

35 Kalvebod Brygge Tenant ApS

Rådhuspladsen 4
1550 Copenhagen V
CVR No. 40752501

Annual report 27.08.2019 - 31.12.2019

The Annual General Meeting adopted the
annual report on 11.09.2020



Abraham Joseph Safdie

Chairman of the General Meeting

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Entity details

Entity

35 Kalvebod Brygge Tenant ApS

Rådhuspladsen 4

1550 Copenhagen V

CVR No.: 40752501

Date of foundation: 27.08.2019

Registered office: Copenhagen

Financial year: 27.08.2019 - 31.12.2019

Executive Board

Abraham Joseph Safdie

Statement by Management

The Executive Board have today considered and approved the annual report of 35 Kalvebod Brygge Tenant ApS for the financial period 27.08.2019 - 31.12.2019.

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

In my opinion, the financial statements give a true and fair view of the Company financial position at 31.12.2019 and of the results of its operations for the financial year 27.08.2019 - 31.12.2019.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 11.09.2020

Executive Board



Abraham Joseph Safdie

The independent auditor's compilation report

To Management of 35 Kalvebod Brygge Tenant ApS

We have compiled the financial statements of 35 Kalvebod Brygge Tenant ApS for the financial year 27.08.2019 - 31.12.2019 based on the Company bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

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

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 11.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The Company transforms office spaces into flexible workspaces and provides the infrastructure, services, events and technology so its members can focus on their businesses.

Development in activities and finances

The Company has recorded a loss before tax for the financial period amounting to 4,205 thousand DKK.

The Directors do not propose the payment of a dividend for the period.

Events after the balance sheet date

As of 19 June 2020 the Kalvebod lease has been exited. The costs to terminate the lease are not expected to impact the going concern assumption.

Subsequent to year end, the recent global outbreak of COVID-19 ("Coronavirus") has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact cannot be predicted. The ultimate severity of the Coronavirus outbreak is uncertain at this time and therefore, we cannot predict the impact it may have on our operations; however, the effect on the Company's results may be material and adverse.

Income statement for 2019

	Notes	2019 DKK'000
Other external expenses		(4,129)
Gross profit/loss		(4,129)
Depreciation, amortisation and impairment losses	2	(46)
Operating profit/loss		(4,175)
Other financial expenses	3	(30)
Profit/loss for the year		(4,205)
Proposed distribution of profit and loss:		
Retained earnings		(4,205)
Proposed distribution of profit and loss		(4,205)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000
Land and buildings		823
Leasehold improvements		2,040
Property, plant and equipment in progress		4
Property, plant and equipment	4	2,867
Fixed assets		2,867
Other receivables		517
Receivables		517
Current assets		517
Assets		3,384

Equity and liabilities

	Notes	2019 DKK'000
Contributed capital	5	52
Retained earnings		(4,205)
Equity		(4,153)
Other provisions	6	2,116
Provisions		2,116
Trade payables		2,579
Payables to group enterprises		2,842
Current liabilities other than provisions		5,421
Liabilities other than provisions		5,421
Equity and liabilities		3,384
Going concern	1	
Contingent liabilities	7	
Related parties with controlling interest	8	
Group relations	9	

Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Contributed upon formation	52	0	52
Profit/loss for the year	0	(4,205)	(4,205)
Equity end of year	52	(4,205)	(4,153)

Notes

1 Going concern

The financial statements have been prepared on the assumption that the Company will continue as a going concern with the continuing financial support from its ultimate parent company.

WeWork Companies LLC, the operating company of the Company's ultimate parent, has confirmed its willingness and ability to provide ongoing financial support for the Company to meet its liabilities as and when they fall due, and to continue operations in the following year.

2 Depreciation, amortisation and impairment losses

	2019 DKK'000
Depreciation of property, plant and equipment	46
	46

3 Other financial expenses

	2019 DKK'000
Other financial expenses	30
	30

4 Property, plant and equipment

	Land and buildings DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Additions	823	2,086	4
Cost end of year	823	2,086	4
Depreciation for the year	0	(46)	0
Depreciation and impairment losses end of year	0	(46)	0
Carrying amount end of year	823	2,040	4

The land and buildings asset is related to deferred lease acquisition costs.

5 Contributed capital

The contributed capital is denominated in Euro, and the capital amount is EUR 7,000 (DKK 52,000).

6 Other provisions

Other provisions of DKK 2,116 thousand is related to a dilapidations provision.

7 Contingent liabilities

As of 31 Dec 2019 the Company had outstanding construction commitments amounting to DKK 67,012, which are related to contracted work not yet completed in connection with the existing leases. The Company also had outstanding operating lease commitments amounting to DKK 113,773,587.

8 Related parties with controlling interest

WeWork Denmark ApS, Rådhuspladsen 4, 1550, Copenhagen V is the majority shareholder, and therefore has controlling interest.

Other related parties: Companies affiliated with WeWork Denmark ApS, WeWork Companies (International) B.V. and The We Company.

9 Group relations

At the time of the approval of the annual report it is expected that the immediate parent company, WeWork Companies International BV, Weteringschans 165, 1017XD Amsterdam, Holland, will prepare and publish consolidated financial statements in which the Company is included as a subsidiary.

If this parent company will not prepare consolidated financial statements, the ultimate parent company to the Company, The We Company, will prepare and publish consolidated financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

This is the first year that the annual report has been presented.

Unless otherwise stated these financial statements are presented in thousands of Danish Kroner (DKK '000), which is the functional currency of the Company.

Income statement

Other external expenses

Other external expenses include expenses relating to the Company ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial expenses

Other financial expenses comprise of amortisation of financial liabilities.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	15 years
Leasehold improvements	15 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Other provisions

Other provisions comprise anticipated costs of returning the asset to an agreed upon condition.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.