

## **Sofia Residential BG ApS**

c/o Øens  
Lergravsvej 59  
2300 København S

CVR no. 39 15 40 80

### **Annual report for 2021**

Adopted at the annual general meeting  
on 25 April 2022

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Jens Kindberg  
chairman

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## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of Sofia Residential BG ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

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, 29. marts 2022

### **Executive board**

Jens Kindberg

# **Independent auditor's report**

## **To the shareholder of Sofia Residential BG ApS**

### **Opinion**

We have audited the financial statements of Sofia Residential BG ApS for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 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.

### **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.

### **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.

## **Independent auditor's report**

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.

Hellerup, 29. marts 2022  
CVR no. 33 25 68 76



Søren Jonassen  
Statsautoriseret revisor  
MNE no. mne18488

## **Company details**

### **The company**

Sofia Residential BG ApS  
c/o Øens  
Lergravsvej 59  
2300 København S

CVR no.: 39 15 40 80

Reporting period: 1 January - 31 December 2021  
Incorporated: 12 December 2017

Domicile: Copenhagen

### **Executive board**

Jens Kindberg

### **Auditors**

Crowe  
Statsautoriseret Revisionsinteressentskab v.m.b.a.  
Rygårds Allé 104  
2900 Hellerup

## **Management's review**

### **Business review**

The purpose of the company is the purchase and possession of securities and promissory notes as well as, in the opinion of the Executive Board, related business.

The main activity in Sofia Residential is to own its Bulgarian subsidiary and underlying subsidiaries. The Bulgarian subsidiary is an real estate Group that develops properties in the very central and historic part of Sofia, Bulgaria.

### **Financial review**

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 1.657.261, and the balance sheet at 31 December 2021 shows equity of DKK 78.585.301.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## **Accounting policies**

The annual report of Sofia Residential BG ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **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.

## **Income statement**

### **Gross profit**

Gross profit consists of other external expenses.

### **Other external costs**

Other external costs include expenses related to sale and administration.

## **Accounting policies**

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### **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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## **Balance sheet**

### **Fixed asset investments**

#### **Investments in subsidiaries**

Investments in subsidiaries are measured in the parent company financial statements at fair value.

Fair value is adjusted directly over equity. Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

## **Equity**

### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

## **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.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Liabilities**

Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

**Income statement**  
**1 January 2021 - 31 December 2021**

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> TDKK
<b>Gross profit</b>		<b>-678.009</b>	<b>-92</b>
Financial income	3	497.617	687
Financial costs	4	<u>-1.476.869</u>	<u>-1.287</u>
<b>Profit/loss before tax</b>		<b>-1.657.261</b>	<b>-692</b>
Tax on profit/loss for the year	5	<u>0</u>	<u>-4</u>
<b>Profit/loss for the year</b>		<b><u>-1.657.261</u></b>	<b><u>-696</u></b>
<b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>-1.657.261</u>	<u>-696</u>
		<b><u>-1.657.261</u></b>	<b><u>-696</u></b>

## Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> TDKK
<b>Assets</b>			
Investments in subsidiaries		<u>88.380.232</u>	<u>64.100</u>
<b>Fixed asset investments</b>		<u><b>88.380.232</b></u>	<u><b>64.100</b></u>
<b>Total non-current assets</b>		<u><b>88.380.232</b></u>	<u><b>64.100</b></u>
Receivables from subsidiaries		<u>4.384.329</u>	<u>9.593</u>
<b>Receivables</b>		<u><b>4.384.329</b></u>	<u><b>9.593</b></u>
<b>Cash at bank and in hand</b>		<u><b>425</b></u>	<u><b>0</b></u>
<b>Total current assets</b>		<u><b>4.384.754</b></u>	<u><b>9.593</b></u>
<b>Total assets</b>		<u><u><b>92.764.986</b></u></u>	<u><u><b>73.693</b></u></u>

## Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> TDKK
<b>Equity and liabilities</b>			
Share capital		500.000	500
Revaluation reserve		82.032.832	57.753
Retained earnings		<u>-3.947.531</u>	<u>-2.291</u>
<b>Equity</b>		<b><u>78.585.301</u></b>	<b><u>55.962</u></b>
Other payables		<u>9.132.331</u>	<u>17.656</u>
<b>Total non-current liabilities</b>	<b>6</b>	<b><u>9.132.331</u></b>	<b><u>17.656</u></b>
Short-term part of long-term debet	6	5.000.000	0
Trade payables		37.500	71
Other payables		<u>9.854</u>	<u>4</u>
<b>Total current liabilities</b>		<b><u>5.047.354</u></b>	<b><u>75</u></b>
<b>Total liabilities</b>		<b><u>14.179.685</u></b>	<b><u>17.731</u></b>
<b>Total equity and liabilities</b>		<b><u>92.764.986</u></b>	<b><u>73.693</u></b>
Contingent liabilities	7		
Mortgages and collateral	8		

## Statement of changes in equity

	Share capital	Revaluation reserve	Retained earnings	Total
Equity at 1 January 2021	500.000	57.752.600	-2.290.270	55.962.330
Revaluation for the year	0	24.280.232	0	24.280.232
Net profit/loss for the year	0	0	-1.657.261	-1.657.261
<b>Equity at 31 December 2021</b>	<b>500.000</b>	<b>82.032.832</b>	<b>-3.947.531</b>	<b>78.585.301</b>

## Notes

	2021 DKK	2020 TDKK
<b>1 Staff costs</b>		
Average number of employees	0	0
<b>2 Fair value disclosure</b>		
<b>Investment in subsidiaries</b>		
Fair value of an asset or a liability that is measured at fair value, opening	64.100.000	16.500.000
Adjustments recognised in the fair value reserve under equity	24.280.232	47.600.000
Fair value of an asset or a liability that is measured at fair value, closing	88.380.232	64.100.000
<b>Investment in subsidiaries</b>		
The fair market value of investment in subsidiaries is measured at the discounted cash flow expected from the underlying subsidiaries.		
The underlying assets is properties and development projects held in Bulgaria by the subsidiaries. There is a risk related to these investments associated with the risk in the Bulgarian property market and the general marked value of development activities. The Bulgarian real estate market is generally stable with an upgoing trend for the prime locations. The valuation of the subsidiaries is based on updated cash flow calculations. The valuation is by the management based on a 10 year forecast of cash flow - discounted with a market rate of 8,2% p.a. The fair market value is very sensitive for deviation in the expected cash flow and the used market rate.		
<b>3 Financial income</b>		
Interest received from subsidiaries	497.617	687
	<b>497.617</b>	<b>687</b>
<b>4 Financial costs</b>		
Other financial costs	1.412.447	1.287
Exchange adjustments costs	64.422	0
	<b>1.476.869</b>	<b>1.287</b>



## Notes

	2021 DKK	2020 TDKK
<b>5 Tax on profit/loss for the year</b>		
Adjustment of tax concerning previous years	0	4
	<b>0</b>	<b>4</b>

## 6 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Other payables	17.656	14.132.331	5.000.000	0
	<b>17.656</b>	<b>14.132.331</b>	<b>5.000.000</b>	<b>0</b>

## 7 Contingent liabilities

The company is jointly taxed with its parent company, Sofia Residential A/S (management company), and has limited and secondary liability together with other jointly taxed entities for payment of income taxes for income year 2020 and onwards.

The company has no other contingent liabilities.

## 8 Mortgages and collateral

The company has no issued securities or pledged assets.