

# Regus Denmark Holding ApS

Larsbjørnsstræde 3, 1454 København

CVR no. 28 30 88 09

## Annual report 2015

Approved at the annual general meeting of shareholders on 24 June 2016

Chairman:



.....  
Dominic Stephen Harrison

## Contents

|   |    |
|---|----|
| Statement by the Executive Board                            | 2  |
| Independent auditors' report                                | 3  |
| Management's review   | 4  |
| Company details   | 4  |
| Operating review  | 5  |
| Financial statements for the period 1 January - 31 December | 6  |
| Income statement  | 6  |
| Balance sheet   | 7  |
| Statement of changes in equity                              | 9  |
| Notes to the financial statements                           | 10 |

### Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Regus Denmark Holding ApS for the financial year 1 January - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 24 June 2016  
Executive Board:



Dominic Stephen Harrison

## The independent auditors' reports

To the shareholders of Regus Denmark Holdings ApS

### Report on the annual accounts

We have been appointed auditors for Regus Denmark Holdings ApS for the financial year 1 January - 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

### *The management's responsibility for the annual accounts*

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

### *Auditors' responsibility*

Our responsibility is to express an opinion on these accounts based on an audit performed in accordance with international standards on auditing and additional requirements under Danish audit regulation. Due to the matter described in the paragraph on the basis for qualified opinion, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

### Qualified opinion

### *Basis for disclaimer of opinion*

The annual accounts have been prepared assuming continued operation. As shown in the management's review and in Note 2, it is material for the company in order to continue its activities that the Regus Group regularly provides the necessary liquidity, which management expects. We have not obtained sufficient and appropriate audit evidence of this commitment.

### *Disclaimer of opinion*

Due to the significance of the matter described in the paragraph on the basis for disclaimer of opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for our opinion. Consequently, we do not express any opinion on the annual accounts.

### Report on other legal and regulatory requirements


### Emphasis of matter paragraph on other matters

The company has not complied with Danish Bookkeeping Act that financial records must be kept in Denmark. The company's management may incur liability for breach of the Danish Bookkeeping Act.

### Statement on the management's review

As it appears from the disclaimer of opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. We have not read the management's review to verify whether the information provided in the management's review is consistent with the annual accounts. Accordingly, we do not express an opinion on the management's review.

Copenhagen, 24 June 2016  
CHRISTENSEN KJÆRULF  
statsautoriseret revisionsaktieselskab  
CVR No. 15 91 56 41

  
Henrik W. Jørgensen  
State Authorised Public Accountant

## Management's review

### Company details

|                            |   |
|----------------------------|---|
| Name                       | Regus Denmark Holding ApS   |
| Address, Postal code, City | Larsbjørnsstræde 3, 1454 København  |
| CVR No.                    | 28 30 88 09   |
| Established                | 27 December 2004  |
| Registered office          | København   |
| Financial year             | 1 January - 31 December   |
| Executive Board            | Dominic Stephen Harrison  |
| Auditors                   | Christensen Kjarulf statsautoriseret revisionsaktieselskab<br>Store Kongensgade 68, 1264 Copenhagen K |

## Management's review

### Operating review

#### The Company's business review

The company operates as a provider of office facilities.

Since Mid March 2012, the company has operated as a provider of office facilities through the parent company Regus Management ApS, which company operates as a manager for the Regus activities in Denmark.

#### Unusual matters having affected the financial statements

##### *Going concern*

Pursuant to the capital loss provision of section 119 of the Danish Companies Act., the company has lost more than 50% of its share capital at year-end.

The annual report has been presented under the assumption of continued operations of the company.

Continued operations require further investments.

Expectations are that Regus Group will continue to provide the required capital available for the company for the current year.

The Executive Board expects, through strategic measures, that the capital can be restored over a number of years.

#### Financial review

The income statement for 2015 shows a loss of DKK 35,299 against a profit of DKK 42,407 last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 586,987.

The net loss is not considered satisfactory.

#### Post balance sheet events

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

#### Outlook

In 2016, the activity level and earnings is expected to be the same compared with 2015.

Financial statements for the period 1 January - 31 December

Income statement

| Note | DKK  | <u>2015</u>           | <u>2014</u>          |
|------|--|-----------------------|----------------------|
|      | Gross profit/loss                                  | -15,853               | 222,983              |
|      | Income from investments in group entities          | 0                     | -150,000             |
| 3    | Financial expenses                                 | <u>-19,446</u>        | <u>-31,353</u>       |
|      | Profit/loss before tax                             | -35,299               | 41,630               |
| 4    | Tax for the year                                   | <u>0</u>              | <u>777</u>           |
|      | Profit/loss for the year                           | <u><u>-35,299</u></u> | <u><u>42,407</u></u> |
|      | Proposed profit appropriation/distribution of loss |                       |                      |
|      | Retained earnings/accumulated loss                 | <u>-35,299</u>        | <u>42,407</u>        |
|      |  | <u><u>-35,299</u></u> | <u><u>42,407</u></u> |

Financial statements for the period 1 January - 31 December

Balance sheet

| Note | DKK  | <u>2015</u>   | <u>2014</u>   |
|------|--|---------------|---------------|
|      | <b>ASSETS</b>                                  |               |               |
|      | Non-current assets                             |               |               |
| 5    | Investments                                    |               |               |
|      | Investments in group entities, net asset value | 0             | 0             |
|      |  | <u>0</u>      | <u>0</u>      |
|      | <b>Total non-current assets</b>                | <u>0</u>      | <u>0</u>      |
|      | <b>Current assets</b>                          |               |               |
|      | Receivables                                    |               |               |
|      | Trade receivables                              | 9,576         | 0             |
|      | Receivables from group entities                | 25,000        | 0             |
|      | Income taxes receivable                        | 777           | 777           |
|      | Other receivables                              | 0             | 11,261        |
|      |  | <u>35,353</u> | <u>12,038</u> |
|      | <b>Cash</b>                                    | <u>41,060</u> | <u>79,835</u> |
|      | <b>Total current assets</b>                    | <u>76,413</u> | <u>91,873</u> |
|      | <b>TOTAL ASSETS</b>                            | <u>76,413</u> | <u>91,873</u> |



Financial statements for the period 1 January - 31 December

Balance sheet

| Note | DKK  | 2015            | 2014            |
|------|--|-----------------|-----------------|
|      | <b>EQUITY AND LIABILITIES</b>                    |                 |                 |
|      | Equity   |                 |                 |
| 6    | Share capital                                    | 500,000         | 500,000         |
|      | Retained earnings                                | -1,086,987      | -1,051,688      |
|      | <b>Total equity</b>                              | <b>-586,987</b> | <b>-551,688</b> |
|      | <b>Liabilities other than provisions</b>         |                 |                 |
|      | <b>Current liabilities other than provisions</b> |                 |                 |
|      | Trade payables                                   | 4,200           | 0               |
|      | Payables to group entities                       | 644,198         | 628,561         |
|      | Other payables                                   | 15,002          | 15,000          |
|      | <b>Total liabilities other than provisions</b>   | <b>663,400</b>  | <b>643,561</b>  |
|      | <b>TOTAL EQUITY AND LIABILITIES</b>              | <b>76,413</b>   | <b>91,873</b>   |

- 1 Accounting policies
- 2 Material uncertainties regarding going concern
- 7 Collateral
- 8 Contractual obligations and contingencies, etc.
- 9 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

| DKK                        | Share capital | Retained earnings | Total    |
|----------------------------|---------------|-------------------|----------|
| Equity at 1 January 2014   | 500,000       | -1,094,095        | -594,095 |
| Profit/loss for the year   | 0             | 42,407            | 42,407   |
| Equity at 1 January 2015   | 500,000       | -1,051,688        | -551,688 |
| Profit/loss for the year   | 0             | -35,299           | -35,299  |
| Equity at 31 December 2015 | 500,000       | -1,086,987        | -586,987 |

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Regus Denmark Holding ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for FirstClients ApS and its group entities are part of the consolidated financial statements for Regus Plc, Luxembourg, reg. nr. R.C.S. B 141 159.

#### Reporting currency

The financial statements are presented in Danish kroner.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

##### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets.

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Other fixtures and fittings, tools and equipment      3-5 years

##### Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

##### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Investments in group entities

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### 2 Material uncertainties regarding going concern

As regards uncertainties concerning the enterprises ability to continue as a going concern, management has assumed, that Regus Group will continue to provide the necessary liquidity available to the Company for the current year.

The Company has not received commitments from the Regus Group.

The Executive Board expects, through strategic measures, that the capital can be restored over a number of years.

| DKK                               | 2015   | 2014   |
|-----------------------------------|--------|--------|
| <b>3 Financial expenses</b>       |        |        |
| Interest expenses, group entities | 16,418 | 14,767 |
| Other financial expenses          | 3,028  | 16,586 |
|                                   | 19,446 | 31,353 |
| <br>                              |        |        |
| <b>4 Tax for the year</b>         |        |        |
| Estimated tax charge for the year | 0      | -777   |
|                                   | 0      | -777   |

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 5 Investments

| DKK                                   | Investments in<br>group entities,<br>net asset value |
|---------------------------------------|--|
| Cost at 1 January 2015                | 730,000  |
| Cost at 31 December 2015              | 730,000  |
| Value adjustments at 1 January 2015   | -730,000   |
| Value adjustments at 31 December 2015 | -730,000   |
| Carrying amount at 31 December 2015   | 0  |

| DKK                          | Legal form | Domicile  | Interest | Equity      | Profit/loss |
|------------------------------|------------|-----------|----------|-------------|-------------|
| <b>Subsidiaries</b>          |            |           |          |             |             |
| Regus København ApS          | ApS        | København | 100.00 % | -45,862,476 | -1,848,160  |
| Regus Tuborg Harbour ApS     | ApS        | København | 100.00 % | -11,607,411 | 233,791     |
| Fairway Centre ApS           | ApS        | København | 100.00 % | -7,451,480  | -83,079     |
| Lynby Centre ApS             | ApS        | København | 100.00 % | -6,167,279  | -474,565    |
| Express CPHa ApS             | ApS        | København | 100.00 % | -2,480,399  | -2,530,323  |
| Ballerup Business Centre ApS | ApS        | København | 100.00 % | -1,019,706  | -1,061,694  |
| Soeborg Business Centre ApS  | ApS        | København | 100.00 % | -538,357    | -580,345    |

| DKK  | 2015           | 2014           |
|--|----------------|----------------|
| <b>6 Share capital</b>                       |                |                |
| The share capital consists of the following: |                |                |
| 500 shares of DKK 1,000.00 each              | 500,000        | 500,000        |
|  | <u>500,000</u> | <u>500,000</u> |

The Company's share capital has remained DKK 500,000 over the past 5 years.

#### 7 Collateral

The company is jointly tax registered with 21 other Regus companies and is therefore jointly liable for VAT settlement.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 8 Contractual obligations and contingencies, etc.

##### Contingent 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 2013, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

##### Other financial obligations

The company is jointly liable for its subsidiaries' operating leases with a total residual lease of DKK 27 mill. excl. VAT at year end.

#### 9 Related parties

Regus Denmark Holding ApS' related parties comprise the following:

##### Information about consolidated financial statements

| <u>Parent</u> | <u>Domicile</u>                        | <u>Requisitioning of the parent's consolidated financial statements</u>   |
|---------------|--|---|
| Regus Plc     | 26 Boulevard Royal, 2449<br>Luxembourg | <a href="http://www.regus.com/investors/annual-reports.aspx">http://www.regus.com/investors/annual-reports.aspx</a> |

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

| <u>Name</u>                | <u>Domicile</u> |
|----------------------------|-----------------|
| Umbrella Holdings S.A.R.L. | Luxembourg      |