


**L.C.O. PROPERTIES ApS
c/o Intertrust Denmark
Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen
Central Business
Registration No 28654464
ANNUAL REPORT 2022**

The Annual General Meeting adopted the annual report on 13th February 2023

Chairman of the General Meeting

DocuSigned by:


Name: Naghmeh Monica Hashemi Ghochani

L.C.O. PROPERTIES ApS

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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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: 01.01.2022 – 31.12.2022

Executive Board:

Kimmie Kubis Tronborg, CEO
Adam Charles Mackie
Ashley James Mackie

Independent Auditors:

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

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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 2022 to 31 December 2022.

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 2022 and the results of its operations for the financial year 1 January 2022 to 31 December 2022.

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, 13th February 2023

Executive Board

DocuSigned by:

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Kimmie Kubis Tronborg
CEO

DocuSigned by:

C66C8000E3A4D8
Adam Charles Mackie

DocuSigned by:

F5238FEC0115497
Ashley James Mackie

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Independent auditor's reports

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

Report on extended review of the financial statements

We have performed an extended review of the financial statements of L.C.O. PROPERTIES ApS for the financial year 1 January 2022 to 31 December 2022. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR - Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

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

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 to 31 December 2022 in accordance with the Danish Financial Statements Act.

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.

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Independent auditor's reports (continued)

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, 13th February 2023

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

DocuSigned by:

Claus Jorch Andersen

Claus Jorch Andersen

State-Authorised

Public Accountant

MNE No: 33712

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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 208 945 EUR as of 31 December 2022. Profit for the year amounts to 57 906 EUR in 2022 (2021: 29 897 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 with addition of certain provisions for reporting class C.

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.

Financial expenses from group companies

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

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.

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.

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Balance sheet (continued)

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 2022

	31/12/2022	31/12/2021
Gross profit	208 945	182 626
Depreciation, amortisation and impairment losses	(98 025)	(98 667)
Operating profit/loss	110 920	83 960
Financial expenses from group enterprises	(53 015)	(54 063)
Profit/loss for the year	57 906	29 897
Tax on net profit for the year	0	0
PROFIT FOR THE YEAR	57 906	29 897
Proposed distribution of the profit	57 906	29 897
Retained earnings	57 906	29 897
	57 906	29 897

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Balance sheet at 31 December 2022

	Notes	2022 EUR	2021 EUR
Land and buildings		1 473 873	1 571 898
Property, plant and equipment	1	1 473 873	1 571 898
Fixed assets		1 473 873	1 571 898
Trade receivables		1 695	-
Other receivables		-	1 464
Prepayment		1 839	1 821
Receivables		3 534	3 285
Cash		78 123	53 952
Current assets		81 657	57 236
Assets		1 555 529	1 629 134
	Notes	2022 EUR	2021 EUR
Contributed capital		16 769	16 769
Retained earnings		(4 346 381)	(4 404 287)
Equity	2	(4 329 612)	(4 387 518)
Payables to group enterprises	3	5 750 000	5 900 000
Other payables		74 186	57 200
Non-current liabilities other than provisions		5 824 186	5 957 200
Payables to group enterprises		39 922	40 699
Other payables		21 033	18 752
Current liabilities other than provisions		60 955	59 451
Liabilities other than provisions		5 885 141	6 016 651
Equity and liabilities		1 555 529	1 629 134

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Statement of changes in equity at 31 December 2022

	Contributed capital EUR	Retained earnings EUR	Total EUR
	<hr/>		<hr/>
Equity beginning of year	16 769	(4 404 287)	(4 387 518)
Profit / Loss for the year	-	57 906	57 906
Equity end of year	<hr/>		<hr/>
	16 769	(4 346 381)	(4 329 612)

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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
Cost			
At 31 December 2021	473 892	2 531 169	3 005 061
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	473 892	2 531 169	3 005 061
Depreciation and impairment			
At 31 December 2021	-	(1 433 165)	(1 433 165)
Depreciation charge for the year	-	-	-
Impairment	-	(98 025)	(98 025)
At 31 December 2022	-	(1 531 190)	(1 531 190)
Net book value			
At 31 December 2022	473 892	999 979	1 473 873
At 31 December 2021	473 892	1 098 005	1 571 898

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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. Since January 1st 2020, the loan bears interests at fixed rate to 0.90%. At 31 December 2022, the loan amounts to €5 750 000 (2021:€5 900 000).The interest payable to the shareholder amounts to €39 922 (2021: €40 698). The total interest expenses for the year amount to €53 015 (2021: €54 063).

4- Staff Expenses

No staff expenses occurred during the year. Average number of employees: 0.

5- 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 2023.

6- Related parties with control

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

7- Consolidation

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

Yesss Group Holding S.A., Luxembourg.