

BLOXHUB ANNUAL REPORT 2022

BLOXHUB
Bryghuspladsen 8
DK - 1473 Copenhagen
CVR no. 37785539

BLOX HUB

Foreningen BLOXHUB

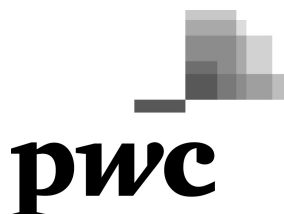
Bryghuspladsen 8, DK-1473 Copenhagen K

Annual Report for 1 January - 31 December 2022

CVR No 37 78 55 39

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/04 2023

Freshta Viktoria Fana
Moderator 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 2022.

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 2022 of the Association and of the results of the Association operations for 2022.

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, 25 April 2023

Executive Board

Torben Klitgaard
Executive Officer

Board of Directors

Helle Søholt
Chairperson

Jørgen Bardenfleth
Vice Chairperson

Lennie Clausen

Indy Johar

Lene Dammand Lund

Line Groes

Anders Thusgaard

Jacob Holm

Ida Bigum Nielsen

Thomas Fokdal

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 2022 and of the results of the Federation operations for the financial year 1 January - 31 December 2022 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 2022, 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, 25 April 2023

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

Helle Søholt, Chairperson
Jørgen Bardenfleth, Vice Chairperson
Lennie Clausen
Indy Johar
Lene Dammand Lund
Line Groes
Anders Thusgaard
Jacob Holm
Ida Bigum Nielsen
Thomas Fokdal

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.

Over the years BLOXHUB has redefined its primary themes on sustainable urbanization, and will from 2023 focus all thematic activity within three overall domains;

- Cities as Systems
- Cities as Nature
- Cities as Communities

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 2022

The Office Space's occupancy rate was increased in 2022 to an average of 96.8%, the 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.

BLOXHUB activities in 2022 are 'back to normal' after two years of major lockdowns due to the pandemic.

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 2022, Urban Partnerships activities had an added focus of attracting international contributors, aligning with the BLOXHUB international strategy.

In summary, Urban Partnerships ran 29 program activities with 445 companies and organisations, resulting in 511 participants in workshop and roundtable activities.

Global Networks is an international delegation unit and lead platform into BLOXHUB match making activities. In 2022, the general level of international delegations went back to the activity level before the pandemic.

BLOXHUB members and local companies have been activated more than 70 times in delegation visits during 2022. In total 112 visits and 2,434 participants in 2022 were exposed to the BLOXHUB offers through visits.

Strategic Partnerships is a service that is responsible for the international networks outreach and partnerships to foreign collaborations. The purpose of the Strategic Partnerships is to position and expand the membership base BLOXHUB at the international level and to provide leads and international match-making opportunities to the members of BLOXHUB.

In 2022 a new international network; the Urban Hub Europe, was established connecting the BLOXHUB community to 5 other European networks and cluster organizations.

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 2022, 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. The program terminated in 2022 after successfully completing its activities.

New European Bauhaus is a collaborative project primarily between The Confederation of Danish Industries (DI) and BLOX partners as a response to the EU New European Bauhaus call. With DI and BLOX as lead partners an application to the call was delivered in January 2022, and in May the EU commission announced that the Danish led bid had won as one of six European and international consortias. The Danish led project is called 'Designing an Irresistible Circular Society (DESIRE)' and aims to create an alternative way forward for the built environment supporting the EU Horizon Europe mission of '100 climate-neutral and smart cities' through a cross-disciplinary approach within the fields of architecture, design, art and policy to advocate the green transition.

BLOXHUB is the project manager for the consortium. The project runs from October 2022 to October 2024.

Development through the year

The primary revenue in 2022 was rental revenue from BLOXHUB's tenants. The secondary revenue was grants from founding father Realdania. Membership fees and other member services also contributed to BLOXHUB's revenue.

As for expenses, BLOXHUB spent DKK 52.2 million on the operation in 2022.

As of 31 December 2022, BLOXHUB had an equity of DKK 3.5 million. The profit of 2022 of DKK 0.6 million is transferred to retained earnings.

The BLOXHUB management considers the result for 2022 as satisfactory and in line with expectations.

Management's Review

Targets and expectations for 2023

In 2022 the board agreed to formulate a new strategy for BLOXHUB. The 'BLOXHUB Beyond ...' strategy defines a new framework for all BLOXHUB activities.

The ambition of the strategy is;

- To Look BEYOND the boundaries of conventional thinking and provide new services and programs that collaboratively expand emergent business opportunities for all members within 'the BLOXHUB domains'.
- To engage BEYOND the present level and expand the engagement of the community using multiple formats making sure that the majority of members are engaged in collaboration, knowledge sharing and/or network activities.
- To grow BEYOND the community we know today and expand the access and the value created through our co-working platforms – both digitally and physically.

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.

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

We will develop a new funding plan inspired by the successful win of the New European Bauhaus EU project.

Science Forum will continue to carry on their network activities, also internationally. A new 'Science Plan' will be carried out as part of the new 'BLOXHUB beyond ...' strategy.

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 2023 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	2022 DKK	2021 DKK
Revenue		58,805,015	54,429,304
Other operating income		0	4,211
Other external expenses		-35,797,737	-31,370,573
Gross profit/loss		23,007,278	23,062,942
Staff expenses	1	-16,457,641	-16,322,365
Depreciation and impairment losses	2	-5,883,228	-6,154,612
Profit/loss before financial income and expenses		666,409	585,965
Financial income		2,836	0
Financial expenses		-36,462	-102,210
Profit/loss before tax		632,783	483,755
Tax on profit/loss for the year	3	-550	0
Net profit/loss for the year		632,233	483,755

Distribution of profit

Proposed distribution of profit

Retained earnings	632,233	483,755
	632,233	483,755

Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		231	87,462
Leasehold improvements		4,661,266	9,785,698
Property, plant and equipment	4	4,661,497	9,873,160
Fixed assets		4,661,497	9,873,160
Trade receivables		1,510,211	757,234
Other receivables		9,477,763	9,719,046
Prepayments		577,686	559,242
Receivables		11,565,660	11,035,522
Cash at bank and in hand		27,883,412	13,762,793
Currents assets		39,449,072	24,798,315
Assets		44,110,569	34,671,475

Balance Sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Retained earnings		3,451,549	2,819,318
Equity		3,451,549	2,819,318
Other provisions	5	19,862,774	11,464,545
Provisions		19,862,774	11,464,545
Deposits		7,322,892	6,485,220
Long-term debt	6	7,322,892	6,485,220
Trade payables		1,494,820	1,992,414
Other payables		1,545,709	3,052,134
Deferred income		10,432,825	8,857,844
Short-term debt		13,473,354	13,902,392
Debt		20,796,246	20,387,612
Liabilities and equity		44,110,569	34,671,475
Contingent assets, liabilities and other financial obligations	7		
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Statement of Changes in Equity

	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	2,819,316	2,819,316
Net profit/loss for the year	632,233	632,233
Equity at 31 December	<u>3,451,549</u>	<u>3,451,549</u>

Notes to the Financial Statements

	2022	2021
	DKK	DKK
1 Staff expenses		
Wages and salaries	15,527,262	15,270,041
Pensions	280,250	186,861
Other social security expenses	179,444	221,774
Other staff expenses	470,685	643,689
	<u>16,457,641</u>	<u>16,322,365</u>
Average number of employees	<u>26</u>	<u>27</u>
2 Depreciation and impairment losses		
Depreciation of property, plant and equipment	5,883,228	6,154,612
	<u>5,883,228</u>	<u>6,154,612</u>
Which is specified as follows:		
Other fixtures and fittings, tools and equipment	87,232	370,083
Leasehold improvements	5,795,996	5,784,529
	<u>5,883,228</u>	<u>6,154,612</u>
3 Tax on profit/loss for the year		
Current tax for the year	0	0
Adjustment of tax concerning previous years	550	0
	<u>550</u>	<u>0</u>

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	4,688,097	29,040,354
Additions for the year	<u>0</u>	<u>671,564</u>
Cost at 31 December	<u>4,688,097</u>	<u>29,711,918</u>
Impairment losses and depreciation at 1 January	4,600,634	19,254,655
Depreciation for the year	<u>87,232</u>	<u>5,795,997</u>
Impairment losses and depreciation at 31 December	<u>4,687,866</u>	<u>25,050,652</u>
Carrying amount at 31 December	<u>231</u>	<u>4,661,266</u>

	2022	2021
	DKK	DKK
5 Other provisions		
Realdania BY & BYG A/S, grant for leasehold improvement	2,046,319	7,179,259
New European Bauhaus shared grant	12,402,950	0
Next Level grant 2019-2024	2,631,558	2,477,077
Smart City Research Cluster grant 2020	0	1,239
Detained for refurbishment of premises	2,481,258	1,806,970
New European Bauhaus BLOXHUB grant	<u>300,689</u>	<u>0</u>
	<u>19,862,774</u>	<u>11,464,545</u>

Notes to the Financial Statements

6 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:

	<u>2022</u> DKK	<u>2021</u> DKK
Deposits		
Between 1 and 5 years	7,322,892	6,485,220
Long-term part	<u>7,322,892</u>	<u>6,485,220</u>
Within 1 year	0	0
	<u>7,322,892</u>	<u>6,485,220</u>

7 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	<u>2022</u> DKK	<u>2021</u> DKK
Within 1 year	24,131,596	24,480,364
Between 1 and 5 years	96,660,774	98,987,416
After 5 years	<u>28,896,690</u>	<u>31,763,372</u>
	<u>149,689,060</u>	<u>155,231,152</u>

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Foreningen BLOXHUB for 2022 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 2022 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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

Deferred income

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