



Sofia Residential A/S

Lergravsvej 59A
2300 København S

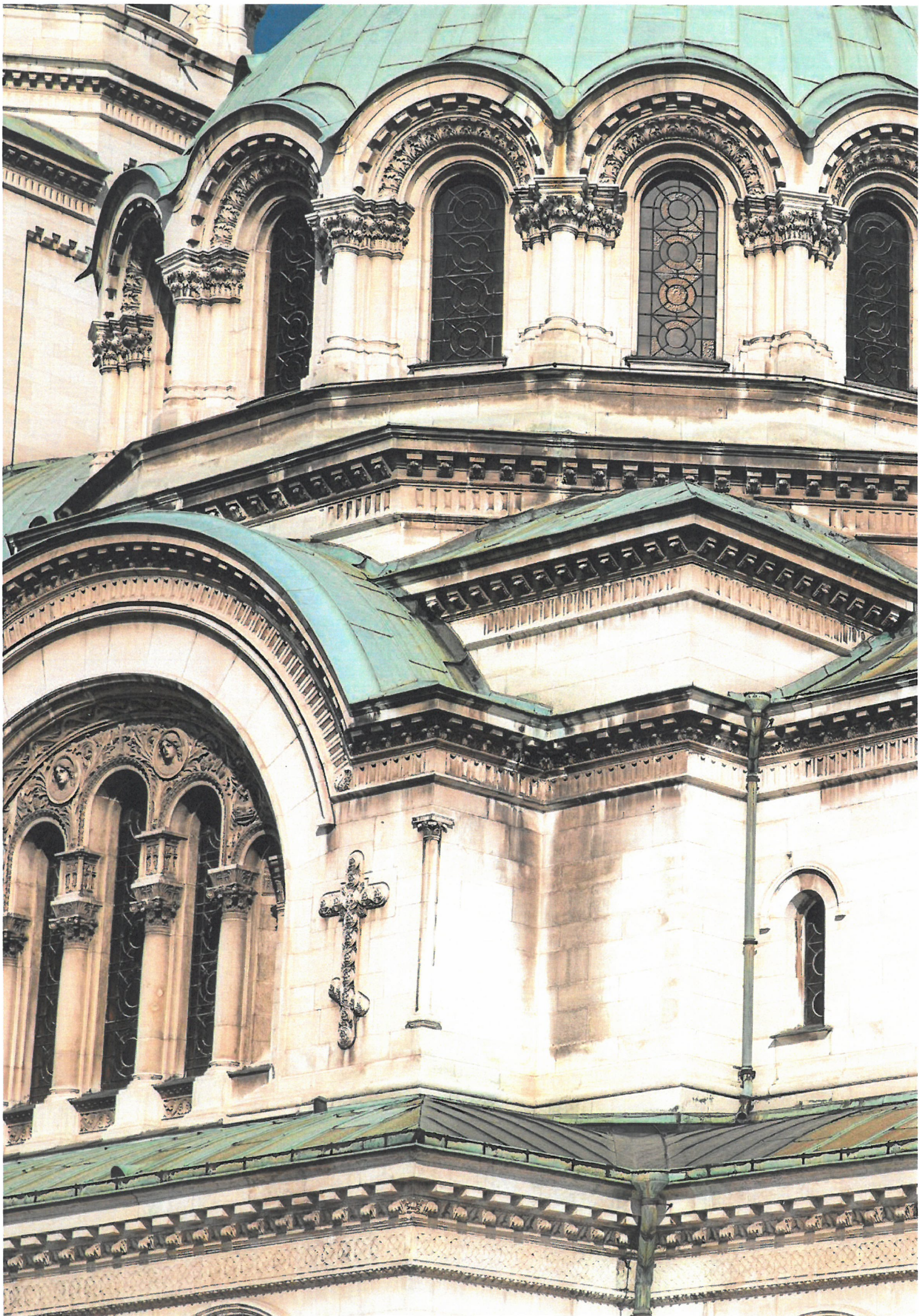
CVR no. 41 50 74 70

ANNUAL REPORT 2021

Adopted at the annual general meeting on
25 april 2022



Jens Kindberg
chairman





Sofia Residential A/S

ANNUAL REPORT
2021



Table of contents

| | |
|---|----------|
| STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT | 5 |
| INDEPENDENT AUDITOR'S REPORT | 6 |
| COMPANY DETAILS | 8 |
| MANAGEMENT'S REVIEW | |
| Business review | 9 |
| Financial review | 9 |
| About the Company | 11 |
| The market | 11 |
| Sustainability | 12 |
| Corporate structure and details | 15 |
| Financial | 16 |
| FINANCIAL STATEMENTS | |
| Accounting policies | 18 |
| Income Statement | 20 |
| Balance Sheet | 21 |
| Statement of changes in equity | 23 |
| Notes | 24 |

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Sofia Residential A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with 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 our 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 2022

EXECUTIVE BOARD

Jens Kindberg
CEO

SUPERVISORY BOARD

Georgi Kirov
Chairman

Emil Bjørn Meincke

Henrik Deigaard

Majbritt Stabell Christensen

Independent auditor's report

To the shareholder of Sofia Residential A/S

OPINION

We have audited the financial statements of Sofia Residential A/S 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.

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.

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.

We did not identify any material misstatement of the management's review, but we shall note that we have not performed any audit procedures on the table for consolidated financial overview. The consolidated financial overview is not based on the same accounting and presentation principles as the audited financial statement. The table for Consolidated financial overview is included by the management for illustrative purpose and not as a part of the audited financial statement.

Hellerup, 30. marts 2022
CVR no. 33 25 68 76



Crowe
Søren Jonassen
Statsautoriseret revisor
MNE no. mne18488

Company details

| | |
|--------------------------|--|
| The company | Sofia Residential A/S Lergravsvej 59A 2300 København S |
| | CVR no.: 41 50 74 70 |
| | Reporting period: 1 January 31 December 2021 |
| | Incorporated: 1 July 2020 |
| | Domicile: Copenhagen |
| Supervisory board | Georgi Kirov, chairman Emil Bjørn Meincke Henrik Deigaard Majbritt Stabell Christensen |
| Executive board | Jens Kindberg, director |
| Auditors | Crowe Statsautoriseret Revisionsinteressentskab v.m.b.a. Rygårds Allé 104 2900 Hellerup |

Management's review

BUSINESS REVIEW

The purpose of the company is to be a holding company as well as a related company.

FINANCIAL REVIEW

The parent company's income statement for the year ended 31 December 2021 shows a loss of DKK 1.859.884 compared to a loss of DKK 125.417 for the financial year 2020. The loss is related to operational- and interest costs in the company.

The parent company's balance sheet at 31 December 2021 shows equity of DKK 61.200.000 which is an increase of DKK 20.725.417 compared to 31 December 2020. The increase is related to the improved performance in the underlying companies and a fair market value adjustment of their real estate development activities.

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.

*“Imaging Copenhagen 20-30 years ago –
we have found the same opportunities in Sofia”*

Quote Jens Kindberg, CEO.

This has happened

7 projects with a total of 154 apartments
Modern constructions with a Nordic approach
Successful development company
Ca. 100 % ROI on each project
Positive result each year for the last
4 years

This shall happen

3,000 apartments within the next 10 years
Still modern construction with a Nordic approach
Still a successful development company
Still around 100 % ROI on each project
Positive result each year – planned for 59m DKK
in 2026

| Date | 31-12-2021 | 31-12-2020 | 31-12-2019 | 31-12-2018 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Share price (BVPS) | DKK 10,2 | DKK 6,7 | DKK 1,8 | DKK -0,2 |
| Change in share price | DKK 3,5 | DKK4,9 | DKK 2,0 | |

ABOUT THE COMPANY

Sofia Residential has been established to take advantage of one of the fastest growing real estate markets in the EU. It is Sofia Residential's mission to supply high quality, but affordable residential units to the burgeoning middleclass and millennials in downtown Sofia.

Real estate values have been rising during the recent past years and, whilst personal income has been rising at the same rate, only 14% of post-tax income is being spent on accommodation expenses, be it rent or mortgage repayment plus utility costs, compared to up to 40% in other European Capitals.

Based on these numbers it appears obvious that real estate prices do have significant upside potential compared to other economic centres in the EU where the income / housing cost equation can be well over 30 % and upwards to 40%.

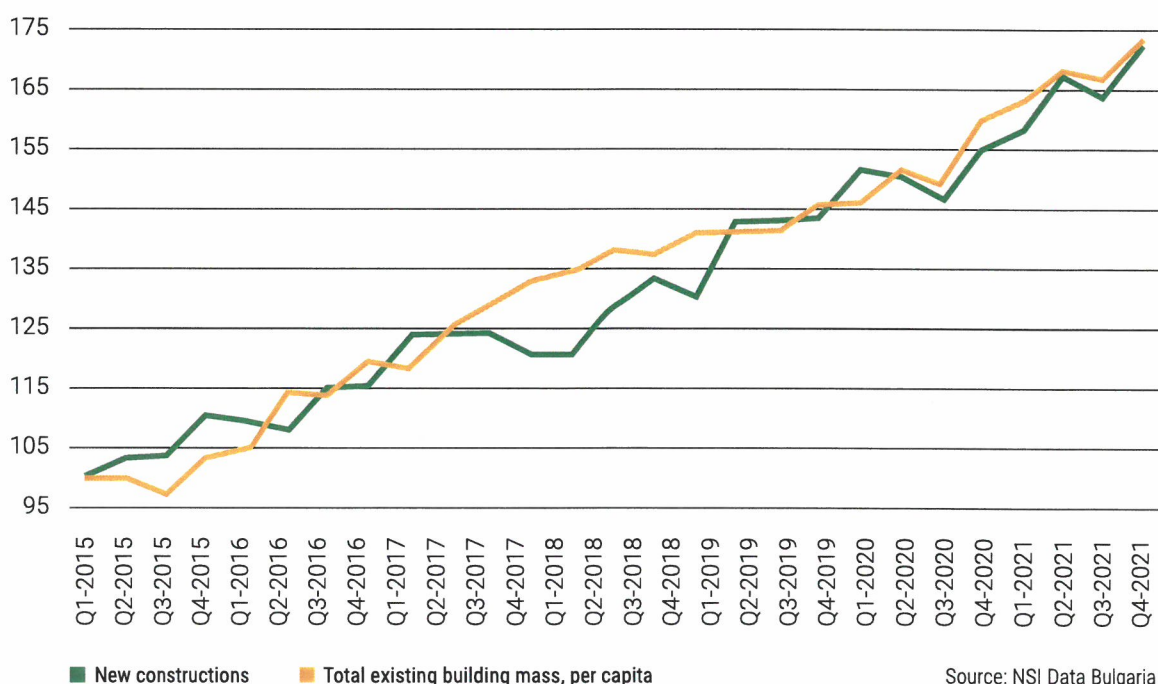
The Group controls the construction throughout the development phase and, on completion of the building makes

the final contractual payments. This structure is designed to limit the Group's development risk. In the construction business there is as of December 31st, 2021, 123 units.

THE MARKET

As shown in the figure below the prices are increasing and have been so for the last years. The price per square metre of new constructions is much more volatile as it depends on a few buildings, meaning that the location and the size will impact the price. In the period 2016 until 2021, the market has recorded an average growth rate of 12% per square metre per year. However, in its business plan Sofia Residential conservatively only predicts a pricing increase of 3% per annum. Property prices have increased by more than 50% over the last five years according to the National Statistics Institute, whilst spending on housing as part of income has remained steady at 14%, which has in turn led to relatively high level of savings, which is running at approximately 9% of income, thus underpinning the property market even further, as this will improve access to mortgages.

PRICE INDEX GROWTH PER SQUARE METRE



Source: NSI Data Bulgaria

Sustainability is about people

We work with sustainability to secure future generations. We have already done the following:

OUR ENVIRONMENT

- We reduce our CO₂ footprint by better insulating walls, floors, ceilings, and windows.
- We have a separate water and heat meter per apartment, which makes residents save on water.
- We build so that the rainwater can seep naturally into the ground and not end up in the sewer.
- We make sure that residents can sort their waste and increase recycling.
- We preserve existing planting on the site when we build.
- We build with materials that last longer and can be recycled, which reduces our climate footprint.

OUR SURROUNDINGS

- We ensure all residents access to "the good life" in relation to access to light, air, wind, and views.
- We give back to our surroundings and raise the quality of construction and life in the areas we build in.

- We take responsibility by solving our own parking of cars and bicycles.
- We create security and safety at our properties for the benefit of both the residents and the surroundings.
- We build so that the elderly and disabled can also live in our homes. That means access to elevators and thresholdless doors where possible.

OUR CODE OF CONDUCT

- We distance ourselves from all corruption and, of course, cooperate with the authorities.
- Our structure is simple and without a focus on tax optimization.
- All shareholders are given equal rights without special rights to individuals.
- We invest long-term for the benefit of both investors, partners, and the residents of our properties.



PROJECT : Ulitsa Pirotska 67

STATUS: Sale



Project: Ulitsa Bregalnitsa 61

Status: Sale



Project: Ulitsa Pirotska 93

Status: Construction



Project: Ulitsa Antim I 103

Status: Construction



Project: Ulitsa Zaychar 220

Status: Construction



Project: Ulitsa Rodopi 55

Status: Detailed planning phase



SUPERVISORY BOARD



GEORGI KIROV
Chairman

Georgi Kirov joined Colliers International in 2001 and has been the head of his department since 2006. Among other things, he has been responsible for the largest real estate transaction in Bulgaria to date, Business Park Sofia, which had a total value of DKK 280 million Euro.

CURRENT EMPLOYMENT
Director
Capital Markets, Colliers International, Bulgaria

BOARD MEMBER
The Royal Institute of Chartered Surveyors, London



MAJBRIIT STABELL CHRISTENSEN
Board Member

Majbrit Stabell Christensen has worked with real estate throughout her career. First, as an advisor to Lidl during their entry into the Danish market. Later, in Skanska Øresund, where she was development and rental manager with responsibility for the rental and development of larger urban areas. She has founded and runs Adoor, which mediates properties for home seekers. Previously, she was a co-founder of the advisory portal 2move, which advises tenants and businesses, and quickly became a success. She sold her stake in 2018.

CURRENT EMPLOYMENT
CEO
Adoor ApS



HENRIK DEIGAARD
Board Member

Henrik Deigaard was with Nordea as a Senior Private Banker until 2018, where he managed large fortunes for private and business customers.

Since 2018, Henrik has been a project manager within forests and real estate at DIFKO A/S.

CURRENT EMPLOYMENT
Project director
Forest and Real Estate Investments, Difko A/S



EMIL BJØRN MEINCKE
Board Member

Emil Bjørn Meincke has worked with energy trading since 2012. First at Danske Commodities and, since 2014, as a co-founder of the company PowerMart, which Emil runs from his residence in the Bulgarian capital Sofia.

Emil has also invested in real estate in Denmark for a long time.

CURRENT EMPLOYMENT
Co-Founder and Partner
Powersmart ApS

MANAGEMENT



JENS KINDBERG
CEO

Jens Kindberg is a property developer with expertise in the development of properties in growth areas. After graduating from Copenhagen Business School, Jens has worked in the financial sector at Scandium Asset Management, MAN GLG, and Nykredit.

Since 2011, Jens has invested in real estate in Denmark, and since 2015 he has been focused on the real estate market in Sofia.

Jens has a cand. merc. in finance and accounting from Copenhagen Business School.

Corporate structure and details

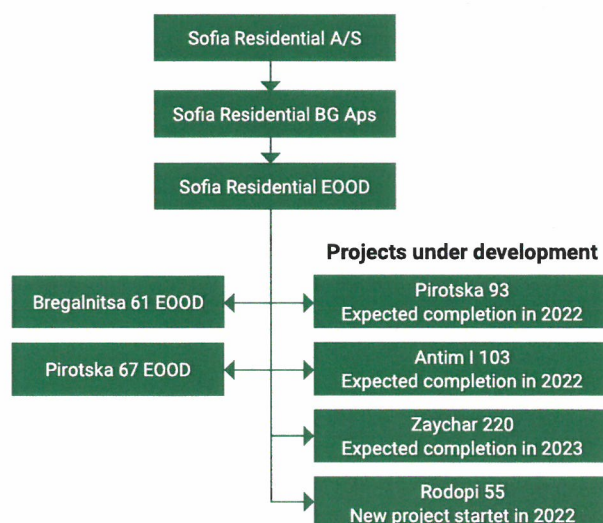
Sofia Residential A/S ("the Company") is a Danish limited liability company incorporated on 1 July 2020 under the laws of the Kingdom of Denmark with company registration number 41507470.

The Company's LEI number is 894500SI2NKE58INW315.

The Company's address is:
Lergravsvej 59A
2300 Copenhagen S, Denmark.

Telephone number: + 45 3696 0707.

Website: www.sofiaresidential.com



SOFIA RESIDENTIAL A/S:

- Numbers of shares: 6,000,000
- Nominal value pr share: 0,1 kr.
- Registered capital: 600,000 kr.
- Number of share classes: 1
- Votes pr share: 1
- Limitations on voting rights: No

Ownership: Each company is owned 100%

Financial

Consolidated financial overview for the group - All figures in DKK

| | 2021 | 2020 | 2019 | 2018 |
|---|-------------------|-------------------|------------------|------------------|
| Net sales | 12.694.920 | 4.023.360 | 3.882.390 | 1.987.624 |
| Cost of goods sold | -7.117.080 | -2.080.260 | -1.988.820 | -1.005.750 |
| Gross profit/loss | 5.577.840 | 1.943.100 | 1.893.570 | 981.874 |
| Overhead and other costs | -1.201.670 | -898.565 | -581.530 | -307.757 |
| Depreciation | 0 | 0 | 0 | 0 |
| Staff costs | 0 | 0 | 0 | 0 |
| Profit/loss before interest and tax | 4.376.170 | 1.044.535 | 1.312.040 | 674.117 |
| Net financial expense | -3.410.630 | -1.979.559 | -1.153.990 | -1.573.022 |
| Profit/loss before tax | 965.540 | -935.024 | 158.050 | -898.904 |
| Taxation | -403.860 | -19.440 | -121.920 | -71.697 |
| Net income | 561.680 | -954.464 | 36.130 | -970.601 |
| Adjustment to fair market value of development activities | 23.519.880 | 19.736.407 | 9.119.600 | 5.413.610 |
| Taxation of realising profit | -2.351.988 | -2.127.774 | -602.410 | -422.561 |
| Extraordinary items | -1.004.155 | 0 | 0 | 0 |
| Net value generation for the year | 20.725.417 | 16.654.169 | 8.553.320 | 4.020.447 |

Accounting policies

The annual report of Sofia Residential A/S 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 annual report for 2021 is presented in DKK

CHANGES IN ACCOUNTING POLICIES

The Accounting principle for measuring the investment in subsidiaries has been changed from cost price to fair market value to obtain a more fair view of the Company's financial statement.

Profit/loss for 2021 is affected by DKK 0 thousand, the balance sheet total is increased by DKK 22.585 thousand, and equity is increased by DKK 22.585 thousand.

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

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 administration.

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, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

INCOME FROM INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND PARTICIPATING INTERESTS

Dividend from investments is recognised in the reporting year in which the dividend is declared.

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, ASSOCIATES AND PARTICIPATING INTERESTS

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

Fair value is adjusted directly over the equity. Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities fair market value, 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.

Net revaluations of investments in subsidiaries are taken to the revaluation reserve according to the fair market method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Sofia Residential A/S is adopted are not taken to the net revaluation reserve.

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.

INCOME TAX AND DEFERRED TAX

As management company, Sofia Residential A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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

| | Note | 2021 DKK | 2020 TDKK |
|---|------|--------------------------|--------------------|
| Gross profit | | -594.366 | -18 |
| Financial costs | 3 | -1.265.518 | -107 |
| Profit/loss for the year | | <u>-1.859.884</u> | <u>-125</u> |
| Recommended appropriation of profit/loss | | | |
| Retained earnings | | -1.859.884 | -125 |
| | | <u>-1.859.884</u> | <u>-125</u> |

Balance sheet

at 31 December 2021

| | Note | 2021 DKK | 2020 TDKK |
|---------------------------------|------|-------------------|---------------|
| Assets | | | |
| Investments in subsidiaries | 4 | 78.585.301 | 56.000 |
| Fixed asset investments | | 78.585.301 | 56.000 |
| Total non-current assets | | 78.585.301 | 56.000 |
| Other receivables | | 0 | 600 |
| Receivables | | 0 | 600 |
| Total current assets | | 0 | 600 |
| Total assets | | 78.585.301 | 56.600 |

Balance sheet

at 31 December 2021

| | Note | 2021 DKK | 2020 TDKK |
|--------------------------------------|----------|-------------------|---------------|
| Equity and liabilities | | | |
| Share capital | | 600.000 | 600 |
| Revaluation reserve | | 22.585.301 | 0 |
| Retained earnings | | 38.014.699 | 39.875 |
| Equity | | 61.200.000 | 40.475 |
| Other payables | | 15.912.289 | 16.107 |
| Total non-current liabilities | 5 | 15.912.289 | 16.107 |
| Short-term part of long-term debet | 5 | 1.265.372 | 0 |
| Banks | | 1.060 | 0 |
| Payables to subsidiaries | | 169.080 | 0 |
| Other payables | | 37.500 | 18 |
| Total current liabilities | | 1.473.012 | 18 |
| Total liabilities | | 17.385.301 | 16.125 |
| Total equity and liabilities | | 78.585.301 | 56.600 |

Statement of changes in equity

| | Share capital | Revaluation reserve | Retained earnings | Total |
|-----------------------------------|----------------|------------------------|----------------------|-------------------|
| Equity at 1 January 2021 | 600.000 | 0 | 39.874.583 | 40.474.583 |
| Revaluation for the year | 0 | 22.585.301 | 0 | 22.585.301 |
| Net profit/loss for the year | 0 | 0 | -1.859.884 | -1.859.884 |
| Equity at 31 December 2021 | 600.000 | 22.585.301 | 38.014.699 | 61.200.000 |

Notes

| | 2021 | 2020 |
|--|------------------|------------|
| | DKK | TDKK |
| 1 Staff costs | | |
| Average number of employees | 0 | 0 |
| 2 Fair value disclosure | | |
| Investment in subsidiaries | | |
| Fair value of an asset or a liability that is measured at fair value, opening | 56.000.000 | 56.000.000 |
| Adjustments recognised in the fair value reserve under equity | 22.585.301 | 0 |
| Fair value of an asset or a liability that is measured at fair value, closing | 78.585.301 | 56.000.000 |
| <p>The fair market value of investment in subsidiaries is measured at the discounted cash flow expected from the underlying subsidiaries.</p> <p>The underlying assets are 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 general market value of development activities. The Bulgarian real estate market is generally stable with an ongoing 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 10 year forecast of cash flow - discounted with a market rate of 8,2% p.a. The fair market value is very sensitive for variation in the expected cash flow and the used market rate.</p> | | |
| 3 Financial costs | | |
| Other financial costs | 1.265.518 | 107 |
| | 1.265.518 | 107 |

| | 2021 | 2020 |
|--|--------------------------|----------------------|
| | DKK | TDKK |
| 4 Investments in subsidiaries | | |
| Cost at 1 January 2021 | 56.000.000 | 0 |
| Additions for the year | 0 | 56.000 |
| Cost at 31 December 2021 | <u>56.000.000</u> | <u>56.000</u> |
| Revaluations at 1 January 2021 | 0 | 0 |
| Revaluations for the year, net | 22.585.301 | 0 |
| Revaluations at 31 December 2021 | <u>22.585.301</u> | <u>0</u> |
| Carrying amount at 31 December 2021 | <u>78.585.301</u> | <u>56.000</u> |

Investments in subsidiaries are specified as follows:

| Name | Registered office | Ownership interest |
|--------------------------|-------------------|--------------------|
| Sofia Residential BG ApS | Copenhagen | 100% |

5 Long term debt

| | Debt at 1 January 2021 | Debt at 31 December 2021 | Instalment next year | Debt outstanding after 5 years |
|----------------|---------------------------|-----------------------------|-------------------------|-----------------------------------|
| Other payables | 16.107 | 17.177.661 | 1.265.372 | 0 |
| | <u>16.107</u> | <u>17.177.661</u> | <u>1.265.372</u> | <u>0</u> |

6 Contingent liabilities

The company has no contingent liabilities.

7 Mortgages and collateral

The company has no mortgages and collateral.





