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# BLOXHUB ANNUAL REPORT



BLOXHUB BRYGHUSPLADSEN 8  
DK - 1473 COPENHAGEN  
CVR NO. 37785539

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# *Foreningen BLOXHUB*

Bryghuspladsen 8, DK-1473 Copenhagen

## Annual Report for 2023

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CVR No. 37 78 55 39

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
association  
on 29/4 2024

Bruno Månsson  
Moderator



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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 2023.

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 2023 of the association and of the results of the association operations for 2023.

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, 29 April 2024

## Executive Board

Torben Klitgaard  
CEO

## Board of Directors

Helle Søholt  
Chairperson

Jørgen Bardenfleth  
Vice Chairperson

Lennie Clausen

Indy Johar

Lene Dammand Lund

Line Groes

Anders Thusgaard

Jacob Holm

Nanna Westerby Jensen

Thomas Fokdal

# Independent Auditor's report

To members of Foreningen BLOXHUB

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Association at 31 December 2023 and of the results of the Association's operations for the financial year 1 January - 31 December 2023 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 2023, 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 Association 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 Financial 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 misstatement, whether due to fraud or error.

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 Association'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 29 April 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Claus Christensen

State Authorised Public Accountant

mne33687

Casper Larsen

State Authorised Public Accountant

mne45855

## Association Information

<b>The Cooperative</b>	Foreningen BLOXHUB Bryghuspladsen 8 DK-1473 Copenhagen  Website: <a href="http://www.bloxhub.org">www.bloxhub.org</a>  CVR No: 37 78 55 39 Financial period: 1 January - 31 December Incorporated: 3 June 2016 Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Helle Søholt, chairperson Jørgen Bardenfleth, vice chairperson Lennie Clausen Indy Johar Lene Dammand Lund Line Groes Anders Thusgaard Jacob Holm Nanna Westerby Jensen Thomas Fokdal
<b>Executive Board</b>	Torben Klitgaard
<b>Auditors</b>	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 360+ 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. The thematic activities are focused 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.

## Activities in 2023

The Office Space had an average occupancy rate in 2023 of 92.8%, a very satisfactory result. In comparison, 2023 ends 4 percentage points below the occupancy rate in 2022. To foresee industry tendencies of stagnant office renting, the sales efforts are now improved, and new use of the office space has been launched, e.g, daily and weekly renting of desks.

### Key highlights:

- New rental set-ups have been developed and tested. We now offer more flexible solutions with a range from day desk rentals to long-term office rentals.
- New, social activities are implemented, adding a theme that both engages, entertains and attracts more members to participate. Examples are quiz bars or bingo bars.

Urban Partnerships is a B2B service offering innovation workshops and roundtables resulting in network opportunities and business matchmaking. The activities ideate new business opportunities and ignite the scaling of existing solutions.

In 2023, Urban Partnerships activities had an added focus of attracting international contributors and developed longer thematic workshop series to delve deeper into a theme based on the BLOXHUB domains.

### Key highlights:

- A collaboration with Copenhagen Municipality has resulted in three thematic workshops, all with the overall aim of contributing to the development of the new climate plan for the City of Copenhagen.
- Partner in SMCNetZero, a Horizon Europe project facilitating decarbonization in small and medium-sized cities in the EU by supporting public sector representatives, SMEs, academia, NGOs, and investors. Core deliverables have been workshops and communication support.



## Management's review

Global Networks is an international delegation unit and a lead platform for matchmaking activities. Strategic Partnerships is a service that is responsible for international partnerships to secure leads to our workshops and provide member matchmaking opportunities with international collaborators.

In 2023, as a result of the Beyond Strategy, this division has been commercialized as now being a paid service offer. New contracts have already been established with international partners set to be implemented in 2024.

BLOXHUB members and local companies have been activated more than 226 times in activities during 2023. In total, 824 organizations were exposed to BLOXHUB offers through visits in 2023.

Key highlights:

- Targeted international efforts have gained traction;
  - o The US push has resulted in agreements with the State of Washington, including the cities of Seattle and Bellevue. Also, negotiations with potential partner hubs and cities have proved promising, opening doors to opportunities in Austin, Texas and San Francisco, California.
  - o Activities in Japan have led to a commercial partnership with Kajima, the country's largest general contractor. Future commercial agreements with Mitsubishi are also in the pipeline. Japanese organizations are showing significant interest, including arranging delegation visits.
- We have officially launched Urban Hub Europe, a network of similar hubs around Europe, with the aim of doing joint funding applications and projects along with other collaboration opportunities.

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

We welcomed a new Science Director, who will introduce new initiatives in 2024.

Key highlights:

- The industrial research network, the Circular Built Environment Network, concluded its three-year run. Spanning both group facilitation, inspirational site visits and trips to producing a joint publication, all activities come together in bridging knowledge about the newest research within circular economy to the industry.
- Through a series of Science Talks, scientific insights have reached diverse audiences worldwide, both physical in the hub and online. Renowned speakers such as Ken Webster and Saleemul Huq have shared their expertise, fostering deep-dive knowledge exchange.

New European Bauhaus is a collaborative project primarily between The Confederation of Danish Industries (DI) and BLOX partners in 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. In May 2022, the EU Commission announced that the Danish-led bid had won as one of six European and international consortia. The Danish-led project is 'Designing an Irresistible Circular Society (DESIRE)'. It 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.

# Management's review

## Key highlight:

- At Danish site partner Gadehavegaard, eighth-grade students joined the DESIRE project, envisioning green space transformations. Led by project partners Backscatter and GXN, they inspired a toolkit for youth involvement in urban design. Their ideas promise a more inclusive future for architects and city planners.
- In a strategic alliance, Kalundborg city, Knowledge Hub Zealand and the Royal Danish Academy aim to redefine citizen engagement. Leveraging community belonging and the Academy's expertise, they foster collaboration among citizens, industry, official bodies and research institutions. The DESIRE project plays a pivotal role, acting as a facilitator to nurture trust and collaboration skills.

## Financial development through the year

The primary revenue in 2023 was rental revenue from BLOXHUB's tenants. The secondary revenue was grants from founding father Realdania and other foundations. Membership fees and other member services also contributed to BLOXHUB's revenue.

As for expenses, BLOXHUB spent DKK 49,4 million on the operation in 2023.

Expenses incurred in 2023 were positively impacted by reversal of booked joint expenses amounting to DKK 3,6 million regarding the rental premises and tenants booked during prior years. Consequently the need to account for revenue from operations grants from Realdania in 2023 has accordingly been reduced by DKK 3,6 million. As such the correction does not impact the result for the year or equity.

As of 31 December 2023, BLOXHUB had an equity of DKK 4,0 million. The profit of 2023 of DKK 0,5 million is transferred to retained earnings.

The BLOXHUB management considers the result for 2023 as satisfactory and in line with expectations.

For 2024 a result in line with the result for 2023 is expected.

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Revenue		52,808,776	58,805,015
Other external expenses		-30,371,824	-35,797,737
<b>Gross profit</b>		<b>22,436,952</b>	<b>23,007,278</b>
Staff expenses	1	-19,017,073	-16,457,641
Depreciation and impairment losses of property, plant and equipment		-2,952,428	-5,883,228
<b>Profit/loss before financial income and expenses</b>		<b>467,451</b>	<b>666,409</b>
Financial income		63,790	2,836
Financial expenses		-6,749	-36,462
<b>Profit/loss before tax</b>		<b>524,492</b>	<b>632,783</b>
Tax on profit/loss for the year	2	0	-550
<b>Net profit/loss for the year</b>		<b>524,492</b>	<b>632,233</b>

### Distribution of profit

	2023	2022
	DKK	DKK
<b>Proposed distribution of profit</b>		
Retained earnings	524,492	632,233
	<b>524,492</b>	<b>632,233</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Other fixtures and fittings, tools and equipment		437,416	231
Leasehold improvements		2,948,148	4,661,266
<b>Property, plant and equipment</b>	<b>3</b>	<b>3,385,564</b>	<b>4,661,497</b>
<b>Fixed assets</b>		<b>3,385,564</b>	<b>4,661,497</b>
Trade receivables		1,411,520	1,510,211
Other receivables		6,638,356	9,477,763
Prepayments		910,697	577,686
<b>Receivables</b>		<b>8,960,573</b>	<b>11,565,660</b>
<b>Cash at bank and in hand</b>		<b>29,362,236</b>	<b>27,883,412</b>
<b>Current assets</b>		<b>38,322,809</b>	<b>39,449,072</b>
<b>Assets</b>		<b>41,708,373</b>	<b>44,110,569</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Retained earnings		3,976,041	3,451,549
<b>Equity</b>		<b>3,976,041</b>	<b>3,451,549</b>
Other provisions	4	19,622,995	19,862,774
<b>Provisions</b>		<b>19,622,995</b>	<b>19,862,774</b>
Deposits		6,723,659	7,322,892
<b>Long-term debt</b>	5	<b>6,723,659</b>	<b>7,322,892</b>
Trade payables		2,228,695	1,494,820
Other payables		2,414,819	1,545,709
Deferred income		6,742,164	10,432,825
<b>Short-term debt</b>		<b>11,385,678</b>	<b>13,473,354</b>
<b>Debt</b>		<b>18,109,337</b>	<b>20,796,246</b>
<b>Liabilities and equity</b>		<b>41,708,373</b>	<b>44,110,569</b>
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	3,451,549	3,451,549
Net profit/loss for the year	524,492	524,492
<b>Equity at 31 December</b>	<b>3,976,041</b>	<b>3,976,041</b>

# Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>1. Staff Expenses</b>		
Wages and salaries	17,826,459	15,527,262
Pensions	328,779	280,250
Other social security expenses	235,103	179,444
Other staff expenses	626,732	470,685
	<u>19,017,073</u>	<u>16,457,641</u>
Average number of employees	<u>29</u>	<u>27</u>
	2023	2022
	DKK	DKK
<b>2. Income tax expense</b>		
Adjustment of tax concerning previous years	0	550
	<u>0</u>	<u>550</u>
<b>3. Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	4,688,097	29,711,918
Additions for the year	573,924	1,102,571
Cost at 31 December	<u>5,262,021</u>	<u>30,814,489</u>
Impairment losses and depreciation at 1 January	4,687,866	25,050,652
Depreciation for the year	136,739	2,815,689
Impairment losses and depreciation at 31 December	<u>4,824,605</u>	<u>27,866,341</u>
Carrying amount at 31 December	<u>437,416</u>	<u>2,948,148</u>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>4. Other provisions</b>		
Other grants	12,768,822	14,749,958
Next Level grant 2019-2024	3,300,155	2,631,558
Detained for refurbishment of premises	3,554,018	2,481,258
	<u>19,622,995</u>	<u>19,862,774</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>5. Long-term debt</b>		

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

After 5 years	0	0
Between 1 and 5 years	6,723,659	7,322,892
Long-term part	6,723,659	7,322,892
Within 1 year	0	0
	<u>6,723,659</u>	<u>7,322,892</u>



## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>6. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	23,827,020	22,437,495
Between 1 and 5 years	77,260,169	89,542,370
After 5 years	0	5,596,398
	<u><b>101,087,189</b></u>	<u><b>117,576,263</b></u>

# Notes to the Financial Statements

## 7. Accounting policies

The Annual Report of Foreningen BLOXHUB for 2023 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 2023 are presented in DKK.

### Recognition and measurement

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 Association, 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 Association, 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## 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 as well as office and administrative expenses.

### Staff expenses

Staff expenses include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

### Amortisation, depreciation and impairment losses

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

# Notes to the Financial Statements

## 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.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments 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 Association has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### Financial liabilities

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.