready for expanded reporting in 2023.

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

Diversity, Equity and Inclusion

In 2021, we founded a global Diversity, Equity and Inclusion Committee, tasked with bringing more of all three to BIG. In 2022 and beyond, we seek to act on the six DEI Pillars as identified by the Committee and we are already seeing positive effects of this effort, aiming to increase the inclusion of women to 40% of our leadership, and the number of black, indigenous and people of color (BIPOC) individuals to 25% by 2025.

In 2022, 45% of the workforce at BIG' Copenhagen office are women. The percentage of female Associates and Directors make up 31%, and women in BIG's Copenhagen-based Partner group count 33%. 33% of the C-suite and 33% of the External board members are women. We conducted no replacements to the Board of Directors in 2022. In 2023, BIG will continue to target our goal of electing two members to the Board of Directors by 2024.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

Data Privacy & Protection

Our data ethics principles apply to all aspects of the purchase, implementation and process of technologies that use any kind of data. We strive to only use, collect, and process data necessary to fulfill the desired tasks in focus. It is always considered whether it is possible to achieve the same purpose by collecting anonymized data instead of personally identifiable data. The data processing must always comply with the applicable law, hence why BIG requires processing of personal data to act in accordance with the General Data Protection Regulation (GDPR).

The data protection policy is available on our homepage: https://pixel.big.dk/2022-privacy-policy-for-big-dk/

Income statement 1 January - 31 December

DKK thousand.

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
1	Revenue	729.252	538.668	0	0
	Other operating income	0	28.279	0	0
	Costs of raw materials and consumables	-259.471	-121.005	0	0
	Other external expenses	-77.886	-86.729	-70	-93
	Gross profit	**391.895**	**359.213**	**-70**	**-93**
3	Staff costs	-291.526	-242.632	0	0
	Depreciation, amortisation, and impairment	-45.073	-44.830	0	0
	Other operating expenses	-57	0	0	0
	Operating profit	**55.239**	**71.751**	**-70**	**-93**
	Income from investments in group enterprises	0	0	1.083	6.489
	Income from investments in participating interest	-3.680	142	0	0
	Income from other financial investments and receivables which are noncurrent assets	-10.661	0	0	0
	Other financial income	24.835	8.607	866	24
4	Other financial expenses	-15.432	-42.619	-2.042	-1.242
	Pre-tax net profit or loss	**50.301**	**37.881**	**-163**	**5.178**
	Tax on net profit or loss for the year	-14.039	-12.758	8.810	289
5	**Net profit or loss for the year**	**36.262**	**25.123**	**8.647**	**5.467**
	Break-down of the consolidated profit or loss:				
	Shareholders in BIG Development ApS	8.644	5.467		
	Non-controlling interests	27.618	19.656		
		36.262	**25.123**		

Balance sheet at 31 December

DKK thousand.

Assets

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Non-current assets				
6	Acquired concessions, patents, licenses, trademarks, and similar rights	4.772	3.088	0	0
7	Goodwill	250.000	283.600	0	0
	Total intangible assets	254.772	286.688	0	0
8	Other fixtures, fittings, tools and equipment	23.917	24.365	0	0
9	Property, plant and equipment in progress and prepayments for property, plant and equipment	180.329	79.564	0	0
	Total property, plant, and equipment	204.246	103.929	0	0
10	Investments in group enterprises	0	0	620.404	616.597
11	Investments in participating interests	45.995	46.396	0	0
12	Other financial investments	25.230	35.737	0	0
13	Deposits	1.886	1.689	0	0
	Total investments	73.111	83.822	620.404	616.597
	Total non-current assets	**532.129**	**474.439**	**620.404**	**616.597**
	Current assets				
	Trade receivables	152.690	183.442	0	0
14	Contract work in progress	62.276	49.551	0	0
	Receivables from group enterprises	64.156	0	0	0
15	Deferred tax assets	568	1.468	6	5
	Income tax receivables	19.566	22.846	0	0
	Other receivables	152.767	150.517	3.272	455
16	Prepayments	15.125	11.345	0	0
	Total receivables	467.148	419.169	3.278	460

Balance sheet at 31 December

DKK thousand.

Note	Assets	Group 2022	Group 2021	Parent 2022	Parent 2021
	Cash and cash equivalents	140.692	90.500	9.708	36
	Total current assets	**607.840**	**509.669**	**12.986**	**496**
	Total assets	**1.139.969**	**984.108**	**633.390**	**617.093**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
	Contributed capital	125	125	125	125
	Reserve for net revaluation according to the equity method	0	0	7.666	6.584
	Retained earnings	526.165	514.795	518.501	508.212
	Equity before non-controlling interest.	526.290	514.920	526.292	514.921
17	Non-controlling interests	125.621	112.830	0	0
	Total equity	**651.911**	**627.750**	**526.292**	**514.921**
	Provisions				
18	Provisions for deferred tax	47.022	44.056	0	0
19	Provisions for investments in group enterprises	0	557	0	0
	Total provisions	**47.022**	**44.613**	**0**	**0**
	Liabilities other than provisions				
20	Other mortgage debt	2.076	0	0	0
21	Bank loans	88.540	14.786	0	0
22	Lease liabilities	2.595	0	0	0
23	Payables to participating interest	28.933	0	0	0
24	Other payables	12.128	12.128	0	0
	Total long term liabilities other than provisions	134.272	26.914	0	0

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Current portion of long term liabilities	1.783	0	0	0
	Bank loans	12	40.396	0	0
14	Prepayments received from customers for contract work in progress	55.334	73.349	0	0
	Trade payables	75.267	67.470	0	0
	Payables to group enterprises	64.156	0	65.107	40.000
	Payables to shareholders and management	41.874	65.297	39.037	62.098
	Income tax payable	3.307	684	2.819	0
	Income tax payable to group enterprises	621	0	0	0
	Other payables	64.410	37.635	135	74
	Total short term liabilities other than provisions	306.764	284.831	107.098	102.172
	Total liabilities other than provisions	**441.036**	**311.745**	**107.098**	**102.172**
	Total equity and liabilities	**1.139.969**	**984.108**	**633.390**	**617.093**

2 Fees for auditor
25 Charges and security
26 Contingencies
27 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Non-controlling interests	Total
Equity 1 January 2022	125	0	514.795	0	112.830	627.750
Share of profit or loss	0	0	8.646	0	27.618	36.264
Foreign currency translation	0	0	2.724	0	0	2.724
Exchange rate adjustment	0	0	0	0	1.201	1.201
Dividend	0	0	0	0	-16.028	-16.028
	125	**0**	**526.165**	**0**	**125.621**	**651.911**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2022	125	6.584	508.212	514.921
Share of profit or loss	0	1.082	7.565	8.647
Foreign currency translation adjustments	0	2.724	0	2.724
Transfer	0	-2.724	2.724	0
	125	**7.666**	**518.501**	**526.292**

Statement of cash flows 1 January - 31 December

DKK thousand.

Note		Group 2022	2021
	Net profit or loss for the year	36.262	25.123
28	Adjustments	64.117	88.979
29	Change in working capital	40.125	-43.851
	Cash flows from operating activities before net financials	140.504	70.251
	Interest received, etc.	24.827	0
	Interest paid, etc.	-15.432	-11.153
	Cash flows from ordinary activities	149.899	59.098
	Income tax paid	-714	0
	Cash flows from operating activities	**149.185**	**59.098**
	Purchase of intangible fixed assets	-2.659	-892
	Purchase of property, plant, and equipment	-109.232	-92.474
	Purchase of fixed asset investments	-4.292	-53.190
	Cash flows from investment activities	**-116.183**	**-146.556**
	Long-term payables incurred	109.141	0
	Repayments of long-term payables	-52.512	46.576
	Dividend paid	-16.028	-6.544
	Changes in short-term bank loans	12	0
	Other cash flows from financing activities	-23.423	0
	Cash flows from financing activities	**17.190**	**40.032**
	Change in cash and cash equivalents	**50.192**	**-47.426**
	Available funds 1 January 2022	90.524	137.926
	Exchange rate adjustments (available funds)	-24	24
	Cash and cash equivalents at 31 December 2022	**140.692**	**90.524**
	Available funds		
	Cash and cash equivalents	140.692	90.524
	Cash and cash equivalents at 31 December 2022	**140.692**	**90.524**

DKK thousand.

		Group		Parent	
		2022	2021	2022	2021
1.	**Revenue**				
	Revenue Europe	285.921	271.639	0	0
	Revenue, America	151.495	74.380	0	0
	Revenue, Asia/Australia	291.836	192.649	0	0
		729.252	**538.668**	**0**	**0**

No distribution has been made between activities and geographical markets, as these activities and markets do not differ significantly from each other with regard to the organization of the sale of goods and services

		Group 2022	Group 2021	Parent 2022	Parent 2021
2.	**Fees for auditor**				
	Total remuneration for Audit firms	2.211	2.945	0	0
	Fees for auditors performing statutory audit	1.724	1.040	0	0
	Tax-related consulting	221	1.281	0	0
	Other services	266	624	0	0
		2.211	**2.945**	**0**	**0**
3.	**Staff costs**				
	Salaries and wages	255.772	222.726	0	0
	Pension costs	13.151	11.456	0	0
	Other costs for social security	13.436	1.347	0	0
	Other staff costs	9.167	7.103	0	0
		291.526	**242.632**	**0**	**0**
	Average number of employees	505	404	0	0
4.	**Other financial expenses**				
	Financial costs, group enterprises	0	0	852	28
	Other financial costs	15.432	42.619	1.190	1.214
		15.432	**42.619**	**2.042**	**1.242**

Notes

DKK thousand.

		Parent 2022	2021
5.	**Proposed distribution of net profit**		
	Reserves for net revaluation according to the equity method	1.082	6.584
	Dividend for the financial year	0	0
	Transferred to retained earnings	7.565	0
	Allocated from retained earnings	0	-1.117
	Total allocations and transfers	**8.647**	**5.467**

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
6.	**Acquired concessions, patents, licenses, trademarks, and similar rights**				
	Cost 1 January 2022	13.162	12.297	0	0
	Translation at the exchange rate at the balance sheet date 31 December 2022	759	0	0	0
	Additions during the year	2.300	892	0	0
	Disposals during the year	-448	-27	0	0
	Cost 31 December 2022	**15.773**	**13.162**	**0**	**0**
	Amortisation and write-down 1 January 2022	-10.474	-8.907	0	0
	Amortisation and depreciation for the year	-975	-1.201	0	0
	Depreciation, amortisation, and impairment loss for the year, assets disposed of	0	34	0	0
	Reversal of depreciation, amortisation, and impairment loss, assets disposed of	448	0	0	0
	Amortisation and write-down 31 December 2022	**-11.001**	**-10.074**	**0**	**0**
	Carrying amount, 31 December 2022	**4.772**	**3.088**	**0**	**0**

DKK thousand.

	Group		Parent	
	31/12 2022	31/12 2021	31/12 2022	31/12 2021
7. Goodwill				
Cost 1 January 2022	328.966	348.187	0	0
Disposals during the year	0	-19.221	0	0
Cost 31 December 2022	**328.966**	**328.966**	**0**	**0**
Amortisation and write-down 1 January 2022	-45.366	-7.796	0	0
Amortisation and depreciation for the year	-33.600	-37.570	0	0
Amortisation and write-down 31 December 2022	**-78.966**	**-45.366**	**0**	**0**
Carrying amount, 31 December 2022	**250.000**	**283.600**	**0**	**0**

DKK thousand.

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
8.	**Other fixtures, fittings, tools and equipment**				
	Cost 1 January 2022	54.870	38.103	46	46
	Translation at the exchange rate at the balance sheet date 31 December 2022	785	67	0	0
	Additions during the year	7.454	18.573	0	0
	Disposals during the year	-11.533	-1.873	0	0
	Cost 31 December 2022	**51.576**	**54.870**	**46**	**46**
	Depreciation and write-down 1 January 2022	-30.505	-25.178	-46	-46
	Translation at the exchange rate at the balance sheet date 31 December 2022	49	-20	0	0
	Amortisation and depreciation for the year	-8.718	-5.380	0	0
	Depreciation, amortisation and impairment loss for the year, assets disposed of	11.515	73	0	0
	Depreciation and write-down 31 December 2022	**-27.659**	**-30.505**	**-46**	**-46**
	Carrying amount, 31 December 2022	**23.917**	**24.365**	**0**	**0**
	Lease assets are recognised at a carrying amount of	0	2.469	0	0

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
9.	**Property, plant and equipment in progress and prepayments for property, plant and equipment**				
	Cost 1 January 2022	79.564	6.555	0	0
	Additions during the year	100.765	73.009	0	0
	Cost 31 December 2022	**180.329**	**79.564**	**0**	**0**
	Carrying amount, 31 December 2022	**180.329**	**79.564**	**0**	**0**

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
10.	**Investments in group enterprises**				
	Cost 1 January 2022	0	0	610.013	600.000
	Translation at the exchange rate at the balance sheet date	0	0	2.725	10.013
	Cost 31 December 2022	**0**	**0**	**612.738**	**610.013**
	Revaluations, opening balance 1 January 2022	0	0	46.200	-33.889
	Net profit or loss for the year before amortisation of goodwill	0	0	34.682	40.089
	Dividend	0	0	0	40.000
	Revaluation 31 December 2022	**0**	**0**	**80.882**	**46.200**
	Amortisation of goodwill, opening balance 1 January 2022	0	0	-39.616	-6.016
	Amortisation of goodwill for the year	0	0	-33.600	-33.600
	Depreciation on goodwill 31 December 2022	**0**	**0**	**-73.216**	**-39.616**
	Carrying amount, 31 December 2022	**0**	**0**	**620.404**	**616.597**

DKK thousand.

Group enterprises:

	Domicile
BIG Partners 2019 ApS	Copenhagen
BIG Partners ApS	Copenhagen
BIG Plot ApS	Copenhagen
Bjarke Ingels Group LLC	New York
Bjarke Ingels Group California Inc.	Californien
Bjarke Ingels Group Architecture Spain SLP	Barcelona
Bjarke Ingels Group (Thailand) Ltd	Bangkok
Sundmolen BIG ApS	Copenhagen
Friday Home BIG ApS	Copenhagen
BIG Partners Ltd	London
BIG Investments ApS	Copenhagen
Bjarke Ingels Group Design Consultancy (Shenzhen) Ltd	Shenzhen
B.I.G. Bjarke Ingels Group Holding ApS	Copenhagen
Bjarke Ingels Group A/S	Copenhagen

	Group		Parent	
	31/12 2022	31/12 2021	31/12 2022	31/12 2021
11. Investments in participating interests				
Cost 1 January 2022	49.778	23.578	0	0
Additions during the year	4.140	26.200	0	0
Cost 31 December 2022	**53.918**	**49.778**	**0**	**0**
Revaluations, opening balance 1 January 2022	-3.382	-3.382	0	0
Correction of previous revaluations	-1.518	0	0	0
Net profit or loss for the year before amortisation of goodwill	-3.023	0	0	0
Revaluation 31 December 2022	**-7.923**	**-3.382**	**0**	**0**
Carrying amount, 31 December 2022	**45.995**	**46.396**	**0**	**0**

DKK thousand.

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
12. Other financial investments				
Cost 1 January 2022	34.200	34.200	0	0
Additions during the year	154	0	0	0
Cost 31 December 2022	**34.354**	**34.200**	**0**	**0**
Revaluation 1 January 2022	1.537	1.537	0	0
Revaluation 31 December 2022	**1.537**	**1.537**	**0**	**0**
Impairment loss for the year	-10.661	0	0	0
Nedskrivninger 31 December 2022	**-10.661**	**0**	**0**	**0**
Carrying amount, 31 December 2022	**25.230**	**35.737**	**0**	**0**

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
13. Deposits				
Cost 1 January 2022	1.689	1.597	0	0
Additions during the year	197	306	0	0
Disposals during the year	0	-214	0	0
Cost 31 December 2022	**1.886**	**1.689**	**0**	**0**
Carrying amount, 31 December 2022	**1.886**	**1.689**	**0**	**0**

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
14.	**Contract work in progress**				
	Selling price of the production for the period	513.961	764.128	0	0
	Progress billings	-507.019	-787.926	0	0
	Contract work in progress, net	**6.942**	**-23.798**	**0**	**0**
	The following is recognised:				
	Contract work in progress (current assets)	62.276	49.551	0	0
	Contract work in progress (prepayments received on account)	-55.334	-73.349	0	0
		6.942	**-23.798**	**0**	**0**
15.	**Deferred tax assets**				
	Deferred tax assets 1 January 2022	1.468	0	6	6
	Deferred tax of the net profit or loss for the year	-900	1.468	0	-1
		568	**1.468**	**6**	**5**
	The following items are subject to deferred tax:				
	Losses carried forward to next years	568	1.468	6	5
		568	**1.468**	**6**	**5**

16. Prepayments

Prepayments consist of prepaid costs relating to rent, insurance premiums, software and licenses and subscriptions.

DKK thousand.

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
17.	**Non-controlling interests**				
	Non-controlling interests 1 January 2022	112.830	99.718	0	0
	Share of the profit or loss for the year	27.618	19.656	0	0
	Exchange rate adjustment	1.201	0	0	0
	Dividend	-16.028	-6.544	0	0
		125.621	**112.830**	**0**	**0**
18.	**Provisions for deferred tax**				
	Provisions for deferred tax 1 January 2022	44.056	34.048	0	0
	Deferred tax relating to the net profit or loss for the year	2.966	10.008	0	0
		47.022	**44.056**	**0**	**0**
19.	**Provisions for investments in group enterprises**				
	provision	0	557	0	0
		0	**557**	**0**	**0**
20.	**Other mortgage debt**				
	Total other mortgage debt	**2.076**	**0**	**0**	**0**
21.	**Bank loans**				
	Total bank loans	90.323	14.786	0	0
	Share of amount due within 1 year	-1.783	0	0	0
		88.540	**14.786**	**0**	**0**

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
22.	**Lease liabilities**				
	Total lease liabilities	2.595	0	0	0
	Share of amount due within 1 year	0	0	0	0
	Total lease liabilities	**2.595**	**0**	**0**	**0**
23.	**Payables to participating interest**				
	Total payables to participating interest	28.933	0	0	0
	Share of amount due within 1 year	0	0	0	0
	Total payables to participating interest	**28.933**	**0**	**0**	**0**
24.	**Other payables**				
	Total other payables	12.128	12.128	0	0
	Share of amount due within 1 year	0	0	0	0
	Total other payables	**12.128**	**12.128**	**0**	**0**

25. Charges and security

The group has provided guarantees to third parties for DKK 23.335.000

The company has issued a statement of support for its capital interests in respect of the payment of obligations and costs before the payment deadlines.

The group is involved in normal business disputes. Although the final outcome of these cases is unpredictable, in the opinion of the management, these cases will not have any significant effect on the group's result or financial situation.

DKK thousand.

26. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	31.577.340
Warranty commitments	23.335.000
Total contingent liabilities	**54.912.340**

Lease liabilities

The group has rent obligations for a total of DKK 31.577.340 , of which DKK 10.512.625 is due within 1 year, while the remaining rent obligation DKK 21.064.715 is due within 1 - 5 years.

Warranty commitments and other contingent liabilities:

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The group is involved in normal business disputes. Although the final outcome of these cases is unpredictable, in the opinion of the management, these cases will not have any significant effect on the group's result or financial situation.

DKK thousand.

27. Related parties

Controlling interest

Bjarke Bundgaard Ingels	Majority shareholder

Transactions

The company has chosen only to disclose the transactions that have not been carried out on a market basis terms cf. ÅRL. §98C, subsection 7.

	Group	
	2022	2021
28. Adjustments		
Depreciation and amortisation	43.292	0
Impairment of current assets	0	44.830
Income from investments in associates	10.661	0
Income from investments in participating interest	3.680	0
Other financial income	-24.835	0
Other financial expenses	15.432	0
Tax on net profit or loss for the year	14.039	12.758
Other adjustments	1.848	31.391
	64.117	**88.979**

29. Change in working capital		
Change in receivables	-20.638	-68.375
Change in trade payables and other payables	60.763	24.524
	40.125	**-43.851**

The annual report for BIG Development ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

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

The consolidated financial statements

The consolidated income statements comprise the parent company BIG Development ApS and those group enterprises of which BIG Development ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Revenue

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

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

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

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

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

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

Results from

Tax on net profit or loss for the year

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

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

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

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

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

	Useful life	Residual value
Buildings	30 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

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

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

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Other financial instruments

Financial instruments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

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

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

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Income tax and deferred tax

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

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

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

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

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

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