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EXPRESS CPHA APS  
Tuborg Boulevard 12, 3. sal  
2900 Hellerup

Annual report for 2020

Adopted at the annual general meeting on  
30 June 2021

DocuSigned by:

  
\_\_\_\_\_  
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 Express Cpha ApS for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.


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

The financial statements have not been 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, 30 June 2021

### Executive board

DocuSigned by:  
  
Lynsey Ann Blair  
AA5CD994A868413...  
Director

## AUDITOR'S REPORT ON COMPILATION OF THE FINANCIAL STATEMENTS

### *To the shareholder of Express Cpha ApS*

We have compiled the financial statements of Express Cpha ApS for the financial year 1 January - 31 December 2020 based on the company's bookkeeping records and other information made available by company.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the company in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and International Ethics Standards Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the company's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by company for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 30 June 2021

### **MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41

Kurt Christensen  
State Authorized Public Accountant  
MNE no. mne26824

## COMPANY DETAILS

The company

Express Cpha ApS  
Tuborg Boulevard 12, 3. sal  
2900 Hellerup

CVR no.: 36 04 53 10

Reporting period: 1 January - 31 December 2020

Incorporated: 14 July 2014

Domicile: Gentofte

Executive board

Lynsey Ann Blair

## 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.

2020 was a very challenging period due to the disruption caused by the COVID-19 pandemic. Following a very encouraging start to the year 2020, our strongest ever in terms of financial performance as a Group, the situation rapidly changed as the scale of the crisis facing our customers quickly became clear. We had to respond with speed and determination, taking some difficult decisions to cut costs, acting fast to help clients and working hard to support our own team members. While COVID-19 will continue to have a major impact to our business for some time to come, this allowed IWG's global market to take a massive leap forward as companies across the world discovered first-hand that their workforces could be highly engaged and productive while utilizing the hybrid way of working: at home, in a local office, and occasionally at corporate HQ. As a result, we remain optimistic as to the medium to long-term future of IWG.

### Financial review

The company's income statement for the year ended 31 December 2020 shows a loss of DKK 2.961.076, and the balance sheet at 31 December 2020 shows negative equity of DKK 14.194.806.

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.

It is the current intention of IWG Group to provide the Company with sufficient financial funds in order to enable the Company to fulfil at any time its payment obligations, but no written commitments has been given.

Reference is made to note 1 for more details.

### Significant events occurring after the end of the financial year

In March 2020, following the declaration by the World Health Organization of the COVID-19 pandemic (COVID-19) and subsequent global government restrictions, the Group has been unable to operate at full capacity. Given the political and economic uncertainty resulting from COVID-19, the Group continues to see significant volatility and business disruption, reducing expected performance in 2021. The impact that COVID-19 has had on underlying trading performance is not recognised within adjusting items.

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

### 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 Express Cpha ApS for 2020 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 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, 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 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, as well as allowances and surcharges under the advance payment of tax scheme, ect.

### **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:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment.	3-10 years
Leasehold improvements	10 years or lease period years

Assets costing less than DKK 14.100 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

### 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.

#### Deferred income

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

# INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
<b>Gross profit</b>		<b>-1.109.449</b>	<b>713.881</b>
Depreciation		-1.795.954	-1.811.303
<b>Profit/loss before net financials</b>		<b>-2.905.403</b>	<b>-1.097.422</b>
Financial income		3	0
Financial costs	2	-131.904	-501.510
<b>Profit/loss before tax</b>		<b>-3.037.304</b>	<b>-1.598.932</b>
Tax on profit/loss for the year	3	76.228	0
<b>Profit/loss for the year</b>		<b>-2.961.076</b>	<b>-1.598.932</b>
<b>Recommended appropriation of profit/loss</b>			
Retained earnings		-2.961.076	-1.598.932
		<b>-2.961.076</b>	<b>-1.598.932</b>

**BALANCE SHEET 31 DECEMBER**

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		1.372.025	1.673.735
Leasehold improvements		<u>2.150.807</u>	<u>3.571.382</u>
<b>Tangible assets</b>	4	<u><b>3.522.832</b></u>	<u><b>5.245.117</b></u>
<b>Total non-current assets</b>		<u><b>3.522.832</b></u>	<u><b>5.245.117</b></u>
Receivables from group enterprises		169.992	2.055
Other receivables		4.135	1.268.259
Corporation tax		20.619	0
Prepayments		<u>4.089.824</u>	<u>41.931</u>
<b>Receivables</b>		<u><b>4.284.570</b></u>	<u><b>1.312.245</b></u>
<b>Total current assets</b>		<u><b>4.284.570</b></u>	<u><b>1.312.245</b></u>
<b>Total assets</b>		<u><u><b>7.807.402</b></u></u>	<u><u><b>6.557.362</b></u></u>

**BALANCE SHEET 31 DECEMBER**

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		50.000	50.000
Retained earnings		-14.244.806	-11.283.729
<b>Equity</b>		<b>-14.194.806</b>	<b>-11.233.729</b>
Trade payables		493.073	97.154
Payables to group enterprises		18.141.004	16.158.244
Other payables		1.142.025	1.535.693
Deferred income		2.226.106	0
<b>Total current liabilities</b>		<b>22.002.208</b>	<b>17.791.091</b>
<b>Total liabilities</b>		<b>22.002.208</b>	<b>17.791.091</b>
<b>Total equity and liabilities</b>		<b>7.807.402</b>	<b>6.557.362</b>
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)

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

The company has not received commitments from the IWG Group.

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

### 2 FINANCIAL COSTS

Financial expenses, group entities

2020	2019
DKK	DKK
131.904	501.510
<u>131.904</u>	<u>501.510</u>

### 3 TAX ON PROFIT/LOSS FOR THE YEAR

Current tax for the year

Adjustment of tax concerning previous years

-20.619	0
-55.609	0
<u>-76.228</u>	<u>0</u>

### 4 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2020	3.466.963	8.944.604
Additions for the year	10.537	66.440
Disposals for the year	0	-3.308
Cost at 31 December 2020	<u>3.477.500</u>	<u>9.007.736</u>
Impairment losses and depreciation at 1 January 2020	1.793.228	5.373.222
Depreciation for the year	312.247	1.483.707
Impairment losses and depreciation at 31 December 2020	<u>2.105.475</u>	<u>6.856.929</u>
Carrying amount at 31 December 2020	<u>1.372.025</u>	<u>2.150.807</u>

## NOTES

### 5 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 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 as of December 31st 2020: 4,494 tDKK (2019: 7,091 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

#### Other related parties

Express Cpha ApS' related parties comprise the following:  
IWG Plc, 22 Grenville Street, st. Heller, JE4 8PX Jersey.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

## Kurt Christensen

Som Revisor

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