Admission Document

Black Sea Property AS

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(A private limited liability company organised under the Norwegian Limited Liability Companies Act with business registration number 914 892 902)

Admission to trading of all outstanding shares in Black Sea Property AS on Merkur Market.

This Admission Document does not constitute an offer to buy, subscribe for or sell the securities described herein.

Merkur Market is a multilateral trading facility operated by Oslo Børs ASA. Merkur Market is subject to the rules in the Securities Trading Act and the Securities Trading Regulations that apply to such marketplaces. These rules apply to companies admitted to trading on Merkur Market, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on Oslo Børs and Oslo Axess. Merkur Market is not a regulated market, and is therefore not subject to the Stock Exchange Act or to the Stock Exchange Regulations. Investors should take this into account when making investment decisions.

As the Company has an expected market value of less than NOK 50 million, there are limited content requirements for this Admission Document pursuant to the admission rules for Merkur Market.

IMPORTANT INFORMATION

Please refer to Section 10 "Definitions and glossary of terms" for definitions of terms used throughout this Admission Document (the "**Admission Document**"), which also apply to the preceding page.

This Admission Document has been prepared in order to provide information about Black Sea Property AS ("**BSP**" or the "**Company**"), its subsidiaries (the "**Subsidiaries**") (the Company and the Subsidiaries hereinafter collectively referred to as the "Group") and the Group's business in connection with the admission to trading on Merkur Market of all outstanding shares in BSP (the "**Shares**").

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. Further, the publication or distribution of this Admission Document shall under any circumstances imply that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Admission Document. However, any errors or changes to the information provided in this Admission Document that are identified or take place after the public disclosure of the Admission Document but before admission to trading will be published and announced.

This Admission Document has been prepared solely in the English language.

This Admission Document does not constitute an offer to subscribe for shares in the Company. The content of this Admission Document are not to be construed as legal, business, financial or tax advice. Each prospective investor should consult its own legal advisor, business advisor, financial advisor or tax advisor as to legal, business, financial and tax advice.

Any dispute regarding the Admission Document shall be governed by Norwegian law and Norwegian courts alone shall have jurisdiction in matters relevant hereto.

Investing in shares involve risks. Please refer to section 1 "Risk factors" of the Admission Document for a description of risk factors known and deemed material by the Company.

An investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment advisor who specialises in investments of this nature before making any decision to invest in the Company.

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1 RISK FACTORS

An investment in the Company's Shares involves inherent risk. Before making an investment decision with respect to the Company, investors should carefully consider all of the information contained in this Admission Document, and in particular the risks and uncertainties described in this Section 1, which the Company believes are the principal known risks and uncertainties faced by the Group as of the date hereof. An investment in the Company's Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described are not a genuine potential threat to an investment in the Company's Shares. If any of the following risks were to materialise, this could have a material adverse effect on the Group and/or its business, results of operations, cash flow, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group. The information in this Section 1 is as of the date of this Admission Document.

1.1 Risks relating to the Company's business and the industry in which it operates

1.1.1 Business culture and legislation

The Group's main operations are in Bulgaria, where the legislation and business culture is different from Norwegian standards. The Group therefore faces risk of delays or hindrances of its operations due to these differences.

1.1.2 Risk of non-completion

Several real estate developers has worked towards completing the Aheloy Residence Resort, but has not been able to complete the resort. There can be no guarantee that the Group will be able to complete the Aheloy Residence Resort as the Group may experience inter alia insufficient funding, changes in regulatory regime and non-performance of third parties which may hinder or delay the completion of the Aheloy Residence Resort.

1.1.3 Risk of non-transferability of purchased shares and receivables

The Company has entered into two agreements whereby it shall purchase inter alia shares and receivables (for further information, please refer to Section 5.2 ("Acquisition of shares and assets related to the Aheloy Residence Resort"). Not all of the share transfers and assignments of receivables have been consummated at the date of this Admission Document, due to certain formal requirements under Bulgarian law; please refer to Sections 5.2.1 "EPO Transaction" and 5.2.2 "ABC Transaction". The Company has engaged Bulgarian legal counsel to effect the transfer of shares and receivables and it is expected that this process will be finished in the first half of 2016. However, the Company cannot exclude the possibility that the transfers will be materially delayed or even prove impossible to complete.

1.1.4 Regulatory regime, planning, zoning and permits

The profitability of the Company will in part depend upon the continuation of a favourable regulatory climate without retrospective changes with respect to its investments. The failure to obtain or continue to comply with all necessary approvals, licenses or permits, including renewals thereof or modifications thereto, may adversely affect the Company's performance, as could delays obtaining such consents due to objections from third parties.

1.1.5 Management of growth

In order to execute the Company's business plan, the Group's operations are expected to grow significantly. This growth may place a significant strain on the personnel, management systems and resources involved in the Group's business. If the Group does not manage growth effectively, its business, results, operations and financial conditions would be materially adversely affected. The Group may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

1.1.6 Key personnel

Any potential loss of key personell could have a material adverse effect on the Group's business, results of operations and financial condition. The Company's future success also depends on the ability to attract, retain and motivate highly skilled employees to work in its various operation companies.

1.1.7 The Company is dependent on third parties

There can be no assurance that all third parties to which the Company is related will perform their contractual obligations. The non-performance of their obligations by such third parties may have a material adverse effect on the Company.

In particular, the Group is dependent on third parties to complete the constructions of its property assets and to secure and manage rental of the commercial areas.

The use of such third parties also exposes the Group to risks of fraud and other illegal activities. The Company cannot exclude the possibility that the third parties that it engages will attempt fraudulent activities or succeed in such fraudulent activities. The risk of fraud and other illegal activities implies that the Group may be subject to loss of revenue and profits and may also delay or hinder the Company's operations.

1.1.8 Decrease in property values

The Company is subject to the general risks incidental to the ownership of real estate, including changes in the supply of or demand for competing properties in the Aheloy area and comparable areas on the Bulgarian coast, changes in interest rates and availability of mortgage funds, changes in property tax rates, stamp tax, planning laws and environmental factors. The marketability and value of any property therefore depends on many factors beyond the control of the Company and there can be no assurance that there will be either a ready market for any of the properties or that those properties may be sold at a profit or that the Company is able to obtain a positive cash flow.

1.1.9 Legal title

Individual section numbers for each commercial unit, so called Cadastral numbers (similar to the Norwegian "matrikkelnummer") have been issued for all property units, save for the property units located in building K of the Aheloy Residence Resort. Cadastral numbers for the K units may be issued when the K building has completed rough construction. For further information, please refer to Section 4.5 "Legal matters".

Due to inconsistencies in the local property registers, until official certificates can be obtained for each individual unit owned by the Group companies evidencing the rightful ownership of each unit across all official registers, there is a risk that potential intrusive charges on the units may be filed from other third parties. If any intrusive charges occur, the Company will implement relevant legal procedures seeking to clear any unmerited charge.

1.2 Financial risks

1.2.1 No guarantee as to future performance

There can be no assurance that the Company will be able to achieve its targets and goals and thereby not be able to achieve the returns on its investments, as described in this Admission Document.

1.2.2 No guarantee of profitability

The Company and the Group Companies expect to incur losses as a result of operating costs prior to completion of its projects. The Company and/or the Group companies may not be able to achieve profitability.

1.2.3 Fluctations in operating results

The Company's operating results may fluctuate significantly due to a variety of factors that could affect the Company's revenues or expenses in any particular financial period. It is possible that results of operations may be below the expectations of the Company. Factors that may affect the Company's operating results include:

(i) timing and delivery delays;

(ii) local bureaucracy;

(iii) the ability to employ personnel of suitable capability;

(iv) further environmental protectionism;

(v) high rates of inflation in construction costs;

(vi) transportation difficulties;

(vii) fluctuation or fall in overall or local housing market occupancy;

(viii) fluctuation or fall in overall or local housing market average prices; and

(ix) fluctuation or fall in overall or local rental yields and transaction prices for commercial property in Bulgaria.

The future financial performance of the Company and the Company's ability to deliver the estimated profitability cannot be guaranteed. The Company's profitability may also be volatile and subject to variations relative to estimates.

The Company may not be able to insure against all risks on commercially viable terms, and there will always be a risk that certain events may occur which are only partly covered by insurance or not covered by insurance at all.

1.2.4 Exchange rate risk

The Group will operate in Bulgaria, which could generate revenue, expenses and liabilities in currencies other than EUR or NOK. As a result, the Company will be subject to the effects of exchange rate fluctuations with respect to any of these currencies. The Company's reporting currency is the NOK, and the Shares that will be listed are in NOK. The assets of the Group will be predominantly invested in Bulgaria. Accordingly, the value of such assets and the unrealized appreciation or depreciation of investments may be affected favourably or unfavourably by fluctuations in the EUR/ BGN, EUR/NOK or the NOK/BGN exchange rate, and therefore the Company will necessarily be subject to foreign exchange risk. The Company does not have any present intention to hedge these risks.

1.2.5 Future capital needs and additional financing

The Company has limited financial resources and may require additional financing in order to complete construction works on the Aheloy Residence Resort project, to fund the full implementation of its intended business, to respond to competitive pressures or to make and/ or complete acquisitions and/ or repay loans, honour its obligations or meet its liabilities. Any required additional financing may not be available on terms favourable to the Company, or at all. If adequate funds are not available on acceptable terms, the Company may be unable to:

(i) fund its expansion;

(ii) complete investments and/ or acquisitions;

(iii) successfully promote itself;

(iv) develop or enhance its services;

(v) respond to competitive pressures; or

(vi) take advantage of acquisition opportunities.

A lack of access to external capital or material changes in the terms and conditions relating to the same could limit the Company's future dividend capacity and have an impact on the Company's financing costs. The absence of additional suitable funding may result in the Company having to delay, reduce or abandon all or part of its intended business.

1.2.6 Gearing

The Company may borrow money and may also invest in projects which are funded in part through borrowings. The Company may not be able to support or obtain the benefit of borrowing, in which case the Company's performance may be adversely affected. The Company's investments may be secured on its assets and the Company's interests in its investments may rank behind secured creditors who are funding the projects. A failure to fulfil obligations under any financing documents would permit lenders to demand early repayment of the loan and realise their security.

1.3 Political, regulatory and market risks

1.3.1 Risks associated with international operations

The Group's current operation will be predominantly in Bulgaria.

The Group is exposed to general business cycles and may be hurt by a reduction in the general willingness to invest in the property sector. The Group is exposed to specific development of the real estate sector, especially with respect to local and global development of property values, as well as the general level of tourism spending in the area where the Group's assets are located and corresponding rental price levels for commercial areas on tourism resorts. Property values are volatile and a decline in the value of the Group's assets will thereby reduce the value of the Shares.

The Group owns property in Bulgaria and is as such exposed to international business risks such as cultural differences and political events that could change the business climate, tax regimes and other regulations in a way that has a negative impact on the value of the Company's operations.

Engaging in business internationally is subject to a number of risks, including:

(i) linguistic, legal and cultural differences;

(ii) unexpected changes in regulatory requirements;

(iii) difficulties and costs of staffing and managing international operations;

(iv) differing technology standards;

(v) potentially adverse tax consequences; and

(vi) uncertain protection of property rights.

The Company has no or limited control over many of these matters and any of them may adversely affects its business, financial condition and results of operations.

1.3.2 Land and property ownership rights and valuations

Bulgaria and other emerging markets have different laws and regulations (as well as tax provisions) relating to land and property ownership by foreign companies. Whilst the Company will use its reasonable endeavours to operate property owning structures that comply with such laws regulations as well as with a view to mitigating the tax effect of local tax regulations, there can be no guarantee that in the future these countries will not adopt laws and regulations which may adversely impact the Company's ability to own, possess and/ or operate land and property.

Accordingly, in such circumstances, the returns to the Company may be materially and adversely affected.

Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations may be subject to substantial uncertainty. There can be no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur after the valuation date. The performance of the Company would be adversely affected by a downturn in the property market in terms of capital value or a weakening of the rental yields. In the event of default by an occupational tenant, the Group will suffer a rental shortfall and incur additional cost including legal expenses, in maintaining, insuring and marketing the property until it is re-let.

1.3.3 Political and regulatory environment

The Group's performance depends heavily on political stability and the regulatory environment in Bulgaria. If the political and/ or regulatory climate alters or stability deteriorates, this could have a material impact on the Group's plans and projected results. The institution and enforcement of regulations relating to taxation, land use and zoning restrictions, planning regulations, environmental protection and safety and other matters could have the effect of increasing the expenses, and lowering the income or rate of return, as well as adversely affecting the value, of any investment affected thereby. Due to the previous political scheme of Bulgaria, there is a theoretical risk that previous owners of real property (pre Second World War owners) may have a restitution claim.

Aheloy Commercial AD and EPO Aheloy OOD (companies in which BSP is a shareholder) is involved in legal disputes in Bulgaria. It is possible that the Group's investments in Bulgaria will be exposed to various legal disputes and challenges also in the future. The Company recognizes that there is a risk that the Company's professional judgment are lacking substantial legal foundations. See Section 4.5 "Legal matters" for a description of the legal disputes.

The Group may also become subject to disputes with other third parties that could result in a loss of revenue and/ or claims from such third parties.

1.4 **Risks relating to the Shares**

1.4.1 There is no prior market for the Shares, and an active trading market may not develop

Prior to the Admission, there was no public market for the Shares, and there can be no assurances that an active trading market will develop, or be sustained or that the Shares will be capable of being resold at or above the Share price. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following the completion of this Admission.

1.4.2 The Group will incur costs as a result of being a publicly traded company

As a publicly traded company with its Shares listed on Merkur Market, the Group will be required to comply with the Oslo Stock Exchange's reporting and disclosure requirements for companies listed on Merkur Market and with corporate governance. The Group will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Group anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and half year reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation.

1.4.3 The price of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Group's control, including half year variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the Group or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the Oslo Stock Exchange and Oslo Axess have experienced wide price and volume fluctuations, and it is reason to believe that the same will be the case for shares listed on Merkur Market. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies.

1.4.4 The Company's ability to pay dividends is dependent on the availability of distributable reserves

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the Company's general meeting of shareholders (the "**General Meeting**"). Dividends may only be declared to the extent that the Company has distributable funds and the Company's Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest.

As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

1.4.5 Future sales, or the possibility for future sales, including by existing shareholders, of substantial number of shares may affect the Shares' market price

The market price of the Shares could decline as a result of sales of a large number of Shares in the market after the Admission or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to sell equity securities in the future at a time and at a price that it deems appropriate.

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on their market price. Sales of substantial amounts of the Shares in the public market following the Offering, or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

1.4.6 Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares

It is possible that the Company may in the future decide to offer additional Shares or other equity-based securities through directed offerings without pre-emptive rights for existing holders. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share.

1.4.7 Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to the general meetings. The Company can provide no assurances that beneficial owners of the Shares will receive the notice of a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

1.4.8 The Company may be unwilling or unable to pay any dividends in the future

The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.

1.4.9 Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

1.4.10 Shareholders outside of Norway are subject to exchange rate risk

The Shares are priced in NOK, and any future payments of dividends on the Shares will be denominated in NOK. Accordingly, investors outside Norway are subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or of the price received in connection with any sale of the Shares could be materially adversely affected.

1.4.11 Market interest rates may influence the price of the Shares

One of the factors that may influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

2 STATEMENT OF RESPONSIBILITY

The Board of Directors of Black Sea Property AS hereby declares that, after having taken all reasonable care to ensure that such is the case, the information contained in this Admission Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Board of Directors of Black Sea Property AS

11 January 2016

Håvard Lindstrøm
Chairman

Erik Sture Larre Board member	Nils Tore Nilsen Board member	Egil Redse Melkevik Board member
Kåre Rødningen Board member	Hans Fredrik Gulseth Board member	Morten Westergren Board member

3 GENERAL INFORMATION

3.1 Forward looking statements

This Admission Document contains forward-looking statements ("**Forward Looking Statements**") relating to the Group's business and the sectors in which it operates. Forward Looking Statements include all statements that are not historical facts, and can be identified by words such as "anticipates", "believes", "expects", intends, "may", "projects", "should", or the negatives of these terms or similar expressions. These statements appear in a number of places in this Admission Document, in particular in Section 1 "Risk factors", Section 6 "Market overview" and Section 7 "Financial Information" and include statements regarding the management's intent, belief or current expectations with respect to, among other things:

- strategies for the Group's business;
- global and regional economic conditions;
- sales volumes, price levels, costs and margins;
- competition and actions by competitors and others affecting the global or regional market of the Group;
- the Group's planned capacity;
- fluctuations in foreign exchange rates, interest rates, earnings, cash flows, dividends and other expected financial results and conditions;
- cash requirements and use of available cash;
- financing plans;
- anticipated capital spending;
- growth opportunities;
- environmental and other regulatory matters; and
- legal proceedings.

No Forward Looking Statements contained in this Admission Document should be relied upon as predictions of future events. No assurance can be given that the expectations expressed in these Forward Looking Statements will prove to be correct. Actual results could differ materially from expectations expressed in the Forward Looking Statements if one or more of the underlying assumptions or expectations proves to be inaccurate or is unrealised. Some important factors that could cause actual results to differ materially from those in the Forward Looking Statements are, in certain instances, included with such Forward Looking Statements and in Section 1 "Risk Factors".

3.2 Third party information

The information in this Admission Document that has been sourced from third parties has been accurately reproduced and that as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified when used.

4 FURTHER INFORMATION ON THE AHELOY RESIDENCE RESORT

4.1 The resort

The resort is a gated hotel and apartment complex located 20 km away from Burgas, 5 km away from Pomorie and just 7 km from the ancient town of Nessebar and the resorts Sunny beach and St. Vlas. Aheloy River neighbors the complex providing a natural barrier between the complex and the main road between Bourgas and Nessebar. The project is also ideally located just minutes from Bourgas International Airport. Currently a new high speed road connection (Bourgas – Sunny Beach – Varna) is under construction, which will divert the traffic away inland in very near future. The beach line is situated just in front of the complex and is shared with the residents and visitors of the town of Aheloy. All beaches in Bulgaria are owned by the government and free public access is mandatory.

The construction of the resort has been divided into three phases, of which Phase I and Phase III are already completed, fully sold and operating under the name of Midia Grand Resort and as such is not part of the Aheloy Residence Resort. The Group does not have any ownership interests in the buildings constructed in Phase I or Phase III.

The Midia Grand Resort and the Aheloy Residence Resort is jointly referred to as the Aheloy Beach Resort.

Please find below a graphical overview of the resort and its three different phases:

Phase I consists of buildings A, B, C, D and E.
Phase II consists of buildings K, L, M, N, P and in addition 20 villas
Phase III consists of buildings 1,2 and LB.

For further information on the current status of construction of Phase II, please refer to Section 4.3 "Current status of Aheloy Residence Resort".

Key figures of the Aheloy Beach Resort include:

(i) The total built-up area of the resort is 180,000 square meter;

(ii) Total number of apartments is more than 1,900;

(iii) The expected number of tourists is about 5,300 per week;

(iv) It is estimated that the average tourist spends approximately EUR 50 each per day for purchase of goods and services, in addition to the goods and services included in the package tour;

(v) Aheloy Residence Resort is a gated residence resort. There are no shopping and amusement centers in the vicinity, which will contribute to spending within the resort by visiting tourists; and

(vi) The total built up area of the commercial units is approximately 19,000 square meters, which is approximately 10% of the total built up area of the resort.

4.2 History of the Aheloy Residence Resort

Aheloy Beach Resort is one of the largest holiday resorts in Bulgaria and is planned to comprise, when completed, close to 2,000 apartments, of which the first 800 (Phase I and III) were finished in 2010, fully sold and currently operating under the name Midia Grand Resort. The construction of Phase II, the Aheloy Residence Resort, was first started in 2007 and stopped in 2010 when the developer (Aheloy Residence OOD) ran into financial difficulties, due to a number of cancellations of apartment sales, failure to collect final payments from buyers and inability to obtain financing due to the general decline in the credit markets. Aheloy Residence OOD has been declared bankrupt and the bankruptcy estate has still not been settled.

In September 2007, the Norwegian company Aheloy Beach Commercial AS ("**ABC**") purchased 62% of the shares in Aheloy Commercial AD ("**Aheloy Commercial**").

Since the summer of 2010, the project has stopped completely and no further construction works have taken place.

After running into financial difficulties, the original developer (Aheloy Residence OOD) negotiated an agreement with its main creditors, but failed to conclude such agreement. The main creditors therefore obtained official executive orders of default registered against the developer's assets.

Following the halt of construction in the summer of 2010 and the original developer's failure to enter into an agreement with its creditors, the Norwegian investment Company EPO Invest KS ("**EPO**") set up the joint venture company EPO Aheloy OOD ("**EPO Aheloy**") together with a local Bulgarian partner. EPO Aheloy has acquired a major financial claim with first priority mortgage security on the former developer's assets from UniCredit Bulbank. EPO Aheloy is now the main creditor to the developer and has expressed intention to seek to finish the development. EPO Aheloy has so far been financed by EPO (cash), by the local Bulgarian partner (financial assets and collateral), and by UniCredit Bulbank (through a EUR 10 million loan facility, under which EPO Aheloy is the borrower).

Afterwards, a bankruptcy motion against the former developer was initiated and as a result Aheloy Residence OOD was declared insolvent in January 2015.

EPO Aheloy has been in continuous discussions with Unicredit Bulbank in regards to servicing the EUR 10m loan. The initial interest only period provided by the bank expired in May 2015. EPO Aheloy successfully negotiated favorable forward loan terms with the bank, giving the opportunity to make the resort operational and lead the project to a success. A new agreement was signed, having the following main terms:

(i) Payment of EUR 1 million of the principal of the EUR 10 million loan before the end of 2015 plus accrued interest;

(ii) Additional EUR 1 million principle payment by the end of 2016 plus accrued interest;

(iii) Following any principal payment, the bank will release apartment weights respective to the amount;

(iv) The interest rate on the loan will be the variable 3-month EURIBOR plus 3.5% margin; and

(v) EPO Aheloy must commit to either invest EUR 2m in the construction works by end of 2016 or keep such amount in an account with the bank.

4.3 Current status of the Aheloy Residence Resort

As of today's date, the construction status of Phase II stands with building P almost fully completed, with some of the apartment units fully equipped, including bathroom and kitchen. Buildings M and

N are very close to completion. Building L has been completed to a rough construction stage, and only two floors of building K have been developed at an initial stage of construction. The Midia Grand Resort includes shopping and commercial facilities offering a wide range of services to the guests in the area.

The commercial space is approximately 10 % of the total built up area of the resort and Aheloy Commercial owns approximately 14,300 sqm prime commercial space located in Phase II.
The future of the resort and its further development is now effectively controlled by EPO Aheloy. Black Sea Property effectively controls 75% of EPO Aheloy following the transactions with EPO and ABC (see Section 5.2 "Acquisition of shares and assets related to the Aheloy Residence Resort" for further information). EPO Aheloy has successfully acquired over 50,000 square meter of real property in the various buildings of Phase II of the Aheloy Residence Resort. The table below lists the number of units already acquired by EPO Aheloy, and the total number of units planned to be developed.[1]

Building	Currently owned	Total number of apartments
P	63	255[2]
N	175	175
M	192	192
L	251	298
K	0	294
Villas	0	20

In addition to the apartments already acquired, EPO Aheloy has a first priority claim over certain assets owned by Aheloy Residence OOD, as set out below:

(i) 72 apartments in building P;

(ii) 47 apartments in building L;

(iii) All apartments in building K; and

(iv) Land under the site, together with two existing villas.

EPO Aheloy plans to purchase these assets from the court appointed receiver in the near future.

4.4 Plans for completion of the Aheloy Residence Resort

The current future plans involve the completion of buildings P, N & M as a first step. EPO Aheloy plans to partially operate these three buildings, scheduled for opening in the summer of 2016 (estimated cost to complete is approximately EUR 3m). All units that EPO Aheloy owns will be fully furnished, thus enabling EPO Aheloy to operate the resort as a hotel.

Based on the Company's estimates the buildings P,N and M could generate profit per annum of EUR 1 million to EUR 1.5 million.

[1] The numbers stated for currently owned units exclude the premises designated for housekeeping and other uses.

[2] Of the apartments in building P 13 are currently owned by EPO Aheloy and 50 are owned by Dara Properties, 170 are already sold to third parties and the remaining 72 are to be acquired.

The Aheloy Residence Resort project was presented at a major tour operator fair in Berlin in the spring of 2015. The tour operators TUI, ITS and Neckermann all showed an interest to place Aheloy in their catalogues for the summer of 2016. However, before entering into an agreement with renowned tour operators, sufficient financing must be in place to complete the buildings P, N & M on time for the 2016 summer season.

Subsequently, Buildings K & L will be completed, and the villas will be developed at the last stage of construction of Phase II.

4.5 Legal matters

4.5.1 Legal title to real property

Aheloy Commercial has legal ownership to the underlying commercial areas of the Aheloy Residence Resort. This ownership was established by contribution in kind of assets as the share capital of Aheloy Commercial at its incorporation. The ownership of the assets are evidenced by filing and registered of the articles of association of Aheloy Commercial, registered with Bulgaria's Commercial Register. The real estate assets are confirmed owned by Aheloy Commercial by documents received from the Pomorie real estate register.

Individual section numbers for each commercial unit, so called "Cadastral" numbers (similar to the Norwegian "*matrikkelnummer*") have been issued, except for those units located in building K. Cadastral numbers for the K units may be issued when the K building has been completed to a rough construction stage. Due to inconsistencies in the local property registers, new official certificates should be obtained for each unit, including the K units, in order to avoid potential intrusive charges on the units from other third parties.

4.5.2 Ongoing legal disputes

There are currently three ongoing legal disputes concerning the Aheloy Residence Resort and companies with interests in the resort.

Commercial case no. 90/2014 of Smolyan District court
The Bulgarian company Zlatarsko EOOD has sued several companies with interests, including EPO Aheloy, in the Aheloy Residence Resort. The plaintiff, Zlatarsko EOOD, claims that a transfer of receivables under a loan agreement from EPO Aheloy to a company called Revilo Trade EOOD is invalid. The Company has been informed that this case has been dismissed by the Plovdiv Court of Appeals and there has currently not been put forward any appeal of this decision to the Bulgarian Supreme court. Based on advice from Bulgarian legal counsel, the Board considers the legal risk under this lawsuit to be low and considers that it is unlikely that the transfer of the receivables will be deemed invalid.

Commercial case no. 228/2011 of Sofia District court (Insolvency of Aheloy Residence OOD)
An insolvency procedure against Aheloy Residence OOD was initiated by the Sofia District court in January 2015. Both EPO Aheloy and Dara Properties (as defined below) have receivables towards Aheloy Residence OOD. The receivables of EPO Aheloy are secured by first priority mortgages over

properties located in the Aheloy Residence Resort. The receivables of Dara Properties are not secured.

Under Bulgarian law, the assets of an insolvent debtor will usually be sold through a public auction. EPO Aheloy intends to purchase the remaining property units in the Aheloy Residence Resort, as described in Section 4.3 "Current status of Aheloy Residence Resort".

Dispute involving Aheloy Commercial
Aheloy Commercial is involved in a dispute with the Bulgarian company Zlatarsko OOD, where the latter has claimed payment of an amount of BGN 11,266,000 from Aheloy Commercial. The current status of the dispute is unclear. To our knowledge, the most recent development is that the case has been dismissed and that insolvency proceedings has been initiated in the plaintiff.
It is, however, our understanding that there is a risk that the claim could be re-introduced and the outcome of a new legal process in relation to the claim is uncertain.

5 PRESENTATION OF BLACK SEA PROPERTY AS

5.1 Black Sea Property AS

Black Sea Property AS is a Norwegian limited liability company organized under the Norwegian Private Limited Liability Companies Act (the "**NPLCA**"). The Company was incorporated on 19 January 2015 and registered in the Norwegian Register of Business Enterprises on 30 January 2015 with registration number 914 892 902. The registered business address of the Company is Filipstad 1, 0252 Oslo, Norway and the postal address of the Company is c/o Aker Brygge Business Centre, Fenix Securities, P.O Box 1433 Vika, 0115 Oslo.

The Company's business purpose is to own, manage and invest in real property, as well as related business. The business purpose of the Company is regulated in the Company's Articles of Association § 3. Black Sea Property is a holding company. The Company is currently only invested in the Aheloy Residence Resort project. For further information on the Company's plans for the investment in the Aheloy Residence Resort project, please refer to Section 4.4 "Plans for completion of the Aheloy Residence Resort".

5.2 Acquisition of shares and assets related to the Aheloy Residence Resort

In June and August 2015, the Company entered into two agreements to purchase shares, receivables and other assets from the Norwegian companies EPO and ABC. Please find below further information on the transactions entered into with EPO and ABC.

5.2.1 EPO Transaction

On 8 June 2015, the Company entered into an agreement with EPO to purchase the following assets owned by EPO:

(i) 100% of the shares in the Bulgarian private limited liability company EPO Bulgaria EOOD ("**EPO Bulgaria**");

(ii) the indirect acquisition of 50% of the shares in the Bulgarian private limited liability company EPO Aheloy (through the acquisition of all shares in EPO Bulgaria – EPO Bulgaria is a shareholder in EPO Aheloy);

(iii) the indirect acquisition of shares in the Bulgarian private limited liability company Dara Properties EOOD ("**Dara Properties**") (through the acquisition of shares in EPO Aheloy – EPO Aheloy is the sole shareholder in Dara Properties); and

(iv) all receivables EPO has towards EPO Bulgaria related to loans provided by EPO to EPO Bulgaria.

The purchase price for the abovementioned assets was EUR 2,500,000, which shall be settled through a seller credit. The seller credit does not carry any interest and shall be repaid by Black Sea Property in a number of instalments as soon as Black Sea Property has a satisfactory financial status as evidenced by the Company's annual accounts and free liquidity after due fulfillment of the obligations of the Group companies (save for obligations which are serviced through the operations of the Group companies).

For financial information regarding EPO Bulgaria, please refer to Appendix 4.

The Company's purchase of shares and receivables from EPO has been consummated with binding power for all parties and the Company has been registered as the sole shareholder of EPO Bulgaria in the Bulgarian company register.

5.2.2 ABC Transaction

In August 2015, the Company entered into an agreement with ABC to purchase the following assets owned by ABC:

(i) 50% of the shares in the Bulgarian joint stock company Garby AD ("**Garby**");

(ii) approximately 48% of the shares in Aheloy Commercial;

(iii) the indirect acquisition of 25% of the shares in EPO Aheloy (through the acquisition of 50% of the shares in Garby – Garby is a shareholder in EPO Aheloy);

(iv) the indirect acquisition of shares in the Bulgarian private limited liability company Aheloy Beach Management OOD ("**Aheloy Beach Management**") (through the acquisition of shares in Aheloy Commercial – Aheloy Commercial is a shareholder in Aheloy Beach Management;

(v) all receivables ABC has towards each of Garby, EPO Aheloy and Aheloy Commercial related to loans provided by ABC to Garby, EPO Aheloy and Aheloy Commercial; and

(vi) the remaining assets owned by ABC (save for cash and cash equivalents).

The purchase price for the abovementioned assets was EUR 1,500,000, which shall be settled through a seller credit. The seller credit does not carry any interest and shall be repaid by Black Sea Property in a number of instalments as soon as Black Sea Property has a satisfactory financial status, as evidenced by the Company's annual accounts and free liquidity after due fulfillment of the obligations of the Group companies (save for obligations which are serviced through the operations of the Group companies). To the extent the Company pays an instalment on the seller credit under the EPO transaction, the same pro rata instalment shall be made simultaneously on the seller credit in the ABC transaction. Until the Company has settled the seller credit under the ABC transaction, the Company shall not enter into agreements or make decisions that are reducing the value of the seller credit unless such agreements or decisions are deemed necessary for maintaining the value of the Company's assets.

For financial information regarding Garby and Aheloy Commercial, please refer to Appendix 4.

The Company's purchase of shares in Garby has been consummated and the Company has been registered as owner of the shares in the shareholder register of Garby.

The transfer of shares in and receivables towards Aheloy Commercial from ABC has not yet been consummated. A process for consummating such transfers has been initiated, and are led by the Company's Bulgarian legal counsel. The Company is not aware of any circumstances which may make it impossible to complete the transfer of shares and loans mentioned above.

5.2.3 Rationale for the transactions

The main reasons for acquiring the abovementioned assets from EPO and ABC, and the implied organizational restructuring, were:

(i) To unite the efforts of the two Norwegian initiatives (EPO and ABC) in the Aheloy Residence Resort and to exploit the assets and knowledge of EPO and ABC;

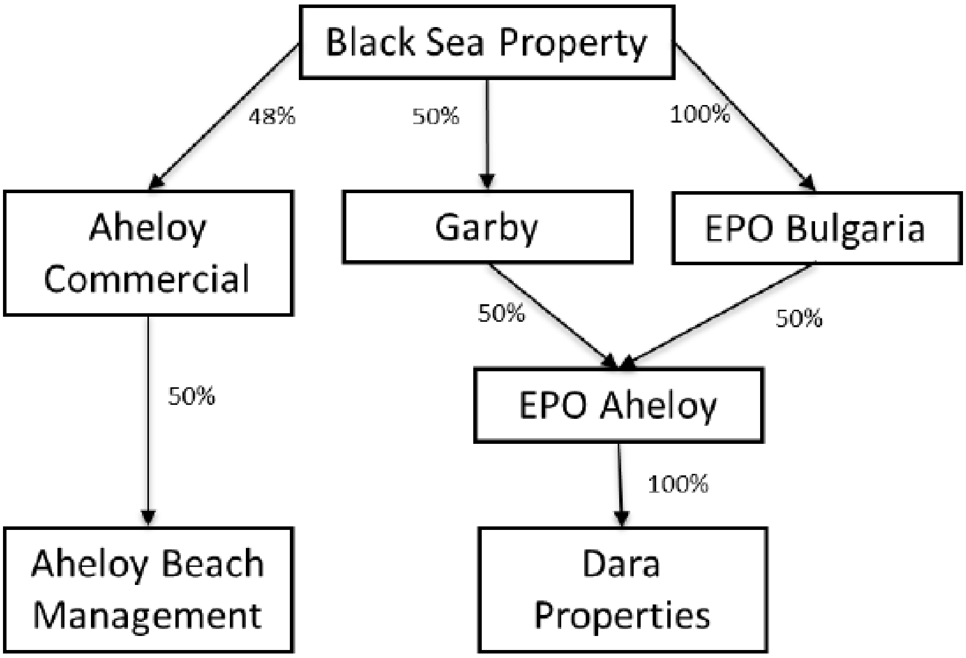
(ii) To save and protect the investments already made in the Aheloy Residence Resort;

(iii) Invest in the actual values of the project; and

(iv) To reorganize the ownership to a more straightforward and open structure, which will provide investors greater insight in their investment.

5.3 Corporate structure

The figure below illustrates the organizational structure of the Company and the main companies where it is a shareholder (the "**Group**") following completion of all transactions with ABC and EPO:



5.4 The Shares, share capital and changes in share capital

5.4.1 Shareholder structure and share issue prior to admission

As of the date of this Admission Document, the Company's share capital is NOK 275,985 divided into 27,598,500 Shares with each Share having a nominal value of NOK 0.01. All the Shares have been created under the NPLCA, and are validly issued and fully paid. The company has one class of shares, and the Shares are registered in book-entry form with VPS under ISIN NO 001 0755101. The Company's register of shareholders in VPS is administrated by Danske Bank, Søndre Gate 13-15, NO 7466, Norway.

Prior to the Admission the company strengthened its working capital and raised additional equity by private placements towards share- and unitholders of Aheloy Beach Commercial AS and EPO Invest KS (completed in November 2015) and a rights issue towards existing shareholders (to be completed in January 2016).

The Company's Shares are freely transferable according to Norwegian law and the Company's Articles of Association. There are no voting restrictions in the Company. The Articles of Association of the Company does not contain any provisions restricting foreign ownership of Shares.

5.4.2 Board authorization to issue Shares

On 8 December 2015, the General Meeting granted the Board an authorisation to increase the share capital of the Company with up to NOK 24,015 through issuance of up to 2,401,500 new Shares, each with a par value of NOK 0.01. The authorisation will be utilised to issue up to 2,401,500 new Shares in a rights issue towards existing shareholders, provided that the minimum number of Shares (1,800,000 Shares) in such rights issue is subscribed.

5.4.3 Development of share capital

The table below shows the development in the Company's share capital for the period from 19 January 2015 to the date herof:

Date of resolution	Type of change	Change in share capital (NOK)	Nominal value (NOK)	New number of shares	New share capital (NOK)
19 January 2015	Incorporation	30,000	1	30,000	30,000
14 September 2015	Private placements	245,985	1	275,985	275,985
8 December 2015	Share split	0	0,01	27,598,500	No change (275,985)

5.5 Board of directors and management

5.5.1 Board of Directors

The Company's Articles of Association provide that the number of directors shall be between one and seven members, as decided by the general meeting. At the general meeting of shareholders, the Board members are elected to serve for a term of two years from the time of election. There are currently seven (7) Board members including the chairman.

The Company does not have an audit committee or a remuneration committee.

Håvard Lindstrøm, Chairman
Mr. Lindstrøm has served as Chairman of the Board in BSP since June 2015. He has substantial management-experience within sales/distribution from the financial industry, experience from being Chairman and Board member in start-ups and other non-listed companies and founded and co-founded several companies. He has prevously been director/partner at Orkla Finans ASA, Warren AS, Union Capital AS and Front Securities AS. His directorships over the last five years include current board positions in BSP (chairman), Fenix Securities AS (chairman), Firmitas Invest AS (board member) and OBSIDO SOCIMI S.A. (board member). Mr. Lindstrøm has a Master in Marketing from the Norwegian School of Management (Handelshøyskolen BI) in 1999 and a university degree from the University of Nordland in 1995. Mr. Lindstrøm was born in 1969, is a Norwegian citizen and maintains a business address at Aker Brygge Business Centre REGUS 2nd floor, Filipstad Brygge 1, 0252 Oslo, Norway.

Erik Sture Larre, Board member
Mr. Larre has served as a member of the Board in BSP since November 2015. He has been self-employed since 1994, and has extensive experience from positions as Chairman and Board member of companies within the real estate and energy sector in Norway and internationally. His directorships over the last five years include current positions in BSP (board member), Ehg eiendomsinvest AS (chairman), Mida Finans AS (chairman), Prime Property Kroatia 2 AS (chairman), Sorgenfrigaten 35 AS (chairman) and German Property AS (board member). Mr. Larre has a Master in Mechanical and Civil Engineering from the Polytechnic University of Milan in 1994. Mr. Larre was born in 1962, is a Norwegian citizen and maintains a business address at Gabels gate 41, 0262 Oslo, Norway.

Nils Tore Nilsen, Board member
Mr. Nilsen has served as a member of the Board in BSP since November 2015. He has been self-employeed since 1995, and has broad experience from investments in the real estate sector. His directorships over the last five years include current positions in BSP (board member) and EPO Invest AS (board member). Mr. Nilsen graduated from the Officer School, Norway War Academy, Norway Army Staff College. Mr. Larre was born in 1941, is a Norwegian citizen and maintains a business address at Ødegårdslia 15, 1684 Vesterøy, Norway.

Egil Melkevik, Board member
Mr. Melkevik has served as a member of the Board in BSP since November 2015. He has more than 28 years experience as being owner and employeer from Norwegian businesses, including having the responsibility of leadership and compliance in various financial institutions. Today, Mr. Melkevik

is the Head of HR and Supply Chain Manager in Imenco Bauer Hydraulics. His directorships over the last five years include current positions in BSP (board member), Aheloy Beach Commercial AS (chairman), Dyno eiendom ANS (chairman), Erm Finans AS (chairman), MTB Invest AS (chairman) and Realkapital European Opportunity Invest AS (board member). Mr. Melkevik has a Master of Science in economics and Business Administration from the University of Agder in 1993. Mr. Melkevik was born in 1966, is a Norwegian citizen and maintains a business address at Sveivamyrvegen 38, 5542 Karmsund, Norway.

Kåre Rødningen, Board Member
Mr. Rødningen has served as a member of the Board in BSP since November 2015. He has been self-employeed since 2001, and has experience from financial investments. His directorships over the last five years include current positions in BSP (board member) and Rødningen Invest AS (chairman). Mr. Rødningen was born in 1967, is a Norwegian citizen and maintains a business address at Dyrefaret 17, 1615 Fredrikstad, Norway.

Hans Fredrik Gulseth, Board member
Mr. Gulseth has served as a member of the Board in BSP since June 2015. He has substantial experience from managing, developing and investing in the real estate markets. He has previously been director at Storebrand Eiendom and project leader at Nils-Nilsen, Berntsen og Boe AS and Ragnar Evensen AS. Since 2012 he has been self-employeed in Christinedal AS. His directorships over the last five years include current board positions in BSP (chairman), Cava Eiendom DA (chairman), Kampen AS (chairman), Aheloy Beach Commercial AS (board member) and Ekornrud Eiendom AS (board member). Mr. Gulseth has a Master of Science in Civil Engineering from the Norwegian University of Science and Technology. Mr. Gulseth was born in 1946, is a Norwegian citizen and maintains a business address at Olav Vs 1, 0161 Oslo, Norway.

Morten Westergren, Board member
Mr. Westergren has served as a member of the Board in BSP since November 2015. Mr. Westergren has broad experience from the retail and trade sector, and currently holds the position as Retail and Trade Manager with Rema 1000. His directorships over the last five years include current positions in BSP (board member) and EPO Invest AS (board member). Mr. Westergren graduated from the Norwegian Retail and Trade Academy. Mr. Westergren was born in 1967, is a Norwegian citizen and maintains a business address at Trokåsa 35, 3737 Skien, Norway.

5.5.2 Management

Torbjørn Myhre, CEO
Mr. Myhre became Chief Executive Officer of BSP in 2015. Mr. Myhre is currently partner and founder of Fenix Securities AS . He has more than 20 years of professional experience from the financial services industry. He has previously been partner/Head of Sales at Edge Capital Group, Forvaltningshuset AS, Glitnir Securities AS, Soria Moria Forvaltning AS, ACTA and Norse Securities AS. Mr. Myhre has a Master of Science in Economics and Business Administration from the Norwegian School of Management (Handelshøyskolen BI) in 1995. Mr. Myhre was born in 1970, is a Norwegian citizen and maintains a business address at Aker Brygge Business Centre REGUS Andre etasje, Filipstad Brygge 1, 0252 Oslo, Norway.

5.6 Offences or other incidents

Mr. Melkevik held the position as chairman in Glitnir Privatøkonomi ASA, Bauer Hydraulics AS and Bauer Hydraulics Motors AS during the period they were declared bankrupt. The bankruptcy proceedings in all three companies concluded that there were not committed any criminal offences, and there were no material reasons for disqualification or made any contestable arrangements.

Except for the situations above, none of the members of the Board or management have for the last five years been subject to convictions in relation to fraudulent offences or been involved in any bankruptcies, receiverships or liquidations. Neither of the members of the Board or management has been involved with any public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor has any of them been disqualified by a court from acting as a member of the administrative management or supervisory body of a company or from acting in the management or conduct the affairs of a company for the last five years.

5.7 Employees

As of the date of this Admission Document, the only employee of the Company is the CEO, Torbjørn Myhre. Mr. Myhre currently functions as the Company's CEO, but the terms of his employment has not yet been concluded. The employment terms of Mr. Myhre will be concluded during the first half of 2016.

As of the date of this Admission Document, the Company does not have any programs for acquisition of shares by employees nor a share option program.

5.8 Shareholdings, subscription rights, options and/or warrants owned by members of the Board and management

Name and position	Number of shares	Number of options	Number of subscription rights	Number of warrants
Torbjørn Myhre, CEO[3]	1, 500,000	0	0	0
Håvard Lindstrøm, Chairman[4]	1,500,000	0	0	0
Erik Sture Larre , Board member[5]	3,606,400	0	0	0
Nils Tore Nilsen, Board member[6]	2,524,400	0	0	0
Kåre Rødningen, Board member[7]	72,100	0	0	0
Hans Fredrik Gulseth, Board member[8]	1,442,500	0	0	0
Morten Westergren, Board member[9]	72,100	0	0	0
Egil Redse Melkevik, Board member[10]	360,600	0	0	0

5.9 Major shareholders

Shareholder	Number of Shares	Ownership in percent
Tonsenhagen Forretningssentrum 2 AS[11]	3,606,400	13.07%
Total Management AS[12]	2,524,400	9.15%
Håvard Lindstrøm AS[13]	1,500,000	5.44%
Sace Holding AS[14]	1,500,000	5,44%
Christinedal AS[15]	1,442,500	5.23%

To the extent known to the Company, there are no persons or entities who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

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3 Owned through Sace Holding AS
4 Owned through Håvard Lindstrøm AS
5 Owned through Tonsenhagen Forretningssentrum 2 AS
6 Owned through Total Management AS
7 Owned through Rødningen Invest AS
8 Owned through Christinedal AS
9 Owned through MW Earth Holding AS
10 Owned through MTB Invest AS
11 A company controlled by board member Erik Sture Larre
12 A company controlled by board member Nils Tore Nilsen
13 A company controlled by chairman Håvard Lindstrøm
14 A company controlled by CEO Torbjørn Myhre
15 A company in which board member Hans Fredrik Gulseth is a shareholder

5.10 Remuneration and benefits to the board of directors and management upon termination of employment

None of the Members of the Board or the management service or employment contracts provide for benefits or severance payments upon termination of employment.

5.11 Corporate Governance

The Company does not comply with the Norwegian Code of Practice for Corporate Governance.

5.12 Compulsory acquisition

Pursuant to the NPLCA, a shareholder who, directly or through subsidiaries, acquires shares representing more than 90 % of the total number of issued shares in a Norwegian private limited liability company, as well as more than 90 % of the total voting rights, has a right to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline (which may not be less than two months).

6 MARKET OVERVIEW

The information set out in this Section has been sourced from a valuation report prepared in June 2015 by Forton Cushman & Wakefield on behalf of EPO Aheloy.

A copy of the valuation report from Forton Cushman & Wakefield has been included as Appendix 1 to this Admission Document.

6.1 Macroeconomic overview of the Bulgarian economy

Bulgaria is located at the eastern border of the European Union and on five major transport corridors. Bulgaria is centrally located on the Balkan peninsula and has direct access to all major markets within the region. Bulgaria borders Turkey to the southeast, Greece to the south and Serbia and Macedonia to the west. To east lies the Black Sea.

Bulgaria benefits from a close to EUR 10 billion EU subsidies and financing under operational programs and structural funds aimed at policies that will upgrade the infrastructure and foster, employment, economic and regional development up until 2020.

The Bulgarian economy experienced a recession in 2009 during the Financial Crisis, but the economy is now growing once again and the economic recovery in Bulgaria is expected to firm up in the second half of 2015 and in 2016 as domestic demand is likely to strengthen. However, the Bulgarian economy still continues to operate well below its potential.

Real GDP growth in Bulgaria is expected to moderate from 1.7% in 2014 to 1.0% in 2015, before slightly picking up to 1.3% in 2016. An expected slowdown in public investment and continued weak private investment is likely to weigh on the growth outlook. Inflation is projected to remain negative well into 2015, but to turn positive towards the end of the year. After reaching 2.8% of GDP in 2014, the general government deficit is set to remain at 2.9% of GDP in both 2015 and 2016.

After a deflationary period in 2014, inflation is projected to gradually pick up in H2 2015. Fuel price declines have added to the deflationary pressures due to the weakness of food and energy prices over the last months. As a result the 12-month rolling inflation rate has remained on negative territory for more than a year.

GDP growth is projected to broaden and increase gradually with 1.8% in 2015, as domestic demand is forecasted to recover. This translates into a more favorable picture for the real estate sector that predominantly serves the needs of the domestic economy.

Growth is likely to stay below-trend in the short term due to low growth prospects for exports in the coming quarters. Indeed, ongoing uncertainty about Greece's future in the Eurozone, although mitigated in recent bailout negotiations, will continue to place pressure on Bulgaria's exports given close trade and financial links between the countries. In addition, demand from Russia and Ukraine remains depressed. Weaker exports are expected to have a knock-on effect on investment, with Bulgarian firms likely to rein in spending due to lower demand, despite low interest rates and the boost to corporate profits from lower energy prices. Rising real incomes should ensure positive consumer spending growth in 2015 and 2016. Overall GDP is projected to expand by 1.8% and accelerate to 2.2% in 2016 as demand from the Eurozone rebounds.

Please find below an overview of certain key indicators for the Bulgarian economy:

Bulgarian Economy								
AVERAGE INDEPENDENT FORCASTS								
	Current Prices		Annual Change					
	BGN b	%	2016F	2015F	2014F	2013	2012	2011
Real GDP	80.3	100.0%	1.3%	1.0%	1.7%	1.1%	0.5%	2.0%
Composition								
Private consumption	50.2	62.6%	1.5%	1.0%	2.0%	-2.3%	3.9%	1.8%
Public consumption	13.3	16.5%	1.1%	0.1%	3.8%	2.8%	-1.0%	1.8%
Gross fixed capital formation	17.1	21.3%	-2.9%	-1.7%	2.8%	-0.1%	4.2%	-6.6%
Exports	54.9	68.4%	4.0%	3.1%	2.2%	9.2%	0.1%	12.3%
Imports	55.4	69.0%	3.0%	2.0%	3.8%	4.9%	4.5%	8.5%

Key Economic Indicators	2016F	2015F	2014F	2013	2012	2011
Unemployment Rate	9.8%	10.4%	11.4%	13.0%	12.3%	11.3%
CPI	1.0%	-0.5%	-1.6%	0.4%	2.4%	3.4%
Current Account (% of GDP)	1.2%	1.3%	0.9%	1.6%	-1.2%	0.9%
Budget Balance (% of GDP)	-2.9%	-2.9%	-2.8%	-0.9%	-0.7%	-2.0%
Government Debt (% of GDP)	31.2%	29.8%	27.6%	18.3%	18.0%	15.7%
BGN / EUR	1.96	1.96	1.96	1.96	1.96	1.96
BGN / USD	1.84	1.77	1.47	1.47	1.52	1.48
Interest Rates (10 year)	3.5	2.8	3.0	3.4	3.4	5.8

Source: EC, Eurostat http://ec.europa.eu/economy_finance/publications/european_economy/2015/pdf/ee2_en.pdf

6.2 The Bulgarian tourism market

The Bulgarian economy relies heavily on the Travel & Tourism sector.

The direct contribution of the Travel & Tourism sector to GDP was BGN 3,051 million (3.7% of total GDP) in 2014, and is forecasted to rise by 2.0% in 2015, and to rise by 4.2% per annum, from 2015-2025, to BGN 4,710 million in 2025 (in constant 2014 prices). The total (direct and indirect) contribution of Travel & Tourism to GDP was BGN 10,729 million (13.1% of GDP) in 2014.

In 2014, Travel & Tourism directly supported 103,000 jobs (3.4% of total employment). This is expected to rise by 4.3% in 2015. Including jobs indirectly supported by the industry, the number was 12.2% of total employment (corresponding to 362,000 jobs). Travel & Tourism capital investment in 2014 was BGN 1,076 million, or 6.1% of total investments. It should rise by 9.6% in 2015, and rise by 4.0% per annum over the next ten years to BGN1,750 million in 2025.

A total of 6.9 million foreign tourists visited Bulgaria in 2014, which is 5.4% higher compared to 2013. For the summer months (June, July and August) in 2014, a growth of 5.1% growth in the number of foreign tourist visiting Bulgaria was registered compared to the same period in 2013. On average there are at least 80 charter flights arriving daily during the high season at Burgas and Varna airports.

6.3 The Bulgarian real estate market

For the first time since 2008, the Bulgarian real estate market has seen a simultaneous increase in all key indicators of the property market – number of sales, property prices, number of mortgages granted and activity in the construction sector with more issued building permits and started new buildings. As a result, both buyers and sellers now agree that the market is in an upward trend. The investment interest towards Sofia has increased and a large number of people from around the country are now investing in properties in the capital seeing it as a stable market with good prospects for growth and return on investment. These buyers currently account for approximately 15% of the total buyers in the capital. The average price of the sold apartments in Sofia in Q2 of 2015 was EUR 780 per square meters, compared to EUR 771 per square meters for Q1 of 2015 and EUR 735 per square meters for Q2 of 2014. Accordingly, the increase in property prices in Sofia amounts to 6% on yearly basis and 1 % on a quarterly basis.

The second quarter of the year was positive for the holiday properties in Bulgaria, with a serious progress in Bansko where after a prolonged decline in prices the market is now stable and recovering. After the negative trends and outflow of the Russian buyers at the beginning of the year, in recent months a partial return of Russian buyers has been noted, along with an increased demand from Brits and a wide variety of other nationalities interested in properties in Bulgaria.

In the second quarter of 2015, the properties situated in and around Varna and the Northern Black Sea Coast kept the interest of the buyers. In recent months the property deals have increased and the average price of apartments in Varna is similar to that in Sofia – EUR 800 per square meter. Brits, who traditionally like the area of Varna, prefer the resorts around Varna. They buy apartments in Golden Sands and other resorts in the region, as well as rural properties around Varna. The average price of properties in Q2 has been around EUR 40,000.

Property sales in Burgas and the Southern Black Sea Coast decreased in Q2 2015 with 30% on a yearly basis due to the withdrawal of the Russian buyers who were the main buyers there. The average price of sold apartments according to consensus data is EUR 600 per square meters, which is close to the prices from 2014.

The asking prices in the largest seaside resort in Bulgaria kept their levels after a decline of 10% in the first months of the year. The property market in Sunny Beach is now stable and it is currently recovering in the active summer season. The buyers are currently Russians, Ukrainians, British, Bulgarians and others. The properties in Burgas are in high demand and Sarafovo district attracts quite a lot of interest lately. The average price of apartments in Burgas is EUR 785 per square meter. Other areas on the Southern Coast that attract buyers' interest are the ancient town of Sozopol and the modern and upcoming resort of Lozenets.

The YTD data shows that there is an interesting variety of buyers on the Bulgarian property market. Russians, who dominated until last year, have decreased by 60% in H1 due to the crisis, the weakening of the Russian currency and the imposed sanctions in the country. However, it should be noted that in the last 2-3 months there is a growing demand and a partial return of the Russian buyers. At the same time, the strong British pound has led to the recovery of the interest of the British buyers towards overseas properties, including Bulgaria. The inquiries from Brits have increased by 30%, and the property sales to Brits increased with 60%. In general, in the past few months the number of buyers from other countries (other than Russia and the UK) increased as a share. This is an indication that the international interest in Bulgarian properties is stable. Properties were sold to buyers from France, Belgium, Germany, the Netherlands, Latvia, Czech Republic, Israel, Greece and other countries, including some to the US and Canada.

7 FINANCIAL INFORMATION

7.1 Historical financial information

As Black Sea Property AS was incorporated in January 2015, the Company has not yet prepared any annual accounts. Please refer to Section 7.2 "Audited semi-annual report" as of 30 June 2015.

7.2 Audited semi-annual report

Please find below an income statement and statement of financial position for the period starting on 19 January 2015 and ending on 30 June 2015. The full report, including the directors' and auditors' report are enclosed to this Admission Document as Appendix 3.

7.2.1 Statement of income

The table below sets out selected data from the Company's audited income statement for the period 19 January 2015 – 30 June 2015 (all numbers in NOK).

	19.01 – 30.06 2015
Operating income and operating expenses	
Other operating expenses	278,566
Sum operating expenses	-278,566
Operating profit	-278,566
Financial income and expenses	n/a
Operating result before tax	-278,566
Ordinary result	**-278,566**
Result for the period	**-278,566**

7.2.2 Statement of financial position

The table below sets out selected date from the Company's audited balance sheet for the period 19 January 2015 – 30 June 2015 (all numbers in NOK).

	19.01 – 30.06 2015
Assets	
Current assets	
Cash and cash equivalents	30,000
Sum current assets	**30,000**
Sum assets	**30,000**
Equity and debt	

Paid-up capital	
Share capital	30,000
Sum paid-up capital	**30,000**
Retained earnings	
Unappropriated deficit	-278,566
Sum retained earnings	**-278,566**
Sum equity	**-248,566**
Debt	
Short term debt	
Other short term debt	278,566
Sum short term debt	**278,566**
Sum debt	**278,566**
Sum equity and debt	**30,000**

7.3 Transactions with related parties

The Company has entered into a consultancy agreement with Fenix Securities AS. Chairman Håvard Lindstrøm and CEO Torbjørn Myhre jointly owns more than 50% of the shares in Fenix Securities AS.

Under the consultancy agreement, Fenix Securities AS shall coordinate and follow-up on the Company's investment in the Aheloy Residence Resort, and other services related to the Aheloy Residence Resort project. The services under the consultancy agreement shall be rendered by either Torbjørn Myhre, Håvard Lindstrøm or George Angelov.

Torbjørn Myhre has also previously been engaged in the Aheloy Residence Resort project and has extensive knowledge of the project. George Angelov will follow up the project on matters in Bulgaria. Angelov resides in Bulgaria and also has extensive knowledge of the project.

Under the consultancy agreement, Fenix Securities AS receives a monthly fee of EUR 10,000. The main terms of the consultancy agreement were included as an appendix to the prospectus with respect to the private placements resolved by the General Meeting in September 2015.

7.4 Working capital statement

The Company is of the opinion that its working capital is sufficient to cover the Group's present requirements for the 12-month period following the date of this Admission Document.

7.5 Other financial content requirements

The Company's auditor is Revisjonsfirmaet Flattum & CO AS (registration number 894 934 352). Revisjonsfirmaet Flattum & CO AS has been the Company's auditor since December 2015. The auditor is a member of the Norwegian Institute of Public Accountants.

The semi-annual report, cf. section 7.2 "Audited semi-annual report", has been audited by Revisjonsfirmaet Flattum & CO AS.

7.6 Debt and loan situation within the Group

The Group companies have entered into several loan agreements. Please find below an overview of the main terms of certain material loan agreements involving the Group companies that the Board is aware of:

Debtor:	EPO Aheloy
Creditor:	UniCredit Bulbank AD
Principal amount:	The initial principal amount was EUR 10 million. The current principal amount is EUR 8.5 million.
Purpose of loan:	To purchase the receivables UniCredit Bulbank AD had toward Aheloy Residence EOOD.
Repayment profile:	EUR 1 million to be paid within 25 December 2015 and EUR 1 million to be paid within 25 December 2016. The remainder of the principal amount to be repaid within 28 May 2018.
Interest rate:	3-month EURIBOR plus a margin of 3.5%. Accrued interest payable each 25 June and 25 December until final payment on 25 May 2015.
Final Maturity Date:	28 May 2018

Securities	This loan is secured by both mortgages and pledges, as set out below: <u>Mortgages:</u> (i) First rank contractual mortgage over real estates with an area of 49,601 square meter, owned by Sunset Resort Commercial AD in the city of Pomorie; (ii) Contractual mortgage over real estates in a residential building in the city of Pomorie, owned by Sunset Resort Commercial AD; (iii) First rank contractual mortgage over real estates with a built-up area of 2,460.26 square meter and total built-up are of 13,215 square meter in the village of Aheloy, owned by Dara Properties; (iv) First rank contractual mortgage over real estates with built-up area of 20,172 square meter in the village of Bistritsa, owned by Sofia Hills Residential EOOD; (v) Contractual mortgage over real estates with total area of 23,034 square meter in the city of Sofia, owned by Ring Road Development OOD; and (vi) First rank contractual mortgage over real estates in the village of Aheloy. <u>Pledges:</u> (i) First rank pledge over the enterprise of EPO Aheloy; (ii) First rank pledge over the receivables in the amount of EUR 1.8 million, frozen in an account in the name of EPO Aheloy; (iii) Pledge over all current and future receivables of EPO Aheloy, Dara Properties and Sunset Resort Commercial AD and all of the mentioned companies' accounts in UniCredit Bulbank AD.
Other issues	EPO Aheloy has committed to either invest EUR 2 million in the construction works on the Aheloy Residence Resort within 2016 or keep an amount of EUR 1.8 million in an account with UniCredit Bulbank AD.

Debtor:	Aheloy Commercial
Creditor:	Garby
Principal amount:	EUR 1,074,051 and NOK 3,646,088
Purpose of loan:	Unknown
Repayment profile:	Unknown
Interest rate:	Unknown
Final Maturity Date:	Unknown

Security	N/A
Other issues	Garby has obtained the creditor position towards Aheloy Commercial through purchase of receivables from ABC.

Debtor:	Garby
Creditor:	The original creditor was ABC. The receivable has been transferred to the Company as part of the transaction with ABC. Please refer to section 5.2.2 "ABC Transaction" for further information.
Principal amount:	EUR 330,000
Purpose of loan:	Financing the business activities of Garby.
Repayment profile:	One bullet payment on the Final Maturity Date. However, Garby may repay the loan in part or in full at an earlier date than the Final Maturity Date with no penalties.
Interest rate:	0.1% per annum. Payable in one bullet payment at the Final Maturity Date.
Final Maturity Date:	3 December 2018
Security	N/A
Other issues	N/A

Debtor:	Garby
Creditor:	Doba 1 AD
Principal amount:	EUR 530,000
Purpose of loan:	Financing the business activities of Garby.
Repayment profile:	One bullet payment on the Final Maturity Date. However, Garby may repay the loan in part or in full at an earlier date than the Final Maturity Date with no penalties.
Interest rate:	0.1% per annum. Payable in one bullet payment at the Final Maturity Date.
Final Maturity Date:	3 December 2018
Security	N/A
Other issues	N/A

Debtor:	EPO Aheloy
Creditor:	EPO Bulgaria
Principal amount:	EUR 2.83 million
Purpose of loan:	Financing the business activities of EPO Aheloy.
Repayment profile:	One bullet payment on the Final Maturity Date. However, EPO Bulgaria may repay the loan in part or in full at an earlier date than the Final Maturity Date with no penalties.
Interest rate:	0.1% per annum. Payable in one bullet payment at the Final Maturity Date.

Final Maturity Date:	3 December 2018
Security	N/A
Other issues	N/A

Debtor:	EPO Aheloy
Creditor:	Doba 1 AD
Principal amount:	EUR 1.5 million
Purpose of loan:	Financing the business activities of EPO Aheloy.
Repayment profile:	One bullet payment on the Final Maturity Date. However, EPO Aheloy may repay the loan in part or in full at an earlier date than the Final Maturity Date with no penalties.
Interest rate:	0.1% per annum. Payable in one bullet payment at the Final Maturity Date.
Final Maturity Date:	3 December 2018
Security	N/A
Other issues	N/A

8 DIVIDEND POLICY

The Company's objective is to provide its shareholders with a competitive return over time based on its earnings. Any dividend will be considered in conjunction with the Company's financial position and capital requirements for existing and new projects. The Company has not paid any dividends since its incorporation.

9 TAXATION

9.1 Taxation of the Company

In general, a company resident for tax purposes in Norway is subject to Norwegian tax on its global income, i.e. also income that derives from sources abroad. The general corporate tax rate is 27%. A Norwegian company is however not subject to taxation of income acquired by a subsidiary.

The Company will be, as a main rule, subject to taxation of dividends distributed from a subsidiary. Such distributions might be exempted from tax according to the rules in the Norwegian Tax Act section 2-38 (the tax exemption method) if the conditions set out there are fulfilled.

Being an incorporated shareholder, and Aheloy Commercial, Garby and EPO Bulgaria being resident for tax purposed in Bulgaria (which is a member of the EU), and assuming that Aheloy Commercial, Garby and EPO Bulgaria are limited liability companies corresponding to a Norwegian AS/ASA and is factually established and operating bona fide business activity in Bulgaria, the Company will be liable for tax of 3% for dividends received on the shares in the aforementioned companies, cf. the Norwegian Tax Act section 2-38 subsection 6. Capital gains on the same shares are not taxable according to this rule. Losses upon the realization and costs incurred in connection with the acquisition and realization of such shares are not deductible for tax purposes.

There are no withholding tax for dividends paid from Bulgarian companies to shareholders in other European countries.

9.2 Taxation of Norwegian shareholders

9.2.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("Norwegian Personal Shareholders") from a limited liability company tax-resident in Norway are taxable as ordinary income for such shareholders at a flat rate of 27% to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (*Nw. "statskasseveksler"*) with three months maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share (excess allowance) may be carried forward and set off against future dividends received on, or gains upon realization, of the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share the following years.

Norwegian Corporate Shareholders

Dividends received by shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholders") are included in the calculation of the shareholders' net income from shares qualifying for participation exemption, including dividends received from the Company. Only 3% of net income from shares qualifying for participation exemption shall be included in the calculation of ordinary income. Ordinary income is subject to tax at a flat rate of 27%, implying that net income from shares is effectively taxed at a rate of 0.81%.

9.2.2 Capital gains tax

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares in the Company is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 27%. The gain is subject to tax and the loss is tax-deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance, provided that such allowance has not already been used to reduce taxable dividend income. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in, first-out basis.

Norwegian Corporate Shareholders

Capital gains derived from the realization of shares qualifying for participation exemption are exempted from taxation, i.e capital gains on such shares will be fully exempt from Norwegian taxation. Losses incurred upon realisation of such shares are not deductible.

9.2.3 Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal wealth tax rate varies from 0.0% to 0.7% of the value assessed.

Norwegian Corporate Shareholders are not subject to wealth tax.

9.3 Taxation of foreign shareholders

This section summarises certain Norwegian tax rules relevant to shareholders that are not resident in Norway for Norwegian tax purposes ("Foreign Shareholders"). The potential tax liabilities for foreign shareholders in the jurisdiction where they are resident for tax purposes or other jurisdictions will depend on tax rules applicable in the relevant jurisdictions.

9.3.1 Taxation of dividends

Foreign Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("Foreign Personal Shareholders"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (see above).

If a Foreign Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Foreign Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Foreign Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the ability to effectively claim refunds of withholding tax.

Foreign Corporate Shareholders
Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("Foreign Corporate Shareholders"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Foreign Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

Foreign Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

9.3.2 Capital gains tax

As a general rule, capital gains generated by Foreign Shareholders are not taxable in Norway.

If a Foreign Shareholder is engaged in business activities in Norway, and the shares are effectively connected with such business activities, capital gains realised by such shareholder will generally be subject to the same taxation.

9.3.3 Net wealth tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Foreign Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

10 DEFINITION AND GLOSSARY OF TERMS

Term	Definition
ABC	Aheloy Beach Commercial AS, registration number 991 171 967.
Admission	The admission to trading on Merkur Market of the Shares
Admission Document	This Admission Document
Aheloy Beach Management	Aheloy Beach Management OOD, a Bulgarian limited liability company with registration number 200691559.
Aheloy Commercial	Aheloy Commercial AD, a Bulgarian limited liability company with registration number 147224223 and registered address 219 Kniaz Boris I Str., Pomorie 8200, district of Burgas, Bulgaria.
Black Sea Property	Black Sea Property AS, registration number 914 892 902 and registered address Filipstad Brygge 1, 0252 Oslo, Norway.
Board	The board of directors of the Company.
Company	Black Sea Property AS, registration number 914 892 902 and registered address Filipstad Brygge 1, 0252 Oslo, Norway .
Dara Properties	Dara Properties EOOD, a Bulgarian limited liability company with registration number 175241404 and registered address 219 Knqz Boris I Str., Sofia, Bulgaria.
EPO	EPO Invest KS, registration number 996 409 546 and registered address Seterveien 2C, 1162 Oslo, Norway.
EPO Aheloy	EPO Aheloy OOD, a Bulgarian limited liability company with registration number 201627285 and registered address 219 Knyaz Boris I Bld., No. 219; Pomorie 8200, Bulgaria.
EPO Bulgaria	EPO Bulgaria EOOD, a Bulgarian limited liability company with registration number 201302781 and registered address 24 Georg Washington Str., fl.3, office 6, Sofia 1202, Bulgaria.
EUR	Euro, the lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
Forward Looking Statements	Means statements relating to the Company's business and the sectors in which it operates. Forward Looking Statements include all statements that are not historical facts, and can be identified by words such as "anticipates", "believes", "expects", intends, "may", "projects", "should", or the negatives of these terms or similar expressions. Please refer to Section 3.1 "Forward looking statements" for further information.
Garby	Garby AD, a Bulgarian joint stock company with registration number EIK 202674327 and registered address 5, Han Pagan Str., Sofia 1680, Bulgaria.
Group	Means Black Sea Property and the companies where it is a shareholder.
Merkur Market	The multilateral trading facility operated by Oslo Børs ASA named Merkur Market
NOK	Norwegian kroner, the lawful currency of Norway
NPLCA	The Norwegian Private Limited Liability Companies Act (*Nw: aksjeloven*) of 13 June 1997 no. 44.

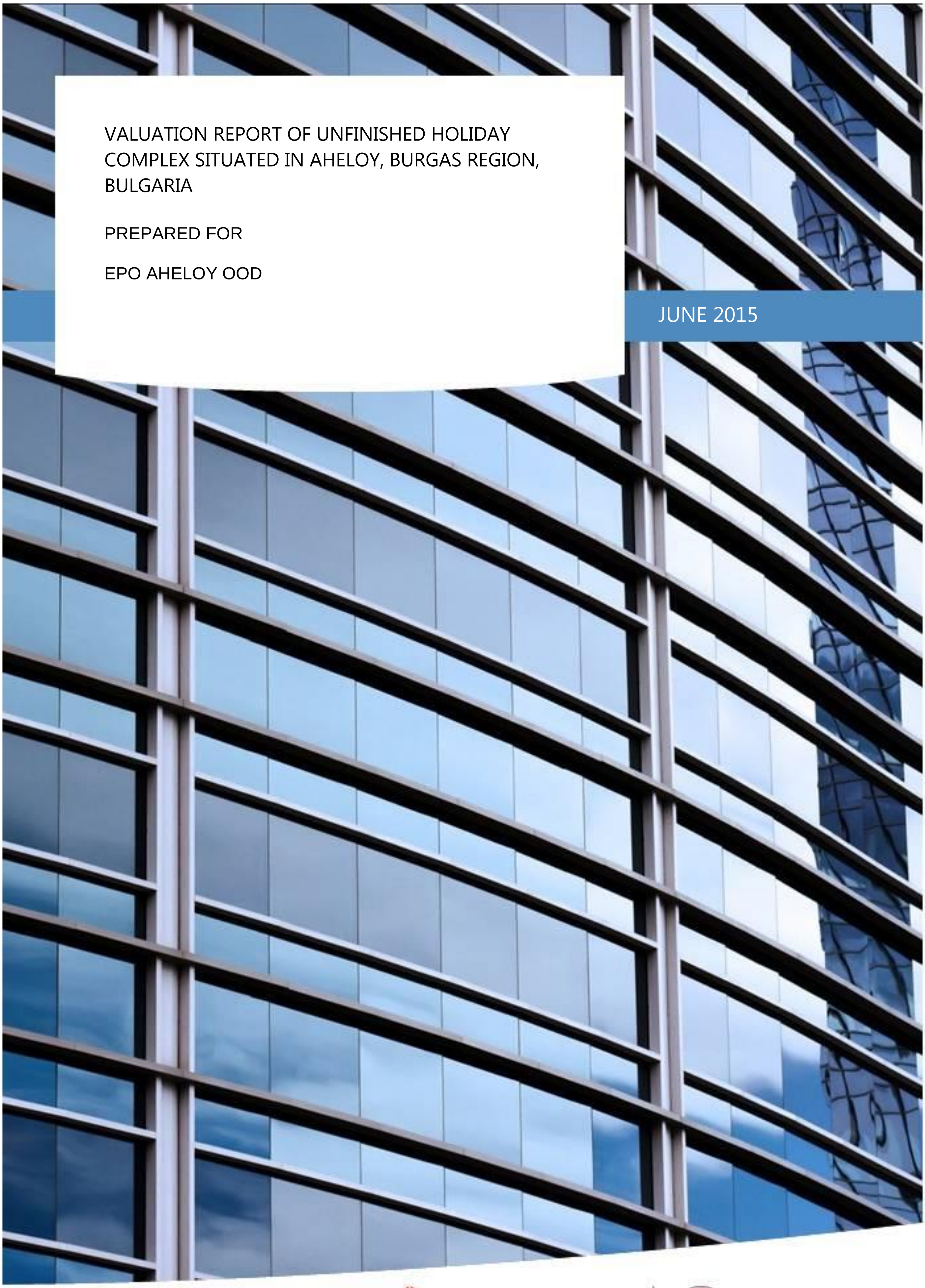
Oslo Børs	Oslo Børs ASA
Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2006 no. 75 (*Nw: verdipapirhandelloven*).
Securities Trading Regulation	The regulation of 29 June 2006 no. 876 to the Securities Trading Act (*Nw: verdipapirforskriften*).
Shares	"Shares" means the shares in the capital of Black Sea Property AS, each having a nominal value of NOK 0,01, and "Share" means any one of them.
VPS	Norwegian Central Securities Depository

VALUATION REPORT OF UNFINISHED HOLIDAY COMPLEX SITUATED IN AHELOY, BURGAS REGION, BULGARIA

PREPARED FOR

EPO AHELOY OOD

JUNE 2015



CUSHMAN & WAKEFIELD | FORTON

INDEPENDENTLY OWNED & OPERATED MEMBER OF THE CUSHMAN & WAKEFIELD ALLIANCE

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INTRODUCTION TO FORTON

Forton AD was established as a subsidiary of AG Capital and is specialized in providing commercial real estate services locally and internationally. In 2006 the company initiated its international expansion by opening an office in Belgrade, Serbia, and in 2008 - in Skopje, Macedonia, as the next step of its development.

Forton AD is an Alliance Partner of Cushman & Wakefield - the largest privately-held real estate advisory company. The latter not only allows the firm to handle client's requirements in over 60 countries, but it gives hands-on international experience, which adds value to the clients' project developments.

Forton AD provides a full range of comprehensive commercial property solutions. The consultants assist clients at every stage of the real estate process, representing them in the buying, selling, financing, leasing, managing and valuing of assets, and providing strategic planning and research, portfolio analysis, site selection and space planning, among other advisory services, tailored to the specific needs of each case we work on.

Investment Consulting - Our Investment team acts on behalf of clients who require investment related services in the office, industrial, retail, and hotel markets throughout the country

Leasing of commercial real estate – We offer professional assistance in negotiating acquisitions, disposals, leases, and financial agreements.

Investment sales – We strive to offer best-of-class leasing services on an exclusive basis representing the interests of landlords or tenants.

Market Research and Analyses – FORTON’s research team provides detailed information, surveys and analyses of the real estate market in Bulgaria.

Valuations – Our professional appraisers work eagerly to determine the real market value of the property as well as make suggestions for its best usage.

Corporate Occupiers and Investors Services – As property managers we act on behalf of landlords, protecting their interest by striving to achieve the best possible returns.

A. VALUATION REPORT

To:	EPO Aheloy OOD
Attention:	Mr. Torbjørn Myhre, Managing Director
Subject: Property:	Non-completed aparthotel consisting of 5 buildings at different stage of completion. Building K is built-up to the 2nd floor plate; Building L is at rough construction; Building M and Building N require finishing works. The complex is developed on land plot with identification number 00833.6.437 with total area of 47,070 sqm, “Babata” area located on the territory of the town of Aheloy.
Valuation Date:	30 May 2015
Report Date:	12 June 2015

1. INSTRUCTIONS

- **APPOINTMENT**

We are pleased to submit our valuation report, which has been prepared for EPO AHELOY OOD. The report is intended **for financing purposes.** The property and interests valued are detailed in Part D.

The valuation has been carried out in accordance with the instructions detailed in the Valuation Agreement, signed between EPO AHELOY OOD and Forton AD, **dated April 30, 2015**. We confirm that we have sufficient knowledge, skills and understanding to undertake the valuation competently. We have acted as external valuers for EPO AHELOY OOD.

The valuation is in accordance with RICS Red Book 2014 and the International Valuation Standards 2013.

We confirm that the fee earned for this assignment is less than 5% of our annual turnover, hence it is considered to be ‘minimal’ according to Proportion of fees by **RICS Valuation – Professional Standards 2014**.

2. BASES OF VALUATION

The property in Part C has been valued on the following bases (as appropriate):

- **INVESTMENT VALUE**

Based on the specific instructions of the assignor, we have provided our opinion of the value of the property considering two stages of completion:

- Value of the property “as is”
- Value upon completion

It should be noted that when arriving at the value upon completion, we have assumed that all costs to complete the complex have already been incurred. In contrast, for the purposes of arriving at the value as is, we have assumed that all the necessary costs to complete are to be incurred, and therefore deducted them from the potential generated cash flow.

3. ASSUMPTIONS, DEPARTURES AND RESERVATIONS

The valuation is not subject to departures or reservation according to RICS Valuation – Professional Standards, January 2014.

4. INSPECTION

The property has been inspected on May 26th, 2015 by Ina Peneva, Investment Consultant and Lora Adamska, Investment Consultant, Consultancy & Valuations Department, Forton.

5. SPECIAL ASSUMTPIONS

It should be noted that the second value presented in this report is prepared on the basis of the assumption that the complex is fully completed and operational, thus not taking into consideration any costs which at its present condition are necessary to complete the project.

6. SOURCES OF INFORMATION

All information and documents regarding the evaluated properties were provided to us in an electronic copy. List with the documentation is provided in the appendix section under Information Supplied. We have made an assumption that the information that EPO AHELOY OOD has supplied to us is both full and correct.

We are not responsible for the authenticity of the information gathered from EPO AHELOY OOD and other sources. If any of the input information proves to be misleading or inaccurate, it may substantially affect the market value of the properties under review.

We have been provided with electronic documents regarding the property subject of current valuation. List of provided documentation is appended to the report.

7. GENERAL COMMENT

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you or the borrower contemplate a sale, we strongly recommend that the property is given proper exposure to the market.

Market Uncertainty

Where uncertainty could have a material effect on an opinion of value, the valuation standards require the valuer to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported.

The global banking crisis and consequent reduction in the availability of debt, coupled with the economic downturn, have caused property values to experience sharp falls in value and liquidity, with fewer transactions being completed.

It has been held that valuers may properly conclude within a range of values. This range is likely to be greater in an illiquid market where inherent uncertainty exists and a greater degree of judgment must therefore be applied.

There has been a significant reduction in market evidence upon which to base our valuation and so we have had to exercise a greater degree of judgment than usual. We have considered both current and historic market evidence available and endeavored to reflect current market sentiment, although the signals are mixed.

We strongly recommend that you keep the valuation of the subject property under review. You should also anticipate a longer marketing period than would previously have been expected in the event that the property is offered for sale.

Currency

The property has been valued in Euro. We have not reflected any local realization taxes.

8. VALUATION

Our opinion of the Investment Value of the property is as follows:

	Value of the building "as is"	Value upon completion
P	€1,500,620	€7,552,943
N	€4,448,327	€6,439,018
M	€3,869,680	€8,184,420
L	€3,525,091	€16,755,339
K		€17,935,955
Villas		€2,147,893
Total	**€13,343,718**	**€59,015,567**

All quoted values are VAT exclusive.

It should be noted that for the purpose of arriving at the value "as is", we have assumed that all outstanding costs to complete the project are still to be incurred. Therefore, we have deducted the estimated costs to complete presented to us by the Addressee from the estimated revenue, to arrive at the value "as is".

9. CONFIDENTIALITY

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

10. DISCLOSURE AND PUBLICATION

You must not disclose the contents of this valuation report to a third party except for financial institutions and banks mentioned in P.1 Instructions, Appointment in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

11. DISCLAIMER

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others.

It should be noted that we have not performed a technical due diligence or prepared bill of quantities as this is outside of the scope of this report, and thus we were not able to verify the provided costs for project completion provided by the assignor. We have assumed that the quoted construction costs are sufficient for the level of works needed to complete the complex. We recommend that a technical due diligence is performed by professional quantity surveyors to be able to verify the construction costs by means of a detailed bill of quantities, as this could have a substantial impact on the valuation results.

DECLARATION OF COMPLIANCE

With the requirements under paragraph 1 Article 21 of Independent Valuers Act

We hereby certify that we are not related persons to the assignor, owner or user of the object of valuation!

Independent Valuers Act

(Promulgated, SG, No. 98/14.11.2008, effective 15.12.2008)

Article 21. (1) The independent valuer may not prepare and sign a valuation where:

1. he is a related person to the assignor within the meaning of § 1, item 3 of the Tax and Social Insurance Procedure Code;

2. he is a related person to the owner or user of the object of valuation within the meaning of § 1, item 3 of the Tax and Social Insurance Procedure Code;

3. he or a person related to him within the meaning of § 1, item 3 of the Tax and Social Insurance Procedure Code has a property or another interest related to the object of valuation;

4. he has liabilities in regard to the owner or user of the object of valuation or to the valuation assignor at the time of carrying out the valuation.

(2) The requirements under paragraph 1 shall also apply to all members and employees of a company of the independent valuer.

(3) A declaration of compliance with the requirements under paragraph 1 shall be attached to the valuer's report on the valuation conducted by him.

For and on behalf of Forton:

Plamen Bachev, MRICS,

RICS Registered Valuer

Head of Consultancy & Valuations

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B. SUMMARY OF THE VALUATION REPORT

A vacation complex located in the village of Aheloy, Burgas province, Bulgaria.

DATE OF REPORT	04 June 2015
VALUATION DATE:	30 May 2015
LOCATION:	The subject property is located in Aheloy village, Burgas province, Bulgaria.
DESCRIPTION:	A vacation complex located in the village of Aheloy, Burgas province, Bulgaria. Upon completion, the complex will consist of a total of 1,214 units distributed in 5 buildings, as well as 20 villas. The project is situated on a land plot with an area of 47,070 sqm. Currently, building P is 90% complete, with the finishing works almost completed; building L is currently at rough construction stage, building K is built to the 2nd floor plate, and buildings M & N are completed at a significant stage.
TENURE & TENANCIES:	The property is currently not subject to any tenancies. We have been informed that at present, EPO Aheloy OOD is owner of a total of 648 units in buildings M, N, L & P, including the servicing and technical units. They plan to acquire the remainder of the apartment units, totaling 413 units and 20 villas. The retail areas are currently owned by ABC Commericals.
SPECIAL ASSUMPTIONS	For arriving at the Value upon completion of the project, we assume that all construction works have been completed, and no costs are to be incurred for any type of finishing works, including furnishing, infrastructure impovements, etc.
INVESTMENT VALUE BY ELEMENT	We have estimated the investment value of the properties, valued “as is” and upon completion, amounts to the following, as distributed by buildings:

	Value of the building "as is"	Value upon completion
P	€1,500,620	€7,552,943
N	€4,448,327	€6,439,018
M	€3,869,680	€8,184,420
L	€3,525,091	€16,755,339
K		€17,935,955
Villas		€2,147,893
Total	**€13,343,718**	**€59,015,567**

It should be noted that for the purpose of arriving at the value “as is”, we have assumed that all outstanding costs to complete the project are still to be incurred. Therefore, we have deducted the estimated costs to

A vacation complex located in the village of Aheloy, Burgas province, Bulgaria.	
	complete presented to us by the Addressee from the estimated revenue, to arrive at the value "as is".
Estimated yields and IRR	Based on an in-depth research of the vacation and investment market, we have determined the following yields are applicable to the development: • An exit yield of 9.5% • An IRR of 20% We have applied the yields we have determined appropriate to arrive at the investment values of the subject properties.
Incurred construction costs	We have been informed that the costs incurred to develop the project amount to approximately €26,332,000 as of the valuation date.

C. MARKET ANALYSIS

1. MACROECONOMIC OVERVIEW OF BULGARIA

Bulgaria had a population of 7,202,198 people at the end of 2014 according to the National Statistical Institute. Occupying territory of 110,912 square kilometers in Southeast Europe, it ranks 12th in the European Union and 16th in Europe.

BULGARIA

The country is located at the eastern border of the EU and on five major European transport corridors. It is on the road and rail connections between Europe and the Middle East. It borders Turkey to the Southeast, Greece to the South, Serbia and Macedonia to the west. The Danube River separates it from Romania to the North. Its eastern border is the Black Sea.

Bulgaria is therefore centrally located on the Balkan Peninsula and has direct access to all major markets (40+ million, not taking Turkey into account) within the region, to a navigable river and international sea routes. Moreover its climate, coast and mountains have provided the conditions for a vibrant summer and ski tourism sectors.

The country has a consistent track record of political and financial stability since the mid-1990s. Its efforts to establish a market economy and the rule of law have resulted in the NATO (2004) and EU (2007) memberships.

Bulgaria benefits from a close to €10-billion EU subsidies and financing under operational programs and structural funds aimed at policies that will upgrade the infrastructure and foster, employment, economic and regional development up until 2020.

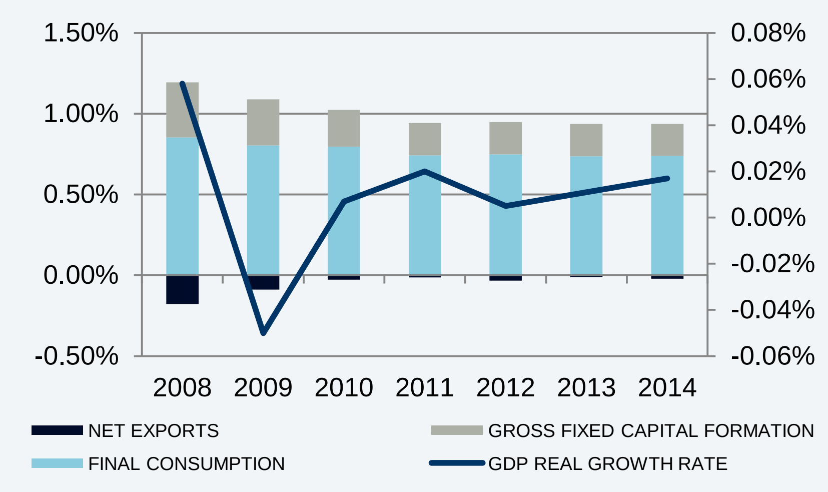
COUNTRY SUMMARY	
Area	110,910 sqkm
Population	7.2 million (2014)
Capital City	Sofia
Major industries	• Energy (including Nuclear power station) • Food & beverage • Agriculture and winery • Tourism • Tobacco • Machinery and equipment • Precious and base metals • Chemical products • Refined petroleum • Textile, apparel and sewing
Currency	Lev (BGN). Fixed exchange rate pegged to Euro at 1.95583 BGN for 1 Euro.
Government type	Parliamentary republic
Government debt	27.6% of GDP (end-2014)
Budget balance	-2.8% of GDP (2014)
International memberships	• EU (2007) • NATO (2004)

RECENT ECONOMIC PERFORMANCE

In 2014, the economy expanded by 1.7 per cent, the second highest rate since the 2009 recession. Largely thanks to the massive quantitative easing of the European Central Bank and the slide of international energy prices growth projections for 2015 have improved considerably. Currently the government expects a repeat of 2014 and further strengthening in 2016. International institutions and major banks put growth in the 0.8-2.0-per-cent corridor with the government budget set at 0.8 per cent.

The general health of the real estate markets in general is seen in relation with positive economic environment.

GDP GROWTH & COMPONENTS



Source: National Statistical Institute

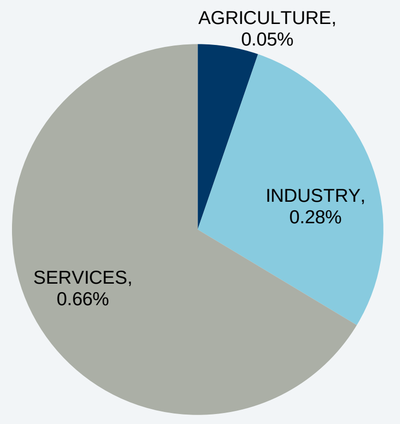
As shown above the 2009 recession was followed by a shift in growth drivers with net exports a stronger contributor while both consumption and investment remained weak for the most of the period. As exports and industrial production have slowed down recently final consumption and investment have propped up real GDP growth in 2014.

This translates into a more favorable picture for the real estate sector which predominantly serves the needs of the domestic economy. Final consumption is the most sizable component of the GDP. Its rise brings both direct benefits for certain sectors such as retail sales for example and indirect ones through the improved financial health of households and firms which are more likely to spend or invest in the future. The correlation with investment is more straight-forward as land and buildings often comprise the single most valuable asset of both the household and the business sectors. Higher levels of investment are associated with growth in employment which in turn should produce more saving, investment or consumption.

In 2014 both consumption and investment rebounded from the negative territory in 2013 and compensated for a slowdown in exports from 9.2 in 2013 to 2.2 per cent annual growth in 2014. Some momentum appears to be building up, which should translate in stable growth going forward.

Bulgaria’s economy is dominated by the service sector which accounted for 66.4% of nominal GDP in 2014. The agriculture, forestry and fishing sector plays a minor role in the economy.

GROSS VALUE ADDED BY SECTOR



Source: National Statistical Institute

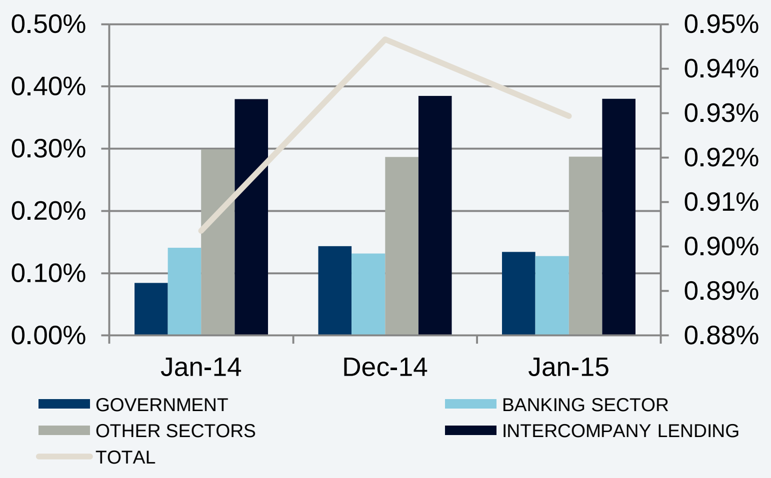
The share of the industry has come down in the recent years mainly due to the steep fall in construction related to the weak real estate market and investment. This also means that a recovery in the real estate and construction sector would lead to stronger industry growth.

FOREIGN DEBT

Bulgaria enjoys financial health and has successfully tapped the international market on several occasions during the recent years.

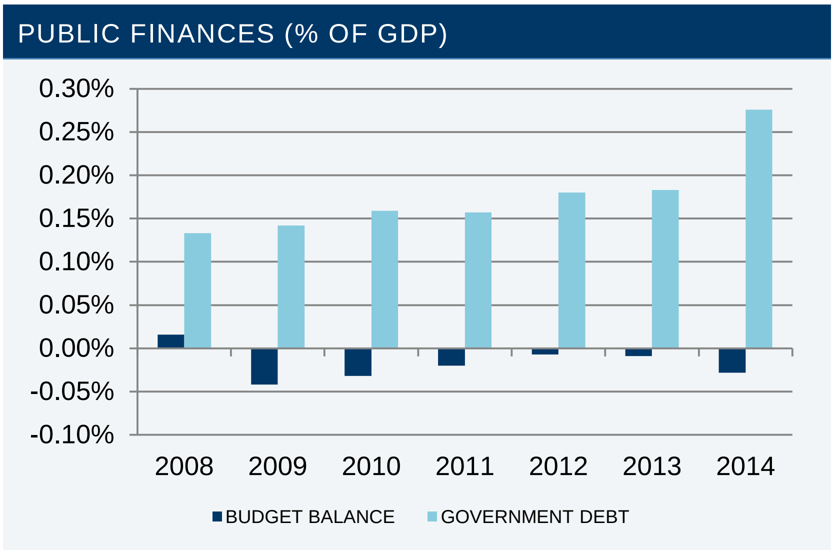
The gross foreign debt increased in 2014 mainly as a result of the short-term financial needs of the government related to the closure of Corporate Commercial Bank in the middle of the year, the fourth largest bank by assets at the time, and the support for the third largest lender.

GROSS EXTERNAL DEBT DYNAMICS



Source: National Statistical Institute

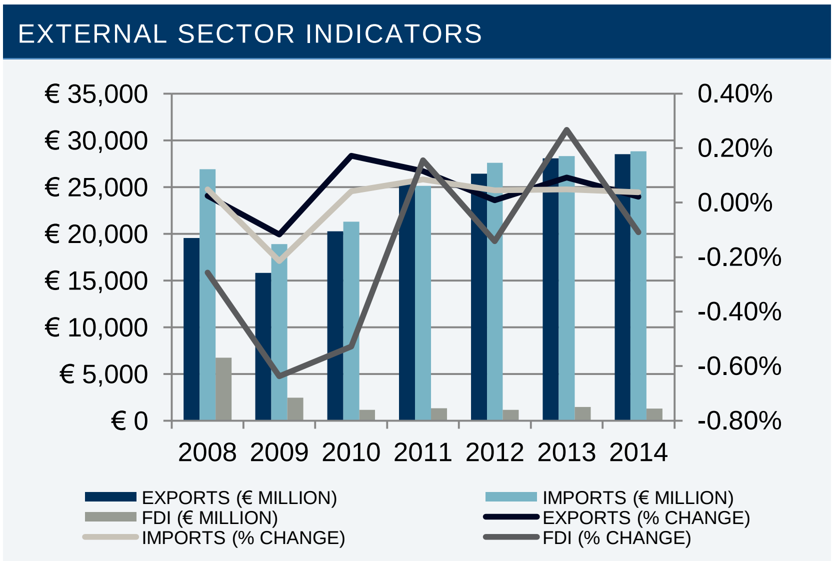
After several years of fiscal surpluses the government budget has been on negative territory since the 2009 recession. This has helped counterbalance the external headwinds caused by the turbulence in international financial markets and European growth.



Source: National Statistical Institute

For the time being the banking crisis outbreak appears contained and Bulgaria still boasts one of the lowest levels of government debt within the European Union (fourth after Estonia, Luxemburg and Norway, down two places compared to 2013). This should allow the government to keep its expansionary stance over the next 12 months.

EXTERNAL SECTOR

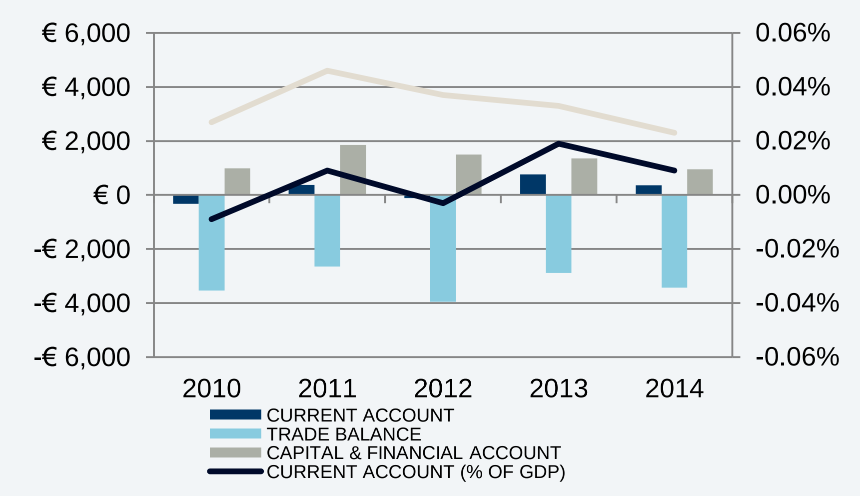


Source: National Statistical Institute

The economy has put its external position on a more stable footing recently. Foreign direct investments have come down to a more sustainable level while, except for the turbulent 2009, foreign trade has shown steadier growth.

The current as well as the capital & financial accounts have been broadly positive over the most recent periods as Bulgaria adjusted to the post-recessionary environment. The transition has been successful and further exemplifies the competitiveness of the local economy. Moreover, the capital account has been underpinned by more modest but still positive foreign direct investment flows.

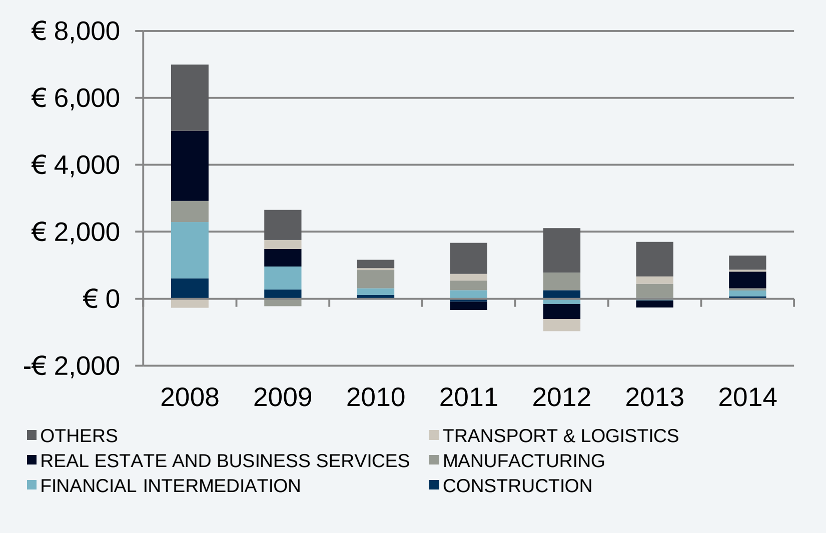
BALANCE OF PAYMENTS



Source: Bulgarian National Bank

While FDI flows have shrunk as a whole since the heights of 2007-2008 the steepest falls are observed in the financial, real estate and construction sectors. Unsurprisingly, these were also the most overinvested sectors before the recession.

FOREING DIRECT INVESTMENT FLOWS (€ MILLION)



Source: Bulgarian National Bank

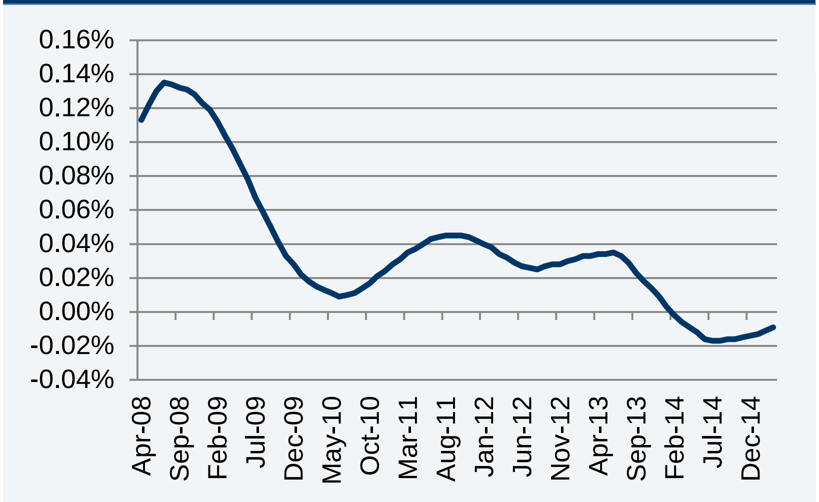
Since 2010, the overall figures have been relatively stable, fluctuating between € 1.0-1.5 billion. The distribution of FDI flows across sectors reveals a more balanced and diversified picture.

CONSUMER PRICES

Fuel price declines have added to the deflationary pressures due to the weakness of food and energy prices over the last 24 months. As a result the 12-month rolling inflation rate has remained on negative territory for more than a year.

The low rate of inflation has a dual impact on the economy. On the one hand, households benefit from increased purchasing power. On the other though, the debt burden increases for both the household and the corporate sector. As external factors play a major role in the most recent consumer price developments the latter are not adding to the competitiveness of exports.

CONSUMER PRICE INDEX



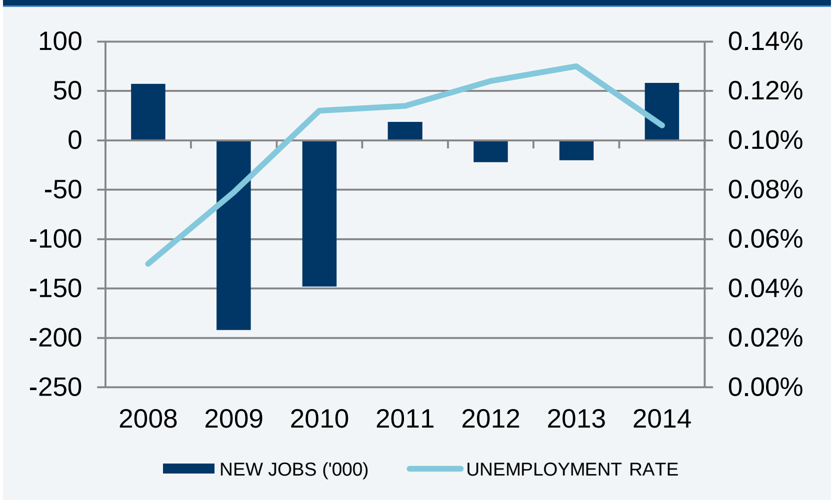
Source: National Statistical Institute

LABOR MARKET

The corporate sector hired with the strongest pace in years in 2014. The labor market appeared to be bottoming out at last through the end of 2014. The economy added 58,000 jobs during the year, at a growth rate of just below 2 per cent, the strongest since 2008.

The unemployment rate declined throughout 2014 to 10.6 per cent at year-end, the lowest level since the third quarter of 2011 and the lowest fourth-quarter rate since 2009.

LABOR MARKET INDICATORS (15+)

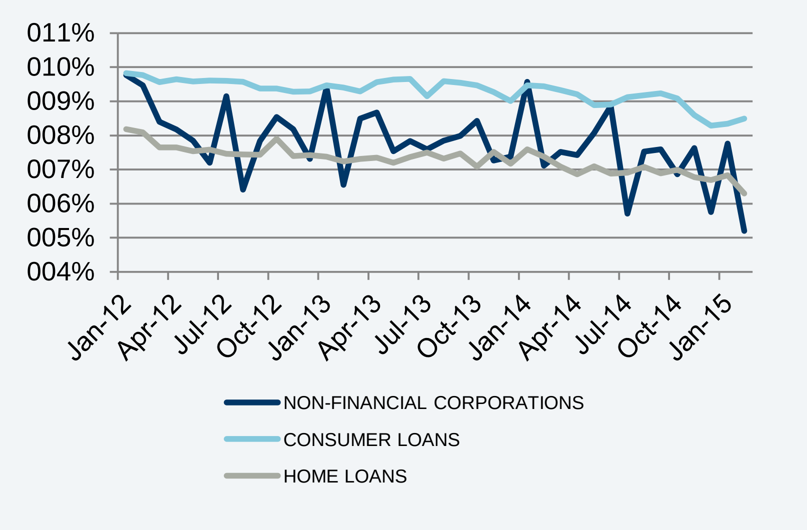


Source: National Statistical Institute

INTEREST RATES

Interest rates on new loans have been in a steady decline during the recent years as a result of slow lending growth and the gradual fall of deposit interest rates. The dissolution of Corporate Commercial Bank further exacerbated the situation as the banking system came under pressure to place the government guaranteed deposits.

INTEREST RATES ON NEW € LOANS



Source: Bulgarian National Bank

Higher volatility is evident in the corporate loan market yet interest rates have come firmed below 8 per cent and hit several new lows in the course of 2014. At 5.20%, the average rate for new loans in February 2015 was the lowest on record.

2. OVERVIEW AND ECONOMY OF BURGAS

Burgas is the second-largest city situated on Bulgarian Black Sea Coast and the fourth-largest city in Bulgaria after Sofia, Plovdiv and Varna. The population of the city amounts to 219,006 residents according to GRAO.

DISTANCES	
SOFIA	389
PLOVDIV	272
VARNA	129
STARA ZAGORA	171
PLEVEN	332
RUSE	239
SUNNY BEACH	35

The city is recognized as important industrial, transport, cultural and tourist center. In addition, Burgas is the center of Bulgarian fishing and fish processing industry. It is the fastest developing city in Bulgaria and the second in terms of economic potential after Sofia. It has GDP per capita equal to 90% of the national average and income per household member at approximately the same level. The region generates 5.22% of the gross domestic product in Bulgaria. Employment lags behind the country average while unemployment is growing, reaching 12.7% in 2014. Seasonal employment in tourism, construction, trade, and transport is of major importance for the local population. Due to its strategic geographic location the city provides excellent conditions for business and leisure. Well-developed transport infrastructure connects the city with the other parts of the world by sea, air, highways and railways. Major roads are European routes E70 to Bucharest and E87 to Istanbul and Constanta, Romania; national highways A-1 (Trakia highway) to Sofia and A-5 (Cherno More highway) to Varna. LUKOIL Neftochim Burgas, the largest oil refinery in south-eastern Europe and the largest industrial enterprise is situated in the city suburbs.

Port Burgas is one of the biggest ports on the Black Sea Coast and plays a vital role to the existence and activities along the path of Trans-European Transport Corridor N8. The extension of this route in east direction is also well-known as TRACECA (Transport Corridor Europe –Caucasus-Asia). That is why Port of Burgas could be considered as a main connection between Europe and Middle Asia.

Burgas airport serves over 2.5 million passengers annually. The airport's cargo center has the capacity to serve the heaviest types of aircrafts. Burgas duty free zone is the only free zone along the Bulgarian Black Sea coast and a logistic hub bordering Port Burgas, with direct access to the highway Burgas-Sofia, the National Railway Network and Burgas Airport.

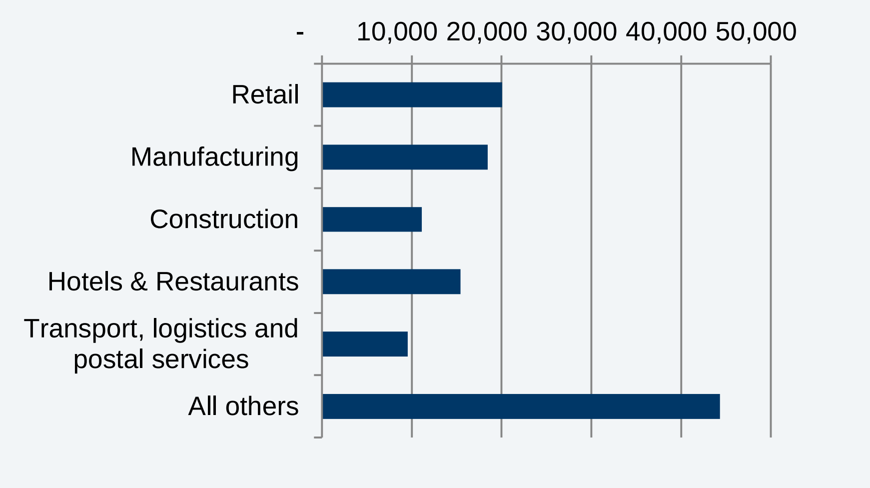
Beautiful beaches, protected areas, mineral water springs, and curative mud, biodiversity, cultural heritage and rich festival program provide an excellent base for the development of various kinds of tourism.

MAJOR EMPLOYERS

Burgas economic structure is very similar to that of the national economy, offering diverse range of industries. Among the leading of which are transport, tourism, hospitality and retail. In particular, concentrated in the district, the strength of the retail and manufacturing industries were noticed to carry the greatest weight.

A breakdown of the major employers in the region is illustrated in the table below.

BURGAS- TOP 5MAJOR EMPLOYER INDUSTRIES



Source: National Statistical Institute

LABOUR MARKET

In general, the rate of employment in the district is overseen as a dynamic indicator, marked with dynamic declines and peaks depending on the overall economic cycle and seasonal trends. Nevertheless, it is essential that the newly created jobs appear to be relatively low-paid as a result of the inconsistency between the income levels of Burgas district's residents and that of the national average which is continuing to broaden.

Aheloy

Aheloy is situated on the main connection road Burgas - Varna, 7 km southwest of Nessebar, near the mouth of Aheloy River. The coastline near Aheloy is well maintained and provides very good conditions for a summer beach holiday. Beach area on the territory of Aheloy is 56,000 square meters. Also, the village of Ravda is situated just a few km away from Aheloy. The ancient town of Nessebar lies 7 km northeast from Aheloy, with its newly built houses to the north almost merging with the resort.

The airport of Burgas is located 23 km from Aheloy. There are high-frequency bus lines connecting Aheloy with Burgas. Minibuses and taxis run along. Private water transport connecting Burgas with Nessebar is also available.

3. DATA OF COMPARABLE TRANSACTIONS

The peak in the demand for vacation homes in the 2006-2008 period boosted the construction of a number of projects along the Black Sea coastline. Some of the projects managed to be completed before the crisis impacted the demand for them. Those projects managed to achieve high levels of sales, such as Midia Grand Resort, which was fully sold by the time it was completed, and the first stage of Chateau Aheloy. Some of the other projects, which by the time of the crisis had not been completed or were at a very early development stage, were either discontinued or went through bankruptcy proceedings. Lately, the observed recovery of the majority of the real estate segments has led to attempts to recover of some of the discontinued projects. That, consequently, increased the demand for distressed project and properties, and stimulated the growth in the number of asset sales we witnessed in the last year. The expectations are that this trend will continue throughout the current 2015.

Currently, demand is still visible, though the budget is quite limited, and declined from €80,000-€100,000 in the boom years to €40,000 - €50,000 nowadays. Some transactions on the secondary markets are also observed, as well as an increased interest from Bulgarian buyers. Data for number of transactions in the area of Aheloy are not available, due to the limited number of data gathering instruments for such type of deals.

4. TOURISM AND HOSPITALITY MARKET DYNAMICS

4.1. OVERVIEW

Aheloy is a popular summer destination for national and international tourists. Following several years with unstable performance, the tourist segment has rebounded over the last several years. 2014 was a turbulent year in terms of international relations, and that will inevitably be reflected in this year’s performance of the sector, due to the specifics of the market in the country, namely its popularity among Russian-speaking tourists. The long-term projections are more optimistic, for an annual growth of the number of tourists, the tourism consumption and the profitability of the sector. The highlights of the sector characteristics are listed below.

4.2. SUPPLY

Based on the Ministry of Tourism registry, the number of available beds in Aheloy is close to 970, distributed between 470 rooms. It should be noted that only a fraction of the rooms are located in hotel complexes, and the majority are self-service apartments in residential and apart-hotel complexes. There are a number of 3 and 4-star aparthotel and hotel complexes in the town of Aheloy which offer hotel accommodation. Some of the most prominent are Marina Cape, offering 250 rooms, the Vineyards, which consists of 52 rooms, Midia Grand Resort, which also offers self-catering apartments in addition to such operated on a hotel basis.

The nearby resorts of Ravda and the popular among tourists Nessebar also offer a large number of accommodation and entertainment options. This presents a serious competition for the hotel projects in Aheloy. The two competing towns of Ravda and Nessebar host large hotel establishments such as

Emerald Spa with 770 rooms, the hotels part of the Sol chain: Sol Nessebar Palace, Sol Nessebar Mare, Sol Marina Palace, which have more than 800 rooms combined, the Sunrise club hotel with close to 200 rooms, etc. The variety of accommodation, entertainment and dining options make the resorts a desired summer destinations, and are directly competing with the complexes in Aheloy.

4.3. OCCUPANCY RATE

Aheloy is located in Pomorie municipality, Burgas province. As the statistics for the performance of the tourism sector is collected on a province level, and no data for any smaller administrative unit is available, the data we present below refers to the performance of the Burgas province. That said, as the performance trends of the sector are usually exhibited on a national level, it is our opinion this data is still representative of the main characteristics of the sector observed in Aheloy as well, typical for the rest of the Burgas province.

As Aheloy is a representative of the typical summer holiday destination, the highest occupancy rate is observed from June to September. Another characteristic of the occupancy rate is the stable performance of the highest category of hotels, the 4-and 5 star ones. They register an average occupancy rate of 60% for 2014, which is to a large extent due to the ADR, which is comparable to that of a 3-star hotel. The graph below shows the occupancy rates distributed by hotel category.

OCCUPANCY RATES IN BURGAS BY HOTEL CATEGORIES

Source: National Statistical Institute

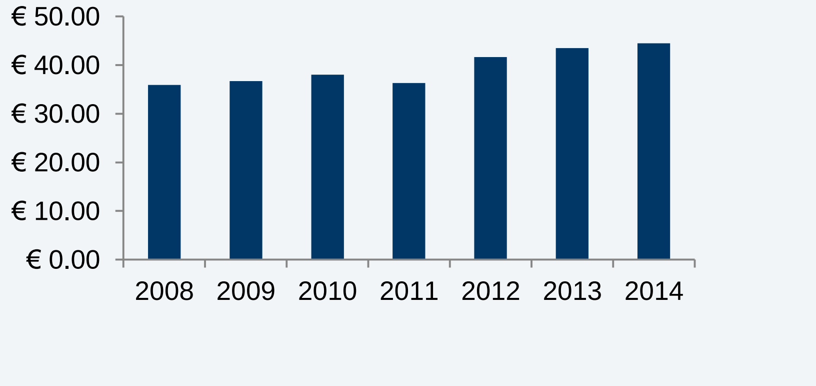
The graph clearly shows the sharp decline in the overall occupancy rate in 2008-2009, following the global financial distress. The lowest rate was observed in the 1 and 2-star properties, where the annual occupancy rate in 2009 reached 30%. The first signs of rebound of the market were exhibited in 2011, when the occupancy rate of the 3-star hotels reached 53%, a close to 10% increase on an annual basis. As the ADRs of the highest category hotels were lowered to reflect the declining demand, their occupancy rate reached 58% in 2011. In the following years, the occupancy rates slowly increased and stabilized around 44-45% for the lowest category of establishments, 50% for the 3-star hotels and 60% for the 4 and 5-star projects. We do not expect any significant fluctuations in the next few years.

The statistical data also reveals that the foreign tourists prefer the higher category hotels. Only 10% of the overall number of international visitors stayed at a 1 and 2-star hotels, 32% preferred a 3-star property and 81% chose a 4 or 5-star hotel. It should be noted that despite the fact that only a fraction of the tourist overnights is generated by foreign tourists, the bulk of the reported income is generated namely by the foreign tourists. In the case of the 1 and 2-star properties, that amounts to 59%, in the case of the higher categories hotels, that number rises to 86 and 87% in 2014, respectively. This comes to show that the pricing of the services and the overnights is different when it comes to inbound and domestic tourists.

4.4. AVERAGE DAILY RATE (ADR)

The graph below shows the fluctuation of the average annual ADR exhibited in Burgas province. In 2014, the annual Average Daily Rate of the hotels amounted to close to €45 per room, a 23% increase over 2008. This comes to show the enhanced performance of the sector, stabilizing after the last downturn.

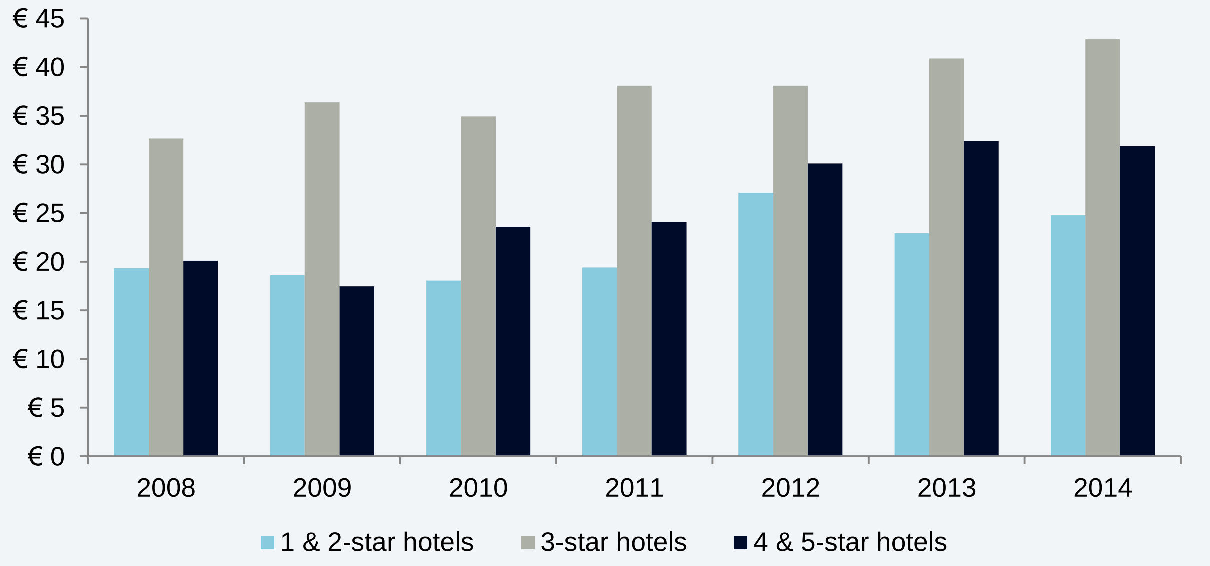
ANNUAL ADR IN BURGAS PROVINCE



Source: National Statistical Institute

The graph below shows the current trends of the fluctuation of the ADRs distributed by hotel categories. Surprisingly, the ADR per room of the highest category hotels falls between the other two categories and was estimated at €32 in 2014. The 3-star hotels outperformed the luxury hotels by 35%, with their ADR reaching €43 per room. The gap in the performance of the 3 and 4 and 5-star hotels has been stable over past 7 years, despite the constantly increasing ADR.

ADR BY HOTEL CATEGORIES



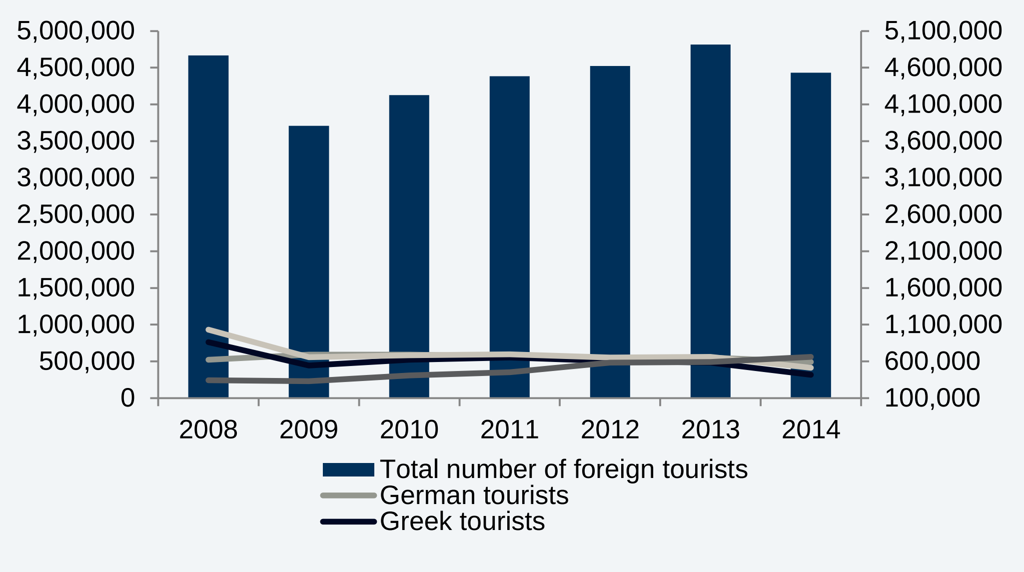
Source: National Statistical Institute

4.5. DEMAND

We analyse two factors of demand - the number of arrivals of both foreign and national tourists to Burgas province over the last seven years. In addition, we also look at the average length of stay exhibited by the visitors in the section below, which is also a function of demand.

The graph below shows the total number of visitors for holiday, and looks at the top 4 visitors by country. Although the total number of visitors in 2014 dropped by 8% on an annual basis, that number is still by 18% higher than in 2009, the most crucial for the tourism sector. About 40% of the total number of tourists came from only 4 countries - Russia, Germany, Greece and Romania. The Russian tourists, more than 560,000 people, accounted for 12% of the total number of foreign visitors, followed closely by the German tourists with 11%. Though still keeping the third position, the number of Romanian tourists dropped by 25% on an annual basis.

NUMBER OF FOREIGN TOURISTS IN BULGARIA



Source: National Statistical Institute

Analysing the tourist segment in Burgas in terms of number of visitors, we notice that the number is constantly increasing, registering a 42% growth since 2008. The growth observed in 20014 compared to the previous year was only 2% though, driven primarily by an increase of the Bulgarian visitors. The inbound tourists coming to Burgas and to the southern Black sea coast account for 20% of all foreign visitors to Bulgaria. What should be noted though is that the number of Bulgarian visitors, though slightly increasing, is only a third of the number of foreign visitors.

NUMBER OF TOURISTS IN BURGAS REGION

Source: National Statistical Institute

4.6. DEVELOPMENT PIPELINE

As a large number of the apartments in the already completed developments are still vacant and looking for their new owners, the investors are cautious and abstain from plans for any new developments. The only completion expected this year is the third phase of the Chateau Aheloy complex. The first phase of the complex is almost fully sold, based on our brokerage research, and the second one also records a number of sales. We do not expect any large new developments in the area in the next few years, due to the oversupply of hotel and residential space and the dire prognosis for the tourism sector in view of the geopolitical and economic conditions in the country and Europe observed in the last year.

4.7. AVERAGE LENGTH OF STAY

Based on statistics data provided by the National Statistical Institute, the tourists which stay for the longest period in the country are the Russian tourists, which remain in Bulgaria for an average of 8 days. The visitors from Norway are the second in terms of length of stay, with an average of 7 days they spend in the country. They are followed by the Polish, German and Slovak tourists, who stay for 6.7, 6.5 and 6.5 days, respectively.

It should be noted that despite the fact that the Greek and Romanian visitors account for 16% of the total number of visitors last year, their length of stay is significantly shorter than that of the Russian or Polish visitors at 2 and 4 days, respectively.

4.8. VACATION APARTMENTS MARKET CHARACTERISTICS

The economic crisis which led to a sharp decrease in the performance of the tourism sector impacted the sale of vacation properties as well. Based on information obtained from Domika, a company specialized in vacation homes, the most attractive complexes on the market have been Midia Grand Resort and Marina Cape. Both complexes are direct competitors to the subject property.

Chateau Aheloy, another apartcomplex, has registered stable sales of the units over the last few years, although due to its location in close proximity to the town it is more appropriate for residential as opposed to vacation purposes due to the characteristics of its location and amenities offered.

The current pipeline is very limited, with the third phase of Chateau Aheloy the only significant project expected to be completed by year end. The first building of the complex is almost fully sold. The second stage – Chateau Aheloy 2 still has approximately 70% unsold premises.

Based on an in-depth brokerage research, we observe a declining number of sales for vacation and holiday apartments in Aheloy over the last two years. After the initial period of constant growth of the number of sales and high asking and achievable prices for residential properties, the global economic downturn, as well as the increasing competition of vacation properties on the Black sea coast dampened the demand for properties in the town of Aheloy.

Examining the buyer profile, we notice that it is expectedly dominated by Russian-speaking clients, with more than 50% of the deals concluded. A further specific feature of the vacation home market in Aheloy is the demand from Polish tourists. The Ukrainian crisis, followed by the sanctions imposed by the EU and USA on Russia expectedly lead to a decrease in the demand from Russian tourist and buyers, predominantly due to the worsened economic situation in the country. This is mostly evident from the decreasing number of reservations, which foreshadows a much less profitable summer season for the hotels and resorts and limited sales of vacation properties.

The recent crisis on the international relation scene has had a dual impact on the prognosis for the development of the second and vacation home markets. On one hand, the weakening Russian currency and the economic difficulties at the country as a result from the imposed economic sanctions have led to a general standstill of the Russian demand for such properties in Bulgaria. The medium-income Russian buyers have put on hold their plans to buy a second home at the Bulgaria seaside due to the expected difficulties. On the other hand, some of the families with savings are eager to invest their free capital in a real estate to preserve or increase its value. As an EU member, Bulgaria is a good option for their investments. At the same time however, in terms of preserving capital, Bulgaria competes with neighbouring countries such as Serbia and Turkey. If the buyer’s priority is a property in an EU-member country though, Bulgaria is the leading destination in the region. Another recent trend observed on the market is for residential properties in the cities, namely Varna and Burgas.

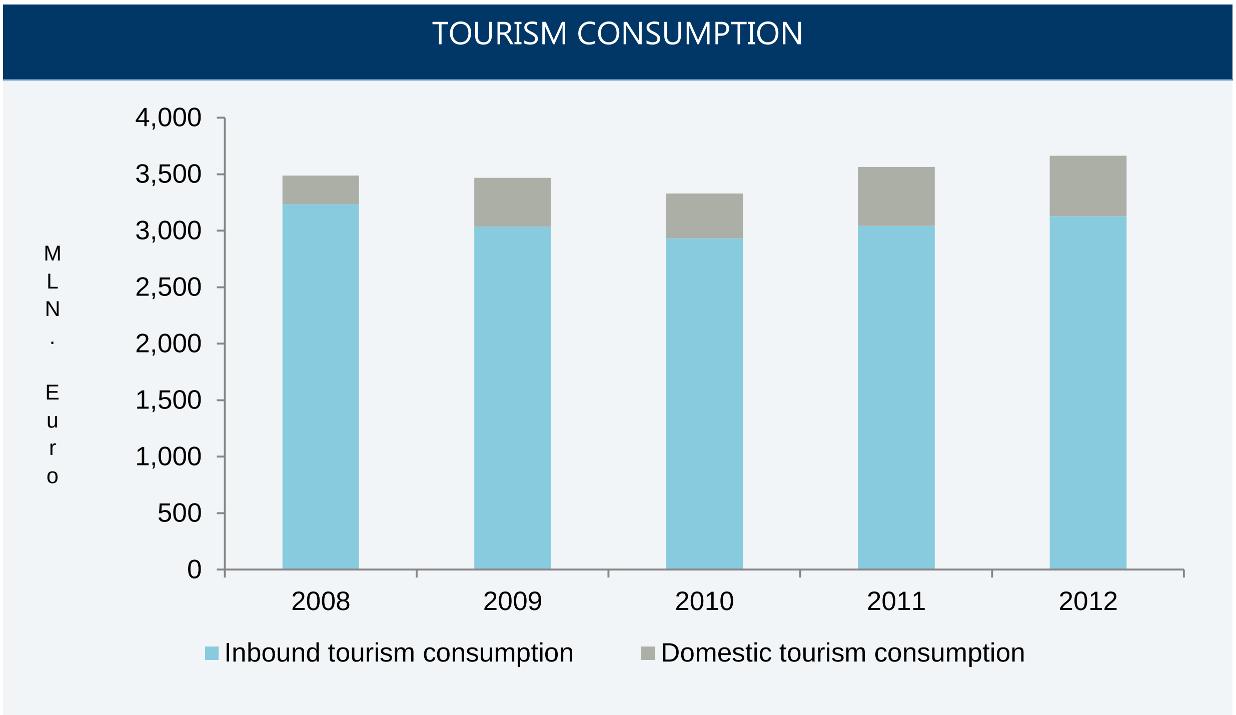
A new segment of buyers emerged in the second half on 2014-Ukrainian tourists. As at the end of the year, they accounted for 12% of all buyers, based on data by the aparthotel developers.

The majority of the buyers, (65%) had a budget ranging from €45,000 and €60,000. The number of buyers with a budget under €40,000 is quite limited, with the majority of those customers turning to the secondary market, where a number of apartments in different stages of completion are offered.

4.9. DYNAMICS OF TOURISM EXPENSES AND CONSUMPTION

The total tourism consumption in Bulgaria in 2012 amounted to €3,633 million, based on the national statistics. What is evident from the national statistics is that the local tourists spend much less than the inbound foreign travellers. Of the total consumption measured in the country, the inbound tourists generate about 85%. The Bulgarian visitors generate only 17% of the total income which the foreign tourists generate. The majority of the inbound tourism expenditures (27%) are spent on food & beverage consumption, with the accommodation expenses accounting for 21% of the total consumption.

The trend observed in the inbound tourist consumption is repeated in the internal tourism consumption as well. The food & beverage expenses still have the leading position with 31% of the total expenses, followed by the hotel & accommodation expenses with 17%. We also observe a much higher rate of transport consumption in the Bulgarian tourists compared to foreign tourists (27% compared to 12%, respectively). Other consumption products, such as other tourism and non-tourism related products, also contribute significantly to the overall consumption levels, and account for 32% of the inbound consumption and 15% of the internal tourism consumption.



Source: National Statistical Institute

4.10. MARKET PROJECTIONS

The turbulence at the international relations scene inevitably impacts the performance of the tourist and vacation homes sectors. In the short term, the immediate result from the conflict between Russia and Ukraine will lead to an underperformance of the sector in Bulgaria. Following several years with unstable performance, the tourist segment has rebounded over the last several years. 2014 was a turbulent years in terms of international relations, and that will inevitably be reflected in this year's performance of the sector, due to the specifics of the market in the country, namely its popularity among Russian-speaking tourists.

5. EXHIBITS OF COMPETITIVE EXISTING PROJECTS IN THE AREA

The map and exhibits below illustrate the location and main characteristics of holiday apartment and hotel projects at the territory of Aheloy.

MARINA CAPE

Address	Southeast of Aheloy
Investor/Developer	Intercapital Property Development
TBA (sqm)	42,000
Stage	Completed / 2007
Amenities	• Reception • Swimming pools • Small-scale Marina for yachts and shipping boats • Restaurants, cafes • Conference center • Medical center

Marina Cape holiday apartment complex is situated on 30,000 sqm plot area at the territory of Aheloy. It comprises four buildings with private beach, SPA complex, squash court, bank office, sports venues, restaurants, cafés, open-air summer stage, conference centre designed for business forums, seminars and team-buildings. The four parts of the complex – The Marina, The Bay, The Tower and The Lighthouse, are interconnected by quiet alleys and flowery parks. The complex includes 761 apartments and studious – each with unique atmosphere, comfortably furnished with all modern amenities. The big conference hall has capacity of 350 people and 7 smaller halls designed to accommodate 50 to 150 people. The complex also has two volleyball pitches and one football pitch. The holiday complex has also 40 covered garages and 150 open parking lots.

Accommodation	01.06-30.06	01.07-24.08	25.08-01.10
Studio Standard	€ 30	€ 43	€ 30
1-bedroom apartment	€ 36	€ 60	€ 36
2-bedroom apartment	€ 56	€ 84	€ 56

*Price includes accommodation, breakfast, use of swimming pools, parking, VAT, tourist tax, hotel (medical) insurance;

RAFAEL PEARL COMPLEX

Address	South of Aheloy at the first coastline
Owner/Developer	Rafael Developments
TBA (sqm)	15,747
Stage	Under construction / Frozen
Asking sale price (€ /sqm) VAT excl.	N/A
Amenities	• Restaurant • Indoor and outdoor swimming pools • Fitness and SPA Center • Kindergarten • Lobby and open-bar

Rafael Pearl holiday complex is situated on 7,500 sqm plot area near the town of Aheloy, Burgas Region. The complex consists of a U-shape building with several sections including 146 serviced apartments and studios. The complex contains 17 underground parking lots. Initial investment amount to EUR 16 000 000. The complex includes studios and 1-, 2- and 3-bedroom apartments.

The completion was firstly scheduled for May 2009. Currently, due to lack of financing, the project is frozen.

MIDIA GRAND RESORT

Address	Southeast of Aheloy
Owner/Developer	Midia
TBA (sqm)	72, 612
Stage	Completed /
Amenities	• Two outdoor swimming pools • Reception and lobby bar • Restaurant • Hairdresser and Cosmetics studio • Fitness • Conference hall • Kids club • Supermarket

Midia Grand Resort apart-hotel complex is situated on the first coast line on a land with area of 38,497 sqm at the territory of Aheloy. Nearly 30% of the plot area is designated for green area, children playground, parking places. The swimming pools have area of over 2,400 sqm. The complex includes 1- and 2-bedroom apartments serviced and offered for rent by Bulgarian Home Care Ltd.

Apartments for rent:

1-bedroom apartments (2/4 people) – **from € 25 to € 35 per night** depending on low/mid/high season

Hotel prices:

Accommodation	until 18.06 after 26.08	19.06-10.07 16.08-25.08	11.07- 15.08
Studio Standard	€ 24	€ 31	€ 38
1-bedroom apartment	€ 28	€ 40	€ 47
2-bedroom apartment	€ 37	€ 51	€ 57

*All inclusive add-payment – from € 12 to € 15 depending on season.

GRAND SIRENA

Address	Ravda / Aheloy
Owner/Developer	Beach Apartments-Elhovo/Petya Privodanova
TBA (sqm)	11,000
Stage	Completed / 2010
Prices	N/A
Amenities	• 2 outdoor pools • Restaurant with outdoor terrace • Lobby bar • BBQ Garden • Children green playground and kids club • SPA Center

Grand Sirena is an apartment complex situated at first line on the Black Sea between the resorts Ravda and Aheloy. It includes three buildings. At a distance less than 5 - 6 min. from the complex there is a sandy beach, part of the strip of Ravda which the complex visitors use for free. "Grand Sirena" is situated only 4 km away from Nessebar and 6 km away from Sunny Beach resort. Grand Sirena comprises of 130 studios, 1-, 2- and 3-bedroom apartments, garages and parking spaces. Each apartment in the complex is equipped with the necessary bedding, blankets and towels. The apartments are furnished is provided with Wi-Fi throughout the complex, 32 inch LCD TV with local and foreign channels, fully equipped kitchenette , bathroom as well as an air-conditioner in each room. The balconies of the most apartments have sea panorama.

The complex includes a lot of amenities such as conference hall, comfortable restaurant with outdoor terrace, lobby bar, barbecue - garden, children's green playground, kids club, coffee - billiards in block 3, as well as a conference hall with capacity of 60 seats with full media equipment. 24 hour live security paid secure parking with a fixed parking lot, and shuttle to and from Burgas airport and Ravda bus station.

6. EXHIBITS OF PIPELINE AND PLANNED PROJECTS

Currently there are no pipeline projects for holiday apartment complexes at the territory of Aheloy and the nearby resorts of Ravda and Pomorie. The only project in construction stage is Chateau Aheloy 3, the 3rd phase of Chateau Aheloy holiday complex.

CHATEAU AHELOY 3

Address	1 St. planina Str., Aheloy
Investor/Developer	Standen & Co
TBA (sqm)	19,000
Stage	Construction /Expected completion July 2015
Asking sale price (€ /sqm) VAT excl.	€ 408 (Apartments)
Amenities	• Restaurant • SPA & Fitness center • Playground • Covered garages and parking spaces • Swimming pool and recreation area

Chateau Aheloy 3

The holiday complex Chateau Aheloy 3 is the last stage of the complex and the only pipeline project currently in development. It is situated on a plot of 19,128 sqm. The building is C-shaped and consists of five sections and with ground floor, four aboveground floors and one penthouse level. There are restaurant, outdoor swimming pool and green areas in the complex. The project is scheduled for completion in H2 2015.

Chateau Aheloy 2

Chateau Aheloy has TBA of 10,692 sqm and built-up area of 2,191 sqm. It consists of two sections - one main U-shaped building including 138 apartments and 9 single-family houses. The second stage of the complex was completed in the second half of 2012. The area of apartments and houses varies between 49 – 360 sqm.

Apartment price amounts to € 490/sqm. If the price is fully paid within 30-day period, the price is subject to decrease to € 440/sqm.

Chateau Aheloy Resort holiday complex

The first phase of the complex has TBA of 7,500 sqm situated on 5,004 sqm plot area in the southern part of village of Aheloy, 100 meters away from the beach. The complex includes 127 apartments. The first phase was completed in 2009.

7. TOURISM DYNAMICS FORECAST

The hotel industry is expecting a 20-30% decrease in the number or Russian tourists, who are among the most numerous guests at the Bulgarian Black sea resorts. The projections are based on the number of reservations that are booked up to date. As a result, the forecasts warn about a decline in the occupancy rate, which would consequently lead to a lower RevPar and ADR as well. The overall result would be lower revenue for the hotel projects. Still, hospitality branch organizations and hotel owners base their projections on initial bookings made in April and May for June and the first half of July. Any kind of prognoses regarding the peak season in July and August cannot be justified at present. In addition, it is expected that the decrease of the number of Russian tourists can be compensated in other markets where Bulgaria has traditionally been a strong tourist destination. The travel agencies expect an increase of between 5% and 7% for the Czech Republic and Poland. The most significant growth is expected to be observed in the number of tourists form Latvia, Lithuania and Moldova - more than 40%. Slovenia, Slovakia and Hungary are also among the tourist markets which are also expected to grow due to the easy accessibility via developed highways across Europe and relatively low prices of tourist services compared to other destinations. German and Scandinavian tourists mark decrease, the latter mainly due to high-priced charter flights and service package. The data is based on the number of reservations made from these countries. The Ministry of Tourism has started a promotional campaign in some of the most popular channels across Europe, such as the National Geographic, Discovery Channel, Euronews and Eurosport, but it is not yet clear when a significant impact of the campaign can be expected. In addition, Bulgaria is presented on many tourism exhibitions in Kazakhstan, the Baltic countries and CEE. Main competitive destinations are Greece, Turkey and Egypt because of the more extensive tourist service package, competitive prices and quality of service.

The recent market data shows a steep decline in the budget tourists, residents and non-resident allocate for a vacation home at the Black Sea coast in Bulgaria. Before the crisis, the budget for second-home purchase amounted to €40,000 - €60,000 for apartments with area between 80 – 100 sqm whereas buyers had specific requirements regarding premise height, fit out, amenities, service and management. At present, buyers are more oriented towards studios with area of 30 – 45 sqm or 1-bedroom and are ready to spend between €30,000 and €35,000.

Construction activity in the region also marks revival, despite the fact that the projects are at a much smaller scale than they used to be. The majority of the currently developed projects are mainly small-scale buildings comprising of up to 30 studios and 1- and 2-bedroom apartments. Such projects are much more liquid, faster to develop and provide a sizeable return on investment.

The long-term forecast regarding tourism development is optimistic, with projections for stable growth in the number of tourists, the ADR and RevPar indicators and the overall profitability of the sector. The projections for aparthotel-complexes are more cautious, due to the large number of competing projects. The saturation on the market has led to a decline in demand and decrease in the achievable sale prices. If the supply remains at the current level, without any new projects increasing the total volume of units, the prices may remain stable. However, the expectations are for a limited demand for similar properties at the location of the project.

The main criteria which guide the buyers in their choice for a real estate purchase are the location, accessibility and transportation availability, infrastructure in the region, the perceived quality of the construction, and, last but not least, the relation between the quality of the offered residential property and its price. The level of finishing works, the common areas and the area distribution are additional factors that determine the successful sale of a residential unit. A lot of the buyers require a property with sea view. The demand for studio properties has declined significantly over the last few years, with the buyers returning to the traditional one-bedroom units instead.

The prices of residential properties follow the traditional relationship between supply and demand, with the increased demand leading to a price uptick and vice versa. The economic crisis a few years back drove the prices down for a few years, as the demand also shrank. With the stabilization of the macro and micro-economic factors in the country, buyers returned to the real estate market. Prices of residential properties in the region of Aheloy, Pomorie, Ravda and Nessebar vary between €450 and €600 VAT exclusive whereas a positive price trend with the continuing stabilization of the real estate market is expected.

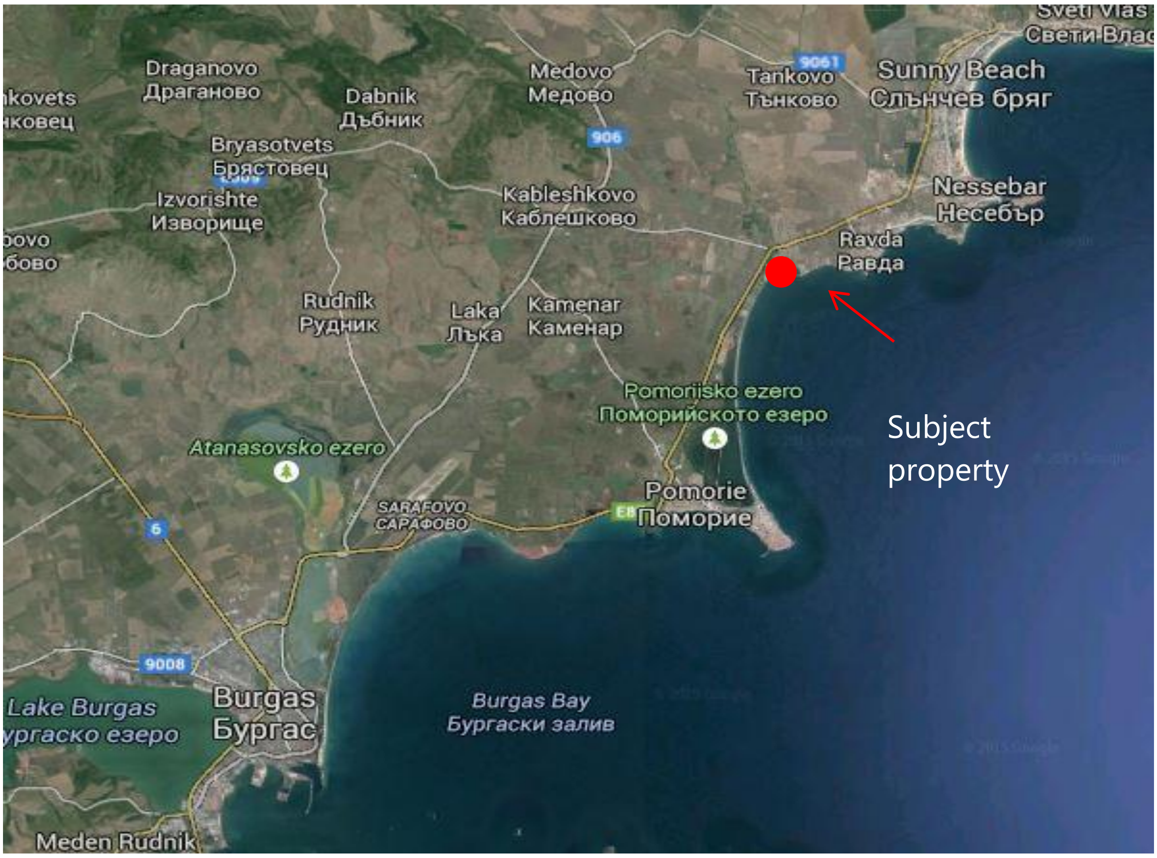
D. PROJECT DESCRIPTION

1. LOCATION DESCRIPTION

The reviewed property is located at the territory on Aheloy village, Pomorie Municipality, Burgas Region. According to extract from the Cadaster Agency, the properties subject to valuation are located within land plot with identification number 00833.6.437 with total area of 47,070 sqm, “Babata” area, Aheloy village. The property is designated “for other resort/recreational property”, urbanized area.

The maps below illustrate the macro and microlocation of the property.

MACROLOCATION



Source: Google Maps

MICROLOCATION OF THE SUBJECT PROPERTY AND THE SURROUNDING AREAS

Source: Google maps

The subject property is a gated hotel and apartment complex located 15 km away from Burgas, 5 km away from Pomorie and just 7km from the ancient town of Nessebar and the resorts Sunny beach and St. Vlas. Aheloy River neighbors the complex providing a natural barrier between the complex and the major road. The beach is situated just in front of the complex and is shared with the residents and visitors of Midia Grand Resort.

2. PROJECT DESCRIPTION

The project was first started in 2007, and was discontinued in 2010 due to financial difficulties of the developers. No construction works have been undertaken since 2010. The map below shows the development plans for the project and the current stage of completion. It should be noted that buildings A,B,C,D and E are already completed, fully sold and operating under the name of Midia Grand resort and as such, are not part of the current project under review.

As of the valuation date, building P is almost fully completed. We were informed that some of the apartment units were fully equipped, including the bathroom and kitchen. Building L has been completed to a rough construction stage, and only two floors of building K have been developed at an initial stage of construction. Buildings M & N also appear to be close to completion.

The current plans involve the completion of buildings P, N & M as a first step. Then, K & L will also be completed, and the villas will be developed at the last stage.

The table below lists the number of units already acquired by EPO Aheloy, and the total number of units planned to be developed and acquired. The numbers stated for currently owned units exclude the premises designated for housekeeping and other use.

Building	Currently owned	Total number of apartments
P	13	85*
N	175	175
M	192	192
L	251	298
K	0	294
Villas	0	20

*Total number of apartments in Building P is 255 units. 13 of them are currently owned by EPO Aheloy, 170 are already sold to third parties and the rest 72 are to be acquired.

We were provided with the following detailed retail and other commercial area distribution by buildings. We have applied those areas for arriving at the value of the project upon completion.

Builiding	Type of unit
K	
Bowling	1,560.17
Bar	835.16
Bar	233.36
Retail store 2	154.55
retail store 3	54.62

Builiding	Type of unit
retail store 4	54.62
retail store 5	54.62
retail store 6	54.62
retail store 7	54.62
retail store 8	54.84
retail store 9	110.05
restaurant 1	862.83
restaurant 2	882.03
reception area	12.85
Total	***4,978.94***
M	
Wine cellar	1,011.12
kitchen area	238.65
restaurant	881.62
restaurant	874.55
Total	***3,005.94***
N	
Kitchen area	305.10
Reception	49.45
Retail store	183.61
Total	***538.16***
L	
Fitness	754.57
Café	674.80
Hairdressers	85.31
SPA center	410.84
retail store 1	44.70
retail store 2	44.70
retail store 3	44.88
retail store 4	182.47
reception area	37.83
retail store 5	44.70
retail store 6	44.70
retail store 7	44.70
Total	***2,414.20***
Total retail areas	**10,937.24**

The total area of the currently acquired units, based on information provided to us, amounts to 69,313 sqm.

3. OWNERSHIP

We have been informed that part of the properties subject to the valuation was acquired at a bailiff auction. The remainder of the properties are planned to be acquired until the end of 2015. We were presented with the following Writs for assignment of property:

- Writ for assignment of property-unit 1.184
- Writ for assignment of property-unit 1.186
- Writ for assignment of property-unit 1.191
- Writ for assignment of property-unit 1.196
- Writ for assignment of property-unit 1.200
- Writ for assignment of property-unit 1.201
- Writ for assignment of property-unit 1.204
- Writ for assignment of property-unit 1.213
- Writ for assignment of property-unit 1.221
- Writ for assignment of property-unit 1.224
- Writ for assignment of property-unit 1.225
- Writ for assignment of property-unit 1.226
- Writ for assignment of property –unit 1.241

We have been presented with only 13 Writs, but have been verbally advised that the rest of the units (a total of 681 in 6 buildings) are also owned by EPO Aheloy. We have also been advised that the remaining 413 units and the land under the project, along with planned 20 villas will also be acquired until year end. We have not verified this information and assume it is correct.

We have been informed that some of the acquired units are owned by a daughter company, Darra Properties.

4. TERRAIN

The terrain which accommodates the buildings is of flat topography, there is a river in immediate proximity to the property. For the purpose of this valuation we have assumed that there is no direct or indirect flood risk either from the river or the sea.

5. ACCESS

The property is accessible via an asphalt road which connects the property as well as Midia Grand resort to the town of Aheloy. The main Varna-Burgas road is accessible via the center of Aheloy and is located less than 1.5 km away from the subject property.

A regular bus line connects the town of Aheloy to Burgas and Sunny beach via Sarafovo and Pomorie. An alternative route is established via Kableshkovo to Aheloy and Sunny Beach, starting from Burgas. The bus station is also situated only a kilometer away from the property.

6. SURROUNDINGS

The property is located on the Aheloy Black sea coast, in immediate proximity to the operating Midia Grand Resort, in immediate proximity to the beach. The surroundings consist predominantly of undeveloped land. A detailed description of the surrounding is listed below.

To the west: Aheloy river estuary; Forestry;

To the north: Aheloy river

To the east: Undeveloped land

To the south: Midia Grand Resort holiday complex

7. ZONING AND URBAN PLANNING

The properties are accommodated on regulated land plot 00833.6.437 with an area of 47,070 sqm. The land plot is designated for development of a hotel and recreational property.

E. SENSITIVITY ANALYSIS

A number of factors influence the value of a project. The factors might be internal to the project and influence its ability to generate income or to manage its costs and expenses, or external, subject to the current market conditions, the supply and demand dynamics and existing competition. In the case of the subject property, we deem the most important factors to be the following:

Internal factors	External factors
• Costs to complete • Fees payable to the apartment owners • Management fee, if applicable • Operating costs • Achievable ADR • Achievable occupancy rate	• Demand for hotel accommodation • Competing projects, their occupancy rates and ADRs • Perceived quality and demand for competing projects • Number of foreign tourist travelling to Bulgaria • Number of inbound tourists • Demand for apartments in gated complexes

Depending on the volatility and change of the factors and their numerical expression, they can positively or negatively impact the value of the property. An increase in the costs to complete, for example, can lead to a decrease in the current value of the project. An optimization, on the other hand, can improve significantly the bottom line of the project. The same goes for the management fees, operating costs and other aspects of the operation of such a large-scale project which could either improve or dampen the overall performance.

Conditional on the current market trend, which is in turn influenced by macroeconomic and political factors which cannot be accounted for, we could also witness strong or weak performance of the sector. Some factors, such as the recently imposed sanctions on Russia, cannot be predicted or forecasted, and their impact on the tourism sector cannot be easily quantified, which leaves us unable to make a long-term forecast for the overall impact on the tourist segment in the country.

Another leading factor is the number of foreign and inbound tourists, as well as the budget they have for accommodation, food & beverages and so on.

The combination of any of these factors, for example an optimization of the operating costs but a low number of tourists can have a mixed effect on the performance of the hotel project. The overall impact, depending on the combined influence of the factors, can be negligible, under 5% of the hotel’s bottom line, or can reach as high as 20-25%.

F. BUSINESS PLAN - PROJECT SUMMARY

THE PROJECT

The subject property is a holiday aparthotel complex located on the first coastline near the town of Aheloy, 15 km away from Burgas, 5 km away from Pomorie and just 4 km from the ancient town of Nessebar and the resorts Sunny beach and St. Vlas. Aheloy River neighbours the complex providing a natural barrier between the complex and the major road. The beach is situated just in front of the complex.

The complex comprises 5 apartment-buildings hosting a total of 1,234 apartment units and villas (excluding the servicing units), alleys and green areas, retail units, reception and lobby, swimming pool and recreational facilities, fun area and parking. Built-up area of apartments varies between 30-70 sqm and each residential unit has a balcony. Most of the apartments are with sea view.

The complex includes commercial premises with area of nearly 16,000 sqm which will be managed and operated by the developer. They are expected to generate stable income flow which will be directed for operational management expenses. Restaurants, bars and cafes, SPA & wellness, fitness and entertainment area and retail will offer the residents a diverse pool of services and amenities.

Apartments will be serviced and managed by an internal firm with significant experience and success in managing aparthotels in the region. In the same time part of the apartments will be offered for sale and manage to benefit from the improvement of holiday property market.

There is an aqua park development in completion stage near the town of Pomorie as well as three other in Nessebar and Sunny beach. There is a beach between Camping Aheloy, 10 min walking distance from the Project and the town of Pomorie with length of approximately 6 km which is free of construction and is kept in its natural condition.

THE CONCEPT

Aheloy Residence aims to be a lifestyle hospitality resort with an extensive portfolio of amenities. The final completion of the Project will provide guests with full-service offerings and amenities as well as benefit from the positive trend in the real estate market, hospitality investment and tourism development.

THE MARKET

Indications for a boost in the holiday and second-home market and current relations between Russia, USA and EU in terms of trade, economy and politics will affect inbound tourism, particularly generated from Russian residents. However, Czech Republic, Slovenia, Slovakia, Poland, Hungary, as well as Lithuania are among the markets which register significant increase in demand for hospitality services on the Black Sea coast. They are attracted by the relatively low prices in comparison to other summer resorts in Europe. Bulgaria is easily accessible by car via the highway network developed throughout Europe and thus transportation expenses, both with organized and private transport are relatively low.

Egypt, Turkey and Greece are among major competitive destinations in terms of quality of tourist service. However, Bulgaria has a competitive advantage due to its climate, strategic location, low prices and last but not least diverse natural environment.

G. VALUATION ASSUMPTIONS

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values. The purpose of the valuation does not alter the approach to the valuation. Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change.

If you wish to rely on our valuation as being valid on any other date you should consult us first. Should you or the borrower contemplate a sale, we strongly recommend that the property is given proper exposure to the market. In a rapidly rising market or in the case of a property with development potential, the inclusion of a 'claw back' provision in the sale contract should also be considered, so that further sums become payable if the property is quickly re-sold at a profit.

According to RICS Valuation – Professional Standards January 2014 the term Investment value means the value of a property to a particular investor.

In preparing our valuation report we have relied upon our knowledge of the occupational and investment markets and the available evidence. In view of the above, we have adopted the following approaches to value the properties.

VALUATION APPROACH DESCRIPTION

In arriving at the **investment value** of the property, we have applied Discounted Cash Flows method for valuing the project.

- **Discounted cash flows**

The discounted cash flows valuation approach explicitly takes into account the timing and amount of all projected incoming and outgoing cash flows. Thus, it allows us to incorporate the development cost schedule as well as the annual/quarterly/monthly cash flows. The development expenditures are based on the remaining costs to complete the project. The leveraged cash flow is constructed in the following way:

NOI – equity acquisition – interest – principal – outstanding principal + investment sale

The interest and principal payments are based on annual installments; in addition, for the purposes of this valuation we have taken into consideration the loan amount attributable to each of the existing buildings.

The present value is set in such a way that the investor achieves a certain target leveraged IRR.

We have assumed a holding period of 5 years, which is typical for a private equity real estate fund.

ASSUMPTIONS FOR ARRIVING AT THE “AS-IS” VALUE OF THE PROPERTY

- We were verbally advised that the current debt obligation towards UniCredit Bulbank is not to be considered for the purposes of this valuation. Instead, we approached this project from the standpoint of a new investor.
- We have used the following area distribution, on which we have based both of the values and have distributed the values per building:

	Currently owned	Total number of rooms (incl. II-stage acquisition rooms)	Total number of operated rooms
P	63	135	255
N	175	175	175
M	192	192	192
L	251	298	298
K	0	294	294
Villas	0	20	20
Total	**681**	**1,114**	**1,234**

As can be observed from the table, the total number of rooms and the number of operated rooms differ by 170 rooms. This is due to the fact that some of the rooms are not owned by EPO Aheloy, but by third party owners. Despite that, we have been advised that the rooms will still be operated along with the rest of the complex and thus we have used the number 1,234 when referring to the total number of rooms in the complex. We have been informed that the rooms' owners will be reimbursed by €1,500 per annum for the use of their properties. We have taken that factor into consideration when estimating the cash flows generated from the properties.

- Based on a specific request by the Addressee, we have excluded the retail areas from consideration when calculating the value of the project "as is"; that said, those have been included in the valuation upon completion of the project
- We have also been verbally advised to take the stance of a new investor and disregard the currently existing credit; therefore, we have assumed that the acquisition of the properties is financed by 60% debt and 40% equity, and the applied interest rate on the debt financing is 4%; we have also applied a DSCR amounting to 1.3
- We have assumed that all finishing works will be financed by equity; the only exception made concerns Building L, where, due to the fact that the construction is still at an early stage, and requires a serious investment, we have allowed for a 60% debt financing of the construction works
- We have relied on the estimation of the costs necessary to complete the project and have included those when estimating the "as is" value of the property. The costs are applied as follows:
- The costs included in the estimations cover the completion of the construction, furnishing, and landscape of the property
- We have allowed for an ADR of €60 per night per room and have assumed that the hotel is operating on an all-inclusive basis
- Based on a detailed market analysis, we have allowed for an average occupancy rate of 50% for the first year of operations, and gradually increase it, to reach a stabilized occupancy rate of 75% in the sixth and seventh year of operations
- We have assumed that the construction, finishing works and furnishing of the units will be completed for the summer 2016 season, along with the landscape; the resort is assumed to be operating since the summer of 2016. The furnishing costs have been distributed per building on the basis of the number of rooms; the landscaping costs have been assigned equally between buildings M, N & P as they are set to be the first one to open doors to the public

Costs to complete per building	
N	€651,468
M	€1,441,749
P	€128,803
L	€4,234,413
K	€4,323,521
Villas	€1,209,000
Total construction costs	**€11,988,954**
Infrastructure, landscape, etc.	€809,101
Total project costs	**€12,798,055**

Additionally, we have allowed for a €2,000 cost of furnishing per room for buildings L&K, and €5,000 per villa. The costs to furnish buildings P, N & M are included in the estimates per building as stipulated in the table above.

- We have allowed for a 55% profit margin, leaving a 45% share of the total expenses, calculated in relation to the total revenue
- We have estimated the operating expenses for the property on the basis of a detailed analysis of the performance of similar properties. We have thus allowed for the following expenses:
    - Rooms expenses-5% of the rooms revenue
    - Food & beverage-20 % of the Food & beverage expenses
    - Administrative & general expenses-3% of the total revenue
    - Sales & marketing-5% of the total revenue
    - Property operations & management-7% of the total management
    - Utility costs-3% of total revenue
    - Reserve for renewals-2.5% of the total revenue
    - Property taxes-0.5% of total revenue
    - Operating fees-0.5% of the total revenue
- We have not assumed any income from the retail areas at the “as is” valuation, since they are owned by another company, as we have been informed; the potential income is estimated in the second value we provide, the value upon completion of the project, where we have assumed that the areas are leased to a potential operator and generate rental income for the owners; the projected income is stated in the tables in the Appendix section below
- We have adopted a 20% IRR for the development of the project
- We have assumed that the property will be sold at the end of the 7th year, after achieving of a stabilized occupancy rate, at an exit yield of 9.5%

ASSUMPTIONS FOR ARRIVING AT THE VALUE UPON COMPLETION

- We have made the same assumptions regarding the occupancy rate, the ADR and the operating costs.
- The assumptions regarding the financing of the project have remained as explained above for consistency.
- As we have assumed that the complex will be fully developed, we have not allowed for any development and completion costs.
- **We would like to state that the value upon completion of the project excludes the costs for completion of the project, as they are assumed to have already been incurred.**

Detailed calculations are presented in the Appendix section below.

H. APPENDICES

CALCULATIONS FOR ARRIVING AT THE AS IS VALUE OF THE PROJECT

BUILDING M

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	192	192	192	192	192	192
Rooms Sold	12,672	15,206	16,474	18,248	19,008	19,008
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€60.00	€61.20	€ 62.42	€ 63.67	€64.95	€66.24
RevPar	€ 30.00	€36.72	€ 40.58	€45.84	€48.71	€ 49.68
REVENUES						
Rooms	€ 760,320	€930,632	€ 1,028,348	€ 1,161,875	€ 1,234,492	€1,259,182
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental						
TOTAL REVENUE	**€760,320**	**€930,632**	**€ 1,028,348**	**€ 1,161,875**	**€ 1,234,492**	**€ 1,259,182**
DEPARTMENTAL COSTS						
Rooms	€ 38,016	€46,532	€ 51,417	€58,094	€ 61,725	€ 62,959
% of rooms revenue	5%	5%	5%	5%	5%	5%

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Food and Beverage	€152,064	€186,126	€ 205,670	€ 232,375	€ 246,898	€ 251,836
% of rooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€ 190,080**	**€232,658**	**€257,087**	**€290,469**	**€ 308,623**	**€314,796**
DEPARTMENTAL PROFIT	**€570,240**	**€ 697,974**	**€ 771,261**	**€871,406**	**€ 925,869**	**€ 944,387**
UNDISTRIBUTED OPERATING EXPENSES	€ 22,810	€ 27,919	€ 30,850	€34,856	€ 37,035	€ 37,775
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€ 38,016	€37,225	€ 30,850	€ 34,856	€37,035	€ 37,775
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€ 39,917	€ 48,858	€ 53,988	€ 60,998	€ 64,811	€ 66,107
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€ 22,810	€ 27,919	€ 30,850	€ 34,856	€37,035	€37,775
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€123,552**	**€ 141,921**	**€146,540**	**€165,567**	**€ 175,915**	**€ 179,433**
INCOME BEFORE FIXED CHARGES	**€ 446,688**	**€556,052**	**€624,721**	**€ 705,839**	**€ 749,954**	**€ 764,953**
FIXED CHARGES						
Reserve for Renewals	€ 19,008	€ 23,266	€25,709	€ 29,047	€ 30,862	€ 31,480
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 3,802	€ 4,653	€ 5,142	€ 5,809	€ 6,172	€6,296

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€ 3,802	€4,653	€ 5,142	€ 5,809	€ 6,172	€ 6,296
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€26,611**	**€ 32,572**	**€ 35,992**	**€ 40,666**	**€ 43,207**	**€44,071**
EBITDA	**€420,077**	**€ 523,480**	**€588,729**	**€ 665,173**	**€ 706,747**	**€720,882**

Building M Valuation							
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Hotel EBITDA		€ 420,077	€ 523,480	€ 588,729	€ 665,173	€ 706,747	€ 720,882
Finishing works expenses	€ 1,711,449						
Equity Financing of the finishing works	€ 1,711,449						
Debt Financing of the finishing works	€ 0						
Debt financing of the acquisition	€ 2,321,808						
Equity financing of the acquisition	€ 1,547,872						
Interest Payments	€ 0	€ 92,872	€ 83,662	€ 70,901	€ 55,622	€ 37,380	€ 0
Principal Payments	€ 0	€ 230,264	€ 319,015	€ 381,967	€ 456,049	€ 506,271	€ 0
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 0	€ 428,241	€ 0
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 0	€ 7,588,229	€ 0
Leveraged Cash Flow	-€ 3,259,321	€ 96,941	€ 120,803	€ 135,861	€ 153,502	€ 7,323,083	
Leveraged IRR	20.0%						
Present Value	€ 3,869,680						
Present Value/room	**€ 20,155**						

Building M Valuation						
Installment	€ 0	€ 323,136	€ 402,677	€ 452,869	€ 511,672	€ 543,651
Interest Payment		€ 92,872	€ 83,662	€ 70,901	€ 55,622	€ 37,380
Principal Payment	€ 0	€ 230,264	€ 319,015	€ 381,967	€ 456,049	€ 506,271
Outstanding Principal	€ 2,321,808	€ 2,091,544	€ 1,772,529	€ 1,390,561	€ 934,512	€ 428,241

	Investment sale
EBITDA 7th year	€ 720,882
Exit Yield	9.5%
Exit Price	€ 7,588,229

Financing of the finishing works	
Debt	0.0%
Equity	100.0%
Interest rate	0.0%
DSCR	0.0

Financing of the acquisition	
Debt	60.0%
Equity	40.0%
Interest rate	4.0%
DSCR	1.3

BUILDING N

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	175	175	175	175	175	175
Rooms Sold	11,550	13,860	15,015	16,632	17,325	17,325
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€60.00	€ 61.20	€ 62.42	€63.67	€64.95	€ 66.24
RevPar	€30.00	€36.72	€ 40.58	€ 45.84	€48.71	€ 49.68
REVENUES						
Rooms	€693,000	€ 848,232	€ 937,296	€1,059,001	€ 1,125,188	€ 1,147,692
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental						
TOTAL REVENUE	**€ 693,000**	**€848,232**	**€937,296**	**€1,059,001**	**€ 1,125,188**	**€ 1,147,692**
DEPARTMENTAL COSTS						
Rooms	€ 34,650	€ 42,412	€ 46,865	€ 52,950	€56,259	€ 57,385
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€ 138,600	€169,646	€ 187,459	€ 211,800	€ 225,038	€ 229,538

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€173,250**	**€ 212,058**	**€234,324**	**€ 264,750**	**€ 281,297**	**€286,923**
DEPARTMENTAL PROFIT	**€519,750**	**€ 636,174**	**€ 702,972**	**€794,251**	**€ 843,891**	**€ 860,769**
UNDISTRIBUTED OPERATING EXPENSES	€20,790	€ 25,447	€ 28,119	€ 31,770	€ 33,756	€ 34,431
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€34,650	€33,929	€ 28,119	€ 31,770	€ 33,756	€ 34,431
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€36,383	€ 44,532	€ 49,208	€ 55,598	€ 59,072	€ 60,254
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€20,790	€ 25,447	€ 28,119	€ 31,770	€ 33,756	€ 34,431
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€112,613**	**€ 129,355**	**€133,565**	**€150,908**	**€ 160,339**	**€ 163,546**
INCOME BEFORE FIXED CHARGES	**€407,138**	**€ 506,819**	**€ 569,408**	**€ 643,343**	**€ 683,552**	**€ 697,223**
FIXED CHARGES						
Reserve for Renewals	€ 17,325	€21,206	€ 23,432	€26,475	€ 28,130	€28,692
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 3,465	€ 4,241	€ 4,686	€5,295	€ 5,626	€ 5,738
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Insurance						
Operating Fees	€ 3,465	€4,241	€ 4,686	€5,295	€5,626	€5,738
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€ 24,255**	**€29,688**	**€ 32,805**	**€ 37,065**	**€ 39,382**	**€ 40,169**
EBITDA	**€382,883**	**€ 477,131**	**€ 536,602**	**€606,278**	**€644,170**	**€657,054**

Building N Valuation							
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Hotel EBITDA		€ 382,883	€ 477,131	€ 536,602	€ 606,278	€ 644,170	€ 657,054
Finishing works expenses	€ 921,168						
Equity Financing of the finishing works	€ 921,168						
Debt Financing of the finishing works	€ 0						
Debt financing of the acquisition	€ 2,668,996						
Equity financing of the acquisition	€ 1,779,331						
Interest Payments	€ 0	€ 106,760	€ 99,249	€ 88,538	€ 75,569	€ 59,937	€ 0
Principal Payments	€ 0	€ 187,765	€ 267,774	€ 324,233	€ 390,799	€ 435,579	€ 0
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 0	€ 1,062,847	€ 0
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 0	€ 6,916,354	€ 0
Leveraged Cash Flow	-€ 2,700,499	€ 88,358	€ 110,107	€ 123,831	€ 139,910	€ 6,002,162	
Leveraged IRR	20.0%						
Present Value	€ 4,448,327						

PERIOD	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Installment	€ 0	€ 294,525	€ 367,023	€ 412,771	€ 466,368	€ 495,516
Interest Payment		€ 106,760	€ 99,249	€ 88,538	€ 75,569	€ 59,937
Principal Payment	€ 0	€ 187,765	€ 267,774	€ 324,233	€ 390,799	€ 435,579
Outstanding Principal	€ 2,668,996	€ 2,481,231	€ 2,213,457	€ 1,889,224	€ 1,498,425	€ 1,062,847

	Investment sale
EBITDA 7th year	€ 657,054
Exit Yield	9.5%
Exit Price	€ 6,916,354

Financing of the acquisition	
Debt	60.0%
Equity	40.0%
Interest rate	4.0%
DSCR	1.3

BUILDING P

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	63	63	63	63	63	63
Rooms Sold	4,158	4,990	5,405	5,988	6,237	6,237
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€60.00	€ 61.20	€ 62.42	€63.67	€64.95	€ 66.24
RevPar	€ 30.00	€ 36.72	€ 40.58	€45.84	€48.71	€ 49.68
REVENUES						
Rooms	€249,480	€305,364	€ 337,427	€381,240	€ 405,068	€ 413,169
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental						
TOTAL REVENUE	**€ 249,480**	**€305,364**	**€ 337,427**	**€381,240**	**€405,068**	**€ 413,169**
DEPARTMENTAL COSTS						
Rooms	€12,474	€ 15,268	€ 16,871	€19,062	€20,253	€ 20,658
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€49,896	€ 61,073	€ 67,485	€76,248	€ 81,014	€82,634
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€62,370**	**€ 76,341**	**€ 84,357**	**€ 95,310**	**€101,267**	**€ 103,292**
DEPARTMENTAL PROFIT	**€ 187,110**	**€229,023**	**€253,070**	**€ 285,930**	**€ 303,801**	**€309,877**
UNDISTRIBUTED OPERATING EXPENSES	€ 7,484	€ 9,161	€ 10,123	€ 11,437	€ 12,152	€ 12,395
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€12,474	€ 12,215	€10,123	€ 11,437	€ 12,152	€ 12,395
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€ 13,098	€ 16,032	€17,715	€20,015	€ 21,266	€ 21,691
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€7,484	€ 9,161	€10,123	€ 11,437	€ 12,152	€12,395
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€ 40,541**	**€46,568**	**€48,083**	**€ 54,327**	**€ 57,722**	**€58,877**
INCOME BEFORE FIXED CHARGES	**€146,570**	**€182,455**	**€204,987**	**€231,603**	**€246,079**	**€251,000**
FIXED CHARGES						
Reserve for Renewals	€ 6,237	€7,634	€8,436	€ 9,531	€10,127	€10,329
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 1,247	€ 1,527	€ 1,687	€ 1,906	€2,025	€ 2,066
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€ 1,247	€ 1,527	€1,687	€1,906	€ 2,025	€ 2,066

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€8,732**	**€10,688**	**€ 11,810**	**€13,343**	**€14,177**	**€14,461**
EBITDA	**€ 137,838**	**€ 171,767**	**€ 193,177**	**€ 218,260**	**€231,901**	**€236,539**

Building P Valuation							
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Hotel EBITDA		€ 137,838	€ 171,767	€ 193,177	€ 218,260	€ 231,901	€ 236,539
Finishing works expenses	€ 398,503						
Equity Financing of the finishing works	€ 398,503						
Debt Financing of the finishing works	€ 0						
Debt financing of the acquisition	€ 900,372						
Equity financing of the acquisition	€ 600,248						
Interest Payments	€ 0	€ 36,015	€ 33,214	€ 29,258	€ 24,484	€ 18,748	€ 0
Principal Payments	€ 0	€ 70,014	€ 98,914	€ 119,340	€ 143,408	€ 159,638	€ 0
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 0	€ 309,058	€ 0
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 0	€ 2,489,888	€ 0
Leveraged Cash Flow	-€ 998,751	€ 31,809	€ 39,639	€ 44,579	€ 50,368	€ 2,234,346	
Leveraged IRR	20.1%						
Present Value	€ 1,500,620						
Present Value/room	**€ 23,819**						

EBITDA 7th year	€ 236,539
Exit Yield	9.5%
Exit Price	€ 2,489,888

BUILDING L

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	251	251	251	251	251	251
Rooms Sold	16,566	19,879	21,536	23,855	24,849	24,849
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€60.00	€61.20	€62.42	€63.67	€64.95	€66.24
RevPar	€30.00	€ 36.72	€ 40.58	€45.84	€48.71	€49.68
REVENUES						
Rooms	€993,960	€1,216,607	€1,344,351	€ 1,518,910	€1,613,841	€1,646,118
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental						
TOTAL REVENUE	**€993,960**	**€1,216,607**	**€ 1,344,351**	**€1,518,910**	**€ 1,613,841**	**€1,646,118**

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
DEPARTMENTAL COSTS						
Rooms	€ 49,698	€60,830	€67,218	€ 75,945	€80,692	€82,306
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€ 198,792	€243,321	€ 268,870	€303,782	€ 322,768	€ 329,224
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€248,490**	**€ 304,152**	**€ 336,088**	**€379,727**	**€ 403,460**	**€411,530**
DEPARTMENTAL PROFIT	**€745,470**	**€912,455**	**€1,008,263**	**€1,139,182**	**€1,210,381**	**€ 1,234,589**
UNDISTRIBUTED OPERATING EXPENSES	€29,819	€36,498	€ 40,331	€ 45,567	€48,415	€49,384
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€ 49,698	€ 48,664	€40,331	€45,567	€48,415	€ 49,384
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€52,183	€63,872	€70,578	€79,743	€84,727	€86,421
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€29,819	€ 36,498	€ 40,331	€ 45,567	€48,415	€ 49,384
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€161,519**	**€185,533**	**€191,570**	**€216,445**	**€ 229,972**	**€234,572**
INCOME BEFORE FIXED CHARGES	**€583,952**	**€726,923**	**€ 816,693**	**€ 922,738**	**€ 980,409**	**€ 1,000,017**

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
FIXED CHARGES						
Reserve for Renewals	€24,849	€ 30,415	€ 33,609	€37,973	€40,346	€ 41,153
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 4,970	€6,083	€ 6,722	€ 7,595	€ 8,069	€8,231
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€ 4,970	€ 6,083	€ 6,722	€7,595	€8,069	€8,231
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€34,789**	**€42,581**	**€ 47,052**	**€ 53,162**	**€56,484**	**€57,614**
EBITDA	**€549,163**	**€684,341**	**€ 769,641**	**€869,576**	**€923,924**	**€ 942,403**

Building L Valuation							
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Hotel EBITDA		€ 549,163	€ 684,341	€ 769,641	€ 869,576	€ 923,924	€ 942,403
Finishing works & acquisition expenses	€ 4,234,413						
Equity Financing of the finishing works	€ 1,693,765						
Debt Financing of the finishing works	€ 2,540,648						
Debt financing of the acquisition	€ 2,115,055						
Equity financing of the acquisition	€ 1,410,037						
Interest Payments-finishing works	€ 0	€ 101,626	€ 90,001	€ 74,048	€ 55,020	€ 32,376	€ 0
Principal Payments-finishing works	€ 0	€ 290,633	€ 398,815	€ 475,695	€ 566,105	€ 627,570	€ 0
Outstanding Principal-finsihing works	€ 0	€ 0	€ 0	€ 0	€ 0	€ 181,829	€ 0
Interest payments-acquisition	€ 0	€ 95,177	€ 81,809	€ 63,493	€ 41,612	€ 15,534	€ 0
Principal payments-acquisition	€ 0	€ 297,082	€ 407,007	€ 486,250	€ 579,513	€ 345,203	€ 0
Outstanding principal-acquisition						€ 0	

Building L Valuation							
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 0	€ 9,920,028	€ 0
Leveraged Cash Flow	-€ 3,103,802	-€ 235,356	-€ 293,289	-€ 329,846	-€ 372,675	€ 9,641,440	
Leveraged IRR	20.0%						
Present Value	€ 3,525,091						
Present Value/room	**€ 14,044**						

Payment schedule of the finishing works	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Installment	€ 0	€ 392,259	€ 488,815	€ 549,743	€ 621,126	€ 659,946
Interest Payment		€ 101,626	€ 90,001	€ 74,048	€ 55,020	€ 32,376
Principal Payment	€ 0	€ 290,633	€ 398,815	€ 475,695	€ 566,105	€ 627,570
Outstanding Principal	€ 2,540,648	€ 2,250,014	€ 1,851,200	€ 1,375,504	€ 809,399	€ 181,829

Payment schedule of the acquisitioin	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Installment	€ 0	€ 392,259	€ 488,815	€ 549,743	€ 621,126	€ 659,946
Interest Payment	€ 0	€ 95,177	€ 81,809	€ 63,493	€ 41,612	€ 15,534
Principal Payment	€ 0	€ 297,082	€ 407,007	€ 486,250	€ 579,513	€ 345,203
Outstanding Principal	€ 2,115,055	€ 1,817,973	€ 1,410,967	€ 924,717	€ 345,203	€ 0

	Investment sale
EBITDA 7th year	€ 942,403
Exit Yield	9.5%
Exit Price	€ 9,920,028

Financing of the finishing works	
Debt	60.0%
Equity	40.0%
Interest rate	4.0%
DSCR	1.3

Financing of the acquisition	
Debt	60.0%
Equity	40.0%
Interest rate	4.5%
DSCR	1.4

CALCULATIONS FOR ARRIVING AT THE VALUE UPON COMPLETION OF THE PROJECT

BUILDING M

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	192	192	192	192	192	192
Rooms Sold	12,672	15,206	16,474	18,248	19,008	19,008
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€ 60.00	€61.20	€ 62.42	€63.67	€64.95	€66.24
RevPar	€ 0.00	€ 36.72	€ 40.58	€45.84	€48.71	€ 49.68
REVENUES						
Rooms	€760,320	€930,632	€1,028,348	€ 1,161,875	€ 1,234,492	€ 1,259,182
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental	€128,327	€130,893	€ 133,511	€ 136,181	€ 138,905	€ 141,683
TOTAL REVENUE	**€ 888,647**	**€1,061,525**	**€1,161,859**	**€1,298,056**	**€1,373,397**	**€ 1,400,865**
DEPARTMENTAL COSTS						
Rooms	€38,016	€46,532	€51,417	€ 58,094	€61,725	€ 62,959
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€ 152,064	€186,126	€ 205,670	€232,375	€246,898	€251,836

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€190,080**	**€232,658**	**€257,087**	**€ 290,469**	**€308,623**	**€ 314,796**
DEPARTMENTAL PROFIT	**€698,567**	**€828,867**	**€ 904,772**	**€1,007,587**	**€1,064,774**	**€ 1,086,069**
UNDISTRIBUTED OPERATING EXPENSES	€26,659	€31,846	€ 34,856	€38,942	€41,202	€42,026
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€ 44,432	€ 42,461	€ 34,856	€ 38,942	€ 41,202	€42,026
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€48,900	€ 58,021	€63,334	€70,531	€74,534	€76,025
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€26,659	€31,846	€ 34,856	€38,942	€41,202	€42,026
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€146,651**	**€164,173**	**€ 167,901**	**€187,356**	**€198,140**	**€202,103**
INCOME BEFORE FIXED CHARGES	**€551,916**	**€664,694**	**€736,871**	**€820,231**	**€ 866,634**	**€ 883,967**
FIXED CHARGES						
Reserve for Renewals	€ 22,216	€26,538	€29,046	€32,451	€34,335	€35,022
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 4,443	€5,308	€5,809	€ 6,490	€6,867	€ 7,004
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Insurance						
Operating Fees	€ 4,443	€5,308	€ 5,809	€ 6,490	€ 6,867	€7,004
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€31,103**	**€37,153**	**€ 40,665**	**€45,432**	**€48,069**	**€49,030**
EBITDA	**€520,813**	**€ 627,540**	**€ 696,206**	**€774,799**	**€818,565**	**€ 834,936**

Building M Valuation						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Hotel EBITDA	€ 520,813	€ 627,540	€ 696,206	€ 774,799	€ 818,565	€ 834,936
Finishing works expenses	€ 0					
Equity Financing of the finishing works	€ 0					
Debt Financing of the finishing works	€ 0					
Debt financing of the acquisition	€ 4,910,652					
Equity financing of the acquisition	€ 3,273,768					
Interest Payments	€ 196,426	€ 188,258	€ 176,480	€ 162,117	€ 144,762	€ 125,366
Principal Payments	€ 204,199	€ 294,465	€ 359,063	€ 433,882	€ 484,904	€ 516,893
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 3,134,138	€ 516,893
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 8,788,805	€ 0
Leveraged Cash Flow	-€ 3,153,581	€ 144,817	€ 160,663	€ 178,800	€ 5,843,566	-€ 324,216
Leveraged IRR	20.0%					
Present Value	€ 8,184,420					
Present Value/room	**€ 42,627**					

Retail rental rates	
Restaurant rent	€ 10.00
Wine cellar rent	€12.00

PERIOD	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Installment	€ 400,625	€ 482,723	€ 535,543	€ 595,999	€ 629,666	€ 642,259
Interest Payment	€ 196,426	€ 188,258	€ 176,480	€ 162,117	€ 144,762	€ 125,366
Principal Payment	€ 204,199	€ 294,465	€ 359,063	€ 433,882	€ 484,904	€ 516,893
Outstanding Principal	€ 4,706,453	€ 4,411,988	€ 4,052,924	€ 3,619,042	€ 3,134,138	€ 2,617,245

BUILDING N

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	175	175	175	175	175	175
Rooms Sold	11,550	13,860	15,015	16,632	17,325	17,325
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€60.00	€61.20	€62.42	€63.67	€64.95	€66.24
RevPar	€30.00	€36.72	€40.58	€45.84	€ 48.71	€49.68
REVENUES						
Rooms	€693,000	€ 848,232	€937,296	€ 1,059,001	€ 1,125,188	€1,147,692
Food & beverage						
% of rooms revenue						

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental	€ 5,141	€5,244	€ 5,349	€ 5,456	€ 5,565	€5,676
TOTAL REVENUE	**€698,141**	**€ 853,476**	**€ 942,645**	**€1,064,456**	**€ 1,130,753**	**€1,153,368**
DEPARTMENTAL COSTS						
Rooms	€34,650	€ 42,412	€ 46,865	€52,950	€56,259	€ 57,385
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€ 138,600	€ 169,646	€187,459	€ 211,800	€ 225,038	€ 229,538
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€173,250**	**€ 212,058**	**€ 234,324**	**€264,750**	**€ 281,297**	**€ 286,923**
DEPARTMENTAL PROFIT	**€524,891**	**€ 641,418**	**€ 708,321**	**€ 799,706**	**€ 849,456**	**€ 866,445**
UNDISTRIBUTED OPERATING EXPENSES	€ 20,944	€ 25,604	€28,279	€31,934	€ 33,923	€34,601
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€ 34,907	€ 34,139	€ 28,279	€31,934	€33,923	€ 34,601
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€ 36,742	€ 44,899	€49,582	€ 55,979	€ 59,462	€ 60,651
% of total revenue	7%	7%	7%	7%	7%	7%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Utility Costs	€ 20,944	€25,604	€ 28,279	€31,934	€ 33,923	€ 34,601
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€ 113,538**	**€130,247**	**€134,421**	**€151,781**	**€ 161,230**	**€ 164,454**
INCOME BEFORE FIXED CHARGES	**€411,353**	**€ 511,171**	**€573,901**	**€ 647,926**	**€ 688,226**	**€701,991**
FIXED CHARGES						
Reserve for Renewals	€17,454	€ 21,337	€ 23,566	€26,611	€ 28,269	€28,834
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 3,491	€4,267	€ 4,713	€ 5,322	€5,654	€ 5,767
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€ 3,491	€4,267	€4,713	€5,322	€ 5,654	€5,767
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€ 24,435**	**€ 29,872**	**€32,993**	**€37,256**	**€39,576**	**€ 40,368**
EBITDA	**€ 386,918**	**€481,299**	**€540,908**	**€ 610,670**	**€ 648,650**	**€661,623**

Building N Valuation						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Hotel EBITDA	€ 386,918	€ 481,299	€ 540,908	€ 610,670	€ 648,650	€ 661,623
Finishing works expenses	€ 0					
Equity Financing of the finishing works	€ 0					
Debt Financing of the finishing works	€ 0					
Debt financing of the acquisition	€ 3,863,411					

Building N Valuation							
Equity financing of the acquisition	€ 2,575,607						
Interest Payments	€ 154,536	€ 148,813	€ 139,956	€ 128,911		€ 115,278	€ 99,930
Principal Payments	€ 143,093	€ 221,418	€ 276,127	€ 340,835		€ 383,684	€ 409,011
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0		€ 2,498,254	€ 0
Exit Price	€ 0	€ 0	€ 0	€ 0		€ 6,964,452	€ 0
Leveraged Cash Flow	-€ 2,486,318	€ 111,069	€ 124,825	€ 140,924		€ 4,615,887	€ 152,682
Leveraged IRR	20.0%						
Present Value	€ 6,439,018						
Present Value/room	13,237						

	Investment sale
EBITDA 7th year	€ 661,623
Exit Yield	9.5%
Exit Price	€ 6,964,452

PERIOD	Year 1	Year 2	Year 3		Year 4	Year 5	Year 6
Installment	€ 297,629	€ 370,230	€ 416,083	€ 469,746		€ 498,962	€ 508,941
Interest Payment	€ 154,536	€ 148,813	€ 139,956	€ 128,911		€ 115,278	€ 99,930
Principal Payment	€ 143,093	€ 221,418	€ 276,127	€ 340,835		€ 383,684	€ 409,011
Outstanding Principal	€ 3,720,318	€ 3,498,900	€ 3,222,773	€ 2,881,938		€ 2,498,254	€ 2,089,243

BUILDING P

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	255	255	255	255	255	255
Rooms Sold	16,830	20,196	21,879	24,235	25,245	25,245
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€60.00	€ 61.20	€ 62.42	€63.67	€64.95	€66.24
RevPar	€30.00	€ 36.72	€40.58	€ 45.84	€ 48.71	€ 49.68
REVENUES						
Rooms	€1,009,800	€1,235,995	€ 1,365,775	€ 1,543,115	€1,639,560	€ 1,672,351
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental						
TOTAL REVENUE	**€1,009,800**	**€ 1,235,995**	**€ 1,365,775**	**€ 1,543,115**	**€ 1,639,560**	**€ 1,672,351**
DEPARTMENTAL COSTS						
Rooms	€ 50,490	€61,800	€68,289	€77,156	€ 81,978	€ 83,618
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€201,960	€ 247,199	€273,155	€ 308,623	€ 327,912	€334,470
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments	€180,000	€180,000	€180,000	€180,000	€180,000	€180,000

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€ 432,450**	**€ 488,999**	**€ 521,444**	**€ 565,779**	**€ 589,890**	**€ 598,088**
DEPARTMENTAL PROFIT	**€ 577,350**	**€ 746,996**	**€ 844,331**	**€ 977,336**	**€ 1,049,670**	**€ 1,074,263**
UNDISTRIBUTED OPERATING EXPENSES	€30,294	€37,080	€ 40,973	€ 46,293	€ 49,187	€ 50,171
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€ 50,490	€ 49,440	€ 40,973	€ 46,293	€ 49,187	€ 50,171
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€ 40,415	€ 52,290	€ 59,103	€ 68,414	€ 73,477	€ 75,198
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€30,294	€ 37,080	€ 40,973	€ 46,293	€ 49,187	€ 50,171
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€ 151,493**	**€ 175,889**	**€182,023**	**€ 207,294**	**€221,037**	**€ 225,710**
INCOME BEFORE FIXED CHARGES	**€425,858**	**€571,107**	**€ 662,308**	**€770,043**	**€ 828,633**	**€ 848,553**
FIXED CHARGES						
Reserve for Renewals	€ 25,245	€30,900	€ 34,144	€38,578	€ 40,989	€ 41,809
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€5,049	€ 6,180	€ 6,829	€ 7,716	€ 8,198	€ 8,362
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€5,049	€ 6,180	€ 6,829	€7,716	€ 8,198	€ 8,362
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
% of total revenue						
TOTAL FIXED CHARGES	**€ 35,343**	**€43,260**	**€ 47,802**	**€ 54,009**	**€57,385**	**€ 58,532**
EBITDA	**€390,515**	**€ 527,847**	**€614,506**	**€716,034**	**€ 771,248**	**€ 790,021**

Building P Valuation						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Hotel EBITDA	€ 390,515	€ 527,847	€ 614,506	€ 716,034	€ 771,248	€ 790,021
Finishing works expenses	€ 0					
Debt acquisition	€ 4,531,766					
Equity acquisition	€ 3,021,177					
Interest payments	€ 181,271	€ 176,506	€ 167,324	€ 155,109	€ 139,282	
Principal payments	€ 119,125	€ 229,531	€ 305,373	€ 395,686	€ 453,986	
Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 3,028,066	
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 8,316,011	
Leveraged Cash Flow	-€ 2,931,058	€ 121,811	€ 141,809	€ 165,239	€ 5,465,925	
Leveraged IRR	20.0%					
Present Value	€ 7,552,943					
Present Value/room	€29,619					

Acquisition loan schedule	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Installment	€ 300,396	€ 406,036	€ 472,697	€ 550,795	€ 593,268	€ 607,709
Interest Payment	€ 181,271	€ 176,506	€ 167,324	€ 155,109	€ 139,282	€ 121,123
Principal Payment	€ 119,125	€ 229,531	€ 305,373	€ 395,686	€ 453,986	€ 486,586
Outstanding Principal	€ 4,412,641	€ 4,183,110	€ 3,877,737	€ 3,482,052	€ 3,028,066	€ 2,541,480

	Investment sale
EBITDA 7th year	€ 790,021
Exit Yield	9.5%
Exit Price	€ 8,316,011

BUILDING L

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	298	298	298	298	298	298
Rooms Sold	19,668	23,602	25,568	28,322	29,502	29,502
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€ 60.00	€61.20	€ 62.42	€ 63.67	€64.95	€ 66.24
RevPar	€ 30.00	€ 36.72	€ 40.58	€ 45.84	€ 48.71	€ 49.68
REVENUES						
Rooms	€ 1,180,080	€1,444,418	€ 1,596,082	€ 1,803,327	€ 1,916,035	€ 1,954,356
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental	€59,964	€61,163	€ 62,387	€63,634	€64,907	€66,205
TOTAL REVENUE	**€1,240,044**	**€ 1,505,581**	**€1,658,468**	**€1,866,961**	**€ 1,980,942**	**€2,020,561**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
DEPARTMENTAL COSTS						
Rooms	€ 59,004	€ 72,221	€ 79,804	€ 90,166	€ 95,802	€ 97,718
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€236,016	€ 288,884	€ 319,216	€360,665	€ 383,207	€ 390,871
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€ 295,020**	**€ 361,104**	**€ 399,020**	**€ 450,832**	**€ 479,009**	**€ 488,589**
DEPARTMENTAL PROFIT	**€ 945,024**	**€1,144,477**	**€ 1,259,448**	**€ 1,416,130**	**€ 1,501,933**	**€ 1,531,972**
UNDISTRIBUTED OPERATING EXPENSES	€37,201	€45,167	€ 49,754	€56,009	€ 59,428	€ 60,617
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€ 62,002	€ 60,223	€49,754	€56,009	€ 59,428	€60,617
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€ 66,152	€80,113	€ 88,161	€ 99,129	€ 105,135	€ 107,238
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€ 37,201	€ 45,167	€ 49,754	€ 56,009	€59,428	€60,617
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€202,557**	**€ 230,672**	**€237,424**	**€ 267,156**	**€ 283,420**	**€ 289,088**
INCOME BEFORE FIXED CHARGES	**€ 742,468**	**€ 913,805**	**€1,022,024**	**€ 1,148,974**	**€ 1,218,513**	**€ 1,242,883**
FIXED CHARGES						

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Reserve for Renewals	€ 31,001	€37,640	€ 41,462	€ 46,674	€ 49,524	€ 50,514
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 6,200	€7,528	€ 8,292	€ 9,335	€ 9,905	€ 10,103
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€ 6,200	€ 7,528	€ 8,292	€ 9,335	€9,905	€10,103
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€ 43,402**	**€ 52,695**	**€ 58,046**	**€65,344**	**€69,333**	**€70,720**
EBITDA	**€ 699,066**	**€ 861,110**	**€ 963,978**	**€ 1,083,630**	**€ 1,149,180**	**€ ,172,164**

Retail areas breakdown	Areas	Growth & inflation rate	2%
Fitness	754.57	Rental rate-fitness center	€ 2.00
Café	674.80	Rental rate-café	€10.00
Hairdressers	85.31	Rental rate-hairdressers	€ 20.00
SPA center	410.84	Retail stores-under 100 sqm	€ 7.00
retail store 1	44.70	Retail stores-above 100 sqm	€ 6.00
retail store 2	44.70	Rental rate-SPA center	€5.00

Retail areas breakdown	Areas	Growth & inflation rate	2%
retail store 3	44.88		
retail store 4	182.47		
reception area	37.83		
retail store 5	44.70		
retail store 6	44.70		
retail store 7	44.70		
Total	2,414.20		

Building L Valuation						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Hotel EBITDA	€ 699,066	€ 861,110	€ 963,978	€ 1,083,630	€ 1,149,180	€ 1,172,164
Debt financing of the acquisition	€ 10,053,204					
Equity financing of the acquisition	€ 6,702,136					
Interest Payments	€ 402,128	€ 396,704	€ 386,076	€ 371,858	€ 353,390	€ 332,166
Principal Payments	€ 135,615	€ 265,689	€ 355,446	€ 461,704	€ 530,595	€ 569,498
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 0	€ 7,734,658
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 12,338,565	€ 0
Leveraged Cash Flow	-€ 6,540,813	€ 198,718	€ 222,456	€ 250,069	€ 12,603,761	€ 0
Leveraged IRR	20.0%					
Present Value	€ 16,755,339					
Present Value/room	**€ 56,226**					

Initial acquisition loan schedule	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Installment	€ 537,743	€ 662,392	€ 741,522	€ 833,562	€ 883,985	€ 901,664
Interest Payment	€ 402,128	€ 396,704	€ 386,076	€ 371,858	€ 353,390	€ 332,166
Principal Payment	€ 135,615	€ 265,689	€ 355,446	€ 461,704	€ 530,595	€ 569,498
Outstanding Principal	€ 9,917,589	€ 9,651,900	€ 9,296,454	€ 8,834,751	€ 8,304,156	€ 7,734,658

	Investment sale
EBITDA 6th year	€ 1,172,164
Exit Yield	9.5%
Exit Price	€ 12,338,565

Financing of the acquisition	
Debt	60.0%
Equity	40.0%
Interest rate	4.0%
DSCR	1.3

BUILDING K

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	298	298	298	298	298	298
Rooms Sold	19,668	23,602	25,568	28,322	29,502	29,502
Occupancy (%)	50%	60%	65%	72%	75%	75%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
ADR	€ 60.00	€ 61.20	€62.42	€ 63.67	€ 64.95	€ 66.24
RevPar	€ 30.00	€ 36.72	€ 40.58	€45.84	€ 48.71	€ 49.68
REVENUES						
Rooms	€1,180,080	€ 1,444,418	€1,596,082	€ 1,803,327	€1,916,035	€1,954,356
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental	€ 150,723	€ 153,738	€156,812	€159,949	€163,148	€ 166,411
TOTAL REVENUE	**€1,330,803**	**€1,598,156**	**€ 1,752,894**	**€1,963,276**	**€2,079,182**	**€ 2,120,766**
DEPARTMENTAL COSTS						
Rooms	€ 59,004	€ 72,221	€79,804	€90,166	€ 95,802	€ 97,718
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€ 236,016	€ 288,884	€319,216	€360,665	€ 383,207	€390,871
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€ 295,020**	**€361,104**	**€399,020**	**€ 450,832**	**€ 479,009**	**€488,589**
DEPARTMENTAL PROFIT	**€1,035,783**	**€ 1,237,051**	**€1,353,874**	**€ 1,512,444**	**€ 1,600,174**	**€ 1,632,177**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
UNDISTRIBUTED OPERATING EXPENSES	€39,924	€ 47,945	€ 52,587	€ 58,898	€ 62,375	€ 63,623
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€ 66,540	€ 63,926	€ 52,587	€ 58,898	€62,375	€ 63,623
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€ 72,505	€ 86,594	€94,771	€105,871	€ 112,012	€ 114,252
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€ 39,924	€47,945	€ 52,587	€ 58,898	€ 62,375	€ 63,623
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€218,893**	**€246,409**	**€ 252,532**	**€ 282,566**	**€ 299,139**	**€305,121**
INCOME BEFORE FIXED CHARGES	**€816,890**	**€990,642**	**€ 1,101,342**	**€1,229,878**	**€ 1,301,035**	**€ 1,327,056**
FIXED CHARGES						
Reserve for Renewals	€33,270	€ 39,954	€ 43,822	€ 49,082	€ 51,980	€53,019
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€6,654	€ 7,991	€ 8,764	€9,816	€ 10,396	€10,604
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€ 6,654	€7,991	€ 8,764	€ 9,816	€ 10,396	€ 10,604
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						
% of total revenue						
TOTAL FIXED CHARGES	**€ 46,578**	**€ 55,935**	**€ 61,351**	**€ 68,715**	**€72,771**	**€ 74,227**
EBITDA	**€770,312**	**€ 934,706**	**€ 1,039,991**	**€ 1,161,163**	**€ ,228,264**	**€ 1,252,829**

Building K Valuation						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Hotel EBITDA	€ 770,312	€ 934,706	€ 1,039,991	€ 1,161,163	€ 1,228,264	€ 1,252,829
Debt financing of the acquisition	€ 10,761,573					
Equity financing of the acquisition	€ 7,174,382					
Interest Payments	€ 430,463	€ 423,980	€ 412,179	€ 396,666	€ 376,804	€ 354,084
Principal Payments	€ 162,085	€ 295,025	€ 387,814	€ 496,537	€ 568,014	€ 609,631
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 0	€ 8,242,467
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 13,187,674	€ 0
Leveraged Cash Flow	-€ 6,996,618	€ 215,701	€ 239,998	€ 267,961	€ 13,471,119	€ 0
Leveraged IRR	20.0%					
Present Value	€ 17,935,955					
Present Value/room	**€ 60,188**					

Initial acquisition loan schedule	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Installment	€ 592,548	€ 719,005	€ 799,993	€ 893,203	€ 944,818	€ 963,715
Interest Payment	€ 430,463	€ 423,980	€ 412,179	€ 396,666	€ 376,804	€ 354,084
Principal Payment	€ 162,085	€ 295,025	€ 387,814	€ 496,537	€ 568,014	€ 609,631
Outstanding Principal	€ 10,599,488	€ 10,304,463	€ 9,916,648	€ 9,420,112	€ 8,852,098	€ 8,242,467

	Investment sale
EBITDA 6th year	€ 1,252,829
Exit Yield	9.5%
Exit Price	€ 13,187,674

VILLAS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
YEAR						
No of Opening Days	132	132	132	132	132	132
No of Rooms available	20	20	20	20	20	20
Rooms Sold	1,320	1,584	1,716	1,901	1,980	1,980
Occupancy (%)	50%	60%	65%	72%	75%	75%
ADR	€120.00	€122.40	€124.85	€ 127.34	€ 129.89	€132.49
RevPar	€ 60.00	€ 73.44	€ 81.15	€ 91.69	€ 97.42	€99.37
REVENUES						
Rooms	€158,400	€193,882	€ 214,239	€242,057	€ 257,186	€ 262,330
Food & beverage						
% of rooms revenue						
Banqueting (inc. Conferencing F&B)						
% of total revenue						
Other operated departments						
% of rooms revenue						
Retail & Room Rental						
TOTAL REVENUE	**€ 158,400**	**€193,882**	**€214,239**	**€242,057**	**€ 257,186**	**€ 262,330**
DEPARTMENTAL COSTS						
Rooms	€ 7,920	€ 9,694	€ 10,712	€ 12,103	€ 12,859	€ 13,116
% of rooms revenue	5%	5%	5%	5%	5%	5%
Total Food and Beverage	€ 31,680	€ 38,776	€ 42,848	€ 48,411	€ 51,437	€ 52,466
% ofrooms revenue	20%	20%	20%	20%	20%	20%
Banqueting						
% of Conferencing revenue						
Other operated departments						

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
% of OOD revenue						
TOTAL DEPARTMENTAL COSTS	**€39,600**	**€48,470**	**€53,560**	**€ 60,514**	**€64,296**	**€65,582**
DEPARTMENTAL PROFIT	**€118,800**	**€145,411**	**€ 160,679**	**€181,543**	**€ 192,889**	**€196,747**
UNDISTRIBUTED OPERATING EXPENSES	€ 4,752	€5,816	€ 6,427	€ 7,262	€ 7,716	€ 7,870
Administrative & General	3%	3%	3%	3%	3%	3%
% of total revenue						
Sales & Marketing	€7,920	€ 7,755	€ 6,427	€ 7,262	€ 7,716	€ 7,870
% of total revenue	5%	4%	3%	3%	3%	3%
Property Operations and Maintenance	€ 8,316	€ 10,179	€11,248	€ 12,708	€ 13,502	€13,772
% of total revenue	7%	7%	7%	7%	7%	7%
Utility Costs	€ 4,752	€5,816	€ 6,427	€ 7,262	€ 7,716	€ 7,870
% of total revenue	3%	3%	3%	3%	3%	3%
TOTAL UNDISTRIBUTED EXPENSES	**€25,740**	**€29,567**	**€30,529**	**€ 34,493**	**€36,649**	**€37,382**
INCOME BEFORE FIXED CHARGES	**€ 93,060**	**€ 115,844**	**€130,150**	**€147,050**	**€ 156,240**	**€ 159,365**
FIXED CHARGES						
Reserve for Renewals	€3,960	€4,847	€ 5,356	€6,051	€ 6,430	€ 6,558
% of total revenue	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Property Taxes	€ 792	€ 969	€ 1,071	€ 1,210	€1,286	€ 1,312
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Insurance						
Operating Fees	€792	€ 969	€ 1,071	€ 1,210	€ 1,286	€ 1,312
% of total revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Management fees						

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
% of total revenue						
TOTAL FIXED CHARGES	**€ 5,544**	**€ 6,786**	**€7,498**	**€8,472**	**€ 9,002**	**€9,182**
EBITDA	**€ 87,516**	**€109,058**	**€122,652**	**€138,578**	**€ 147,239**	**€ 150,184**

Building K Valuation						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Hotel EBITDA	€ 87,516	€ 109,058	€ 122,652	€ 138,578	€ 147,239	€ 150,184
Debt financing of the acquisition	€ 1,288,736					
Equity financing of the acquisition	€ 859,157					
Interest Payments	€ 51,549	€ 50,919	€ 49,600	€ 47,810	€ 45,458	€ 42,746
Principal Payments	€ 15,771	€ 32,972	€ 44,748	€ 58,789	€ 67,802	€ 72,780
Acquisition Outstanding Principal	€ 0	€ 0	€ 0	€ 0	€ 0	€ 995,874
Exit Price	€ 0	€ 0	€ 0	€ 0	€ 1,580,881	€ 0
Leveraged Cash Flow	-€ 838,961	€ 25,167	€ 28,304	€ 31,979	€ 1,614,859	€ 0
Leveraged IRR	20.0%					
Present Value	€ 2,147,893					
Present Value/villa	**€ 107,395**					

Initial acquisition loan schedule	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Installment	€ 67,320	€ 83,891	€ 94,348	€ 106,598	€ 113,261	€ 115,526
Interest Payment	€ 51,549	€ 50,919	€ 49,600	€ 47,810	€ 45,458	€ 42,746
Principal Payment	€ 15,771	€ 32,972	€ 44,748	€ 58,789	€ 67,802	€ 72,780
Outstanding Principal	€ 1,272,965	€ 1,239,993	€ 1,195,245	€ 1,136,456	€ 1,068,654	€ 995,874

	Investment sale
EBITDA 6th year	€ 150,184
Exit Yield	9.5%
Exit Price	€ 1,580,881

PICTURES

BUILDING L

BUILDINGS K & L

BUILDING N

VIEW TO THE CENTRAL SQUARE OF THE COMPLEX

BUILDING K

BUILDING N

BUILDINGS K & L

BUILDING K

BUILDINGS M & N

BUILDINGS K, L, M, N

BUILDING P

BUILDING P

AHELOY RIVER IN IMMEDIATE PROXIMITY

BUILDING N/M

BUILDINGS K & L

COASTLINE IN FRONT OF THE COMPLEX

ROAD INFRACTURE PROVIDING ACCESS TO THE PROPERTY

DOCUMENTS SUPPLIED

Site plan – Extract from the online cadastre

Агенция по геодезия, картография и кадастър

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стр. 1 от 1

СЛУЖБА ПО ГЕОДЕЗИЯ, КАРТОГРАФИЯ И КАДАСТЪР - гр.Бургас

СПРАВКА ПО КАДАСТРАЛНАТА КАРТА

Поземлен имот с идентификатор **00833.6.437**

С. **Ахелой**, общ. **Поморие**, обл. **Бургас**
По кадастралната карта и кадастралните регистри, одобрени
със **Заповед РД-18-60/15.09.2006 г. / 15.09.2006г. на ИЗПЪЛНИТЕЛНИЯ ДИРЕКТОР НА АК**
Последно изменение със заповед: **КД-14-02-778/01.07.2009 г. / 01.07.2009г.**
на НАЧАЛНИК НА СГКК - БУРГАС
Адрес на поземления имот: **с. Ахелой, м. "БАБАТА", местност БАБАТА**
Площ: **47070 кв.м**
Трайно предназначение на територията: **Урбанизирана**
Начин на трайно ползване: **За друг курортно-рекреационен обект**

Координатна система 1970г.

М 1:5000

Съседи: **00833.6.108, 00833.6.107, 00833.6.440, 00833.6.435, 00833.6.438**

Актуално към:13.05.2015г.

АГКК

Project Overview

Below is a graphical overview of the resort and its three different phases (phase 1: buildings A, B, C, D, E, phase 2: buildings K, L, M, N, P, phase 3: buildings 1,2 and LB)

It should be noted that buildings A,B,C,D & E as shown on the plan above are already completed and are operated under the Midia Grand Resort name.

We were presented with the following documentation regarding the property:

- EPO Newco ppt
- Information memorandu-Platinum Investment Development
- Offer for M, L and N buildings and apartment units
- Prospectus-Aheloy commercial areas
- Area distribution in excel format-bldg. K
- Area distribution –building P, units to be acquired
- Area distribution in excel format-bldg. L2, L3, L4 and L5
- Area distribution in excel format-building M
- Area distribution in excel format-building N
- Area distribution in excel format-building P
- Balance shtees-2013 & 2014
- Cash flow statements-2013 & 2014
- Writ for assignment of property-unit 1.184
- Writ for assignment of property-unit 1.186
- Writ for assignment of property-unit 1.191
- Writ for assignment of property-unit 1.196
- Writ for assignment of property-unit 1.200
- Writ for assignment of property-unit 1.201
- Writ for assignment of property-unit 1.204
- Writ for assignment of property-unit 1.213
- Writ for assignment of property-unit 1.221
- Writ for assignment of property-unit 1.224
- Writ for assignment of property-unit 1.225
- Writ for assignment of property-unit 1.226
- Writ for assignment of property –unit 1.241

VALUATION CERTIFICATE

КНОБ КАМАРА НА НЕЗАВИСИМИТЕ ОЦЕНИТЕЛИ В БЪЛГАРИЯ

Сертификат

ЗА ОЦЕНИТЕЛСКА ПРАВОСПОСОБНОСТ

Рег. № 903300174 от 30 март 2015 год.

„ФОРТЪН" АД

гр. София, бул. „Цариградско шосе" № 47 А, ет. 3, Столична община

ЕИК 202485860

ЗА ОЦЕНКА

на недвижими имоти, търговски предприятия и вземания, земеделски земи и трайни насаждения

Списъкът на специализирания състав на дружеството е посочен на гърба на сертификата и е неразделна част от него.
Настоящият Сертификат е издаден на основание
Протокол № 3 от 19 декември 2014 год. на Управителния съвет на КНОБ.

КАМАРА НА НЕЗАВИСИМИТЕ ОЦЕНИТЕЛИ В БЪЛГАРИЯ КНОБ

Светла Дерменджиева

Председател на УС на КНОБ

VEDTEKTER
FOR
BLACK SEA PROPERTY AS
(Org.nr. 914 892 902)

§ 1 Foretaksnavn
Selskapets foretaksnavn er Black Sea Property AS. Selskapet er et aksjeselskap.

§ 2 Forretningskontor
Selskapets forretningskontor er i Oslo kommune.

§ 3 Virksomhet
Selskapets virksomhet er å eie, forvalte og investere i fast eiendom, samt annen virksomhet som står i naturlig tilknytning til dette.

§ 4 Aksjekapital
Selskapets aksjekapital utgjør NOK 275 985 fordelt på 27 598 500 aksjer, hver pålydende NOK 0,01.

§ 5 Overdragelse av aksjer
Ved overdragelse av aksjer har de øvrige aksjeeierne ingen forkjøpsrett.

§ 6 Styresamtykke
Erverv av aksjer i selskapet er ikke betinget av samtykke fra selskapet.

§ 7 Elektronisk kommunikasjon
Selskapet kan benytte e-post når det skal gi meldinger, varsler, informasjon, dokumenter, underretninger og liknende etter aksjeloven til en aksjeeier.

§ 8 Styret – firmategning
Selskapets styre består av 1 til 7 styremedlemmer etter generalforsamlingens nærmere beslutning.

Selskapets firma tegnes av styrets formann og ett styremedlem i fellesskap. Styret kan meddele prokura.

§ 9 Ordinær generalforsamling
Den ordinære generalforsamling skal behandle:
1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Andre saker etter loven eller vedtektene som hører under generalforsamlingen.

§ 10 Aksjeeierregistrering
Selskapet registrerer aksjeeierne i Verdipapirsentralen.

§ 11 Forholdet til aksjeloven
For øvrig henvises til den til enhver tid gjeldende aksjelovgivning.

Oslo, 8. desember 2015

DELÅRSBERETNING PER 30.06.2015

1 VIRKSOMHETENS ART

Black Sea Property ("**Selskapet**") ble etablert i 2015 og er et nylig stiftet aksjeselskap som skal investere i, forvalte og eie fast eiendom. Selskapet ble opprinnelig opprettet som et hylleselskap. I juni 2015 ervervet Håvard Lindstrøm AS og Sace Holding AS samtlige aksjer i Selskapet. Kort tid etter ervervet fikk Selskapets dets nåværende navn.

Selskapets virksomhet er fra og med juni 2015 knyttet til et erverv av eierandeler i et eiendomsprosjekt i Bulgaria på Bulgarias kystlinje. Selskapet er et holdingselskap og har ikke hatt noen virksomhet frem til juni 2015.

Eiendomsprosjektet omfatter deler av et inngjerdet hotell- og leilighetskompleks som vil bestå av omtrent 1 900 leiligheter når det er ferdigstilt (leilighetskomplekset er heretter kalt "**Aheloy Beach Resort"**). Oppstart for prosjektet var i 2007 og prosjektet har vært delt inn i tre faser, hvor fase I og III ble ferdigstilt i 2010. Selskapet har, gjennom transaksjoner med to norske selskaper, ervervet indirekte eierandeler i prosjektets fase II, kalt "**Aheloy Residence Resort**" som omfatter hotell- og leilighetshotell med tilhørende kommersielle arealer.

Selskapets mål er å ferdigstille Aheloy Residence Resort og igangsette operasjonell drift for hele anlegget. Selskapet anser at det foreligger merverdier i et ferdigstilt anlegg sammenlignet med kjøpesummen for de eierandeler som er ervervet.

For å oppnå eierandeler i Aheloy Residence Resort har Selskapet inngått transaksjonsavtale om erverv av aksjer i EPO Bulgaria EOOD, samt fordringer og andre eiendeler. Transaksjonen ble inngått den 8. juni 2015 med det norske selskapet EPO Invest KS. Transaksjonen var ikke gjennomført per 30. juni 2015.

Styret mener at delårsregnskapet gir et riktig bilde av Black Sea Property og selskapets eiendeler og gjeld, finansielle stilling og resultat per 30.6.2015.

For en beskrivelse av forhold som har inntrådt etter datoen for delårsregnskapet og datoen for avgivelse av denne delårsberetningen, se punkt 6 nedenfor.

2 FORTSATT DRIFT

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er tilstede. Selskapet har gjennom investeringen beskrevet overfor og realiseringen av dem, mulighet til å oppnå gode inntekter i fremtiden.

Selskapet har etter utløpet av regnskapsperioden gjennomført to rettede emisjoner som har tilført selskapet tilstrekkelig kapital for å dekke dets forpliktelser.

Selskapets underskudd per 30.06.2015 er dekket gjennom ovennevnte emisjoner.

3 ARBEIDSMILJØ OG PERSONALE

Selskapet hadde ingen ansatte per 30.6.2015. Etter utløpet av regnskapsperioden har Selskapet ansatt en daglig leder.

Det har ikke forekommet eller blitt rapportert alvorlige arbeidsuhell eller ulykker i løpet av året som har resultert i store materielle skader eller personskader. Arbeidsmiljøet betraktes derfor som godt. Det har ikke blitt vurdert som nødvendig å iverksette spesielle tiltak eller aktiviteter for å forbedre arbeidsmiljøet.

4 LIKESTILLING

Per 30. juni 2015 besto selskapets styre av en mann.

Etter utløpet av regnskapsperioden har det blitt valgt inn seks nye styremedlemmer, og styret består av totalt 7 medlemmer som alle er menn. Selskapets daglige leder er mann.

5 MILJØRAPPORTERING

Selskapets virksomhet er av en slik art at det ikke anses å skade det ytre miljø. Det er ikke planlagt tiltak eller aktiviteter for å hindre eller redusere ytre miljø påvirkninger.

6 VESENTLIGE HENDELSER ETTER UTLØPET AV REGNSKAPSPERIODEN

Etter utløpet av regnskapsperioden har Selskapet inngått avtale med Aheloy Beach Commercial AS om kjøp av aksjer i og fordringer mot selskapene Garby AD og Aheloy Commercial AD. Avtalen styrker selskapets investering i Aheloy Residence Resort.

Oppkjøpene av aksjer i EPO Bulgaria EOOD og i Garby AD er gjennomført. Grunnet formelle forhold i Bulgaria er oppkjøpet av aksjene i Aheloy Commercial AD ennå ikke gjennomført.

Selskapet har i løpet av høsten 2015 hentet ca. NOK 34 millioner ved utstedelse av 245 985 aksjer. Dette har økt aksjonærmassen i selskapet fra 2 aksjonærer til 98 aksjonærer.

Selskapet har også søkt om notering på Merkur Market, en alternativ markedsplass for handel med aksjer og andre egenkapitalinstrumenter i regi av Oslo Børs. Selskapet ønsker å tas opp til handel på Merkur Market fra første handelsdag den 13. januar 2016.

Dato: 18. desember 2015
Styret i Black Sea Property AS

Håvard Lindstrøm
Styreleder

Erik Sture Larre
Styremedlem

Nils Tore Nilsen
Styremedlem

Kåre Rødningen
Styremedlem

Hans Fredrik Gulseth
Styremedlem

Egil Redse Melkevik
Styremedlem

Morten Westergren
Styremedlem

Black Sea Property AS

Resultatregnskap

Driftsinntekter og driftskostnader	Note	19.01-30.06.2015
Annen driftskostnad	2	278 566
Sum driftskostnader		**278 566**
Driftsresultat		**-278 566**
Finansinntekter og finanskostnader		
Ordinært resultat før skattekostnad		-278 566
Ordinært resultat		**-278 566**
Perioderesultat		**-278 566**

Balanse

Eiendeler	Note	30.06.2015
Omløpsmidler		
Bankinnskudd, kontanter o.l.		30 000
Sum omløpsmidler		**30 000**
Sum eiendeler		**30 000**

Black Sea Property AS

Balanse

Egenkapital og gjeld	Note	30.06.2015
Innskutt egenkapital		
Aksjekapital	3	30 000
Sum innskutt egenkapital		**30 000**
Opptjent egenkapital		
Udisponert resultat		-278 566
Sum opptjent egenkapital		**-278 566**
Sum egenkapital	**4**	**-248 566**
Gjeld		
Kortsiktig gjeld		
Annen kortsiktig gjeld	2	278 566
Sum kortsiktig gjeld		**278 566**
Sum gjeld		**278 566**
Sum egenkapital og gjeld		**30 000**

Oslo, 18.12.2015
Styret i Black Sea Property AS

Håvard Lindstrøm
Styreleder

Erik Sture Larre
Styremedlem

Nils Tore Nilsen
Styremedlem

Kåre Rødningen
Styremedlem

Hans Fredrik Gulseth
Styremedlem

Egil Redse Melkevik
Styremedlem

Morten Westergren
Styremedlem

Torbjørn Myhre
Daglig leder

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk for små foretak. Selskapet ble stiftet 19.1.2015. Regnskapet gjelder for perioden 19.1.2015-30.06.2015

Følgende regnskapsprinsipper er anvendt:

Driftsinntekter
Salgsinntekter resultatføres i hht opptjeningsprinsippet, når varen er levert eller tjenesten utført.

Omløpsmidler/kortsiktig gjeld

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen et år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og antatt virkelig verdi.

Utsatt skattefordel er ikke balanseført.

Note 2 Annen kortsiktig gjeld

Avsetning honorar til advokat.

Note 3 Aksjonærer

Aksjekapitalen i Black Sea Property AS pr. 30.06 består av 30 000 aksjer a kr 1, totalt kr 30 000.

Eierstruktur:

Håvard Lindstrøm (styreleder)	15 000 aksjer, 50 % eierandel
Sace Holding AS	15 000 aksjer, 50 % eierandel

Note 4 Egenkapital

	Aksjekapital	Annen egenkapital	Sum egenkapital
Stiftelse 19.01.2015	30 000		30 000
Årets resultat		-278 566	-278 566
Pr 30.6.2015	**30 000**	**-278 566**	**-248 566**

Note 5 Vesentlige hendelser etter utløp av regnskapsperioden

Etter utløpet av regnskapsperioden har Selskapet inngått avtale med Aheloy Beach Commercial AS om kjøp av aksjer i og fordringer mot selskapene Garby AD og Aheloy Commercial AD. Avtalen styrker selskapets investering i Aheloy Residence Resort.

Oppkjøpene av aksjer i EPO Bulgaria EOOD og i Garby AD er gjennomført. Grunnet formelle forhold i Bulgaria er oppkjøpet av aksjene i Aheloy Commercial AD ennå ikke gjennomført.

Selskapet har i løpet av høsten 2015 hentet ca. NOK 34 millioner ved utstedelse av 245 985 aksjer. Dette har økt aksjonærmassen i selskapet fra 2 aksjonærer til 98 aksjonærer.

Selskapet har også søkt om notering på Merkur Market, en alternativ markedsplass for handel med aksjer og andre egenkapitalinstrumenter i regi av Oslo Børs. Selskapet ønsker å tas opp til handel på Merkur Market fra første handelsdag den 13. januar 2016.

flattum&co
STATSAUTORISERTE REVISORER

Til generalforsamlingen i
Black Sea Property AS

REVISORS BERETNING

Uttalelse om perioderegnskapet

Vi har revidert perioderegnskapet for perioden 19.1. til 30.6.2015 for Black Sea Property AS som viser et underskudd på kr 278.566. Perioderegnskapet består av balanse per 30. juni 2015, resultatregnskap for perioden avsluttet per denne datoen og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Styret og daglig leders ansvar for perioderegnskapet
Styret og daglig leder er ansvarlig for å utarbeide perioderegnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for slik intern kontroll som styret og daglig leder finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Revisors oppgaver og plikter
Vår oppgave er å gi uttrykk for en mening om dette perioderegnskapet på bakgrunn av vår revisjon. Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder International Standards on Auditing. Revisjonsstandardene krever at vi etterlever etiske krav og planlegger og gjennomfører revisjonen for å oppnå betryggende sikkerhet for at perioderegnskapet ikke inneholder vesentlig feilinformasjon.

En revisjon innebærer utførelse av handlinger for å innhente revisjonsbevis for beløpene og opplysningene i perioderegnskapet. De valgte handlingene avhenger av revisors skjønn, herunder vurderingen av risikoene for at perioderegnskapet inneholder vesentlig feilinformasjon, enten det skyldes misligheter eller feil. Ved en slik risikovurdering tar revisor hensyn til den interne kontrollen som er relevant for selskapets utarbeidelse av et perioderegnskap som gir et rettvisende bilde. Formålet er å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll. En revisjon omfatter også en vurdering av om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene utarbeidet av ledelsen er rimelige, samt en vurdering av den samlede presentasjonen av perioderegnskapet.

Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Konklusjon
Etter vår mening er perioderegnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av den finansielle stillingen til Black Sea Property AS per 30. juni 2015 og av resultatet for perioden som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge

Presisering
Selskapet opplyser i note 4 og i styrets beretning at selskapet har pådratt seg et tap på kr 278.566 i perioderegnskapet pr 30. juni 2015, og at selskapets kortsiktige gjeld per denne datoen oversteg dets samlede eiendeler med kr 246.566.. Disse forholdene og andre omstendigheter om fortsatt drift er beskrevet i note 5 og i styrets beretning. Dette forholdet har ingen betydning for vår konklusjon om regnskapet.

Uttalelse om øvrige forhold

Konklusjon om styrets beretning

Basert på vår revisjon av perioderegnskapet som beskrevet ovenfor, mener vi at opplysningene i styrets beretning om perioderegnskapet og forutsetningen om fortsatt drift og forslaget til dekning av tap er konsistente med perioderegnskapet og er i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av perioderegnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 18. desember 2015

Revisjonsfirmaet Flattum & Co AS

Thorbjørn Grindhaug
Statsautorisert revisor

EPO BULGARIA EOOD

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2014

CONTENTS

DECSRIPTION OF ACTIVITIES

EPO BULGARIA EOOD is a single-person limited liability company, registered in the Commercial Register to the Registry Agency on 07.10.2010 in accordance with the Commerce Act of the Republic of Bulgaria. The Company's seat and registered address is the city of Sofia, Vazrajdane District, 24, Georg Washington Str., floor 3, office 6. The main activity of the Company is management of collective investment schemes and of closed end investment companies, including: management and administration of investments, capital markets research and analysis, legal and accounting services related to asset management and evaluation, implementation of contracts, record keeping, marketing services, financial instruments investment advice, as well as any other commercial transactions and activities not prohibited by law.

BUSINESS OVERVIEW

Company Development and Performance

In 2014, the Company continued its operations from previous years.

Research and Development

The Company has not performed research and development activities and there are no plans for such activities in the future. The Company does not develop activities that affect the environment.

Significant events that have occurred after the date of preparation of the Annual Financial Statements

There are no significant events that have occurred after the date of preparation of the Annual Financial Statements.

STRUCTURE OF SHARE CAPITAL

The capital of the Company amounts to BGN 2 (two) distributed in 2 shares with nominal value of BGN 1 (one) each.

Upon incorporation of the Company the sole shareholder is Geir Vinslid - Norway.

As of 06.04.2011, sole shareholder of the capital is Edgecap Private Opportunity KS - Norway. Subsequently, the name of the sole shareholder was changed to Epo Invest KS.

Share capital is fully paid up in cash at the time of registration of the company.

MANAGEMENT

As of 06.08.2013, the Company is represented and managed by Torbjorn Myhre - Norway. Geir Vinslid - Norway has been the Manager of the Company before that date.

In 2014 no remuneration has been paid to the Manager.

ORGANIZATIONAL STRUCTURE

The management and the operations of the Company are carried out at:

- Office - city of Sofia, Vazrajdane District, 24, Georg Washington Str., floor 3, office 6.

OBJECTIVES OF THE COMPANY FOR 2015

The tasks for the next year focus on analyzing the opportunities for investments and business development.

MANAGEMENT RESPONSIBILITY

According to Bulgarian legislation the Management should prepare financial statements for each financial year which give a true and fair view of the position of the Company at the end of the year and of its financial results. The Management has prepared the enclosed financial statements in accordance with the Accounting Act and the National Financial Reporting Standards for SMEs.

The Management confirms that it has applied consistently adequate accounting policies and that in preparing the financial statements as at 31 December 2014, the precautionary principle in valuation of assets, liabilities, income and expenses has been observed.

The Management also confirms that it has complied with the National Financial Reporting Standards for SMEs, and the financial statements have been prepared on the basis of the going concern principle.

The Management is responsible for keeping proper accounting records, for appropriate management of the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ЕПО БЪЛГАРИЯ ЕООД София Sofia EPO BULGARIA EOOD

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Torbjorn Myhre   Epo Bulgaria EOOD
Manager
Sofia, 26.03.2015

EPO BULGARIA EOOD
BALANCE SHEET, PROFIT AND LOSS STATEMENT, STATEMENT OF EQUITY, STATEMENT OF CASH FLOW
DECEMBER 31, 2014

ASSETS SECTIONS, GROUPS, ITEMS	Amount (BGN 000) Current year	 Previous year
a	1	2
A. Registered but not paid-up capital		
B. Non-current (fixed) assets		
I. Intangible assets		
1. Concessions, patents, licenses, trade marks, software and other similar rights and assets.		
Total of Group I		
II. Fixed tangible assets		
1. 1. Land, buildings incl.:		
2. Machinery, production equipment and apparatus		
3. Equipment and other		
4. Advances and tangible fixed assets under construction		
Total of Group II		
III. Long-term financial assets		
1. Loans to group enterprises	4902	4897
Total of Group III:	4902	4897
IV. Deferred taxes		
Total of Section B:	4902	4897
C. Current (short-term) assets		
I. Inventory		
1. Raw materials and materials		
2. Work in progress		
3. Products and goods		
Total of Group I		
II. Receivables		
1. Receivables from customers and suppliers including:		
Over 1 year		
2. Receivables from group enterprises, including		
3. Other receivables including:		
Total of Group II:		
III. Investments		
Total of Group III:		
IV. Cash, including:	131	177
- cash		
- in demand accounts (deposits)	131	177
Total of Group IV:	131	177
Total of Section C:	131	177
D. Deferred expenses		
ASSETS (A+B+C+D)	5033	5074

LIABILITIES SECTIONS, GROUPS, ITEMS	Amount (BGN 000) Current year	 Previous year
a	1	2
A. Equity		
I. Registered capital		
II. Share premium		
III. Revaluation reserve		
IV. Reserves		
Total of Group IV:		
V. Accumulated profit (loss) from previous years, including:		
- retained earnings	17	17
- uncovered loss	(507)	(8)
Total of Group V:	(490)	9
VI. Current profit/(loss)	(24)	(499)
Total of Section A	(514)	(490)
B. Provisions and similar liabilities		
Total of Section B:		
C. Liabilities		
1. Liabilities to financial institutions, including:		
up to 1 year		
2. Payables to suppliers, including:	11	28
up to 1 year	11	28
3. Liabilities to group enterprises	5536	5535
up to 1 year		
4. Other liabilities, including:	1	1
up to 1 year	1	1
Over 1 year		
- to personnel, including:		
up to 1 year		
- social security contributions, including:		
up to 1 year		
- tax liabilities, including:		
up to 1 year		
Over 1 year		
Total of Section C, including:	5547	5565
up to 1 year	11	30
Over 1 year	5536	5535
D. Financing and deferred income, including:		
- deferred income		
LIABILITIES (A+B+C+D)	5033	5074

Date of preparation: 26.03.2015

Manager:

/ Torbjorn Myhre /

ЕПО БЪЛГАРИЯ ЕООД София Sofia EPO BULGARIA EOOD

The Financial Statements are prepared by:

/Lilia Beshovska/

EXPENSES	Amount (BGN'000) Current year	Previous year
a	1	2
A. Expenses		
1. Reduction in stocks of finished goods and work in progress		
2. Expenses on raw-materials, materials and hired services, including:	28	496
b) Raw materials and materials		
d) Hired services	28	496
3. Personnel benefits, including:		
a) Costs for salaries, remunerations		
b) Social security contributions, including:		
- Pension social security contributions		
4. Depreciation, amortization and impairment, including:		
a) Amortization, depreciation and impairment offixed tangible and intangible assets, including:		
- Amortization		
- Impairment costs		
b) Impairment costs of current (short-term) assets		
5. Other costs, including:		10
Carrying amount of disposed assets		
Total operating expenses (1 + 2 + 3 + 4 + 5)	28	506
6. Impairment costs of financial assets, including investments recognized as current (short-term) assets, including:		
7. Interest and other expenses	1	2
Total financial expenses (6 + 7)	1	2
8. Profit from ordinary activities		
Total expenses (1 + 2 + 3 + 4 + 5 + 6 + 7 + 9)	29	508
10. Accounting profit (total income - total expenses)		
11. Profit tax		
12. Other taxes alternative to corporate tax		
13. Profit (10 - 11 - 12)		
Total (Total expenses + 11 + 12 + 13))	29	508

INCOME	Amount (BGN'000) Current year	Previous year
A	1	2
A. Income		
1. Net sales income including:		
a) Finished goods		
c) Goods		
c) Services		
2. Increase in stocks of finished goods and work in progress		
3. Costs for acquisition of assets in a commercial manner		
4. Other income, including:		
- Income from financing		
Total operating income (1+ 2+ 3+ 4)		
5. Income from participations in subsidiaries, associates and joint ventures, including:		
- Income from participations in group enterprises		
6. Income from other investments and loans recognized as non-current (long-term) assets, including:		
7. Other interests and financial income, including:	5	9
- Income from group enterprises	5	4
Total financial income (5 + 6 + 7)	5	9
8. Loss from ordinary activities	24	499
9. Extraordinary income		
Total income (1 + 2 + 3 + 4 + 5 + 6 + 7 + 9)	5	9
10. Accounting loss (total income - total expenses)	24	499
11. Loss (10 + line 11 and 12 from Section A)	24	499
Total (Total income +11)	29	508

Date of preparation: 26.03.2015

Manager: The Financial Statements are prepared by:

/ Torbjorn Myhre / /Lilia Beshovska/

ЕПО БЪЛГАРИЯ ЕООД София Sofia EPO BULGARIA EOOD

Джей Ди Ел и Ко София

Indicators	Registered capital	Share premium	Revaluation reserve	RESERVES: Statutory	Reserve, relating to treasury share transaction	Reserve as per the Articles of Association	Other Reserves	Financial result from previous years: Retained earnings	Uncovered loss	Current profit/loss	Total equity
a	1	2	3	4	5	6	7	8	9	10	11
1. Balance at the beginning of the reporting period	-	-	-	-	-	-	-	17	(8)	(499)	(490)
2. Changes in the accounting policy											
3. Errors											
Balance after changes in accounting policies and errors	-	-	-	-	-	-	-	17	(8)	(499)	(490)
5. Changes at the expense of shareholders, including:											
- increase											
- reduction											
6. Financial result for the current period										(24)	(24)
7. Profit distribution, including											
for dividends											
8. Loss coverage									(499)	499	-
9. Subsequent measurement of assets and liabilities											
- increase											
- reduction											
10. Other changes in equity											
11. Balance at the end of the reporting period	-	-	-	-	-	-	-	17	(507)	(24)	(514)
12. Changes from transfers of annual financial reports of entities abroad											
13. Equity as at the end of the reporting period (11 +/- 12)	-	-	-	-	-	-	-	17	(507)	(24)	(514)

Date of preparation: 26.03.2015

Manager:

/ Torbjorn Myhre /

The Financial Statements are prepared by:

/Lilia Beshovska/

Cash flows	Current period Proceeds	Current period Payables	Current period Net cash flow	Previous period Proceeds	Previous period Payables	Previous period Net cash flow
a	1	2	3	4	5	6
A. Cash flows from basic activities						
Cash flows related to commercial contractors		45	(45)		156	(156)
Cash flows related to wages and salaries						
Cash flows related to interests, commissions, dividends and other.						
Cash flows from gains and losses from dealing in foreign currency						
Profit distribution payments						
Paid and recovered profit tax						
Other cash flows from basic activities				1	2	(1)
Total cash flows from basic activities (A)		45	(45)	1	158	(157)
B. Cash flows from investment activities						
Cash flows related to fixed assets						
Cash flows related to short-term financial assets						
Cash flows from business combinations - acquisitions						
Cash flows from gains and losses from dealing in foreign currency						
Other cash flows from investment activities						
Total cash flows from investment activities (B)						
C. Cash flows from financial activities						
Cash flows from additional contributions and their return to the contributors				1369		1369
Cash flows related to loans received or granted					1432	(1432)
Cash flows related to interests, commissions, dividends and other.				1		1
Cash flows from gains and losses from dealing in foreign currency						
Other cash flows from financial activities		1	(1)			
Total cash flows from financing activities (C)		1	(1)	1370	1432	62
D. Changes in cash flows for the period (A+B+C)		46	(46)	1371	1590	(219)
E. Cash and cash equivalents at the beginning of the period			177			396
F. Cash and cash equivalents at the end of the period			131			177

Date of preparation: 26.03.2015

Manager:

/ Torbjorn Myhre /

ЕПО БЪЛГАРИЯ ЕООД София Sofia EPO BULGARIA EOOD

The Financial Statements are prepared by:

/Lilia Beshovska/

Джей Ди Енджи Ко jdl&co София

1 Summary of Activities

EPO BULGARIA (the Company) is a single-person limited liability company with seat and registered address in the city of Sofia, Vazrajdane District, 24, Georg Washington Str., floor 3, office 6. The main activity of the Company is management of collective investment schemes and of closed end investment companies, including: management and administration of investments, capital markets research and analysis, legal and accounting services related to asset management and evaluation, implementation of contracts, record keeping; marketing services, financial instruments investment advice, as well as any other commercial transactions and activities not prohibited by law.

2 Accounting Policies

Below is a description of the accounting policies applied in preparing the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

Going concern principle

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations in the foreseeable future. Future activities of the Company depend on the business environment, as well as on securing funding from current and future owners and investors. If the business risks are underestimated and the activity of the Company is hampered or terminated, and the relevant assets sold, adjustments should be made to reduce the carrying amount of the assets to their liquidation value. to calculate possible future liabilities and to reclassify fixed assets and long term liabilities as short-term. Given the assessment of expected future cash flows, Company managers consider it appropriate to prepare the financial statements on a going concern basis.

2 Accounting Policies (continued)

2.1 Basis of Preparation of the Financial Statements

These financial statements have been prepared in accordance with the Accounting Act and the National Standards for SMEs, adopted by Decree No 46 of 21.03.2005, amended by Decree No 251 of 17.10.2007, effective from 01.01.2008.

2.2 Foreign currency transactions

(a) Reporting currency and presentation currency

Individual elements of the financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in thousand Bulgarian lev (BGN'000) which is the reporting currency.

(b) Transactions and balances

Transactions in foreign currencies are translated using the exchange rates at the transaction date; negative and positive foreign exchange differences arising on the settlement are recognized in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate of the Bulgarian National Bank (BNB) at the balance sheet date. Negative and positive foreign exchange differences are recognized in the profit and loss statement.

Significant exchange rates

	31.12.2014	31.12.2013
	BGN	BGN
USD 1 is equal to	1.60841	1.41902
EUR 1 is equal to	1.95583	1.95583

2 Accounting Policies (continued)

2.3 Fixed Tangible Assets

Tangible fixed assets are presented in the balance sheet at cost, which includes the delivery price, all irrecoverable taxes and fees and all costs directly attributable to the acquisition of the assets, less accumulated depreciation and impairment expenses.

Depreciation is calculated on a straight-line method to allocate the difference between the carrying amount and the residual value over the useful life of the assets as follows:

- Computer techniques - 2 years;
- Vehicles, excluding cars - 10 years;
- Plant and equipment - 3 years and 4 months;
- Inventory - 6 years and 8 months;

When the carrying amount is higher than the recoverable value, the tangible fixed asset is carried at its recoverable amount.

Gains and losses from sales are defined as the difference between the selling price and the carrying amount of assets and are presented as profit or loss in the profit and loss statement.

2.4 Fixed Intangible Assets

As of 31.12.2014, the Company has no accrued amortization of intangible assets.

2.5 Impairment of assets

Assets that have an indefinite useful life are not depreciated but are tested for impairment on an annual basis. Assets that are depreciated are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the net selling price and the value in use To determine the value in use, assets are grouped into the smallest possible identifiable units generating cash flows.

2 Accounting Policies (continued)

2.6 Financial Assets

A financial asset is any asset that is:

- Cash.
- Contractual right to (a) receive cash or other financial asset from another entity, or (b) exchange financial instruments with another entity under potentially favorable conditions.
- Equity instrument of another entity.

Financial assets are classified as (a) financial assets held for trading, (b) financial assets held to maturity, (c) loans and receivables initially originated by the entity, (d) available for sale.

2.7 Inventory

Inventories are measured at the lower of cost and net realizable value. Costs that are carried out to bring a product (material) in its current condition and location are included in the cost.

In use (sale) of inventories the method of weighted average price (cost) is applied.

Inventories are measured at the lower of cost and net realizable value at the end of the period. Net realizable value represents the estimated selling price of an asset in the ordinary course of business, less estimated costs of completion and the estimated selling expenses.

2.8 Receivables

Receivables from direct provision of goods and services, cash or cash equivalents to debtors are classified as loans and receivables initially originated by the Company.

Initially these receivables and loans are measured at cost.

After initial recognition, loans and receivables from customers and suppliers that have no fixed maturity are reported at cost. Loans and receivables from customers and suppliers that have fixed maturity are carried at mortised cost. The effective interest rate is the original rate determined under the contract. At the date of the financial statements a review has been made to determine the impairment loss (i.e the noncollectable amount). The estimated impairment is done on the basis of the individual approach for each receivable as per the decision of the management.

2. Accounting Policies (continued)

2.8 Receivables (continued)

Tax refund is recognized at the original amount of the receivable.

Other receivables are recognized at cost.

Receivables classified as short-term are:

- receivables with no fixed maturity;
- with fixed maturity and residual maturity of up to one year from the date of the financial statements;

Receivables classified as long-term are receivables with fixed maturity and residual maturity of above one year from the date of the financial statements.

The receivables from customers are recognized and carried at original invoice amount, less any impairment for noncollectable debts. The estimate for doubtful noncollectable debts is made when the collection of the full amount or part of it is highly uncertain. Bad debts are written off when there are legal grounds for that.

2.9 Deferred expenses

Prepaid expenses, relating to subsequent reporting periods and costs, incurred to earn revenues, for which the revenue can not be reliably determined at the date of the financial statements are presented as deferred expenses.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and cash at banks. Cash equivalents are short term, highly liquid investments readily convertible to an insignificant risk of changes in value.

2.11 Share capital

The Company reports its share capital as per the shares registered in the Commercial Register. The capital amounts to BGN 2.00 (two) distributed in 2 shares, each with a nominal value of BGN 1.00 (one).

2 Accounting Policies (continued)

2.12 Financial Liabilities

Financial liability is any liability that is a contractual obligation for:

- providing cash or financial asset to another entity;
- exchange of financial instruments with another entity under potentially unfavorable conditions;

Financial liabilities are classified as (a) held for trading, (b) held to maturity, (c) originated by the entity.

2. 13 Loans

Loans are recognized initially at fair value less costs incurred for the transaction. Loans are subsequently stated at amortized cost; any difference between the payments due (net of costs of transaction) and the loan value is recognized in the profit and loss statement during the period of the loan using the effective interest rate method.

Loans are classified as short-term liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Profit tax

Current profit taxes are determined in accordance with the provisions of the Corporate Income Tax Act. The nominal tax rate for 2014 is 10% (2013: 10%)

Deferred profit taxes are determined using the liability method on temporary differences at the date of the financial statements, between the carrying amounts and the tax bases of assets and liabilities.

Deferred tax liabilities are recognized for all taxable temporary differences except for those arising from the initial recognition of an asset or liability which at the date of the transaction did not affect the accounting and tax profit / (loss).

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that they will reverse and generate in the future sufficient taxable profit or taxable temporary differences, from which these temporary differences can be deducted, except for differences arising from the initial recognition of an asset or liability which at the date of the transaction did not affect the accounting and tax profit/ (loss).

2 Accounting Policies (continued)

2.14 Profit Tax (continued)

The carrying amount of all deferred tax assets is reviewed as at the date of the financial statements and is reduced to the extent that they are likely to reverse and to generate sufficient taxable profit or occurring during the same period taxable temporary differences that can be deducted or compensated.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period over which the assets will be realized and the liabilities will be settled (repaid) on the basis of the tax laws that are in force or are greatly expected to be in force.

2.15 Finance Lease

Finance leases, which transfer to the Company a substantial part of all the risks and rewards deriving from the ownership of the leased asset are capitalized in the balance sheet of the lessee and are presented as fixed assets under lease at their immediate sale price or if lower - at the present value of the minimum lease payments. Lease payments are apportioned between the interest rate and the attributable portion of the lease liability (principal) so as to achieve a constant rate on the outstanding principal of the lease liability. Interest expenses determined on such a basis , related to the finance lease assets, are presented at the beginning of the lease contract as deferred expenses. Part of the financial costs for future periods are recognized as current financial expense for the period in proportion to the share of the minimum lease payments due under the contract for the period in the total amount of the agreed lease payments;

Assets acquired under finance leases are depreciated over the useful life of the asset.

2.16 Employee Benefits

Short-term benefits

The cost of salaries and related social security contributions and other payments are calculated monthly based on the conditions in the labor and other contracts with the staff. The entity is required to use the state social security program with fixed contributions.

The costs for unused compensated absences are calculated annually using as a base the wage valid on the date of the balance sheet and the announced next year's rates of social, health and other insurance. The year following the date of the balance sheet is the one in which the benefits under compensated absences are supposed to be paid.

2 Accounting Policies (continued)

2.16 Employee Benefits (continued)

Long-term benefits

Pursuant to the Labour Code, the Company is obliged to pay to its personnel upon retirement an indemnity, which depending on the length of service can vary between 2 and 6 gross monthly salaries as at the termination of the employment relationship. By their nature these schemes are defined benefit plans. The calculation of these liabilities necessitates the participation of qualified actuaries in order to determine their present value at the date of the report at which they are presented in the balance sheet, while the change in value - in the income statement. At the date of the annual financial statements, the Company has not made an actuarial valuation of these liabilities, as the management has determined that their value would be immaterial for the purposes of this report, given the age structure of staff and nature of production.

2.17 Recognition of Income

The Company's revenue is recognized on theaccrual basis and to the extent economicbenefits are obtained by the Company and as far as the revenue may be reliably measured

Upon sales of goods and materials, revenue is recognized when all material risks and benefits from the title of goods are transferred to the buyer.

Upon provision of services, revenue is recognized considering the stage of completion of the transaction as at the end of the balance sheet, if such stage may be reliably measured, as well as the costs incurred for the transaction.

Net differences from changes in exchange rates related to cash, trade receivables and payables denominated in foreign currencies are included in the profit and loss statement when incurred, presented in a differentiated manner.

2.18 Costs

Costs within the group are recognized at the time of occurrence thereof and on accrual and comparability basis.

Bank service charges for current accounts are treated as financial costs.

The Company has adopted accounting policies to recognize as exceptional only costs which are clearly distinguished from ordinary activities and therefore are not expected to recur frequently.

2 Accounting Policies (continued)

2.19 Related parties

For the purpose of preparing these financial statements, the owners of the Company, its subsidiaries and associates, key management personnel and board members, and close members of their families, including companies controlled by all of the above persons are treated as related parties. Details of related party transactions and related balances at the end of the year are presented in Note 7.

3. Critical Accounting Estimates and Assumptions

Estimates and assumptions are based on experience gained and other factors, including expectations of future events under the circumstances. The reliability of estimates and assumptions are reviewed regularly.

EPO BULGARIA EOOD
STATEMENT OF FIXED ASSETS
DECEMBER 31, 2014

INDICATORS	[illegible] assets				Depreciation and amortization				Carrying amount at the end of period [illegible]
	In the beginning	Received during the period	[illegible] during the period	At the end of period (1+2-3)	In the beginning [illegible]	Charged during [illegible]	Written off during the period	At the end of period (8+9-10)	
a	1	2	3	4	5	6	7	8	8
I. Intangible assets									
1. Development products									
2. Concessions, patents, licenses, trade marks, software and other similar rights and assets.									
3. Goodwill									
Total of Group I									
II. Fixed tangible assets									
2. Machinery, production equipment and apparatus									
3. Equipment and other									
4. Transportation vehicles									
4. Advances and intangible assets under construction									
Total of Group II:									
III. Long-term financial assets									
1. Loans to group enterprises	4897	5		4902					4902
Total of Group III:	4897	5		4902					4902
IV. Deferred taxes									
Total non-current /long-term/ assets I+II+III+IV	4897	5		4902					4902

1 Cash and Cash Equivalents

	31.12.2014	31.12.2013
	BGN '000	BGN '000
Cash at banks, denominated in BGN	131	177
	131	177

2 Share capital

	31.12.2014	31.12.2013
	BGN '000	BGN '000
Registered capital	-	-
	-	-

The share capital is fully paid-up as at the date of registration of the Company.

3 Short-term liabilities

	31.12.2014	31.12.2013
	BGN '000	BGN '000
Due to suppliers	11	28
Due to group enterprises (Note 9)	5536	5535
Other liabilities	-	1
	5547	5564

Further information on liabilities to related parties is disclosed in Note 7. The liabilities of the Company as at 31.12.2014 are current liabilities amounting to BGN 11 thousand and non-current amounting to BGN 5536 thousand

4 Expenses

	2014	2013
	BGN '000	BGN '000
Expenses on hired services	28	496
Other expenses , including carrying amount of sold assets	-	10
Interest and other financial expenses	1	2
Profit tax	-	-
	29	508

5 Tax expenses

	2014	2013
	BGN '000	BGN '000

Financial result before tax profit/(loss)	(24)	(499)
Tax calculated at a rate of 10%	-	-
Tax expense	-	-

6 Revenue

	2014 BGN `000	2013 BGN `000
Financial revenue	5	9
	5	9

7 Related parties

	State	Type of relatedness
Torbjorn Myhre	Norway	Key management personnel
Epo Invest KS	Norway	Sole owner
Edge Capital Asset management AS	Norway	Key management personnel
Epo Aheloy OOD	Bulgaria	Key management personnel

Transactions with related parties

	31.12.2014 BGN `000	31.12.2013 BGN `000
Additional cash contribution - Epo Invest KS	-	1,396
Services received - Edge Capital Asset management AS	-	458
Loan granted - Epo Aheloy OOD	-	1103
Granted and repaid loan - Edge Capital Asset Management AS	-	321
Interest income under granted loan - Epo Aheloy OOD	5	4
Liability under additional cash contribution - Epo Invest KS	1369	1369
Liabilities under long-term loans - Epo Invest KS	4166	4166
Receivables under loan granted and interests - Epo Aheloy OOD	4902	4897

8 Contingent assets and liabilities

The Company does not have contingent assets and liabilities

9 Collateral

The Company has no granted or received collateral

10 Commitments undertaken

The Company has not undertaken any commitments.

11 Events after the reporting period

There are no significant events after the balance sheet date that affect the financial statements.

Date: 26.03.2015

ЕПО БЪЛГАРИЯ ЕООД София Sofia EPO BULGARIA EOOD

Manager: ____________________

Torbjorn Myhre

Prepared by: ____________________

/Lilia Beshovska/

Джей Ди Ен и Ко jdl&co София

GARBY AD

ANNUAL FINANCIAL STATEMENTS
31 December 2014

Descriptive Notes
to the annual financial statements for 2014
of "Garby" JSC; EIK 202674327

1. Legal status.

The Company is a joint stock company with 100% private ownership.
The company's headquarters is in the city Sofia, j.k. Krasno Selo, ul. Han Pagan №5, Bulgaria
The main business activity is purchase and sale of real estate assets.
The company managing directors are Hans Fredrick Gulseth, Egil Redse Melkevik and Georgi Kolev Georgiev. They manage the company jointly.

2. Basis for preparation of financial statements and accounting principles

2.1. Basis for preparation of financial statements.

The Company maintains its current accounts and prepares its financial statements in accordance with the Bulgarian National Financial Reporting Standards for small and medium enterprises.
The financial statements have been prepared on a going concern basis and management believes that the company will remain active in the next reporting period. This assessment takes into account all available information for the foreseeable future, which is at least, but is not limited to twelve months from the balance sheet date. Current period – beginning on 01.01.2014 and ending on 31.12.2014.

2.2. Currency used in the financial statements

The Company maintains its records and prepares annual financial statements in the national currency of the Republic of Bulgaria - Bulgarian lev. From January 1999 the Bulgarian lev is pegged to the euro: 1.95583 lev for 1 euro annual financial statements are presented in Bulgarian leva, as the articles are presented in thousands of Bulgarian levs.

2.3. Use of accounting estimates and assumptions

The application of accounting standards requires management to make certain accounting assumptions and accounting estimates in the preparation of financial statements in order to determine the value of certain assets, liabilities, income and expenses. They are made on the basis of the - good discretion of management based on historical experience and analysis of all factors influencing the circumstances at the date of preparation of the financial statements. Actual results could differ from those presented in these financial statements.

3. Definitions and valuation of the elements in the balance sheet and profit and loss statements

3.1. Non-current tangible and intangible assets

Non-current tangible and intangible assets are initially measured at cost, which includes the purchase price, customs duties and non-refundable taxes, and any directly attributable costs of bringing the asset to working condition and location for its intended use by the management. After initial recognition, non-current tangible and intangible assets are stated at cost less accumulated depreciation and any impairment losses.

When in non-current assets include significant components in different states, these components are recorded as separate assets.

Subsequent costs, including costs for replacement of components of the asset, are capitalized in the value of assets only if they meet the criteria for recognition of a non-current asset. The carrying value of the replaced item is written off the value of the asset in accordance with SS 16 Tangible assets. All other subsequent costs are recognized in the period in which they are incurred.

3.2 Amortization of non-current tangible and intangible assets

Depreciation of non-current tangible and intangible assets is calculated on the basis of determinations useful lives, using the straight-line method.

The average useful life in years for the main groups of tangible fixed assets is as follows:

Assets group	**Average useful life**
Buildings	25 years
Machines	40 months.
Cars	4 years
Computers	2 years
Others	80 months

During the financial year, there were no changes in applicable depreciation rates compared with the previous reporting year.

The charging of depreciation starts from the beginning of the month following the month in which the asset is available for use and terminates at the end of the month the asset is derecognized.

3.3. Inventories

Inventories are the current (short-term) assets in the form of materials, goods and work in progress. Output is valued at cost, which is formed on the basis of production costs. These include all direct material costs and variable portion of indirect variable and fixed costs allocated to the value of actual production during the period, while respecting the principle of normal production capacity in their consumption materials and goods are valued using the method of weighted average price.

3.4. Trade and other receivables.

Trade and other receivables arise when the Company provides cash, goods or services without any intention to trade receivable. These receivables are stated at their nominal value. Based on an analysis at the end of each reporting period are reviewed for indications of impairment.

3.5. Bankroll
Cash for the purposes of the cash flow statement are cash in hand and bank accounts.
3.6. Trade and other payables
Liabilities arising from the direct provision of goods and services, cash or cash equivalents from creditors, are classified as financial liabilities originated by the company. Long-term liabilities are classified with fixed maturity and residual maturity of over one year from the date of occurrence of the obligation.

3.7. Share capital
The share capital of the Company is presented at historical cost. To 31.12.2014 the share capital is 50 000.00 BGN and is fully paid. The capital is divided into 100 name shares with par value of 500 BGN each.

3.8. Taxation
Under Bulgarian tax legislation the Company is liable to corporation tax of 10% on the taxable income under the tax rules of the Law on Corporate Income Tax.
When converting accounting profit in the taxable profit reported deferred tax assets and liabilities.
Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only if their recovery is likely in the presence of taxable profit.

3.9. Recognition of income and expenses
Income and expenses are accrued when they arise, regardless of cash receipts and payments. They are reported in compliance with the requirement of a causal correspondence between them.
Revenue is measured at the fair value of the consideration received or receivable, less any discounts.
No revenue is recognized if there are significant uncertainties regarding the realization proceeds of the receivables.
Profit / loss from sale of long-term tangible and intangible assets are presented as other income / expenses.
Revenues and expenses are accrued based on the effective interest rate and the amount of the claim or liability to which they relate.
In an exchange of assets into account income / expense from exchange transaction in the amount of the difference between the fair value and the resulting carrying value of the assets exchanged.

Date of preparation: 28.02.2015.

Managing Director:

Chief Accountant:

Гарби АД София Sofia Garby AD

Deputy Chairman of the Board of Directors:

BALANCE SHEET

1EUR =1.95583 BG lv　　of　GARBY AD

Address　Sofia , 5 Han Pagan

up to　31.12.2014

ID number
202674327

ASSETS			LIABILITIES		
PARTS, GROUPS, ITEMS	Amount (thousand levs)		PARTS, GROUPS, ITEMS	Amount (thousand levs)	
	Current year	Previuos year		Current year	Previuos year
a	1	2	a	1	2
A. Capital upon record, but not deposited			**A. Own capital**		
B. Non current durable assets			*I. Capital upon record*	50	50
I. Non material assets			*II. Premiums of issues*		
1. Research and development products			*III. Following evaluation reserve*		
2. Concessions, patents, licences, trade marks, program products and other similar rights and assets			*IV. Reserves*		
3. Business reputation			1. Legal reserves		
4. Granted advances and non material assets under construction			2. Reserve connected with repurchased own stocks		
Group I total:			3. Reserve according to shareholders agreement		
II. Durable material assets			4. Other reserves		
1. Lands and biuldings including:	340	340	*Group IV total:*		
- lands	340	340	*V. Agglomerated profit (loss) from past years including:*		
- buildings			- undivided profit		
2. Machines, production equipment and installation			- uncovered loss	(24)	(3)
3. Machinary and others			*Group V total:*	(24)	(3)
4. Conceded advances and durable material assets under construction			VI. Current profit (loss)	(63)	(21)
Group II total:	340	340	***Part A total:***	(37)	26
III. Long-term financial assets			**B. Provisions and similar obligations**		
1. Stocks and shares in companies of a group			1. Provisions for pensions and other similar obligations		
2. Conceded loans to companies of a group			2. Provisions for taxes including:		
3. Stocks and shares in associated and joint ventures	0	0	- postponed taxes		
4. Conceded loans, connected with associated and joint ventures	73	73	3. Other provisions and similar obligations		
5. Long-term investments			***Part B total:***		
6. Other loans	2890		**C. Obligations**		
7. Repurchased own stocks			1. Bonded loans with separate indication of the convertibles including:		
nominal value　thousand levs			up to one year		
Group III total:	2963	73	over one year		
IV. Postponed taxes			2. Obligations towards financial companies including:		
Part B total:	3303	413	up to one year		

C. Current (short-term) assets			over one year		
I. Material supplies			3. Recieved advances including:		
1. Raw products and materials			up to one year		
2. Incompleted production			over one year		
3. Production and goods including:			4. Obligations towards suppliers including:		
- production			up to one year		
- goods			over one year		
4. Conceded advances			5. Obligations on policies including:		
Group I total:			up to one year		
II. Takings			over one year		
1. Takings from customers and suppliers including:			6. Obligations towards companies of a group including:		
over one year			up to one year		
2. Takings from companies of a group including:			over one year		
over one year			7. Obligations, connected with associated and joint ventures including:	1736	421
3. Takings, connected with associated and joint ventures including:	25	25	up to one year	54	30
over one year			over one year	1682	391
4. Other takings including:	884	3	8. Other obligations including:	4	26
over one year			up to one year	0	22
Group II total:	909	28	over one year	4	4
III. Investments			- towards staff including:		
1. Stock and shares in companies of a group			up to one year		
2. Repurchased own stocks			over one year		
nominal value thousand levs			- insurance obligations including:		
3. Other investments			up to one year		
Group III total:			over one year		
IV. Financial resources including:	190	32	- tax obligations including:		
- hard cash	0	0	up to one year		
- in termless accounts	190	32	over one year		
Group IV total:	190	32	***Part C total including:***	1740	447
Part C total:	1099	60	up to one year	54	52
D. Future period expenses			over one year	1686	395
			D. Financings and future period incomes including:	2699	
			- financings		
			- future period incomes	2699	
Assets total (A+B+C+D)	4402	473	**Liabilities total (A+B+C+D)**	4402	473

Date of composure: 28.2.2015 Compiler: Manager:

Гарби АД София Sofia Garby AD

PROFIT AND LOSS REPORT

1 EUR = 1.95583 BG leva

of **GARBY AD**
Address **Bulgaria, Sofia, 5 Han Pagan str.**
up to **31.12.2014**

ID number
202674327

NAME OF THE EXPENSES	Row code	Amount (thousand levs)		NAME OF THE INCOMES	Row code	Amount (thousand levs)	
		Current year	Previous year			Current year	Previous year
a	b	1	2	a	b	1	2
A. Expenses				**A. Incomes**			
1.Decrease of production and unfinished manufacture	10100			1. Net sales incomes, including:	15100		
2. Raw products, materials and external expenses, including:	10200	0	5	a) production	15110		
a) raw products and materials	10210			b) goods	15120		
b) external services	10220	0	5	c) services	15130		
3. Staff expenses, including:	10300			2. Increase of the reserves of production and unfinished manufacture	15200		
a) salaries and wages expenses	10310			3. Expenses for gaining assets by economic manner	15300		
b) insurance expenses, including:	10320			4. Other incomes, including:	15400		
- pension insurance	10321			- incomes from fundings	15410		
4. Depreciation and devaluation expenses, including:	10410			*Major business activity total(1+2+3+4)*	**15000**		
a) depreciation and devaluation expenses of durable material and non material assets, including:	10411			5. Incomes from participations in subsidiaries, associated and jont ventures, including:	16100		
- depreciation expenses	10411			- incomes from participations in companies of a group	16110		
- devaluation expenses	10412			6. Incomes from other investments and loans acknowledged as non current (durable) assets, including:	16200		
b) devaluation of current (short-term) assets expenses	10420			- incomes from companies of a group	16210		
5. Other expenses, including:	10500			7. Other interests and financial incomes, including:	16300	3	3
a) balance value of assets sold	10510			a) incomes from companies of a group	16310		
b) provisions	10520			b) positive differences from operations with financial assets	16320		
Major business activity expenses total (1 + 2 + 3 + 4 + 5)	**10000**	0	5	c) positive exchange rates differences	16330		

6. Devaluation of financial assets expenses, including investments acknowledged as current (short-term) assets:	11100	64	0	Financial incomes total (5 + 6 + 7)	16000	3	3
- negative exchange rates differences	11110	64	0				
7. Interests and other financial expenses, including:	11200	2	19				
a) expenses connected with companies of a group	11210						
b) negative differences from operations with financial assets	11220						
Financial expenses total (6 + 7)	**11000**	66	19				
8. Profit from the major business activity	14000			8. Loss from the major business activity	19000	63	21
9. Extraordinary expenses	12000			9. Extraordinary incomes	17000		
Expenses total (1 + 2 + 3 + 4 + 5 + 6 + 7 + 9)	**13000**	66	24	*Incomes total (1 + 2 + 3 + 4 + 5 + 6 + 7 + 9)*	**18000**	3	3
10. Profit before taxation (Incomes total - Expenses total)	14100			10. Loss before taxation (Incomes total - Expenses total)	19100	63	21
11. Expenses for taxes from the profit	14200						
12. Other taxes, alternative for the corporation tax	14300						
13. Profit (10 - 11 - 12)	14400			11. Loss (10 + row 11 and 12 from section A)	19200	63	21
Total (Expenses total + 11 + 12 + 13)	**14500**	66	24	***Total (Incomes total + 11)***	**19500**	66	24

Date ot composure: 28.2.2015 Compiler: Manager:

Гарби АД София Sofia Garby AD

Garby AD

Bulgaria, Sofia, 5 Han Pagan str.

ID Number
202674327

CASH FLOW STATEMENT USING THE DIRECT METHOD

of **Garby AD**

period **01.01.2014 - 31.12.2014**

(thousand BGN)

Name of cash flows	Row code	Current Year			Previous Year		
		Income	Expense	Net Amount	Income	Expense	Net Amount
(a)	(b)	1	2	3	4	5	6
A. cash flows from operating activities							
Cash flows related to commercial counterparties	61531		0	(0)		5	(5)
Cash flows connected with short-term financial assets held for trading purposes	61532						
Cash flows related to wages	61533						
Cash flows related to interest rates, commissions, dividends and other similar	61534						
Cash flows from positive and negative currency exchange rate changes	61535						
Payments for the distribution of profits	61536						
And paid income taxes recovered	61537						
Other cash flows from operating activities	61538						
All cash flows from operating activities (a)	**61530**		0	(0)		**5**	**(5)**
B. cash flows from investment activity							
Cash flows related to fixed assets	61541						
Cash flows connected with short-term financial assets	61542						
Cash flows related to interest rates, commissions, dividends and other similar	61543						
Cash flows from business combinations-acquisitions	61544					25	(25)
Cash flows from positive and negative currency exchange rate changes	61545						
Other cash flows from investment activity	61546						
All cash flows from investing activities (b)	**61540**					**25**	**(25)**

Garby AD

ID Number
202674327

Name of cash flows	Line code	Current Year			Previous Year		
		Income	Expense	Net Amount	Income	Expense	Net Amount
(a)	(b)	1	2	3	4	5	6
C. cash flows from financing activities							
Cash inflows from issuance and back acquisition of securities	61551						
Cash flows from additional contributions and returned to the owners	61552				50	0	50
Cash flows related to loans received or provided	61553	**1037**	**880**	**157**	34	73	(39)
Cash flows from interest, commissions, dividends and other similar	61554	**2**		**2**	0		0
Payments of obligations under leases	61555						
Cash flows from positive and negative currency exchange rate changes	61556		**0**	**(0)**		0	(0)
Other cash flows from financing activities	61557		**1**	**(1)**		0	(0)
All cash flows from financing activities (c)	**61550**	**1039**	**881**	**158**	**84**	**73**	**11**
D. amendment of cash during the period (a b c)	**61560**	**1039**	**881**	**158**	**84**	**103**	**(19)**
E. cash at beginning of period	**61570**			**32**			**51**
E. cash at the end of the period	**61580**			**190**			**32**

Date 28.2.2015

Managing Director: Georgus Georgiev

Chief Accountant: Ilivana Chatova

Гарби АД София Sofia Garby AD

1EUR =1.95583 BG lv

OWN CAPITAL REPORT

of **GARBY AD**

Address Bulgaria , Sofia , 5 Han Pagan str.

up to **01.01.2014 - 31.12.2014**

ID number
202674327

Indexes	Capital upon record	Premiums of issues	Following evaluation reserve	Reserves				Financial result from past years		Current profit / loss	Own capital total
				Legal reserves	Reserve connected with repurchased own	Reserve according to shareholders	Other reserves	Undivided profit	Uncovered loss		
a	1	2	3	4	5	6	7	8	9	10	11
1. Balance in the beginning of the period under review	**50**								**(24)**		**26**
2. Changes in the accounting politics											
3. Mistakes											
4. Balance after changes and mistakes in the accounting politics	**50**								**(24)**		**26**
5. Changes at owners expense, including:											
- increase											
- decrease											
6. Financial result for the current period										(63)	(63)
7. Profit distribution, including:											
- for dividends											
8. Loss cover											
9. Following valuation of assets and liabilities											
- increase											
- decrease											
10. Other changes in the own capital											
11. Balance in the end of the period under review	**50**								**(24)**	**(63)**	**(37)**
12. Changes from translations abroad of the anual financial reports of the company											
13. Own capital in the end of the period under review (11 +/- 12)	**50**								**(24)**	**(63)**	**(37)**

Date of composure: 28.2.2015

Compiler: ....

Manager: ....

Гарби АД София Sofia Garby AD

AHELOY COMMERCIAL AD

ANNUAL FINANCIAL STATEMENTS
31 December 2014

Descriptive Notes
to the annual financial statements for 2014
of "Aheloy Commercial" JSC; EIK 147224223

1. Legal status.

The Company is a joint stock company with 100% private ownership.
The company's headquarters is in the city Pomorie, 219 Kniaz Boris I str. Bulgaria
The main business activity is real estate assets construction and holyday resort management.
The company managing director is Hans Fredrick Gulseth.

2. Basis for preparation of financial statements and accounting principles

2.1. Basis for preparation of financial statements.

The Company maintains its current accounts and prepares its financial statements in accordance with the Bulgarian National Financial Reporting Standards for small and medium enterprises.
The financial statements have been prepared on a going concern basis and management believes that the company will remain active in the next reporting period. This assessment takes into account all available information for the foreseeable future, which is at least, but is not limited to twelve months from the balance sheet date. Current period – beginning on 01.01.2014 and ending on 31.12.2014.

2.2. Currency used in the financial statements

The Company maintains its records and prepares annual financial statements in the national currency of the Republic of Bulgaria - Bulgarian lev. From January 1999 the Bulgarian lev is pegged to the euro: 1.95583 lev for 1 euro annual financial statements are presented in Bulgarian leva, as the articles are presented in thousands of Bulgarian levs.

2.3. Use of accounting estimates and assumptions

The application of accounting standards requires management to make certain accounting assumptions and accounting estimates in the preparation of financial statements in order to determine the value of certain assets, liabilities, income and expenses. They are made on the basis of the - good discretion of management based on historical experience and analysis of all factors influencing the circumstances at the date of preparation of the financial statements. Actual results could differ from those presented in these financial statements.

3. Definitions and valuation of the elements in the balance sheet and profit and loss statements

3.1. Non-current tangible and intangible assets

Non-current tangible and intangible assets are initially measured at cost, which includes the purchase price, customs duties and non-refundable taxes, and any directly attributable costs of bringing the asset to working condition and location for its intended use by the management. After initial recognition, non-current tangible and intangible assets are stated at cost less accumulated depreciation and any impairment losses.

When in non-current assets include significant components in different states, these components are recorded as separate assets.

Subsequent costs, including costs for replacement of components of the asset, are capitalized in the value of assets only if they meet the criteria for recognition of a non-current asset. The carrying value of the replaced item is written off the value of the asset in accordance with SS 16 Tangible assets. All other subsequent costs are recognized in the period in which they are incurred.

3.2 Amortization of non-current tangible and intangible assets

Depreciation of non-current tangible and intangible assets is calculated on the basis of determinations useful lives, using the straight-line method.

The average useful life in years for the main groups of tangible fixed assets is as follows:

Assets group	**Average useful life**
Buildings	25 years
Machines	40 months.
Cars	4 years
Computers	2 years
Others	80 months

During the financial year, there were no changes in applicable depreciation rates compared with the previous reporting year.

The charging of depreciation starts from the beginning of the month following the month in which the asset is available for use and terminates at the end of the month the asset is derecognized.

3.3. Inventories

Inventories are the current (short-term) assets in the form of materials, goods and work in progress. Output is valued at cost, which is formed on the basis of production costs. These include all direct material costs and variable portion of indirect variable and fixed costs allocated to the value of actual production during the period, while respecting the principle of normal production capacity in their consumption materials and goods are valued using the method of weighted average price.

3.4. Trade and other receivables.

Trade and other receivables arise when the Company provides cash, goods or services without any intention to trade receivable. These receivables are stated at their nominal value. Based on an analysis at the end of each reporting period are reviewed for indications of impairment.

3.5. Bankroll

Cash for the purposes of the cash flow statement are cash in hand and bank accounts.

3.6. Trade and other payables

Liabilities arising from the direct provision of goods and services, cash or cash equivalents from creditors, are classified as financial liabilities originated by the company. Long-term liabilities are classified with fixed maturity and residual maturity of over one year from the date of occurrence of the obligation.

3.7. Share capital

The share capital of the Company is presented at historical cost. To 31.12.2014 the share capital is 6'100'000.00 BGN and is fully paid. The capital is divided into 610 name shares with par value of 10'000 BGN each.

3.8. Taxation

Under Bulgarian tax legislation the Company is liable to corporation tax of 10% on the taxable income under the tax rules of the Law on Corporate Income Tax.

When converting accounting profit in the taxable profit reported deferred tax assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only if their recovery is likely in the presence of taxable profit.

3.9. Recognition of income and expenses

Income and expenses are accrued when they arise, regardless of cash receipts and payments. They are reported in compliance with the requirement of a causal correspondence between them.

Revenue is measured at the fair value of the consideration received or receivable, less any discounts.

No revenue is recognized if there are significant uncertainties regarding the realization proceeds of the receivables.

Profit / loss from sale of long-term tangible and intangible assets are presented as other income / expenses.

Revenues and expenses are accrued based on the effective interest rate and the amount of the claim or liability to which they relate.

In an exchange of assets into account income / expense from exchange transaction in the amount of the difference between the fair value and the resulting carrying value of the assets exchanged.

Date of preparation: 30.03.2015.

Managing Director: Chief Accountant:

Deputy Chairman of the Board of Directors:

EQUITY STATEMENT
AHELOY COMMERCIAL AD
31.12.2014

000 BGN'

Items	Capital	Reserves						Result		Translation reserves	Totall equity
		Premium reserve	Revaluation reserve	specific reserves							
				General	pecialised	other		profit	loss		
a	1	2	3	4	5	6		7	8	9	10
Balance at January 1st	**5 720**							**628**	**(1 565)**		**4 783**
1. Change in capital on the accounts of the owners, including											
a. increase											
b. decreasee											
2. Financial result of the current year									**(308)**		**(308)**
3.Distributions of profit incl.											
dividends											
4. Losses covered											
5. Revaluation of Fixed Tangible Assets, incl.											
a. increase											
b. decreasee											
6. Revaluation of financial assets and instruments, incl.											
a. increase											
b. decreasee											
7. Changes in the accounting policy, errors, etc.											
8.Other changes in equity											
Balance as of December 31 of the current year	**5 720**							**628**	**(1 873)**		**4 475**
9. Exchange differences on translation of the financial statements of foreign entities											
10.Changes from revaluation of the financial statements in hyperinflation											
Revaluation of equity as of December 31 of the current year	**5 720**							**628**	**(1 873)**		**4 475**

Date: Prepared by: Manager:

Appendix No. 1 to para 40, article 1, item 1

AHELOY COMMERCIALAD.

BALANCE SHEET

31.12.2014

ASSETS

	ITEMS	Amount (Leva'000) Current year	Prior year
		1	2
A	**Fixed (long-term) assets**		
I	**Tangible fixed assets**		
1	Land	-	-
2	Buildings and constructions	6 515	6 515
3	Plant and machinery	-	-
4	Equipment	-	-
5	Motor vehicles	-	-
6	Breeding live-stock	-	-
7	Other tangible fixed assets	-	-
8	Expenses for acquisition and liquidation of tangible fixed assets	-	-
	Total for group I	**6 515**	**6 515**
II	**Intangible fixed assets**		
1	Rights of ownership	-	-
2	Softwares	-	-
3	Development products	-	-
4	Other intangible fixed assets	-	-
	Total for group II	-	-
III	**Long-term financial assets**		
1	Stakes and shares incl.	824	824
	subsidiary companies		
	joint-venture companies	-	-
	associated companies	-	-
	other companies	-	-
2	Investment properties	-	-
3	Other long-term securities	-	-
4	Long-term receivables incl.	-	-
	from related parties	-	-
	trade loans	-	-
	other long-term receivables	-	-
	Total for group III	**824**	**824**
IV	**Goodwill**		
1	Goodwill	-	-
2	Negative goodwill	-	-
	Total for group IV	-	-
V	**Deferred expenses**	-	-
	Total for A	**7 339**	**7 339**
B	**Short-term assets**		
I	**Inventory**		
1	Raw materials	-	-
2	Finished goods	-	-
3	Goods for resale	-	-
4	Live stock	-	-
5	Young live stock	-	-
6	Work in progress	-	-
7	Other inventory	-	-
	Total for group I	-	-
II	**Short-term receivables**		
1	Related parties receivables	-	-
2	Receivables from clients and suppliers	-	-
3	Receivables on loans to third parties		
4	Court receivables		
5	Recoverable tax		
6	Other short-term receivables	32	32
	Total for group II	**32**	**33**
III	**Short-term financial assets**		
1	Financial assets in related parties		
2	Bought out own debt securities	-	-
3	Short-term securities		
4	Precious metals and stones		
5	Other short-term financial assets		
	Total for group III	-	-
IV	**Cash and cash equivalents**		
1	Cash at hand		-
2	Cash in termless deposits	53	53
3	Blocked cash		
4	Cash equivalents		
	Total for group IV	**53**	**53**
V	**Deferred expenses**		
	Total for B	**85**	**85**
	Total assets (A+B)	**7 424**	**7 424**

LIABILITIES

	ITEMS	Amount (Leva'000) Current year	Prior year
		1	2
A	**EQUITY**		
I	**Share capital**		
1	Capital written down	5 720	5 720
2	Capital not-paid	-	-
3	Bought out share capital		
	Total for group I	**5 720**	**5 720**
II	**Reserve**		
1	Share premium reserve	-	-
2	Reserve from revaluation of assets and liabilities	-	-
3	Purposeful incl.	-	-
	general reserves	-	-
	special reserves	-	-
	other reserves	-	-
	Total for group II	-	-
III	**Financial result**		
1	Retained earnings (def.) incl.		
	undistributed profit		
	accumulated loss	-937	-635
2	Current profit (loss)	-308	-302
	Total for group III	**-1 245**	**-937**
	Total for A	**4 475**	**4 783**
B	**Long-term liabilities**		
I	**Long-term payables**		
1	Payables to related parties	-	-
2	Payables to financial entities incl.	-	-
	to banks	-	-
3	Payables on trade loans	-	-
4	Payables on contractual loans	-	-
5	Deferred tax	-	-
6	Other long-term liabilities	-	-
	Total for group I	-	-
II	**Deferred income and financing**	-	-
	Total for B	-	-
C	**Short-term liabilities**		
I	**Short-term payables**		
1	Payables to related parties	2 896	2 581
2	Payables to financial entities incl	-	-
	to banks		
3	Payables to clients and suppliers	41	41
4	Payables on trade loans	-	-
5	Payables to employees	-	-
6	Payables for social security	-	-
7	Tax payables	12	12
8	Other short-term payables	-	7
9	Provisions		
	Total for group I	**2 949**	**2 641**
II	**Deferred income and financing**		
	Total for C	**2 949**	**2 641**
	Total liabilities (A+B+C)	**7 424**	**7 424**

Date

Chief accountant

Manager

Attachment No. 2 to para 40, article 1, item 2

PROFIT AND LOSS STATEMENT
of AHELOY COMMERCIAL AD
for the period ending 31.12.2014

	Expenses	Amount (Leva'000)	
		Current year	Prior year
A	**Ordinary operating expenses**		
I	**Expenses by economic elements**		
1	Material expenses	-	-
2	Expenses for hired services	-	152
3	Depreciation expenses		
4	Wages and salaries expenses		
5	Social security expenses		
6	Other expenses	365	-
	incl. assets depreciation		
	provisions		
	Total for group I	**365**	**152**
II	**Corrections**		
1	Balance amount of assets sold (without finished goods)	-	-
2	Expenses for acquisition and liquidation of fixed assets	-	-
3	Changes in finished goods and work in progress		
4	Breeds and animal number increase		
5	Other adjustment amounts	-	-
	Total for group II		
III	**Financial expenses**		
1	Interest expenses incl.	-	222
	interest to related parties	-	-
2	Loss on transactions with financial assets and instruments	-	-
3	Foreign exchange loss	-	3
4	Other financial expenses		
	Total for group III	-	**225**
B	**Total operating expenses (I+II+III)**	**365**	**377**
C	**Ordinary operating profit**		
IV	**Extraordinary expenses**		
D	**Total expenses (B+IV)**	**377**	**377**
E	**Profit**	-	-
V	**Tax expenses**		-
	Corporate tax	-	-
	Other taxation	-	-
F	**Profit (E-V)**	-	-
	Total (D+V+F)	**308**	**377**

	Income	Amount (Leva'000)	
		Current year	Prior year
A	**Operating income**		
I	**Net sales revenue from:**		
1	Finished goods	-	-
2	Goods for sale	-	-
3	Services	-	-
4	Other	-	-
	Total for group I	-	-
II	**Grant income**	-	-
	incl. from the government	-	-
III	**Financial income**		
1	Interest income, incl. Interest from related parties	-	-
2	Income from investments, incl. Dividends from related parties	-	-
3	Gain on transactions with financial assets and instruments	-	-
4	Foreign exchange gain	-	-
5	Other financial income	57	75
	Total for group III	-	-
B	**Total operating income (I+II+III)**	**57**	**75**
C	**Ordinary operating loss**		
IV	**Extraordinary income**		
D	**Total income (B+IV)**	**57**	**75**
E	**Loss**	**308**	**775**
F	**Loss (D+V)**	**308**	**302**
	Total (D+E)	**308**	**377**

Date

Chief accountant

Manager

CF
31.12.2014

Amount in '000 BGN

CASH FLOWS	Current period						Prior year		
	Budgeted Receivables	Receivables	Budgeted Payments	Payments	Budgeted Net flow	Net flow	Receivables	Payments	Net flow
a		1		2		3	4	5	6
A. Cash flow from main activity									
1. Trade cash flows	0	0	0	0	0	0	0	113	-113
2. Cash flows for short-term financial assets held for trade purposes	0	0	0	0	0	0	0	0	0
3. Cash flows for salaries and wages	0	0	0	0	0	0	0	0	0
4. Cash flows for interests, comissions, dividends and others	0	0	0	0	0	0	0	0	0
5. Cash flows for positive and negative exchange rate differences	0	0	0	0	0	0	0	0	0
6. Payed and reimbursed taxes	0	0	0	0	0	0	0	0	0
7. Cash flow out for distribution of profit	0	0	0	0	0	0	0	0	0
8. Other cash flows from main activity	0	0	0	0	0	0	0	0	0
Total cash flows from main activity (A)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**113**	**-113**
Б. Cash flows from investments	0	0	0	0	0	0	0	0	0
1. Cash flows fixed assets	0	0	0	0	0	0	0	0	0
2. Cash flows for current assets	0	0	0	0	0	0	0	0	0
3. Cash flows for interests, commissions, dividends and others	0	0	0	0	0	0	0	0	0
4. Cash flows for acquisitions	0	0	0	0	0	0	0	0	0
5. Cash flows for positive and negative exchange rate differences	0	0	0	0	0	0	0	0	0
6. Other cash flows from investments	0	0	0	0	0	0	0	0	0
Total cash flows from investments (Б)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
В. Financial cash flows	0	0	0	0	0	0	0	0	0
1. Cash flows for issue and buying back of securities	0	0	0	0	0	0	0	0	0
2. Cash flows for additional instalments and reimbursements to their owners	0	0	0	0	0	0	0	0	0
3. Cash flows for loans received and granted	0	0	0	0	0	0	63	0	63
4. Cash flows for interest payments, commissions, dividends and others	0	0	0	0	0	0	0	0	0
5. Cash flows for leasing contracts	0	0	0	0	0	0	0	0	0
6. Cash flows for positive and negative exchange rate differences	0	0	0	0	0	0	0	3	-3
7. Other financial cash flows	0	0	0	0	0	0	0	0	0
Total financial cash flows (В)	**0**	**0**	**0**	**0**	**0**	**0**	**63**	**3**	**60**
Г. Change in cash and equivalents during the period (А+Б+В)	**0**	**0**	**0**	**0**	**0**	**0**	**63**	**116**	**-53**
Д. Cash and equivalents in the beginning of the period	0	0	0	0	0	53	0	0	106
Е. Cash and equivalents at the end of the period	0	0	0	0	0	53	0	0	53

ЕПО АХЕЛОЙ ООД

за период от: 01.01.2015 до: 30.06.2015 г.

Наименование	Кр.Сдо Дт	Кр.Сдо Кт
ВЗЕМАНИЯ		
(1) АХЕЛОЙ РЕЗИДЪНС ЕООД договор за цесия от 28.02.2012	9 891 517.19	
(2) АХЕЛОЙ РЕЗИДЪНС договор за цесия от 10.09.2012	133 836.46	
(3) ГАРБИ ООД договор за заем	30 000.00	
(4) ГЕИР ВИНСЛЕД договор за заем	30 000.00	
(5) РЕВИЛО ТРЕЙД договор за цесия от 19.11.2014	800 000.00	
ЗАДЪЛЖЕНИЯ		
ТРЕМЕКС ИНВЕСТ цесия 10.09.2012		2 000.00
АХЕЛОЙ КЪМЪРШЪЛ АД договор за заем		12 000.00
ГЕИР ВИСЛЕД внесен капитал по набирателна сметка		24 949.00
ГАРБИ - внесен капитал по набирателна сметка		24 951.00
ТРЕМЕКС РП ЕООД договор за цесия 15.11.13		2 933 745.00
ГАРБИ АД ДОГОВОР ЗА заем от 17.07.14		880 123.50
ЕПО БЪЛГАРИЯ ЕООД лихви по договор за заем		12 528.52
СЪНСЕТ РИЗОРТ МЕНИДЖМЪНТ ЕООД лихви по договор за заем		39.03
ГАРБИ - лихви по договор за заем		359.54
ЕПО БЪЛГАРИЯ ЕООД договор за заем		4 889 575.00
УНИКРЕДИТ БУЛБАНК договор за заем		19 558 300.00
ПАРИЧНИ СРЕДСТВА		
Разплащателна сметка Пиреус в лева	47 931.94	
Разпл.сметка Пиреус в лева	769 572.00	
Разплащателна сметка Уникредит в евро	334 629.56	
Разплащателна сметка Пиреус в евро	44 544.86	
Други парични средства - внесен капитал по набирателна сметка	50 000.02	

"ЕПО АХЕЛОЙ" ООД * "EPO AHELOY" OOD
Поморие
Pomorie

EPO Aheloy EOOD		
period to 30.06.2015		
Description	Debit Ac. BGN	Credit Ac. BGN
Receivables		
1) Aheloy Residence EOOD under cession agreement 28.02.2012	9 891 517.19	
2) Aheloy Residence under cession agreement 10.09.2012	133 836.36	
3) Garby OOD loan agreement	30 000.00	
4) Geir Vinslid loan agreement	30 000.00	
5) Revilo Trade EOOD under cession agreement 19.11.2014	800 000.00	
Liabilities		
1) Tremex Invest cession 10.09.2012		2 000.00
2) Aheloy Commercial AD loan agreement		12 000.00
3) Geir Vinslid capital dedicated account		24 949.00
4) Garby capital dedicated account		24 951.00
5) Tremex RP EOOD under cession agreement 15.11.2013		2 933 745.00
6) Garby AD loan agreement 17.07.2014		880 123.50
7) EPO Bulgaria EOOD interest on loan		12 528.52
8) Sunset Resort Management EOOD interest on loan		39.03
9) Garby interest on loan		359.54
10) EPO Bulgaria EOOD loan agreement		4 889 575.00
11) UniCreddit Bulbank loan agreement		19 558 300.00
Cash Equivalents		
1) Account at Piraeus Bank in BGN	47 931.94	
2) Account at Piraeus Bank in BGN	769 572.00	
3) Account at UniCredit Bulbank E	334 629.56	
4) Account at Piraeus E	44 544.86	
5) Other - capital in dedicated account	50 000.02	

"ЕПО АХЕЛОЙ" ООД * "EPO AHELOY" OOD *
Поморие
Pomorie

Отчетна единица:	ЕПО АХЕЛОЙ ООД
Гр. (с.)	гр.Поморие
Община	Поморие

ЕИК по БУЛСТАТ / ТР
201627285

СЧЕТОВОДЕН БАЛАНС КЪМ 31.12.2014 ГОДИНА

АКТИВ			
Раздели, групи, статии	Код на реда	Сума - хил.лв.	
		текуща година	предходна година
а	б	1	2
А. Записан, но невнесен капитал	**01000**		
Б. Нетекущи (дълготрайни) активи			
I. Нематериални активи			
Продукти от развойна дейност	02110		
Концесии, патенти, лицензии, търговски марки, програмни продукти и други подобни права и активи	02120		
в това число:			
За водноелектрически централи	02121		
За вятърни генератори	02122		
За слънчеви колектори	02123		
За термопомпи	02124		
Търговска репутация	02130		
Предоставени аванси и нематериални активи в процес на изграждане	02140		
в т. ч. предоставени аванси	02141		
Общо за група I	**02100**	**0**	**0**
II. Дълготрайни материални активи			
Земи и сгради	02210	14 942	11
Земи	02211		
Сгради	02212	14 942	11
Машини, производствено оборудване и апаратура	02220		
в това число:			
За водноелектрически централи	02221		
За вятърни генератори	02222		
За слънчеви колектори	02223		
За термопомпи	02224		
Съоръжения и други	02230		
Предоставени аванси и дълготрайни материални активи в процес на изграждане	02240		
в т. ч. предоставени аванси	02241		
Общо за група II	**02200**	**14 942**	**11**
III. Дългосрочни финансови активи			
Акции и дялове в предприятия от група	02310		
в т. ч. в нефинансови предприятия, вкл. централни управления	02311		
Предоставени заеми на предприятия от група	02320		
Акции и дялове в асоциирани и смесени предприятия	02330	2 951	2 951
в т. ч. в нефинансови предприятия, вкл. централни управления	02331		
Предоставени заеми, свързани с асоциирани и смесени предприятия	02340		
Дългосрочни инвестиции	02350		
в това число:			
Дългови ценни книжа (облигации)	02351		
Капиталови ценни книжа (акции и дялове)	02352		
Инвестиционни имоти	02353		
Други заеми	02360		
Изкупени собствени акции номинална стойност	02370		
Общо за група III	**02300**	**2 951**	**2 951**
IV. Отсрочени данъци	**02400**		
Общо за раздел Б	**02000**	**17 893**	**2 962**

АКТИВ			
Раздели, групи, статии	Код на реда	Сума - хил.лв.	
		текуща година	предходна година
а	б	1	2
В. Текущи (краткотрайни) активи			
I. Материални запаси			
Суровини и материали	03110		
Незавършено производство	03120		
в т. ч. млади животни и животни за угояване и разплод	03121		
Продукция и стоки	03130	0	0
Продукция	03131		
Стоки	03132		
Предоставени аванси	03140		
Общо за група I	**03100**	**0**	**0**
II. Вземания			
Вземания от клиенти и доставчици	03210	1 956	1 957
в т.ч. над 1 година	03211		
Вземания от предприятия от група	03220		
в т.ч. над 1 година	03221		
Вземания, свързани с асоциирани и смесени предприятия	03230		
в т.ч. над 1 година	03231		
Други вземания	03240	12 044	27 138
в т.ч. над 1 година	03241		
Общо за група II	**03200**	**14 000**	**29 095**
III. Инвестиции			
Акции и дялове в предприятия от група	03310		
Изкупени собствени акции номинална стойност	03320		
Други инвестиции	03330		
в това число:			
Дългови ценни книжа (облигации)	03331		
Капиталови ценни книжа (акции и дялове)	03332		
Инвестиционни имоти	03333		
Общо за група III	**03300**	**0**	**0**
IV. Парични средства			
Касови наличности и сметки в страната	03410	920	2 530
Касови наличности в лева	03411		
Касови наличности във валута (левова равностойност)	03412		
Разплащателни сметки	03413	920	2 530
Блокирани парични средства	03414		
Парични еквиваленти	03415		
Касови наличности и сметки в чужбина	03420	0	0
Касови наличности в лева	03421		
Касови наличности във валута	03422		
Разплащателни сметки във валута	03423		
Блокирани парични средства във валута	03424		
Общо за група IV	**03400**	**920**	**2 530**
Общо за раздел В	**03000**	**14 920**	**31 625**
Г. Разходи за бъдещи периоди	**04000**		
Сума на актива (А+Б+В+Г)	**04500**	**32 813**	**34 587**

ПАСИВ			
Раздели, групи, статии	Код на реда	Сума - хил.лв.	
		текуща година	предходна година
а	б	1	2
А. Собствен капитал			
I. Записан капитал	**05100**	**0**	**0**
Акционерен капитал	05110	0	0
Котирани акции на финансовите пазари	05111		
Некотирани акции на финансовите пазари	05112		
Други видове записан капитал	05120		
в т. ч. допълнителен капитал (апортни вноски)	05121		
II. Премии от емисии	**05200**		
III. Резерв от последващи оценки	**05300**		
в т. ч. резерв от последващи оценки на финансови инструменти	05310		
IV. Резерви			
Законови резерви	05410		
Резерв, свързан с изкупени собствени акции	05420		
Резерв съгласно учредителен акт	05430		
Други резерви	05440		
в т. ч. допълнителни резерви	05441		
Общо за група IV	**05400**	**0**	**0**
V. Натрупана печалба (загуба) от минали години			
Неразпределена печалба	05510		
Непокрита загуба	05520	-1 823	-894
Общо за група V	**05500**	**-1 823**	**-894**
VI. Текуща печалба (загуба)	**05600**	**3 788**	**-929**
Общо за раздел А	**05000**	**1 965**	**-1 823**
Б. Провизии и сходни задължения			
Провизии за пенсии и други подобни задължения	06100		
Провизии за данъци	06200		
в т.ч. отсрочени данъци	06210		
Други провизии и сходни задължения	06300		
Общо за раздел Б	**06000**	**0**	**0**
В. Задължения			
Облигационни заеми	07100	0	0
До 1 година	07101		
Над 1 година	07102		
в това число:			
Конвертируеми облигационни заеми	07110	0	0
До 1 година	07111		
Над 1 година	07112		
Задължения към финансови предприятия	07200	19 558	19 558
До 1 година	07201		
Над 1 година	07202	19 558	19 558
Получени аванси	07300	0	0
До 1 година	07301		
Над 1 година	07302		

ПАСИВ			
Раздели, групи, статии	Код на реда	Сума - хил.лв.	
		текуща година	предходна година
а	б	1	2
Задължения към доставчици	07400	0	0
До 1 година	07401		
Над 1 година	07402		
Задължения по полици	07500	0	0
До 1 година	07501		
Над 1 година	07502		
Задължения към предприятия от група	07600	0	0
До 1 година	07601		
Над 1 година	07602		
Задължения, свързани с асоциирани и смесени предприятия	07700	0	0
До 1 година	07701		
Над 1 година	07702		
Други задължения	07800	9 020	7 916
До 1 година	07801	4 130	3 026
Над 1 година	07802	4 890	4 890
в това число:			
Към персонала	07810	0	0
До 1 година	07811		
Над 1 година	07812		
Осигурителни задължения	07820	0	0
До 1 година	07821		
Над 1 година	07822		
Данъчни задължения	07830	219	0
До 1 година	07831	219	
Над 1 година	07832		
Общо за раздел В	**07000**	**28 578**	**27 474**
До 1 година	07001	4 130	3 026
Над 1 година	07002	24 448	24 448
Г. Финансирания и приходи за бъдещи периоди	**08000**	**2 270**	**8 936**
в това число:			
Финансирания	08001		
Приходи за бъдещи периоди	08002	2 270	8 936
Сума на пасива (А+Б+В+Г)	**08500**	**32 813**	**34 587**

Дата: 27/03/2015

Ръководител: Георги Георгиев

Съставител: МАРИЯ ТЕРЗИИВАНОВА

(име,презиме,фамилия)

(подпис)

Лице за контакт: Мария Терзииванова

(име,презиме,фамилия)

0159636047

(телефон)

"АХЕЛОЙ" ООД

Отчетна единица:	ЕПО АХЕЛОЙ ООД		ЕИК по БУЛСТАТ / ТР
Гр. (с.)	гр.Поморие		201627285
Община	Поморие		

ОТЧЕТ ЗА ПРИХОДИТЕ И РАЗХОДИТЕ ЗА 2014 ГОДИНА

Наименование на разходите	Код на реда	Сума - хил. лв. текуща година	Сума - хил. лв. предходна година
а	б	1	2
А. Разходи			
I. Разходи за оперативна дейност			
Намаление на запасите от продукция и незавършено производство	10100		
Разходи за суровини, материали и външни услуги	10200	**348**	**40**
Суровини и материали	10210		
Външни услуги	10220	348	40
Разходи за персонала	10300		
в това число:			
Разходи за възнаграждения	10310		
в т. ч. компенсируеми отпуски	10311		
Разходи за осигуровки (към осигурителни фондове)	10320		
от тях: осигуровки, свързани с пенсии	10321		
Разходи за амортизация и обезценка	10400	**0**	**0**
Разходи за амортизация и обезценка на дълготрайни материални и нематериални активи	10410		
в това число:			
Разходи за амортизация	10411		
Разходи от обезценка	10412		
Разходи от обезценка на текущи (краткотрайни) активи	10420		
Други разходи	10500	1 107	
в това число:			
Балансова стойност на продадените активи	10510		
Провизии	10520		
Общо за група I	**10000**	**1 455**	**40**
II. Финансови разходи			
Разходи от обезценка на финансови активи, включително инвестициите, признати като текущи (краткосрочни) активи	11100		
в т.ч. отрицателни разлики от промяна на валутни курсове	11110		
Разходи за лихви и други финансови разходи	11200	744	889
в това число:			
Разходи, свързани с предприятия от група	11210		
Отрицателни разлики от операции с финансови активи	11220		
Общо за група II	**11000**	**744**	**889**
Б. Печалба от обичайна дейност	**14000**	**4 007**	**0**
III. Извънредни разходи	**12000**		
в т.ч. за природни и други бедствия	12100		
Общо разходи (I + II + III)	**13000**	**2 199**	**929**
В. Счетоводна печалба (общо приходи - общо разходи)	**14100**	**4 007**	**0**
IV. Разходи за данъци от печалбата	**14200**	**219**	
V. Други данъци, алтернативни на корпоративния данък	**14300**		
Г. Печалба (В - IV - V)	**14400**	**3 788**	
Всичко (Общо разходи + IV + V + Г)	**14500**	**6 206**	**929**

Наименование на приходите	Код на реда	Сума - хил. лв.	
		текуща година	предходна година
а	б	1	2
А. Приходи			
I. Приходи от оперативна дейност			
Нетни приходи от продажби	15100	0	0
Продукция	15110		
Стоки	15120		
Услуги	15130		
в това число:			
Приходи от търговско-посредническа дейност	15131		
Приходи от наеми	15132		
Приходи от промишлени услуги, вкл. на ишлеме	15133		
Увеличение на запасите от продукция и незавършено производство	15200		
Разходи за придобиване на активи по стопански начин	15300		
в т. ч. със строителен характер	15310		
Други приходи	15400	544	
в това число:			
Приходи от финансирания	15410		
от тях: от правителството	15411		
Приходи от продажби на суровини и материали	15420		
Приходи от продажби на дълготрайни активи	15430		
Общо за група I	**15000**	**544**	**0**
II. Финансови приходи			
Приходи от участия в дъщерни, асоциирани и смесени предприятия	16100		
в т. ч. приходи от участия в предприятия от група	16110		
Приходи от други инвестиции и заеми, признати като нетекущи (дългосрочни) активи	16200		
в т. ч. приходи от предприятия от група	16210		
Други лихви и финансови приходи	16300	5 662	
в това число:			
Приходи от предприятия от група	16310		
Положителни разлики от операции с финансови активи	16320		
Положителни разлики от промяна на валутни курсове	16330		
Общо за група II	**16000**	**5 662**	**0**
Б. Загуба от обичайна дейност	**19000**	**0**	**929**
III. Извънредни приходи	**17000**		
в т.ч. получени застрахователни обезщетения	17100		
Общо приходи (I + II + III)	**18000**	**6 206**	**0**
В. Счетоводна загуба (общо приходи - общо разходи)	**19100**	**0**	**929**
Г. Загуба (В + IV + V)	**19200**		**929**
Всичко (Общо приходи + Г)	**19500**	**6 206**	**929**

СПРАВКА ЗА ПРИХОДИТЕ И РАЗХОДИТЕ ПО ВИДОВЕ И ИКОНОМИЧЕСКИ ДЕЙНОСТИ ЗА 2014 ГОДИНА

Раздел I. Приходи от оперативна дейност

(Хил. левове)

Видове	Код на реда	Отчет за годината
а	б	1
Бруто приходи от продажби (код 15100 вкл. акцизи, без ДДС)	15500	
в т. ч. приходи от населението*	15510	
Приходи от извършени работи по договор като подизпълнител	15600	
Левова равностойност на валутните приходи от износ (без приходите от продажби на дълготрайни активи по код 15430)	15700	
в т. ч. приходи от предоставени услуги на чуждестранни клиенти	15710	
от тях: от страни членки на ЕС	15711	
Приходи от услуги на ишлеме	15800	
в т. ч. на чуждестранни клиенти	15810	
Приходи от продажби на странични продукти, произведени от дейности, свързани с околната среда **	15900	
Приходи от финансирания от правителството като субсидии за околната среда (от код 15411 кол. 1)	15950	

* За здравните заведения да се включват само заплатените от пациентите услуги.

** Включват се само приходите от продажби на странични продукти, получени от съоръжения и дейности, класифицирани като такива за околната среда. Приходите от продажби на странични продукти могат да се посочат само ако тези продукти не са основен източник на доход за предприятието, напр. продажби на гипс от газови филтри на високи комини.

Appendix No. 1 to para 40, article 1, item 1

EPO AHELOY
BALANCE SHEET
31.12.2014

ASSETS

	ITEMS	Amount (Leva'000) Current year	Prior year
		1	2
A	**Fixed (long-term) assets**		
I	**Tangible fixed assets**		
1	Land	-	-
2	Buildings and constructions	14 942	11
3	Plant and machinery	-	-
4	Equipment	-	-
5	Motor vehicles	-	-
6	Breeding live-stock	-	-
7	Other tangible fixed assets	-	-
8	Expenses for acquisition and liquidation of tangible fixed assets	-	-
	Total for group I	**14 942**	**11**
II	**Intangible fixed assets**		
1	Rights of ownership	-	-
2	Softwares	-	-
3	Development products	-	-
4	Other intangible fixed assets	-	-
	Total for group II	-	-
III	**Long-term financial assets**		
1	Stakes and shares incl.	2 951	2 951
	subsidiary companies		
	joint-venture companies	-	-
	associated companies	-	-
	other companies	-	-
2	Investment properties	-	-
3	Other long-term securities	-	-
4	Long-term receivables incl.	-	-
	from related parties	-	-
	trade loans	-	-
	other long-term receivables	-	-
	Total for group III	**2 951**	**2 951**
IV	**Goodwill**		
1	Goodwill	-	-
2	Negative goodwill	-	-
	Total for group IV	-	-
V	**Deferred expenses**	-	-
	Total for A	**17 893**	**2 962**
B	**Short-term assets**		
I	**Inventory**		
1	Raw materials	-	-
2	Finished goods	-	-
3	Goods for resale	-	-
4	Live stock	-	-
5	Young live stock	-	-
6	Work in progress	-	-
7	Other inventory	-	-
	Total for group I	-	-
II	**Short-term receivables**		
1	Related parties receivables	-	-
2	Receivables from clients and suppliers	1 956	1 957
3	Receivables on loans to third parties		
4	Court receivables		
5	Recoverable tax	1 159	-
6	Other short-term receivables	10 885	27 138
	Total for group II	**14 000**	**29 095**
III	**Short-term financial assets**		
1	Financial assets in related parties		
2	Bought out own debt securities	-	-
3	Short-term securities		
4	Precious metals and stones		
5	Other short-term financial assets		
	Total for group III	-	-
IV	**Cash and cash equivalents**		
1	Cash at hand	-	-
2	Cash in termless deposits	920	2 530
3	Blocked cash		
4	Cash equivalents		
	Total for group IV	**920**	**2 530**
V	**Deferred expenses**	-	-
	Total for B	**14 920**	**31 625**
	Total assets (A+B)	**32 813**	**34 587**

LIABILITIES

	ITEMS	Amount (Leva'000) Current year	Prior year
		1	2
A	**EQUITY**		
I	**Share capital**		
1	Capital written down	-	-
2	Capital not-paid	-	-
3	Bought out share capital		
	Total for group I	-	-
II	**Reserve**		
1	Share premium reserve	-	-
2	Reserve from revaluation of assets and liabilities	-	-
3	Purposeful incl.	-	-
	general reserves	-	-
	special reserves	-	-
	other reserves	-	-
	Total for group II	-	-
III	**Financial result**		
1	Retained earnings (def.) incl.		
	undistributed profit		
	accumulated loss	-1 823	-894
2	Current profit (loss)	3 788	-929
	Total for group III	**1 965**	**-1 823**
	Total for A	**1 965**	**-1 823**
B	**Long-term liabilities**		
I	**Long-term payables**		
1	Payables to related parties	-	-
2	Payables to financial entities incl.	19 558	19 558
	to banks	19 558	19 558
3	Payables on trade loans	-	-
4	Payables on contractual loans	-	-
5	Deferred tax	-	-
6	Other long-term liabilities	4 890	4 890
	Total for group I	**24 448**	**24 448**
II	**Deferred income and financing**	-	-
	Total for B	***24 448***	***24 448***
C	**Short-term liabilities**		
I	**Short-term payables**		
1	Payables to related parties	-	-
2	Payables to financial entities incl.	-	-
	to banks	-	-
3	Payables to clients and suppliers	-	-
4	Payables on trade loans	-	-
5	Payables to employees	-	-
6	Payables for social security	-	-
7	Tax payables	219	-
8	Other short-term payables	3 911	3 026
9	Provisions		
	Total for group I	**4 130**	**3 026**
II	**Deferred income and financing**	**2 270**	**8 936**
	Total for C	**6 400**	**11 962**
	Total liabilities (A+B+C)	**32 813**	**34 587**

Date | Chief accountant | Manager

Attachment No. 2 to para 40, article 1, item 2

PROFIT AND LOSS STATEMENT
of EPO AHELOY
for the period ending 31.12.2014

	Expenses	Amount (Leva'000) Current year	Prior year
A	**Ordinary operating expenses**		
I	**Expenses by economic elements**		
1	Material expenses	-	-
2	Expenses for hired services	348	40
3	Depreciation expenses	-	-
4	Wages and salaries expenses	-	-
5	Social security expenses	-	-
6	Other expenses	1 107	-
	incl. assets depreciation		
	provisions		
	Total for group I	**1 455**	**40**
II	**Corrections**		
1	Balance amount of assets sold (without finished goods)	-	-
2	Expenses for acquisition and liquidation of fixed assets	-	-
3	Changes in finished goods and work in progress		
4	Breeds and animal number increase		
5	Other adjustment amounts	-	-
	Total for group II	-	-
III	**Financial expenses**		
1	Interest expenses incl.	744	889
	interest to related parties	-	-
2	Loss on transactions with financial assets and instruments	-	-
3	Foreign exchange loss		-
4	Other financial expenses	-	-
	Total for group III	**744**	**889**
B	**Total operating expenses (I+II+III)**	**2 199**	**929**
C	**Ordinary operating profit**		
IV	**Extraordinary expenses**		
D	**Total expenses (B+IV)**	**2 199**	**929**
E	**Profit**	4 007	-
V	**Tax expenses**		-
	Corporate tax	219	-
	Other taxation	-	-
F	**Profit (E-V)**	**3 788**	-
	Total (D+V+F)	**6 206**	**929**

	Income	Amount (Leva'000) Current year	Prior year
A	**Operating income**		
I	**Net sales revenue from:**		
1	Finished goods	-	-
2	Goods for sale	-	-
3	Services	-	-
4	Other	544	-
	Total for group I	**544**	-
II	**Grant income**	-	-
	incl. from the government	-	-
III	**Financial income**		
1	Interest income, incl. Interest from related parties	-	-
2	Income from investments, incl. Dividends from related parties	-	-
3	Gain on transactions with financial assets and instruments	-	-
4	Foreign exchange gain	-	-
5	Other financial income	5 662	-
	Total for group III	**5 662**	-
B	**Total operating income (I+II+III)**	**6 206**	-
C	**Ordinary operating loss**		
IV	**Extraordinary income**		
D	**Total income (B+IV)**	**6 206**	-
E	**Loss**	-	**929**
F	**Loss (D+V)**	-	**929**
	Total (D+E)	**6 206**	**929**

Date | Chief accountant | Manager

Appendix No. 1 to para 40, article 1, item 1

EPO AHELOY
BALANCE SHEET
30.06.2015

ASSETS

	ITEMS	Amount (Leva'000) Current year	Prior year
		1	2
A	**Fixed (long-term) assets**		
I	**Tangible fixed assets**		
1	Land	-	-
2	Buildings and constructions	15 115	14 942
3	Plant and machinery	-	-
4	Equipment	-	-
5	Motor vehicles	-	-
6	Breeding live-stock	-	-
7	Other tangible fixed assets	-	-
8	Expenses for acquisition and liquidation of tangible fixed assets	-	-
	Total for group I	**15 115**	**14 942**
II	**Intangible fixed assets**		
1	Rights of ownership	-	-
2	Softwares	-	-
3	Development products	-	-
4	Other intangible fixed assets	-	-
	Total for group II	-	-
III	**Long-term financial assets**		
1	Stakes and shares incl.	2 951	2 951
	subsidiary companies		
	joint-venture companies	-	-
	associated companies	-	-
	other companies	-	-
2	Investment properties	-	-
3	Other long-term securities	-	-
4	Long-term receivables incl.	-	-
	from related parties	-	-
	trade loans	-	-
	other long-term receivables	-	-
	Total for group III	**2 951**	**2 951**
IV	**Goodwill**		
1	Goodwill	-	-
2	Negative goodwill	-	-
	Total for group IV	-	-
V	**Deferred expenses**	-	-
	Total for A	**18 066**	**17 893**
B	**Short-term assets**		
I	**Inventory**		
1	Raw materials	-	-
2	Finished goods	-	-
3	Goods for resale	-	-
4	Live stock	-	-
5	Young live stock	-	-
6	Work in progress	-	-
7	Other inventory	-	-
	Total for group I	-	-
II	**Short-term receivables**		
1	Related parties receivables	-	-
2	Receivables from clients and suppliers	1 956	1 956
3	Receivables on loans to third parties		
4	Court receivables		
5	Recoverable tax	9	1 159
6	Other short-term receivables	10 885	10 885
	Total for group II	**12 850**	**14 000**
III	**Short-term financial assets**		
1	Financial assets in related parties		
2	Bought out own debt securities	-	-
3	Short-term securities		
4	Precious metals and stones		
5	Other short-term financial assets		
	Total for group III	-	-
IV	**Cash and cash equivalents**		
1	Cash at hand	-	-
2	Cash in termless deposits	1 247	920
3	Blocked cash		
4	Cash equivalents		
	Total for group IV	**1 247**	**920**
V	**Deferred expenses**	-	-
	Total for B	**14 097**	**14 920**
	Total assets (A+B)	**32 163**	**32 813**

LIABILITIES

	ITEMS	Amount (Leva'000) Current year	Prior year
		1	2
A	**EQUITY**		
I	**Share capital**		
1	Capital written down	-	-
2	Capital not-paid	-	-
3	Bought out share capital		
	Total for group I	-	-
II	**Reserve**		
1	Share premium reserve	-	-
2	Reserve from revaluation of assets and liabilities	-	-
3	Purposeful incl.	-	-
	general reserves	-	-
	special reserves	-	-
	other reserves	-	-
	Total for group II	-	-
III	**Financial result**		
1	Retained earnings (def.) incl.		
	undistributed profit		
	accumulated loss	1 965	-1 823
2	Current profit (loss)	-420	3 788
	Total for group III	**1 545**	**1 965**
	Total for A	**1 545**	**1 965**
B	**Long-term liabilities**		
I	**Long-term payables**		
1	Payables to related parties	-	-
2	Payables to financial entities incl.	19 558	19 558
	to banks	19 558	19 558
3	Payables on trade loans	-	-
4	Payables on contractual loans	-	-
5	Deferred tax	-	-
6	Other long-term liabilities	4 890	4 890
	Total for group I	**24 448**	**24 448**
II	**Deferred income and financing**	-	-
	Total for B	***24 448***	***24 448***
C	**Short-term liabilities**		
I	**Short-term payables**		
1	Payables to related parties	-	-
2	Payables to financial entities incl.	-	-
	to banks	-	-
3	Payables to clients and suppliers	5	-
4	Payables on trade loans	-	-
5	Payables to employees	-	-
6	Payables for social security	-	-
7	Tax payables		219
8	Other short-term payables	3 895	3 911
9	Provisions		
	Total for group I	**3 900**	**4 130**
II	**Deferred income and financing**	**2 270**	**2 270**
	Total for C	**6 170**	**6 400**
	Total liabilities (A+B+C)	**32 163**	**32 813**

Date

Chief accountant

Manager

Attachment No. 2 to para 40, article 1, item 2

PROFIT AND LOSS STATEMENT
of EPO AHELOY
for the period ending 30.06.2015

	Expenses	Amount (Leva'000) Current year	Prior year
A	**Ordinary operating expenses**		
I	**Expenses by economic elements**		
1	Material expenses	-	-
2	Expenses for hired services	101	348
3	Depreciation expenses	-	-
4	Wages and salaries expenses	-	-
5	Social security expenses	-	-
6	Other expenses	18	1 107
	incl. assets depreciation		
	provisions		
	Total for group I	**119**	**1 455**
II	**Corrections**		
1	Balance amount of assets sold (without finished goods)	-	-
2	Expenses for acquisition and liquidation of fixed assets	-	-
3	Changes in finished goods and work in progress		
4	Breeds and animal number increase		
5	Other adjustment amounts	-	-
	Total for group II	-	-
III	**Financial expenses**		
1	Interest expenses incl.	302	744
	interest to related parties	-	-
2	Loss on transactions with financial assets and instruments	-	-
3	Foreign exchange loss		-
4	Other financial expenses	-	-
	Total for group III	**302**	**744**
B	**Total operating expenses (I+II+III)**	**421**	**2 199**
C	**Ordinary operating profit**		
IV	**Extraordinary expenses**		
D	**Total expenses (B+IV)**	**421**	**2 199**
E	**Profit**	-	4 007
V	**Tax expenses**		-
	Corporate tax	-	219
	Other taxation	-	-
F	**Profit (E-V)**	-	**3 788**
	Total (D+V+F)	**421**	**6 206**

	Income	Amount (Leva'000) Current year	Prior year
A	**Operating income**		
I	**Net sales revenue from:**		
1	Finished goods	-	-
2	Goods for sale	-	-
3	Services	-	-
4	Other	-	544
	Total for group I	-	**544**
II	**Grant income**	-	-
	incl. from the government	-	-
III	**Financial income**		
1	Interest income, incl. Interest from related parties	-	-
2	Income from investments, incl. Dividends from related parties	-	-
3	Gain on transactions with financial assets and instruments	-	-
4	Foreign exchange gain	-	-
5	Other financial income	1	5 662
	Total for group III	**1**	**5 662**
B	**Total operating income (I+II+III)**	**1**	**6 206**
C	**Ordinary operating loss**		
IV	**Extraordinary income**		
D	**Total income (B+IV)**	**1**	**6 206**
E	**Loss**	**420**	-
F	**Loss (D+V)**	**420**	-
	Total (D+E)	**421**	**6 206**

Date

Chief accountant

Manager

Поморие
Pomorie