

**L.C.O. PROPERTIES ApS  
c/o Intertrust Denmark  
Harbour House  
Sundkrogsgade 21  
DK-2100 Copenhagen  
Central Business  
Registration No 28654464  
ANNUAL REPORT 2018**

The Annual General Meeting adopted the annual report on 8<sup>th</sup> February 2019

Chairman of the General Meeting



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Name: Pernille Ohlsen

**L.C.O. PROPERTIES ApS**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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# L.C.O. PROPERTIES ApS

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## Company details

**Company:**

L.C.O. Properties ApS  
Sundkrogsgade 21  
DK-2100 Copenhagen

Central Business Registration No: 28654464  
Registered in: Copenhagen  
Financial year: 01.01.2018 – 31.12.2018

**Executive Board:**

Pernille Ohlsen, CEO  
Adam Charles Mackle

**Independent Auditors:**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
DK-0900 Copenhagen C

## Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of L.C.O. Properties ApS for the financial year 1 January 2018 to 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2018 and the results of its operations for the financial year 1 January 2018 to 31 December 2018.

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

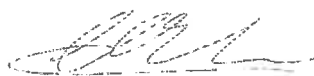
We recommend the annual report for the adoption at the Annual General Meeting.

Copenhagen, 8th February 2019

### Executive Board



Pernille Ohlsen  
CEO



Adam Charles Mackie

## Independent auditor's reports

### To the shareholders of L.C.O. PROPERTIES ApS

#### **Conclusion**

We have performed an extended review of the financial statements of L.C.O. PROPERTIES ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared under the provisions of the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of the Entity's operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

#### **Basis for conclusion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of this report. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### **Practitioner's responsibilities for the extended review of the financial statements**

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance about our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Entity, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less in scope than those performed in an audit, and accordingly we do not express an audit opinion on the financial statements.

## Independent auditor's reports (continued)

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 8th February 2019

### Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56



Thomas Hermann  
State-Authorised  
Public Accountant  
MNE No: 26740

## **L.C.O. PROPERTIES ApS**

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### **Management commentary**

#### **Primary activities**

The Company's main activity is to buy and hire out real property in Denmark and abroad.

#### **Development in activities and finances**

Results for the year are considered satisfactory. The Company holds 3 buildings in France and realizes a gross profit of 161 680 EUR as of 31 December 2018. Nevertheless, loss for the year still amounts to 52 422 EUR in 2018 (2017: -65 405 EUR).

The Company's activities are financed by a loan from the Parent. It is the intention of the Parent to continue the financial support of the Company as long as necessary.

The equity is expected to be reestablished through future income and a conversion of the Company's payables to group enterprises to equity.

#### **Events after the balance sheet date**

None.

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## **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.

The Company has decided to submit the annual report in euros in accordance with section 16 of the Danish Financial Statements Act.

The accounting policies applied for these financial statements are consistent with those applied last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Entity has a legal and constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time presentation of the annual report and that confirm or invalidate affairs and conditions existing at balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement where earned, whereas costs are recognized by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at payment date, or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, other external expenses and property costs.

#### **Revenue**

Rent is recognized in the income statement for the financial year which the rent concerns.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Company's primary activities, including gains from the sale of property, plant and equipment.



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### **Accounting policies (continued)**

#### **Income statement (continued)**

##### **Other external expenses**

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognized in current assets.

##### **Property costs**

Property costs include costs incurred to operate the Company's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

##### **Amortization, depreciation and impairment losses**

Amortization, depreciation and impairment losses relating to the property, plant and equipment comprise amortization, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

##### **Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Company's primary activities.

##### **Financial expenses from group companies**

Financial expenses from group enterprises comprise interest expenses and payables to group companies.

##### **Other financial expenses**

Other financial expenses comprise interest expenses, including net capital losses on securities, payables and transactions in foreign currencies etc.

#### **Balance sheet**

##### **Property, plant and equipment**

Land and buildings are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the assets until they are ready for their intended use.

Depreciation is computed on a straight-line basis over the following estimated useful lives, deemed to represent the economic-technical life of the assets to which they refer:

<u>Category</u>	<u>Useful lives</u>
Land and buildings	20-50 years

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

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### **Balance sheet (continued)**

#### **Receivables**

Receivables are measured at amortized cost, usually equaling normal value less write downs for bad and doubtful debts.

#### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayment are measured at cost.

#### **Cash**

Cash comprises cash in hand and bank deposits.

#### **Other financial liabilities**

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

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### Income statement for the year ended 31 December 2018

	EUR	
	31/12/2018	31/12/2017
<i>Gross profit</i>	161 679	157 692
Depreciation, amortisation and impairment losses	(108 348)	-116 158
Other operating expenses	0	0
<b>Operating profit/loss</b>	<b>53 332</b>	<b>41 534</b>
Financial expenses from group enterprises	(105 754)	(106 939)
Other financial expenses	0	0
<b>Profit/loss for the year</b>	<b>(52 423)</b>	<b>(65 405)</b>
<i>Tax on net profit for the year</i>	0	0
<b>LOSS FOR THE YEAR</b>	<b>(52 423)</b>	<b>(65 405)</b>
<i>Proposed distribution of the profit/(loss)</i>	<b>(52 423)</b>	<b>(65 405)</b>
Retained earnings	(52 423)	(65 405)
	<b>(52 423)</b>	<b>(65 405)</b>

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## Balance sheet at 31 December 2018

	Notes	2018 EUR	2017 EUR
Land and buildings		1 822 960	1 931 309
<b>Property, plant and equipment</b>	1	<b>1 822 960</b>	<b>1 931 309</b>
<b>Fixed assets</b>		<b>1 822 960</b>	<b>1 931 309</b>
Trade receivables		345	0
Prepayment		2 565	3 370
<b>Receivables</b>		<b>2 910</b>	<b>3 370</b>
Cash		142 325	183 486
<b>Current assets</b>		<b>145 235</b>	<b>186 856</b>
<b>Assets</b>		<b>1 968 195</b>	<b>2 118 165</b>
	Notes	2018 EUR	2017 EUR
Contributed capital		16 769	16 769
Retained earnings		(4 417 666)	(4 365 243)
<b>Equity</b>	2	<b>(4 400 897)</b>	<b>(4 348 474)</b>
Payables to group enterprises	3	6 222 000	6 322 000
Other payables		48 000	47 117
<b>Non-current liabilities other than provisions</b>		<b>6 270 000</b>	<b>6 369 117</b>
Trade payables		0	1 506
Payables to group enterprises		79 699	80 466
Other payables		19 393	15 550
<b>Current liabilities other than provisions</b>		<b>99 092</b>	<b>97 522</b>
<b>Liabilities other than provisions</b>		<b>6 369 092</b>	<b>6 466 639</b>
<b>Equity and liabilities</b>		<b>1 968 195</b>	<b>2 118 165</b>

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### Statement of changes in equity at 31 December 2018

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	16 769	(4 365 243)	(4 348 474)
Profit / Loss for the year	-	(52 423)	(52 423)
Equity end of year	16 769	(4 417 666)	(4 400 897)

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### Notes to the annual report

#### 1- Property plant and equipment

Property, plant and equipment includes land and buildings that are rented to earn income.

	Land	Buildings	Total
<b>Cost</b>			
<b>At 31 December 2017</b>	<b>473 892</b>	<b>2 486 484</b>	<b>2 960 376</b>
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2018</b>	<b>473 892</b>	<b>2 486 484</b>	<b>2 960 376</b>
<b>Depreciation and impairment</b>			
<b>At 31 December 2017</b>	<b>-</b>	<b>(1 029 068)</b>	<b>(1 029 068)</b>
	-	(2 055)	(2 055)
Depreciation charge for the year	-	(106 294)	(106 294)
Impairment	-	(106 294)	(106 294)
<b>At 31 December 2018</b>	<b>-</b>	<b>(1 137 417)</b>	<b>(1 137 417)</b>
<b>Net book value</b>			
<b>At 31 December 2018</b>	<b>473 892</b>	<b>1 349 068</b>	<b>1 822 960</b>
<b>At 31 December 2017</b>	<b>473 892</b>	<b>1 457 416</b>	<b>1 931 308</b>

**Notes to the annual report (continued)**

**2- Contributed capital**

There have been no changes to the share capital for the last 5 years.

**3- Loan payable to shareholder**

A loan of an initial amount of €12 072 000 has been granted to the Company by its Parent to finance the acquisition of land and buildings. The loan bears interests at 1.6800%. At 31 December 2018, the loan amounts to €6 222 000 (2017:€6 322 000). The interest payable to the shareholder amounts to €79 699 (2017: €80 466). The total interest expenses for the year amount to €106 939 (2017: €106939).

**4- Claims of creditor subordinated to other creditors**

The Company's long-term debt is issued by the Parent. The Parent has issued a letter of support to the Company which is valid until 31 December 2019.

**5- Related parties with control**

CEF (W) S.A. (the "Parent") owns all shares in the Company.

**6- Consolidation**

Name and registered office of the Ultimate Parent preparing consolidated financial statements for the largest and for the smallest group:

Yesss Group (W) S.A., Luxembourg.

