



Bryghuspladsen 8
DK - 1473 Copenhagen
CVR no. 37785539

BLOXHUB ANNUAL REPORT 2021

Foreningen BLOXHUB

Bryghuspladsen 8, DK-1473 Copenhagen K

Annual Report for 1 January - 31 December 2021

CVR No 37 78 55 39

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
3 /5 2022

Bruno Månsson
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Foreningen BLOXHUB for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Federation and of the results of the Federation operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 3 May 2022

Executive Board

Torben Klitgaard
Executive Officer

Board of Directors

Lars-Peter Søbye
Chairman

Jørgen Bardenfleth
Vice Chairman

Lennie Clausen

Indy Johar

Torben Nielsen

Line Groes

Anders Thusgaard

Jacob Holm

Ida Bigum Nielsen

Independent Auditor's Report

To the Board of Directors of Foreningen Bloxhub

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Federation's at 31 December 2021 and of the results of the Federation operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Foreningen BLOXHUB for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Federation 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation'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 Federation'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 Federation 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

Independent Auditor's Report

in a manner that gives a true and fair view.

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

Hellerup, 3 May 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Christensen
State Authorised Public Accountant
mne33687

Casper Larsen
State Authorised Public Accountant
mne45855

Company Information

The Company

Foreningen BLOXHUB
Bryghuspladsen 8
DK-1473 Copenhagen K
Website: www.bloxhub.org

CVR No: 37 78 55 39
Financial period: 1 January - 31 December
Incorporated: 3 June 2016
Municipality of reg. office: Copenhagen

Board of Directors

Lars-Peter Søbye, Chairman
Jørgen Bardenfleth, Vice Chairman
Lennie Clausen
Indy Johar
Torben Nielsen
Line Groes
Anders Thusgaard
Jacob Holm
Ida Bigum Nielsen

Executive Board

Torben Klitgaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Intro

BLOXHUB is the Nordic Hub for sustainable urbanization, founded on the belief that the challenges of global urbanization and climate change require new ways of collaboration. The objective is to contribute to sustainable urbanization – on a global scale – through the development of innovative solutions encompassing architecture, design, construction and urban development, coupled with new knowledge within the area of digitalization. Solutions that can create growth, new businesses and increased exports.

In BLOXHUB an international ecosystem of 350+ small and large companies, start-ups, cities, organizations, and research institutions gain knowledge, work across fields of knowledge and aspire to create new solutions for global cities.

BLOXHUB works within eight primary themes on sustainable urbanization:

1. Livability
2. Urban Mobility
3. Urban resilience
4. Sustainable buildings
5. Design DNA
6. Circular economy
7. Digitalisation
8. Urban governance

BLOXHUB is a non-profit organization founded in 2016 by Realdania, the City of Copenhagen and the Ministry of Industry, Business and Financial Affairs.

Management's Review

Activities in 2021

BLOXHUB activities in 2021 has been a steady high even though the Covid-19 pandemic roared. From office space logistics to program activities and events, flexibility and digital formats helped us handle the situation as smoothly as possible.

The Office Space's occupancy rate increased in 2021 to 96,8%, best result in the history of BLOXHUB. The office spaces in BLOX and Fæstningens Materialgård are in demand, and especially the BLOX spaces have a waiting list. The Covid-19 pandemic did not affect BLOXHUB' renting situation – the occupancy rate was intact and even increased during 2021.

Urban Partnerships is a B2B service offering innovation workshops and roundtables, network opportunities for potential matchmaking. Their activities ideate new solutions and ignite scaling of new business opportunities.

In 2021, Urban Partnerships activities has had an added focus on attracting international contributors, aligning with the BLOXHUB international strategy.

In summary, Urban Partnerships collaborated with 211 companies and organisations, resulting in 275 participants in workshop and roundtable activities.

Global Networks is an international delegation unit and lead platform into BLOXHUB match making activities.

In 2021, the development of BLOXHUB's international strategy has been in focus and is currently in its implementation phase.

In summary, Global Networks had a total of 23 delegations in 2021 with 390 participants, representing 41 various international organisations. The Covid-19 pandemic did put a hold on international delegations, but the 2022 pipeline is compensating.

Strategic Partnerships is a partnership and member's activation service and lead platform into BLOXHUB activities.

In 2021, to further emphasise the vital role partnerships play in BLOXHUB, a new unit was established. The ambition is to further nurture existing partnerships as well as establishing new ones, especially in an international context.

Science Forum develops and runs cross-disciplinary research networks, including a DARE network consisting of research institutions with the aim of enhancing collaboration and a 50+ student network for industrial PhDs, fellows and postdocs with the purpose of bridging the newest research across science institutions with leading Danish businesses within sustainable urbanization.

In 2021, the networks continued to expand, adding additional members to the DARE and Circular Built Environment Network. A series of Science Talks have disseminated new scientific knowledge to a broader audience, both physically inhouse, and via podcasts.

Management's Review

Tech Match is a matchmaking funding program that builds partnerships between Danish startups producing building materials, proptech or contech and real estate, tech or construction companies. In 2021, matchmaking round 2 and round 3 were completed, resulting in 8 completed matches. Outcomes were concrete, scalable solutions ready to be implemented.

Development through the year

The primary revenue in 2021 relates to grants from one of the founding fathers Realdania. The secondary revenue relates to rental income from BLOXHUB's tenants. Membership fees also contributed to BLOXHUB's revenue.

As for expenses, BLOXHUB spent DKK 47.7 million on the operation in 2021.

As of 31 December 2021, BLOXHUB had an equity of DKK 2.8 million. The profit of 2021 of DKK 0.5 million is transferred to retained earnings.

The BLOXHUB management considers the result for 2021 as satisfactory and in line with expectations.

Management's Review

Targets and expectations for 2022

The aim is to continue the member growth with national members, but especially with international members. Also, we plan to retain the rental status of the co-working space.

Activities will be further developed and the daily matchmaking between members and partners will be strengthened. We plan to retain the hybrid formats as they proved successful during the height of the pandemic.

The international strategy will be implemented throughout the organization to improve our global awareness, outreach and impact to benefit member growth.

Global partnerships will be further prioritized, bringing even more international knowledge and business opportunities into our ecosystem.

We hope for positive outcome of the EU New European Bauhaus application, and thus plan for implementation of project ideas.

Science Forum will increase their network activities, also internationally. A push of Danish circular and sustainable knowledge and research solutions will be disseminated in collaboration with several Innovation Center Denmark members internationally through physical attendance and online formats.

Urban Partnerships plans to enhance their workshop formats both with a stronger resident mix and more international contributors.

As a non-profit organization, BLOXHUB does not aim to make a profit besides a small buffer to secure the future operation. The primary risk in 2022 will be the rental of the co-working space, i.e. the occupancy rate.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Revenue		54,429,304	51,140,392
Other operating income		4,211	0
Other external expenses		-31,370,573	-29,572,284
Gross profit/loss		23,062,942	21,568,108
Staff expenses	1	-16,322,365	-13,747,093
Depreciation and impairment losses	2	-6,154,612	-6,880,788
Profit/loss before financial income and expenses		585,965	940,227
Financial income		0	102
Financial expenses		-102,210	-16,460
Profit/loss before tax		483,755	923,869
Tax on profit/loss for the year		0	0
Net profit/loss for the year		483,755	923,869

Distribution of profit

Proposed distribution of profit

Retained earnings	483,755	923,869
	483,755	923,869

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		87,462	457,316
Leasehold improvements		9,785,698	14,190,192
Property, plant and equipment	3	9,873,160	14,647,508
Fixed assets		9,873,160	14,647,508
Trade receivables		757,234	1,843,870
Other receivables		9,719,046	2,369,951
Prepayments		559,242	293,710
Receivables		11,035,522	4,507,531
Cash at bank and in hand		13,762,793	22,162,172
Currents assets		24,798,315	26,669,703
Assets		34,671,475	41,317,211

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Retained earnings		2,819,318	2,335,563
Equity		2,819,318	2,335,563
Other provisions	4	11,464,545	20,124,249
Provisions		11,464,545	20,124,249
Deposits		6,485,220	6,014,898
Long-term debt	5	6,485,220	6,014,898
Trade payables		1,992,414	590,578
Other payables		3,052,134	3,229,391
Deferred income		8,857,844	9,022,532
Short-term debt		13,902,392	12,842,501
Debt		20,387,612	18,857,399
Liabilities and equity		34,671,475	41,317,211
Contingent assets, liabilities and other financial obligations	6		
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Statement of Changes in Equity

	Retained earnings	Total
	DKK	DKK
Equity at 1 January	2,335,563	2,335,563
Net profit/loss for the year	483,755	483,755
Equity at 31 December	2,819,318	2,819,318

Notes to the Financial Statements

	2021 DKK	2020 DKK
1 Staff expenses		
Wages and salaries	15,270,041	12,989,944
Pensions	186,861	48,325
Other social security expenses	221,774	148,778
Other staff expenses	643,689	560,046
	16,322,365	13,747,093
Average number of employees	27	22
2 Depreciation and impairment losses		
Depreciation of property, plant and equipment	6,154,612	6,880,788
	6,154,612	6,880,788
Which is specified as follows:		
Other fixtures and fittings, tools and equipment	370,083	1,513,277
Leasehold improvements	5,784,529	5,367,511
	6,154,612	6,880,788
3 Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	4,687,868	27,664,923
Additions for the year	229	1,375,430
Cost at 31 December	4,688,097	29,040,353
Impairment losses and depreciation at 1 January	4,230,552	13,474,731
Depreciation for the year	370,083	5,779,924
Impairment losses and depreciation at 31 December	4,600,635	19,254,655
Carrying amount at 31 December	87,462	9,785,698

Notes to the Financial Statements

	<u>2021</u> DKK	<u>2020</u> DKK
4 Other provisions		
Realdania BY & BYG A/S, grant for leasehold improvement	7,179,259	12,788,535
Realdania, BLOXHUB, grant for operations 2018-27	0	4,000,000
Next Level grant 2019-2025	2,477,077	1,873,262
Smart City Research Cluster grant 2020	1,239	105,482
Detained for refurbishment of premises	1,806,970	1,356,970
	<u>11,464,545</u>	<u>20,124,249</u>

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Deposits

Between 1 and 5 years	6,485,220	6,014,898
Long-term part	6,485,220	6,014,898
Within 1 year	0	0
	<u>6,485,220</u>	<u>6,014,898</u>

6 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	24,480,364	24,712,078
Between 1 and 5 years	98,987,416	98,889,404
After 5 years	31,763,372	55,727,678
	<u>155,231,152</u>	<u>179,329,160</u>

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Foreningen BLOXHUB for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

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

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

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

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

Income Statement

Revenue

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales. Revenue comprises grants and funds received, membership fees, rental income etc.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

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

Notes to the Financial Statements

7 Accounting Policies (continued)

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Property, plant and equipment

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

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

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

7 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Federation has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.