

BUSINESS CENTER CITY APS
Rådhuspladsen 16
1550 København V

Annual report for 2021

Adopted at the annual general meeting on
2 August 2022

DocuSigned by:


Lynsey Ann Blair
AAGCD994A888413...
chairman

CVR-nr. 28 29 77 26

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of Business Center City ApS for the financial year 1 January - 31 December 2021.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

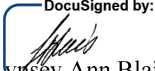
In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2022 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 2 August 2022

Executive board


Lynsey Ann Blair
Director

The company in general meeting has resolved that the financial statements for the coming financial year are not be audited.

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Business Center City ApS

Opinion

We have audited the financial statements of Business Center City ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, stating that the Company realised a profit of TDKK 284 in the financial year ending 31 December 2021 and that the Company's liabilities at this date exceed its assets by TDKK 2,501. Together with other matters described in note 1, these matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on 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.

INDEPENDENT AUDITOR'S REPORT

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, 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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 2 August 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Henrik Y. Jensen

State Authorized Public Accountant

MNE no. MNE35422

COMPANY DETAILS

The company	Business Center City ApS Rådhuspladsen 16 1550 København V
	CVR no.: 28 29 77 26
	Reporting period: 1 January - 31 December 2021
	Incorporated: 16 December 2004
	Domicile: Copenhagen
Executive board	Lynsey Ann Blair
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø

MANAGEMENT'S REVIEW

Business review

The company operates as a provider of office facilities through Regus Management ApS, which company operates as a manager of the Regus activities in Denmark.

In Denmark, 2021 started slow as the pandemic still affected our business. Business picked up the second half of 2021 and we ended the year strong.

The Company will continue to implement active marketing and operating strategies to increase occupancy from service agreements. In addition, the Company remains supported under an Intra- Group Facility Agreement that allows to receive advances as and when needed for the operation and management of its business and for general corporate purposes.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of DKK 283.733, and the balance sheet at 31 December 2021 shows negative equity of DKK 1.944.298.

Significant events occurring after the end of the financial year

For Denmark, the pandemic has not really affected the business anymore with more Europe and other countries starting to open and getting more relax in their health protocol. But if new mutation comes, this might change. The recent war in Ukraine could also affect the stability of the Nordic region.

There have been no significant subsequent events that require adjustments or disclosure in this Annual Report.

Material uncertainty related to going concern

The company has incurred a net profit of 284 TDKK during the year ended December 31, 2021 and, as of that date, the Company's current liabilities exceeded its current assets by 2,501 TDKK. No commitments has been given from the owners, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Reference is made to Note 1.

Management however expects that the owners have the ability to pay, for which reason the financial statements for the year ended 31 December have been prepared on a going concern basis.

Financial risks

The Company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Key performance indicators used by management include assessment of turnover, occupancy rates and profitability per unit.

ACCOUNTING POLICIES

The annual report of Business Center City ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

ACCOUNTING POLICIES

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Leasehold improvements	3-10 years
Other fixtures and fittings, tools and equipment	10 years or lease period years

Assets costing less than DKK 30.700 are expensed in the year of acquisition.

Receivables

Receivables are measured at amortised cost.

ACCOUNTING POLICIES

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
Gross profit		615.773	565.791
Depreciation		-259.650	-210.316
Profit/loss before net financials		356.123	355.475
Financial income		0	24
Financial costs	2	-78.852	-36.750
Profit/loss before tax		277.271	318.749
Tax on profit/loss for the year	3	6.462	-194.720
Profit/loss for the year		283.733	124.029
 Recommended appropriation of profit/loss			
Retained earnings		283.733	124.029
		283.733	124.029

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
ASSETS			
Other fixtures and fittings, tools and equipment		875.700	582.267
Leasehold improvements		651.159	664.363
Tangible assets	4	<u>1.526.859</u>	<u>1.246.630</u>
Deposits		1.173.619	1.173.619
Fixed asset investments		<u>1.173.619</u>	<u>1.173.619</u>
Total non-current assets		<u>2.700.478</u>	<u>2.420.249</u>
Receivables from group enterprises		697.627	920.722
Other receivables		767.927	362.415
Corporation tax		6.462	896
Prepayments		2.928	3.321
Receivables		<u>1.474.944</u>	<u>1.287.354</u>
Total current assets		<u>1.474.944</u>	<u>1.287.354</u>
Total assets		<u><u>4.175.422</u></u>	<u><u>3.707.603</u></u>

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
EQUITY AND LIABILITIES			
Share capital		125.000	125.000
Retained earnings		<u>-2.069.298</u>	<u>-2.353.031</u>
Equity		<u>-1.944.298</u>	<u>-2.228.031</u>
Trade payables		1.983.653	3.404
Payables to group enterprises		3.815.385	5.835.430
Other payables		307.797	0
Deferred income		<u>12.885</u>	<u>96.800</u>
Total current liabilities		<u>6.119.720</u>	<u>5.935.634</u>
Total liabilities		<u>6.119.720</u>	<u>5.935.634</u>
Total equity and liabilities		<u>4.175.422</u>	<u>3.707.603</u>
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	5		
Related parties and ownership structure	6		

NOTES

1 UNCERTAINTY ABOUT THE CONTINUED OPERATION (GOING CONCERN)

The company has incurred a net profit of 284 TDKK during the year ended December 31, 2021 and, as of that date, the Company's current liabilities exceeded its current assets by 2,501 TDKK.

The company is dependent on that the IWG Group regularly provides the necessary liquidity to ensure that the company is able to meet its liabilities as they fall due until the annual general meeting where the annual report of 2021 is approved.

No commitments on financial support has been given from the owners, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Management however expects that the owners have the ability to pay, for which reason the financial statements for the year ended 31 December have been prepared on a going concern basis.

	2021 DKK	2020 DKK
2 FINANCIAL COSTS		
Financial expenses, group entities	78.163	36.750
Exchange adjustments costs	649	0
Exchange loss	40	0
	78.852	36.750

3 TAX ON PROFIT/LOSS FOR THE YEAR

Current tax for the year	-6.462	-896
Adjustment of tax concerning previous years	0	195.616
	-6.462	194.720

4 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2021	8.782.484	2.067.779
Additions for the year	400.964	138.915
Cost at 31 December 2021	9.183.448	2.206.694
Impairment losses and depreciation at 1 January 2021	8.200.217	1.403.416
Depreciation for the year	107.531	152.119
Impairment losses and depreciation at 31 December 2021	8.307.748	1.555.535
Carrying amount at 31 December 2021	875.700	651.159

NOTES

5 CONTINGENT LIABILITIES

Contigent liabilities

Regus Management ApS being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2014, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 2014, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax interest, royalties and dividends.

Other rent and lease liabilities December 31st 2021: 36,844 tDKK, (2020: 0 tDKK)

The company is jointly tax registered with other Regus companies and is therefore jointly liable for VAT settlement.

6 RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest

IWG Plc, 22 Grenville Street, st. Heller, JE4 8PX Jersey.