



THE LAKE PROJECT & INVESTMENTS

LÅNGASJÖNÄS CAMPING & HOLIDAY VILLAGE (LCS)

SALE 50 COTTAGES & INVESTMENTS

In our “Sales Prospectus” document we have already described The Lake Project and its benefits for the future of LCS. This document provides a more detailed overview of the changes The Lake Project will bring to the company, both in terms of costs and revenues. The overview below shows that the sale of the cottages does not affect turnover and net profit negatively, quite the opposite. The biggest advantage for a new owner is that the investment in purchasing the campsite will be much more advantageous, since you do not have to buy these 50 cottages, which would have increased the sales price of the campsite to around SEK 25,000,000. Instead, we can now sell the campsite for an amount of around SEK 10,000,000. The investment will therefore be much lower, but turnover and net profit will still be the same and even better in the future. Below we explain this in a little more detail.

EXTRA INCOME

Below you can see what extra revenue comes into the company thanks to the sale of the cottages:

	EXTRA INCOME PER YEAR	SEK
	Contribution owner to annual costs: Extra income through an annual fee that each owner pays: 50 cottages x 29,457 annual fee = 1,472,000 SEK. This income was not available before, because LCS had to pay all costs itself as being the owner of the cottages. Now all owners pay their share of costs.	1 472 000
	Extra income of 8% on average per year, through: 1: higher rental prices due to renovations & investments made by owners (shower, kitchen, terrace, interior design, terrace, heat pump, etc.) 2: more bookings due to these investments in shower, heating, etc. 3: all detached cottages F01-F07 can be rented out all year round due to a VA investment of 4,000,000 SEK (2025). 8% x 5,526,000 = 442,000 SEK x 48% (= LCS part of rental income)	212 000
	Semesterhem: Income that does not currently exist but will exist from 01.01.2026 onwards. Income = 800,000 x 30% LCS commission =	240 000
	TOTAL	1 924 000



EXTRA SAVINGS

Through the sale of the cottages, as well as the Semesterhem many costs for LCS disappear and are taken over by the new owners of the cottages.

We recently also made the largest investment ever in the company, a project that is planned to be ready by April 1st, 2025. This investment is the connection of 7 of our premium cottages to the municipal water & sewage system, as well as fixed internet connection, an investment of around 4 million SEK that is already paid by LCS. This 4 million SEK investment will benefit a new owner greatly in several ways:

- This investment is now made and paid for, meaning that a new owner does not have to invest in this municipal water & sewage project anymore.
- A new owner will benefit from the tax depreciation deductions in the next coming 10 years, meaning that each year 400 000 SEK (4 000 000 SEK divided in 10 years) can be deducted from the company's gross income, which will result in an extra nett income of $30\% \times 400\,000 \text{ SEK} = 120\,000 \text{ SEK}$ for the next 10 years, which is a total extra nett income of 1 200 000 SEK!
- On top of the above deduction, more deductions are currently active because of other investments made in the last years, creating even more increase of nett income.

In addition of the costs that are disappearing because of the privatization of these 50 cottages, you will also have the extra nett income of 120 000 SEK per year for the next 10 years to come. And last but not least, the costs made for the current owner, such as salary, pension, etc., will also disappear. All together the extra savings will look like this:

	EXTRA SAVINGS	SEK
	<i>Costs of current F-cottages sludge disposal will disappear due to the connection of these cottages to municipal water and sewerage</i>	220 000
	<i>Our 50 new cottage owners will take over the costs of the cottages, such as changing and maintaining the cottages, renovations, etc. LCS will no longer have to cover these costs. Savings per cottage per year = $50 \text{ cottages} \times 8,000 \text{ SEK} =$</i>	400 000
	<i>Business insurance: becomes SEK 50,000 cheaper because all owners now having their own vacation home insurance</i>	50 000
	<i>Sweeping of fireplaces: owners take over these costs</i>	6 000
	<i>Salary of the company owner will disappear</i>	600 000
	<i>Employer fees, holiday pay, FORA fee to the company owner, etc. are disappearing = $47.92\% \times 600,000 \text{ SEK}$</i>	287 520
	<i>Pension retirement plan of the owner disappears = $14,000 \times 12 \text{ months} =$</i>	168 000
	<i>Health insurance costs the company owner and his wife disappear</i>	16 600
	<i>Office rent (in private residence) for the company owner is waived</i>	28 000



	<i>Extra tax benefit due to annual depreciation of the communal sewerage project</i>	<i>120 000</i>
	<i>Lower costs due to new owners of Semesterhem taking over costs (see overview below)¹</i>	<i>120 750</i>
	TOTAL	1 892 000

¹	<i>Water consumption 100 m³ (KEAB)</i>	<i>3 500</i>
	<i>Electricity 35A subscription (EON)</i>	<i>17 000</i>
	<i>Electricity consumption (Affärsverken) *</i>	<i>15 000</i>
	<i>Internet subscription (Midcon/LCS)</i>	<i>4 800</i>
	<i>Waste disposal subscription (VMAB)</i>	<i>7 000</i>
	<i>Land right agreement (Karlshamns Municipality)</i>	<i>3 000</i>
	<i>Insurance building/inventory</i>	<i>est. 12 000</i>
	<i>Alarm system (ELCOM)</i>	<i>5 600</i>
	<i>SOS Alarm</i>	<i>6 600</i>
	<i>Räddningstjänsten</i>	<i>3 250</i>
	<i>Extra services (cleaning, laundry, mowing grass, maintenance, waste disposal, and so on)</i>	<i>est. 40 000</i>
	<i>Maintenance costs: existing interior & inventory is included, but of course there will be some costs for replacement of interior & inventory each year</i>	<i>est. 10 000</i>
	<i>Cleaning material & cleaning agents</i>	<i>est. 10 000</i>
	TOTAL ESTIMATED COSTS PER YEAR	120 750

When you add up the above income & savings, this will result in the following increase in turnover.

	EXTRA INCOME / EXTRA SAVINGS	SEK
	Extra income (according to schedule above)	1 924 000
	Extra savings (according to schedule above)	1 892 000
	TOTAL	3 816 000



EXTRA COSTS

Even though all 50 of our cottages will continue to be part of the rental business, all owners of these 50 cottages will receive a share of the rental income. The vast majority will receive 50% of the income, but some owners will receive 5% or 10% more. On average, it can be said that 52% of the rental income goes to the owners.

	EXTRA COSTS	SEK
	Commission rental income to owner. Total rental income in 2024 on all 50 cottages = SEK 5,526,000. Rental income to owner = 52% x 5,526,000 =	2 874 000
	Extra electricity costs. Higher electricity costs due to cottages with more equipment, more rentals due to higher standard in the cottages (partly compensated for by heat pumps, insulation work, etc.) = 50 cottages x 2,000 SEK	100 000
	Salary new owners or extra staff. Salary for the new owner or for extra staff (replacing the current owner)	526 000
	TOTAL	3 500 000

EXTRA INCOME & EXTRA COSTS

Even though the sale of the cottages reduces some of the revenues for LCS, there will also be some extra revenues, and a lot of costs will be saved. On balance, there will still be a small increase in revenue:

	EXTRA INTÄKTER / KOSTNADER SAMMANFATTNING	KOSTNADER	INTÄKTER
	EXTRA INTÄKTER		1 924 000
	EXTRA BESPARINGAR		1 892 000
	EXTRA KOSTNADER	3 500 000	
	PER SALDO		316 000



OTHER THINGS THAT CAN BE MENTIONED

In the period 2018 - 2024, major changes have been implemented in the company, such as:

- **renovation of several buildings** (large service building - new smaller service building – new reception – 14 luxury camper places – etc.)
- **professionalization of the company** (well-established marketing - well-developed routines - trained personnel - etc.)
- **digitalization** (well-developed website – professional and automated booking systems and channel managers - own Långasjönäs App - 24/7 check-in - etc.)

Our company is among the most professionalized, most digitalized camping facilities in Sweden! We offer a completely renovated and modernized facility, where many millions SEK have been invested and where a new owner can just take over without having to worry about anything, as our well trained personnel will make sure everything continues as usual. Our company has earned its place in the tourism industry, has a very good profit and is prepared for the future in every way.

The owner can be an investment company, or a smaller company / family that wants to run the facility itself, together with existing staff. We have skilled staff who manage the entire facility. Our staff includes 4 full-time employees (outside the company owner), of which a full-time site manager, who is responsible for personnel, reception and digitalization. Then we have a full-time cleaner who has worked with us for many years, and we have two full-time caretakers who take care of everything practical, such as maintenance, renovations, construction, and much more. In the summer, additional staff are hired, some of which are recurring and well-established staff.

OVERVIEW INVESTMENTS 2015 - 2025

Below is a small overview of the most important investments made in the last 10 years. These investments show how we have developed our facility and have invested large amounts in infrastructure, facilities, activities, WIFI, and so on. More investments have been made, but we mention the most important, and most recent investments.

YEAR	INVESTMENT	DESCRIPTION	AMOUNT / SEK (excl. 25% VAT)
2015 - 2016	Community sewerage and water South Village	Connection of 24 houses to municipal water and sewerage	2 700 000
2017 - 2018	Community sewerage and water North Village	Connection of 16 houses to municipal water and sewerage	2 200 000



2020	Internet/WIFI	The campsite, North and South Village and service building and reception connected to internet/WIFI	250 000
2021	New laundry room + renovation of service building	1: new laundry room (2 washing machines + 1 dryer) 2: renovation toilets/showers (new toilets, new showers, new paintwork, etc.)	200 000
2021	New kitchen in service building	Brand new kitchen with new furniture, ovens, microwaves, refrigerators, freezers and dishwasher	450 000
2021	Playground	New 300 m2 playground with swings, slide, climbing frame, sandpit and playhouse	400 000
2021	Camptac Access System	Camptac guest access system, allowing guests access to all facilities and camping	240 000
2021	Ventilation + heat pump	New ventilation system Reception + Service building, incl. heat recovery + heat pump in kitchen/dining room service building	180 000
2021	Camperspots, 14x	brand new site with 14 luxury camper pitches, including electricity, water and lighting per pitch + lighting masts for the site itself, incl. extensive electrical capacity.	1 400 000
2022	New service building	A new (smaller) second service building with 3 toilets, 2 showers, 1 latrine drain, 4 wash basins and a water tap.	1 200 000
2022	Picnic tables, 4x	New picnic tables at reception + renovation of existing picnic tables (4 pieces).	30 000
2022	New canoes, 5x	5 new canoes in addition to the existing 5 canoes + 5 paddleboards.	75 000
2022	New modern barrier system camping	We have installed one of the most modern and safest barrier systems on the market.	200 000
2022-2023	BBQ area cottages: 48x BBQ area other: 5x	BBQ area 48 cottages according recommendations and requirements of the fire department	22 000
2022-2023	New terrace C01-C04 cottages	Our smallest overnight cabins (4 in total) now have their own terrace	80 000
2022-2023	New rowing boats	20 new rowing boats for rental	350 000
2022-2023	Renovation Reception	New reception & kiosk, total renovation with new fresh look, TV screens, pizzeria, etc.	600 000
2023-2024	Boatramp	Boat ramp for launching boats	50 000
2023-2024	Cars personnel	Purchase used car Krister	140 000
		Purchase used car auto Louise	70 000
		Purchase used car auto Fredrik	90 000
2024	New canoes, 5x	5x new canoes (delivery: May 2025)	70 000
2024-2025	Municipal sewerage and water F-houses	Connection of F-houses + Semesterhem to the municipal water supply network + internet	4 000 000
		TOTAL	15 000 000