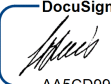


WSG DENMARK APS
Havnegade 39
1058 København

Annual report for 2023

Adopted at the annual general meeting on
31 July 2024

DocuSigned by:

AA5CD994A868413...

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 WSG Denmark ApS for the financial year 1 January - 31 December 2023.

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

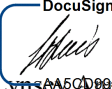
In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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, 31 July 2024

Executive board

DocuSigned by:

Lynsey Ann Blair...
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholder of WSG Denmark ApS

Opinion

We have audited the financial statements of WSG Denmark ApS for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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 in the financial statements, stating the Company's financial situation in which it is indicated that 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.

Emphasis of matter

We draw attention to note 2 of the financial statements setting out that there is a material uncertainty related to the recognition and measurement of the VAT-receivable related to a ruling from the Tax Authorities.

We draw attention to note 2 in the financial statements setting out that there is material uncertainty related to the measurement of the Receivables from group enterprises.

Our opinion is not modified in respect of these matters.

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, 31 July 2024

KPMG P/S

CVR no. 25 57 81 98

Signed by:



Henrik E. Jensen

State Authorized Public Accountant

mne35442

COMPANY DETAILS

| | |
|-----------------|---|
| The company | WSG Denmark ApS Havnegade 39 1058 København |
| | CVR no.: 37 85 23 76 |
| | Reporting period: 1 January - 31 December 2023 |
| | Domicile: Copenhagen |
| Executive board | Lynsey Ann Blair |
| Auditors | KPMG P/S Dampfærgevej 28 2100 København Ø CVR-no. 25578198 |

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.

Recognition and measurement uncertainties

In 2024 the company has received a ruling from the Danish Tax Authorities regarding deduction of excess input VAT for the years 2022 and 2023 of DKK 2,2 mill. which was denied by the authorities and the company was asked to repay the deducted VAT. Management does not agree with the ruling and have appealed the matter to the Danish Tax Appeals Board and are awaiting the appeal to be processed.

In the meanwhile, the payable VAT has been booked as a short-term debt and as a receivable in the balance sheet as of 31 December 2023. Management expects that there is a good chance that the company will be successful in the appeal, however there is a risk that the appeal does not fall out to the company's advantage in which case the receivable will be impaired.

The measurement of the Receivables from group enterprises is depending on the counterparties' ability to generate sufficient cash inflows for the company to repay the Receivables from group enterprises which requires that they continue as going concern. This is dependent from financial support from IWG Group and therefore a related material uncertainty exists as described in note 1. Since management expects that IWG Group has the ability and intention to provide necessary financial support as in previous years these assets have not been impaired.

Correction of material prior period errors

The Company has identified material errors in respect to the periodization of expenses in the previously presented annual report for 2022. Please refer to the accounting policies note for further details.

Financial review

The company's income statement for the year ended 31. december 2023 shows a loss of DKK 9.450.721, and the balance sheet at 31 December 2023 shows negative equity of DKK 19.625.144.

Material uncertainty related to going concern:

The company has realized a loss in the financial year ending 31 December 2023 and the Company's current liabilities at this date exceed its current assets.

The company is dependent on IWG Group regularly provide sufficient and necessary liquidity to ensure that the company is able to fulfill its obligations and liabilities as they fall due until the annual general meeting where the annual report for 2024 will be approved.

No commitment in financial support has been provided from IWG Group, which indicate that a material uncertainty exist and may cast significant doubt on the Company's ability to continue as a going concern.

Management however expect that IWG Group have the ability and intention to provide necessary financial support as in previous years. On this basis the financial statements for the year ended 31 December 2023 has been prepared on a going concern basis.

MANAGEMENT'S REVIEW

Significant events occurring after the end of the financial year

The Company have had a VAT audit during the financial year, which has resulted in a disagreement with the Danish Tax Authorities. The Company have complained to the Danish Tax Appeals Board about the decision from the Danish Tax Authorities. The complain has not yet been processed.

Beside this, no events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development of the company, including specific prerequisites and uncertainties

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 WSG Denmark ApS for 2023 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 2023 is presented in DKK

The financial year 2023 is 12 months and comparative figures are 18 months. This is due to adapt to the group's accounting policies.

Correction of material errors prior year

The Company has identified material errors in the following area that affect previously presented annual reports:

Parts of the expenses related to 2022 amounting to DKK 644.531 were wrongly recognized in the financial year 2023.

The prior period errors have been adjusted directly in the comparative figures for 2022 as follows:

The gross loss has increased by DKK 644.531 from DKK -7.875.494 as previously stated to DKK -8.520.025.

The loss for the year has increased by DKK 644.531 from DKK -8.050.292 as previously stated to DKK -8.694.823.

The prepayments have decreased by DKK 644.531 from DKK 678.042 as previously stated to DKK 33.511.

The equity has decreased by DKK 644.531 from DKK -9.529.891 as previously stated to DKK -10.174.422

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.

ACCOUNTING POLICIES

Income statement

Gross profit / gross loss

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.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of tangible assets.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts 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.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

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

Financial income and costs

Financial income and costs are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and costs, as well as allowances and surcharges under the advance payment of tax scheme, ect.

ACCOUNTING POLICIES

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 | Residual value |
|---|--------------------|-----------------------|
| Other fixtures and fittings, tools and equipment. | 3-10 years | 0 DKK |
| Leasehold improvements | 10 years | 0 DKK |

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Deposits

Other financial assets, which consist of deposits, are measured at cost.

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

ACCOUNTING POLICIES

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 2023 - 31 DECEMBER 2023

| | <u>Note</u> | <u>2023</u> DKK | <u>2021/2022</u> DKK 18 months |
|---|-------------|--------------------|--------------------------------------|
| Gross profit | | -5.359.302 | -8.520.025 |
| Staff costs | 3 | 0 | -1.043.851 |
| Depreciation of property, plant and equipment | | -240.238 | -384.702 |
| Other operating costs | | -622.796 | 0 |
| Profit/loss before net financials | | -6.222.336 | -9.948.578 |
| Financial income | 4 | 0 | 707 |
| Financial costs | 5 | -1.429.809 | -234.983 |
| Profit/loss before tax | | -7.652.145 | -10.182.854 |
| Tax on profit/loss for the year | 6 | -1.798.576 | 1.488.031 |
| Profit/loss for the year | | -9.450.721 | -8.694.823 |
| Recommended appropriation of profit/loss | | | |
| Retained earnings | | -9.450.721 | -8.694.823 |
| | | -9.450.721 | -8.694.823 |

BALANCE SHEET AT 31 DECEMBER 2023

| | <u>Note</u> | <u>2023</u> DKK | <u>2022</u> DKK |
|--|-------------|---------------------------------|---------------------------------|
| ASSETS | | | |
| Other fixtures and fittings, tools and equipment | 7 | 2.743.961 | 1.499.888 |
| Leasehold improvements | 7 | 1.262.943 | 949.727 |
| Tangible assets | | <u>4.006.904</u> | <u>2.449.615</u> |
| Deposits | 8 | 1.526.325 | 2.049.409 |
| Fixed asset investments | | <u>1.526.325</u> | <u>2.049.409</u> |
| Total non-current assets | | <u>5.533.229</u> | <u>4.499.024</u> |
| Trade receivables | | 1.497.520 | 4.104.919 |
| Receivables from group enterprises | | 28.000.289 | 2.788.676 |
| Other receivables | | 1.131.897 | 759.985 |
| Deferred tax asset | | 0 | 2.196.725 |
| Corporation tax | | 398.149 | 262.262 |
| Prepayments | | 77.860 | 33.511 |
| Receivables | | <u>31.105.715</u> | <u>10.146.078</u> |
| Total current assets | | <u>31.105.715</u> | <u>10.146.078</u> |
| Total assets | | <u><u>36.638.944</u></u> | <u><u>14.645.102</u></u> |

BALANCE SHEET AT 31 DECEMBER 2023

| | <u>Note</u> | <u>2023</u> DKK | <u>2022</u> DKK |
|---|-------------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| Share capital | | 769.112 | 769.112 |
| Retained earnings | | -20.394.256 | -10.943.534 |
| Equity | 1 | -19.625.144 | -10.174.422 |
| Trade payables | | 3.524.960 | 8.027.093 |
| Payables to group enterprises | | 50.085.062 | 8.008.602 |
| Other payables | | 2.654.066 | 5.975.457 |
| Deferred income | | 0 | 2.808.372 |
| Total current liabilities | | 56.264.088 | 24.819.524 |
| Total liabilities | | 56.264.088 | 24.819.524 |
| Total equity and liabilities | | 36.638.944 | 14.645.102 |
| Uncertainty about the continued operation (going concern) | 1 | | |
| Uncertainty in the recognition and measurement | 2 | | |
| Staff costs | 3 | | |
| Contingent liabilities | 9 | | |

STATEMENT OF CHANGES IN EQUITY

| | Share capital | Retained earnings | Total |
|-------------------------------------|---------------|----------------------|-------------|
| Equity at 1 January 2023 | 769.112 | -10.299.003 | -9.529.891 |
| Net effect from adjustment of error | 0 | -644.532 | -644.532 |
| Adjusted equity at 1 January 2023 | 769.112 | -10.943.535 | -10.174.423 |
| Net profit/loss for the year | 0 | -9.450.721 | -9.450.721 |
| Equity at 31 December 2023 | 769.112 | -20.394.256 | -19.625.144 |

NOTES

1 UNCERTAINTY ABOUT THE CONTINUED OPERATION (GOING CONCERN)

The company has realized a loss in the financial year ending 31 December 2023 and the Company's current liabilities at this date exceed its current assets. Furthermore, Management has decided to close down one of the entity's locations in 2023.

The company is dependent on IWG Group regularly provide sufficient and necessary liquidity to ensure that the company is able to fulfill their obligations and liabilities as they fall due until the annual general meeting where the annual report for 2024 will be approved.

No commitment in financial support has been provided from IWG Group, which indicates that a material uncertainty exists and may casts significant doubt on the Company's ability to continue as a going concern. Management however expects that IWG Group has the ability and intention to provide necessary financial support as in previous years.

On this basis the financial statements for the year ended 31 December 2023 have been prepared on a going concern basis.

2 UNCERTAINTY IN THE RECOGNITION AND MEASUREMENT

In 2024 the company has received a ruling from the Danish Tax Authorities regarding deduction of excess input VAT for the years 2022 and 2023 of DKK 2,2 mill. which was denied by the authorities and the company was asked to repay the deducted VAT. Management does not agree with the ruling and have appealed the matter to the Danish Tax Appeals Board and are awaiting the appeal to be processed.

In the meanwhile, the payable VAT has been booked as a short-term debt and as a receivable in the balance sheet as of 31 December 2023. Management expects that there is a good chance that the company will be successful in the appeal, however there is a risk that the appeal does not fall out to the company's advantage in which case the receivable will be impaired.

The measurement of the Receivables from group enterprises is depending on the counterparties' ability to generate sufficient cash inflows for the company to repay the Receivables from group enterprises which requires that they continue as going concern. This is dependent from financial support from IWG Group and therefore a related material uncertainty exists as described in note 1. Since management expects that IWG Group has the ability and intention to provide necessary financial support as in previous years these assets have not been impaired.

| | 2023 | 2021/2022 |
|---|------|------------------|
| | DKK | DKK 18 months |
| 3 STAFF COSTS | | |
| Wages and salaries | 0 | 1.015.881 |
| Pensions | 0 | 18.886 |
| Other social security costs | 0 | 9.084 |
| | 0 | 1.043.851 |
| Number of fulltime employees on average | 0 | 3 |

NOTES

| | 2023 DKK | 2021/2022 DKK 18 months |
|---|--|-------------------------------|
| 4 FINANCIAL INCOME | | |
| Exchange adjustments | 0 | 707 |
| | <u>0</u> | <u>707</u> |
| 5 FINANCIAL COSTS | | |
| Interest paid to group enterprises | 1.429.809 | 168.908 |
| Other financial costs | 0 | 58.927 |
| Exchange loss | 0 | 7.148 |
| | <u>1.429.809</u> | <u>234.983</u> |
| 6 TAX ON PROFIT/LOSS FOR THE YEAR | | |
| Current tax for the year | -398.149 | -262.262 |
| Deferred tax for the year | 2.196.725 | -914.508 |
| Adjustment of tax concerning previous years | 0 | 76.351 |
| Adjustment of deferred tax concerning previous years | 0 | -387.612 |
| | <u>1.798.576</u> | <u>-1.488.031</u> |
| 7 TANGIBLE ASSETS | | |
| | Other fixtures and fittings, tools and equipment | Leasehold improvements |
| Cost at 1 January 2023 | 1.948.101 | 1.168.157 |
| Additions for the year | 1.877.267 | 394.981 |
| Disposals for the year | -548.458 | 0 |
| Cost at 31 December 2023 | <u>3.276.910</u> | <u>1.563.138</u> |
| Impairment losses and depreciation at 1 January 2023 | 448.213 | 218.430 |
| Depreciation for the year | 158.474 | 81.765 |
| Impairment and depreciation of sold assets for the year | -73.738 | 0 |
| Impairment losses and depreciation at 31 December 2023 | <u>532.949</u> | <u>300.195</u> |
| Carrying amount at 31 December 2023 | <u>2.743.961</u> | <u>1.262.943</u> |

NOTES

8 FIXED ASSET INVESTMENTS

| | Deposits |
|-------------------------------------|-----------|
| Cost at 1 January 2023 | 1.526.325 |
| Cost at 31 December 2023 | 1.526.325 |
| Carrying amount at 31 December 2023 | 1.526.325 |

9 CONTINGENT LIABILITIES

Contingent pension 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 2021, 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 2023: 43,435 tDKK (2022: 47,968 tDKK)