

REGUS TUBORG HARBOUR APS
Tuborg Boulevard 12, 3 sal
2900 Hellerup

Annual report for 2019

Adopted at the annual general meeting on
9 July 2020

DocuSigned by:



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Lynsey Ann Blair
chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of Regus Tuborg Harbour ApS for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

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

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

Copenhagen, 9 July 2020

Executive board

DocuSigned by:

Lynsey Ann Blair
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Regus Tuborg Harbour ApS

Opinion

We have audited the financial statements of Regus Tuborg Harbour ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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. 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 in the financial statements, which indicates that the Company incurred a net loss of 2,586,373 DKK during the year ended December 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by 21,931,802 DKK. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, 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 judgment and maintain professional skepticism 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, 9 July 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Jette Kjær Bach
State Authorized Public Accountant
MNE no. mne19812

COMPANY DETAILS

The company

Regus Tuborg Harbour ApS
Tuborg Boulevard 12, 3 sal
2900 Hellerup

CVR no.: 28 30 94 22

Reporting period: 1 January - 31 December 2019

Incorporated: 28. December 2004

Domicile: Gentofte

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.

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

Financial review

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 2.586.373, and the balance sheet at 31 December 2019 shows negative equity of DKK 19.899.818.

Material uncertainty related to going concern

The company has incurred a net loss of 2,586,373 DKK during the year ended December 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by 21,931,802 DKK. 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.

Significant events occurring after the end of the financial year

As a result of the COVID-19 crisis revenues and cash flows are affected. Management has implemented contingency plans consisting of stricter cash flow management via optimised payments, deferring tax (VAT, social security, withholding tax), use of temporary unemployment schemes, negotiations with landlords to reduce / defer rental payments. There will obviously be a negative impact on the revenue, cash flow and financial situation however; this cannot be estimated at present.

ACCOUNTING POLICIES

The annual report of Regus Tuborg Harbour ApS for 2019 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 provisions as regards larger entities.

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

The annual report for 2019 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, and other external expenses.

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.

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 relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses and foreign currency transactions, and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly 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 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

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

Assets costing less than DKK 13.800 are expensed in the year of acquisition.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

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 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

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

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
Gross profit		-1.715.706	-2.507.318
Depreciation		-325.546	-246.179
Profit/loss before net financials		-2.041.252	-2.753.497
Financial income		504	0
Financial costs	2	-698.433	-522.513
Profit/loss before tax		-2.739.181	-3.276.010
Tax on profit/loss for the year	3	152.808	186.675
Profit/loss for the year		-2.586.373	-3.089.335
 Recommended appropriation of profit/loss			
Retained earnings		-2.586.373	-3.089.335
		-2.586.373	-3.089.335

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
ASSETS			
Other fixtures and fittings, tools and equipment		802.508	778.239
Leasehold improvements		<u>935.891</u>	<u>598.035</u>
Tangible assets	4	<u>1.738.399</u>	<u>1.376.274</u>
Deposits		<u>293.585</u>	<u>167.264</u>
Fixed asset investments		<u>293.585</u>	<u>167.264</u>
Total non-current assets		<u>2.031.984</u>	<u>1.543.538</u>
Trade receivables		3.059.837	0
Receivables from group enterprises		288.363	699.813
Other receivables		708.908	669.224
Corporation tax		152.808	186.675
Prepayments		<u>3.038.887</u>	<u>3.045.053</u>
Receivables		<u>7.248.803</u>	<u>4.600.765</u>
Total current assets		<u>7.248.803</u>	<u>4.600.765</u>
Total assets		<u>9.280.787</u>	<u>6.144.303</u>

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
EQUITY AND LIABILITIES			
Share capital		125.000	125.000
Retained earnings		<u>-20.024.818</u>	<u>-17.438.445</u>
Equity		<u>-19.899.818</u>	<u>-17.313.445</u>
Prepayments received from customers		2.528.967	0
Trade payables		3.591.185	3.508.896
Payables to group enterprises		22.227.101	19.844.755
Other payables		<u>833.352</u>	<u>104.097</u>
Total current liabilities		<u>29.180.605</u>	<u>23.457.748</u>
Total liabilities		<u>29.180.605</u>	<u>23.457.748</u>
Total equity and liabilities		<u>9.280.787</u>	<u>6.144.303</u>
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	5		
Related parties and ownership structure	6		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	125.000	-17.438.445	-17.313.445
Net profit/loss for the year	0	-2.586.373	-2.586.373
Equity at 31 December 2019	<u>125.000</u>	<u>-20.024.818</u>	<u>-19.899.818</u>

NOTES

1 UNCERTAINTY ABOUT THE CONTINUED OPERATION (GOING CONCERN)

The company has incurred a net loss of 2,586,373 DKK during the year ended December 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by 21,931,802 DKK.

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 2020 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.

	<u>2019</u>	<u>2018</u>
	DKK	DKK
2 FINANCIAL COSTS		
Financial expenses, group entities	691.832	514.959
Other financial costs	6.601	5.047
Exchange adjustments costs	<u>0</u>	<u>2.507</u>
	<u><u>698.433</u></u>	<u><u>522.513</u></u>

3 TAX ON PROFIT/LOSS FOR THE YEAR

Current tax for the year	<u>-152.808</u>	<u>-186.675</u>
	<u><u>-152.808</u></u>	<u><u>-186.675</u></u>

4 TANGIBLE ASSETS

	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>
Cost at 1 January 2019	2.572.470	965.739
Additions for the year	<u>221.411</u>	<u>466.259</u>
Cost at 31 December 2019	<u><u>2.793.881</u></u>	<u><u>1.431.998</u></u>
Impairment losses and depreciation at 1 January 2019	1.794.231	367.704
Depreciation for the year	<u>197.142</u>	<u>128.403</u>
Impairment losses and depreciation at 31 December 2019	<u><u>1.991.373</u></u>	<u><u>496.107</u></u>
Carrying amount at 31 December 2019	<u><u>802.508</u></u>	<u><u>935.891</u></u>

NOTES

5 CONTINGENT LIABILITIES

Contingent liabilities

Regus Management ApS being the administration 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 2012, the company is unlimited jointly and severally liable with the other jointly and severally liable with the other jointly taxed companies for the total corporation tax.

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

Other rent and lease liabilities as of December 31st 2019: 6,552 tDKK (2018: 6,911 tDKK).

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

The Danish Tax Agency (Skattestyrelsen) finalized in 2019 a transfer pricing tax audit of Regus Management ApS and the companies of the Danish scheme of joint taxation in 2012-2014. Regus Management ApS has appealed the result of the transfer pricing tax audit to the Danish Tax Agency (Skattestyrelsen). The result of the appeal is expected available in 2021 at the earliest.

Tax, interest, fines related to the transfer pricing tax audit have not been recognized in the financial statements, since it is the group's and its advisors' expectations that the result of the appeal case will turn out to be favourable towards Regus Management ApS.

6 RELATED PARTIES AND OWNERSHIPSTRUCTURE

Other related parties

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