

Regus Management ApS

Lautruphøj 1-3, 2750 Ballerup

CVR no. 31 27 95 18

Annual report 2015

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

Chairman:



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Dominic Stephen Harrison

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Regus Management 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' report

To the shareholders of Regus Management ApS

Report on the annual accounts

We have audited the annual accounts of Regus Management 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. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with International standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with Danish Financial Statements Act.

Emphasis of matter paragraph on other matters

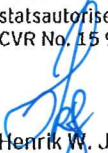
The company has not complied with Danish Bookkeeping Act that financial records must be kept in Denmark. The company's management may incur liability for breach of the Danish Bookkeeping Act.

The Independent auditors' report

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management review. We have not performed any further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

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 Management ApS
Address, Postal code, City Lautruphøj 1-3, 2750 Ballerup

CVR No. 31 27 95 18
Established 29 February 2008
Registered office Ballerup
Financial year 1 January - 31 December

Executive Board Dominic Stephen Harrison

Auditors Christensen Kjarulf statsautoriseret revisionsaktieselskab
Store Kongensgade 68, 1264 Copenhagen K

Management's review

Operating review

The Company's business review

The company operates with management and administration to the Companies within the Regus Group in Denmark.

Since March 2012 the Company acted as the provider of office facilities for 11 of the companies in the Regus Group, Denmark as well as with management for all the companies in the Regus Group, Denmark.

Recognition and measurement uncertainties

Financial review

The income statement for 2015 shows a profit of DKK 895,505 against a profit of DKK 2,155,549 last year, and the balance sheet at 31 December 2015 shows equity of DKK 5,475,283.

The net result is 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

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

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Gross profit	19,666,448	29,429,936
2	Staff costs	-18,419,397	-26,939,886
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-80,586	-53,151
	Operating profit	1,166,465	2,436,899
3	Financial income	27,451	11,663
4	Financial expenses	-22,598	-36,816
	Profit before tax	1,171,318	2,411,746
5	Tax for the year	-275,813	-256,197
	Profit for the year	895,505	2,155,549
	Proposed profit appropriation	895,505	2,155,549
	Retained earnings	895,505	2,155,549

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
6	Property, plant and equipment	189,909	111,874
	Other fixtures and fittings, tools and equipment	301,971	338,565
	Leasehold improvements	<u>491,880</u>	<u>450,439</u>
	Total non-current assets	<u>491,880</u>	<u>450,439</u>
	Current assets		
	Receivables		
	Trade receivables	13,812,487	14,753,057
	Receivables from group entities	69,475,903	29,235,870
	Other receivables	812,292	2,292,013
7	Prepayments	<u>372,604</u>	<u>242,805</u>
		<u>84,473,286</u>	<u>46,523,745</u>
	Cash	<u>828,928</u>	<u>3,702,904</u>
	Total current assets	<u>85,302,214</u>	<u>50,226,649</u>
	TOTAL ASSETS	<u><u>85,794,094</u></u>	<u><u>50,677,088</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	125,000	125,000
	Retained earnings	<u>5,350,283</u>	<u>4,454,778</u>
	Total equity	<u>5,475,283</u>	<u>4,579,778</u>
	Provisions		
	Deferred tax	<u>93,756</u>	<u>0</u>
	Total provisions	<u>93,756</u>	<u>0</u>
	Liabilities other than provisions		
9	Non-current liabilities other than provisions		
	Prepayments received from customers	<u>16,829,131</u>	<u>15,834,925</u>
		<u>16,829,131</u>	<u>15,834,925</u>
	Current liabilities other than provisions		
	Trade payables	3,144,071	2,534,820
	Payables to group entities	36,270,337	5,086,592
	Income taxes payable	438,254	256,197
	Other payables	10,924,399	10,891,174
	Deferred income	<u>12,618,863</u>	<u>11,493,602</u>
		<u>63,395,924</u>	<u>30,262,385</u>
	Total liabilities other than provisions	<u>80,225,055</u>	<u>46,097,310</u>
	TOTAL EQUITY AND LIABILITIES	<u>85,794,094</u>	<u>50,677,088</u>

- 1 Accounting policies
- 10 Collateral
- 11 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	125,000	2,299,229	2,424,229
Profit/loss for the year	0	2,155,549	2,155,549
Equity at 1 January 2015	125,000	4,454,778	4,579,778
Profit/loss for the year	0	895,505	895,505
Equity at 31 December 2015	125,000	5,350,283	5,475,283

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Regus Management ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

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

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

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

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 fixed 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.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

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:

Leasehold improvements	10 years
Other fixtures and fittings, tools and equipment	3-5 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and 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.

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 and cash equivalents

Cash and cash equivalents 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2015	2014
2 Staff costs		
Wages/salaries	16,282,276	22,215,176
Pensions	940,498	1,193,433
Other social security costs	81,871	216,610
Other staff costs	1,114,752	3,314,667
	<u>18,419,397</u>	<u>26,939,886</u>
Average number of full-time employees	<u>48</u>	<u>52</u>
3 Financial income		
Interest receivable, group entities	27,451	11,663
	<u>27,451</u>	<u>11,663</u>
4 Financial expenses		
Interest expenses, group entities	2,512	2,930
Other financial expenses	20,086	33,886
	<u>22,598</u>	<u>36,816</u>
5 Tax for the year		
Estimated tax charge for the year	182,057	256,197
Deferred tax adjustments in the year	93,756	0
	<u>275,813</u>	<u>256,197</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2015	137,648	365,942	503,590
Additions in the year	122,027	0	122,027
Cost at 31 December 2015	<u>259,675</u>	<u>365,942</u>	<u>625,617</u>
Impairment losses and depreciation at 1 January 2015	25,774	27,377	53,151
Amortisation/depreciation in the year	43,992	36,594	80,586
Impairment losses and depreciation at 31 December 2015	<u>69,766</u>	<u>63,971</u>	<u>133,737</u>
Carrying amount at 31 December 2015	<u>189,909</u>	<u>301,971</u>	<u>491,880</u>

7 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including prepaid agents commission and other prepayments.

DKK	2015	2014
8 Share capital		
The share capital consists of the following:		
1 shares of DKK 125,000.00 each	125,000	125,000
	<u>125,000</u>	<u>125,000</u>

The Company's share capital has remained DKK 125,000 over the past 5 years.

9 Long-term liabilities

Of the long-term liabilities, DKK XX falls due for payment after more than 5 years after the balance sheet date.

10 Collateral

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

SKAT (the Danish tax authorities) has raised a number of questions concerning transfer pricing documentation. On the date of signature, it is not yet known whether the issues give rise to any further action.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

11 Related parties

Regus Management ApS' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Regus Plc	26 Boulevard Royal, 2449 Luxembourg	http://www.regus.com/investors/annual-reports.aspx

Ownership

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

Name	Domicile
Umbrella Holding Sarl	26 Boulevard Royale, Luxembourg L-2449