

PROSPECTUS



Black Sea Property AS

(A Norwegian private limited liability company incorporated under the laws of Norway)

Subsequent Offering of minimum 1 and maximum 2,300,000 Offer Shares towards Eligible Shareholders

Subscription Period: 4 February 2020 at 09:00 hours to 18 February 2019 at 16.30 hours

This prospectus (the "**Prospectus**") has been prepared by Black Sea Property AS ("**Black Sea Property**", "**BSP**" or the "**Company**") solely for use in connection with the offering of up to 2,300,000 new shares (the "**Offer Shares**") to the Company's shareholders as of 17 December 2019 (as registered in the VPS on 19 December 2019, the "**Record Date**") (the "**Eligible Shareholders**") (the "**Subsequent Offering**"), who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action. Each Eligible Shareholder will be granted approximately 1.109 Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date. However, certain Eligible Shareholders who subscribed for new shares in the Company in connection with the conversion of a convertible loan of NOK 10.4 million (the "**Lenders**" and the "**Convertible Loan**") will not be granted Subscription Rights, but may subscribe for Offer Shares in the Subsequent Offering. The number of Subscription Rights will be rounded down to the nearest whole Subscription Right. Each Subscription Right gives the right to subscribe for, and be allocated one Offer Share in the Subsequent Offering. Over-subscription will be allowed. Subscription without Subscription Rights may only be made by the Lenders. **Subscription Rights that are not exercised before the end of the Subscription Period (i.e. before 18 February 2020 at 16.30 hours (CET)) will have no value and will lapse without compensation to the holder.**

The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons whom, offers and sales of the Offer Shares (pursuant to the exercise of the Subscription Rights) may be lawfully made.

This Prospectus has, in compliance with the Norwegian Securities Trading Act section 7-8, been registered with the Norwegian Register of Business Enterprises for notoriety purposes, but has not been reviewed or approved by any public authority or stock exchange.

Investing in the Company involves material risks and uncertainties. See Section 3.9 "Risk factors related to the Company and its business" and Section 4.14 "Risks related to the Offer Shares and the Shares".

The date of this Prospectus is 3 February 2020

IMPORTANT INFORMATION

Please refer to Section 9 "Definitions and Glossary of Terms" for definitions of terms used throughout this Prospectus, which also apply to the preceding page.

This Prospectus and its appendices have been prepared by Black Sea Property in order to provide information about the Company, the Subsequent Offering and the Offer Shares (as defined below). This Prospectus, and the sequence of information in this Prospectus, has been prepared in accordance with the Securities Trading Regulation section 7-3, cf. the Securities Trading Act section 7-5. The Prospectus has been published in an English version only.

The Company is solely responsible for the Prospectus and its contents. To the best knowledge of the Company, the information contained in this Prospectus is in all material respects in accordance with the facts as of the date hereof, and contains no material omissions likely to affect its import. This Prospectus includes information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading. This Prospectus does not intend to provide a complete description of the Company or the Group, but merely represents a summary of certain parts of its business and economic status. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company, their advisors, any of their parent or subsidiary undertakings or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this Prospectus. By receiving this Prospectus, you acknowledge that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

An investment in the Company involves inherent risk, and several factors could cause the actual results, financial performance and results of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Prospectus, including, among others, risks or uncertainties associated with the Company's business, segments, development, growth management, financing, market acceptance and relations with customers, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in market development, limited liquidity in the shares, as well as other company specific risk factors. Please refer to Section 3.9 "Risk factors related to the Company and its business" and Section 4.14 "Risks related to the Offer Shares and the Shares" for a description of certain risk factors. These and other risks could lead to actual results or achievements varying materially from those described in this Prospectus. Potential investors should not base their decision to invest on the Prospectus solely but should independently study and consider relevant information. The value of the Offer Shares may be reduced as a result of these or other risk factors, and investors may lose part or all of their investments. An investment in the Company should only be made by investors able to sustain a total loss of their investment.

This Prospectus contains certain forward-looking statements relating to the business, financial performance and results of the Company, the industry in which it operates and/ or the market in general. Forward-looking statements include all statements that are not historical facts, and may be identified by words such as "anticipate", "believe", "estimate", "expect", "seek to", "may", "plan", "project", "should", "will" or "may" or the negatives of these terms or similar expressions. The forward-looking statements contained in this Prospectus, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or their advisors or representatives or any of their parent or subsidiary undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from

errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Prospectus or the actual occurrence of the forecasted developments.

This Prospectus has not been reviewed by any public authority or stock exchange. No action to register or file the Prospectus has been made outside of Norway. The distribution of this Prospectus and the offering, subscription, purchase or sale of securities issued by the Company in certain jurisdictions is restricted by law, including (but not limited to) USA, Canada, Japan and Australia. Persons into whose possession this Prospectus may come, are required to inform themselves about and to comply with all applicable laws and regulations in force in any jurisdiction in or from which it invests or receives or possesses this presentation and must obtain any consent, approval or permission required under the laws and regulation in force in such jurisdiction. The Prospectus is not directed at or meant for the use by persons localized in, or belonging to, any jurisdiction where such distribution or use may conflict with applicable laws, regulations and restrictions. The Prospectus may not be distributed into, or published in, any such jurisdictions. In particular, the Prospectus or any part thereof (including copies) shall not be transmitted to or distributed in the US, Japan, Canada or Australia.

The content of this Prospectus 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 Prospectus shall be governed by Norwegian law and Norwegian courts alone shall have jurisdiction in matters relevant hereto.

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1 STATEMENT OF RESPONSIBILITY

This Prospectus has been prepared by Black Sea Property AS (registration number 914 892 902) in connection with the Subsequent Offering.

The board of directors of the Company (the "**Board**") confirms that, after having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 3 February 2020

The Board of Black Sea Property AS

Egil Redse Melkevik
Chairman

Erik Sture Larre
Director

Hans Fredrik Gulseth
Director

Kåre Rødningen
Director

2 INFORMATION ABOUT THE ISSUER

2.1 Name and corporate information

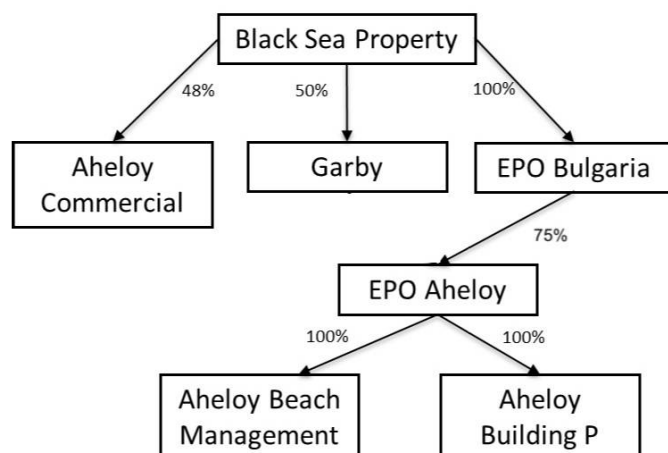
The name of the Company is Black Sea Property AS.

The registered business address of the Company is Sagveien 23 A, 0459 Oslo, Norway and the postal address of the Company is Postboks 46, Torshov, 0412 Oslo, Norway.

The LEI¹ code of the Company is 213800HELCJXXWXSP608.

The Company's Shares are listed at the Merkur Market, a multilateral trading facility, operated by Oslo Børs ASA, with ticker BSP-ME.

The figure below illustrates the organizational structure of the Company and the main companies where it is a shareholder (the "**Group**") as of the date of this Prospectus:



2.2 Board of Directors and Executive Management

2.2.1 General

The Articles of Association provide that the Board of Directors shall consist of between 1 and 7 board members.

The Company's registered business address, Sagveien 23A, 0459 Oslo, Norway, serves as business address for the members of the Company's Board of Directors in relation to their directorship in the Company. The names and positions and current term of office of the board members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires	Shares ²
Egil Melkevik	Chair	2015	2020	349,382 ³

¹ Legal Entity Identifier

² Including Shares issued following conversion of the Convertible Loan.

³ Held personally, and through MTB Invest AS, a company controlled by Egil Melkevik.

Erik Sture Larre	Director	2015	2020	2,984,706 ⁴
Kåre Rødningen	Director	2015	2020	339,382 ⁵
Hans Fredrik Gulseth	Director	2015	2020	1,498,714 ⁶

2.2.2 Brief biographies of the Board of Directors

Egil Melkevik

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 employee 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. Mr. Melkevik has a Master of Science in economics and Business Administration from the University of Agder in 1993.

Erik Sture Larre

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. Mr. Larre has a Master in Mechanical and Civil Engineering from the Polytechnic University of Milan in 1994.

Kåre Rødningen

Mr. Rødningen has served as a member of the Board in BSP since November 2015. He has been self-employed since 2001, and has experience from financial investments.

Hans Fredrik Gulseth

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-employed in Christinedal AS. Mr. Gulseth has a Master of Science in Civil Engineering from the Norwegian University of Science and Technology.

2.2.3 Chief Executive Officer and other employees

The Company currently has one employee, namely Egil Melkevik in the position as CEO. The position is a part-time position, equivalent to 25% of a full-time position.

Please refer to Section 2.2.2 "Brief biographies of the Board of Directors" for further information on Egil Melkevik.

In addition, the Company's wholly owned subsidiary EPO Bulgaria employs one person, who is responsible for overseeing the construction of the Resort. Apart from this, the Group does not currently have any employees.

2.2.4 Disclosure regarding convictions, sanctions, bankruptcy etc.

⁴ Held through E.Larre Holding AS and CL-Holding AS, companies wholly owned by Erik Sture Larre.

⁵ Held through Rødningen Invest AS, a company wholly owned by Kåre Rødningen.

⁶ Held personally and through Christinedal AS and Gulseth Holding AS, companies wholly owned by Hans Fredrik Gulseth.

During the last five years preceding the date of this Prospectus, none of the Board members and the members of the Company's management, has or had, as applicable:

- (i) Any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- (ii) Received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- (iii) Been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

3 ADDITIONAL INFORMATION ON THE ISSUER

3.1 Legal form and applicable law

Black Sea Property is a Norwegian limited liability company organized under the Norwegian Private Limited Liability Companies Act (the "**NPLCA**"). The Company is subject to the laws applicable in the jurisdictions in which it operates, mainly Norway and Bulgaria.

3.2 Date of incorporation

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.

3.3 The purpose of the Company

The Company's business purpose is to own, manage and invest in real property, as well as related business, as regulated in the Company's articles of association § 3. Black Sea Property is a holding company.

The Company is currently only invested in the Sunrise Gardens Resort project.

3.4 Description of the Shares and rights to Shares

3.4.1 Share capital and share capital development

As of the date of this Prospectus, the Company's share capital is NOK 3,618,268.75, divided into 14,449,075 Shares, each with a nominal value of NOK 0.25. All the Shares have been created under the Norwegian Private Limited Companies Act, and are validly issued and fully paid. The Shares are registered electronically in the VPS under ISIN NO 0010755101. The Company's VPS Registrar is Nordea Bank Abp, Filial i Norge.

The Company has one class of Shares. The Company owns no treasury Shares at the date of this Prospectus. None of the Company's subsidiaries owns, directly or indirectly, Shares in the Company.

The Company's Shares are freely transferable, and the Company's articles of association stipulate that the transfer of Shares does not trigger pre-emptive rights of other shareholders and that transfer of Shares is not subject to the consent of the Board of Directors.

The Company's Shares are listed at the Merkur Market, a multilateral trading facility, operated by Oslo Børs ASA, with ticker BSP-ME.

The table below summarizes the share capital development from 2015 to the date of this Prospectus.

Date of registration	Type of change	Change in issued share capital (NOK)	Par value per share (NOK)	Subscription price (NOK)	No. issued shares after change	Total issued share capital after change (NOK)
30 January 2015	Incorporation	N/A	1	1	30,000	30,000
16 December 2015	Private placements	245,985	1	138,6444	275,985	275,985
18 December 2015	Share split	N/A	0.01	N/A	27,598,500	N/A
1 February 2016	Rights Issue	24,015	0.01	1,386444	30,000,000	300,000
19 April 2017	Rights Issue	315,185.83	0.01	0.70	61,518,583	615,185.83
29 May 2018	Private Placement	287,500	0.01	0.40	90,268,583	902,685.83
7 July 2018	Repair Issue	50,000	0.01	0.40	95,268,583	952,685.83
25 January 2019	Private Placement	432,250	0.01	0.20	138,493,583	1,384,935.83
22 February 2019	Repair Issue	197,500	0.01	0.20	158,243,583	1,582,435.83
26 July 2019	Debt conversion and private placement ⁷	712,699.17	0.01	0.20	229,513,500	2,295,135.00
26 July 2019	Reverse share split	N/A	0.25	N/A	9,180,540	2,295,135.00
Pending registration	Debt conversion		0.25	2.00	14,449,075	3,612,268.75

3.4.2 Financial instruments

Share options held by members of the Board of Directors

The members of the Board of Directors have been awarded options to subscribe for new shares as set out in this Section 3.4.2 "Financial instruments". The share options have been awarded as compensation for their services on the Board of Directors in lieu of cash payment.

Set out below is an overview of the share options held by the members of the Board of Directors:

Name	No. of options	Strike price	Expiry date
Egil Melkevik	198,571	NOK 0.25	20 June 2021
Erik Sture Larre	891,548	NOK 0.25	20 June 2021
Kåre Rødningen	187,507	NOK 0.25	20 June 2021
Hans Fredrik Gulseth	56,785	NOK 0.25	20 June 2021

The share options were granted free of charge, and each gives the right to require issuance of one new Share in the Company. The options may be transferred to a holding company controlled by the option holder. The options may not be transferred in other circumstances.

If the options have not been exercised within their expiry date, the options will lapse.

No other financial instruments

Apart from those options described above, neither the Company nor any of its subsidiaries has, as of the date of this Prospectus, issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its

⁷ The private placement was made towards Hans Gulseth in order to enable a share split, and consisted of 5 shares, each with a par value of NOK 0.01.

subsidiaries. Further, none of the companies in the Group has issued any convertible loans or subordinated debt or transferrable securities.

3.5 The business of Black Sea Property

Black Sea Property is a real estate company with partial ownership to a real estate project on the Black sea coast named Sunrise Gardens. Sunrise Gardens is partially finished and will upon completion consist of more than 1,000 holiday apartments and significant commercial areas. The Company effectively owns 75% of the project. Black Sea Property aims to complete the project, in order to realize its potential value through hotel operations.

3.5.1 The Resort

The Sunrise Gardens (previously the Aheloy Beach 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. A new high speed road connection (Bourgas – Sunny Beach) opened summer 2018. The beach line is situated just in front of the complex and is shared with the residents and visitors of the town of Aheloy.

The company EPO Aheloy is the development company for the Resort. The Company has an effective 75 % ownership stake in EPO Aheloy. The Company's local Bulgarian Partner, Mr. Boyan Bonev, holds the remaining 25% ownership stake (through controlled companies) in EPO Aheloy. Mr. Boyan Bonev has significant experience in hotel management through running the Sunset Resort in Pomorie.

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 Sunrise Gardens. The Group does not have any ownership interests in the buildings constructed in Phase I or Phase III.

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

Phase III consists of buildings 1, 2 and LB.



Whether the construction of the Resort is carried out as set out above, will depend on the anticipated tourism market for the area, the anticipated profitability of the Resort and other factors, and will be decided by the owners of EPO Aheloy.

For further information on the current status of construction of Phase II, please refer to Section 3.6.2 "Plans for completion of the Sunrise Gardens".

Key figures of the Sunrise Gardens include:

- (i) The total built-up area of the resort is about 75,000 square meter;
- (ii) Total number of apartments is more than 950;
- (iii) The expected number of tourists is about 4,300 per week;
- (iv) It is estimated that the average tourist spends approximately EUR 50 each for purchase of goods and services, in addition to the goods and services included in the package tour;
- (v) Sunrise Gardens 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 10% of the total built up area of the resort.

3.5.2 History of the Sunrise Gardens

Sunrise Gardens 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 Sunrise Gardens, 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 took 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 has so far been financed by its Norwegian owners (cash contributions), by the local Bulgarian partner (financial assets, cash contributions 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.

The building works on the Resort were resumed in September 2016.

In addition to the initial EUR 10m loan facility, EPO Aheloy entered into a loan agreement with UniCredit Bulbank for a new construction loan of EUR 3 million in 2019, which has to date been fully utilized. For further information about the new construction loan and the disbursement, see Section 3.8.1 "Material borrowings**Feil! Fant ikke referansekinden.**".

EPO Aheloy has always followed strictly the repayment schedule and as of 31 December 2019 the combined principal due to UniCredit Bulbank under both loans is down to EUR 7.5m . The company has no pending principal payment obligations due before late December 2020.

3.5.3 Current status of Sunrise Gardens

As of the date of this Prospectus, the construction status of Phase II of the Sunrise Gardens is following the outlined completion schedule. Now all 358 apartments units in buildings N and M are almost fully complete, with furniture and appliances installation in place. The units are currently under detailed cleaning and fittings installation. Video monitoring and sound systems are installed in these buildings.

Landscape and vertical layout works are currently being carried out as planned. The onsite rain, sewage and fresh water supply pipelines are complete. Rough construction of Amphitheater is done, site access road and pathways concrete works were also executed. Humus and top level soil placed, with readiness for irrigation system installation. Sewage pumping station building is erected and equipped. Planning for plants, trees and lights positioning underway and the Main Plaza appearance is transformed and prepared for tiling.

The new 2 level Reception block building is erected with roof and windows in place. Planning of the commercial areas (restaurants, kitchens and shops) in all parts is almost complete, however the construction works for the Resort's commercial areas are currently on hold. The equipment installation will be executed last, upon completion of the Resort's outside areas including the restaurant outside seating space with cover, works on which has progressed well.

Building "P" construction works are advanced, due to BSP's efforts the building now stands with repaired roof, drainage lines, terraces, tiling in apartments and common space repaired, bathroom shower space optimized, central hot water piping, fire notification cabling, interior doors, repaired walls and new interior paint. This building is owned by EPO Aheloy together with other third party owners, where EPO Aheloy is focusing on completing its 85 units owned and the building's common areas. The works are on hold as EPO Aheloy will seek the other owner respective financial contribution towards completing the building prior to investing further alone in the common ownership

Structural construction of second swimming pool is done, together with concrete sunbeds area. Works planned next is finishing the tiling and equipment installation.

"K" building has been reduced to approximately 1/3 of the initially planed number of apartments. Its outside appearance has been transformed by completing demolition works, the concrete fundament works and windows, the outside walls brick works and putting roofing. As to the outside appearance of the connected "L" building with facade, windows, roofing and terraces tiling and drainage is stands almost 100% completed.

The Water and Sewage pipeline connection to the village is also in place. Also Following the signed agreement with EVN power distribution company, electrical power has been delivered to the Resort.

The future of the resort and its further development is now controlled by EPO Aheloy. Black Sea Property effectively controls 75% of EPO Aheloy following the transactions with EPO and ABC in 2015. EPO Aheloy has successfully acquired over 57,000 square meter of real property in the various buildings of Phase II of the Sunrise Gardens. The table below lists the number of units already acquired by EPO Aheloy, and the total number of units planned to be developed⁸.

⁸ The numbers stated for currently owned units exclude the premises designated for housekeeping and other uses.

Building	Resort square meters	Average unit size	Other owners	Doba 1 units	EPOA owned units	Aheloy Residence receivable	EPOA sq. m estimate
N	13 237	75,64			175		13 237
M	12 834	70,13			183		12 834
P	16 553	67,84	109	50	85		5 766
L	18 308	67,31			258	14	18 308
K *	4 536	63,00			72		4 536
Total	65 468		109	50	773	14	54 681
			159		787		
* Reduction according to new plans projected			946				

Commercial M	3 190
Commercial L	2 414
Commercial K	1 770
Reception	800
Kids Club	500
Pool bars	200
Outside Restaurants	1 200
Total	10 074

3.6 The history of the Company and planned investments

3.6.1 History

Below is a brief overview of the Group's history:

Date	Important event
January 2015	Incorporation of the Company
August 2015	The Company entered into transaction agreements with EPO Invest KS and Aheloy Beach Commercial in order to acquire the shares, receivables and other assets from those companies. This was done to unite the efforts of the two Norwegian initiatives (EPO and ABC) in the Sunrise Gardens (previously the Aheloy Beach Resort) and to exploit the assets and knowledge of EPO and ABC, to save and protect the investments already made in the Sunrise Gardens, invest in the actual values of the project; and to reorganize the ownership to a more straightforward and open structure.
September 2015	Private Placements towards the owners of EPO and ABC, raising approximately NOK 34.1 million in gross proceeds.
January 2016	The Shares in the Company were listed at the Merkur Market, a multilateral trading facility operated by Oslo Børs ASA.
September 2016	The building works at Sunrise Gardens were resumed, with San Marko Group as contractor.
February – March 2017	Raises NOK 22.5 million in rights issue.
March 2017	Completion of the construction of Building N of the Resort.
October 2017	Completion of the construction of Building M of the Resort.
December 2017	Raises NOK 12.4 million through a convertible loan.
January 2018	An agreement with tour operator Thomas Cook regarding the Resort for the summer season of 2018 is entered into with the management company of the Resort. The consummation of the agreement is subject to, <i>inter alia</i> , opening of the Resort.
January 2018	Approval of technical plans for sewage and fresh water supply connections.
May 2018	Private placement towards the Company's 40 largest shareholders, raising NOK 11.5 million in gross proceeds.

May 2018	Repair issue towards shareholders that were not invited to participate in the private placement in May 2018, raising NOK 2 million in gross proceeds.
January 2019	Private Placement towards 15 of the Company's shareholders, raising NOK 8.645 million in gross proceeds.
February 2019	Enters into a definitive loan agreement for a new construction loan of EUR 3 million.
June 2019	The convertible loan raised in December 2017, including incurred interest, is converted in its entirety to new Shares in the Company.
August 2019	Egil Melkevik is appointed as CEO of the Company, in a part-time position.
December 2019	Raises a convertible loan of NOK 10.4 million
February 2020	The convertible loan of NOK 10.4 million and incurred interest was converted into 5,268,535 new Shares of the Company.

3.6.2 Plans for completion of the Sunrise Gardens

The current future plans involve the finalization of buildings N & M as a first step and completion of construction of building P, and to implement various quality increasing measures. EPO Aheloy plans to partially operate these three buildings, of which buildings N and M are currently planned to be open for the summer season of 2020, however this depends on available funding for finalization of buildings N and M as set out above. In any event, the Company does not expect that the Resort will be open for a full season (i.e. from May 2020), due to the funding situation within the Group. The estimated funding need until the opening of the Resort is up to EUR 4.8 million. Approximately EUR 1 million has been obtained through the Convertible Loan and up to approximately EUR 0.5 million will be obtained through the Subsequent Offering (depending on received subscriptions in the Subsequent Offering). Our local partner will further contribute with EUR 600,000 through Sunset Resort Holding, and the remaining is expected to be obtained through a refinancing of the Group's bank debt.

As noted above, EPO Aheloy is intent on implementing various quality increasing measures to the Resort in order to strengthen the quality and appearance of the Resort compared to original plans. The background for these measures are a material decline in the tourism market on the Bulgarian Black Sea coast, where the accommodation offers significantly exceed the demand. An important reason for the decline is that hotels in Turkey, Egypt and Greece have been offering lower prices, and many tourists therefore have preferred destinations in Turkey, Egypt and Greece over Bulgaria.

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

EPO Aheloy has a common understanding with the Sunset Resort (a hotel resort in nearby Pomorie), whereby the management team of Sunset Resort will also be responsible for pre-opening and the first year of operations for Sunrise Gardens. The Sunset team is today managing around 770 units, and have broad experience both on the commercial and operational sides of running a hotel resort. A formal agreement will be entered into when the Resort is closer to opening, and will be entered into through the company Aheloy Beach Management.

In addition to the understanding with Sunset Resort described above, the Company has engaged Forton (an affiliate of Cushman & Wakefield) to look for alternative management companies for the Resort. Forton has been engaged on a no cure, no pay-basis.

Other than as set out above, the Company has no planned investments for the next 12 months.

3.7 Related party transactions

Other than as set out below, the Company has not been part of any related transactions in the period since 1 January 2017 until the date of this Prospectus.

3.7.1 Consultancy agreement with Imenco Bauer Hydraulics AS

In the period since November 2016 and until February 2019, the Company has paid NOK 20,000 ex. VAT each month to Imenco Bauer Hydraulics in order to allow chairman Egil Melkevik to work more for the Company than what follows from his position as chairman of the Company's Board. This amount was paid to compensate Imenco Bauer Hydraulics (Egil Melkevik's employer in the period) for the time he was absent from his position at Imenco Bauer Hydraulics.

3.7.2 Consultancy agreement with MTB Invest AS

During the period from 14 March 2019 until 30 June 2019, chairman Egil Melkevik was engaged as a consultant to the Company through his controlled company MTB Invest AS. In this position, Egil Melkevik followed up the Company's involvement in the Sunrise Gardens Resort more closely than what follows from his role as chairman of the Board of Directors.

Under the consultancy agreement, the Company paid MTB Invest AS a monthly fee of NOK 25,000 ex. VAT.

Egil Melkevik has later been appointed as CEO of the Company in a permanent part time position.

3.7.3 Intragroup transactions

During the period since 1 January 2017 and until the date of this Prospectus, there has been several intragroup transactions.

In particular, the Company has been paid a fixed fee of EUR 2,500 each month for consultancy services to EPO Aheloy.

In addition, there are intragroup balances between the various Group companies. For further information, please refer to Note 5 in the Annual Financial Statement for 2017 and Note 6 in the Annual Financial Statement for 2018.

The Annual Financial Statements have been enclosed to this Prospectus as Appendix 3.

3.8 Material agreements

EPO Aheloy has entered into loan agreements with UniCredit Bulbank, both of which are considered material for the Company. The material borrowings of the Company are described in Section 3.8.1 "Material borrowings" below. Apart from this, neither the Company nor the Group has entered into any material agreements.

3.8.1 Material borrowings

Please find below an overview of the main terms of the Group's material borrowings.

EUR 10 million loan facility from UniCredit Bulbank to EPO Aheloy

EPO Aheloy has taken up a EUR 10 million loan facility from UniCredit Bulbank, on the main terms described below.

Debtor:	EPO Aheloy
Creditor:	UniCredit Bulbank AD
Principal amount:	EUR 10 million
Outstanding principal amount:	EUR 5 million as of 31 December 2019.
Purpose of loan:	To purchase the receivables UniCredit Bulbank AD had toward Aheloy Residence EOOD.
Repayment profile:	EUR 1 million to be paid annually to the end of 2024.
Interest rate:	3-month EURIBOR plus a margin of 3.5%. Accrued interest payable each 25 June and 25 December until final payment.
Final Maturity Date:	December 2024
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.
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EUR 3 million construction loan

EPO Aheloy has entered into an agreement for a new tranche of the existing EUR 10 million loan facility, as described above. The main terms of the new tranche are set out below:

Debtor:	EPO Aheloy
Creditor:	UniCredit Bulbank AD
Principal amount:	EUR 3 million
Outstanding principal amount:	The loan has been fully utilized, and as of 31 December 2019 an amount of EUR 2.48 million is outstanding as principal. EUR 2.48 as of 31.12.2019 is the outstanding principal.
Purpose of loan:	Construction of the Sunrise Gardens
Repayment profile:	• 1 (one) installment of EUR 430,000 payable on 25 December 2020; • 1 (one) installment of EUR 450,000 payable on 25 December 2021; • 1 (one) installment of EUR 450,000 payable on 25 December 2022; • 1 (one) installment of EUR 450,000 payable on 25 December 2023; • 1 (one) installment of EUR 700,000 payable on 25 December 2024.
Interest rate:	3-month EURIBOR plus a margin of 3.5%. Accrued interest payable each 25 June and 25 December until final payment.
Final Maturity Date:	December 2024
Securities	This loan is secured by the same mortgages and pledges as the EUR 10 million loan. In addition, the EUR 3 million loan is secured with first priority mortgages over the commercial assets on the Resort, the land of the Resort and over 93 specific units in the Resort. Further, the loan is secured with second priority mortgages over 187 units in Buildings M and N.

Loans to EPO Aheloy from its shareholders

EPO Aheloy has historically been financed through provision of loans by its shareholders, EPO Bulgaria and Sunset Resort Holding which have been converted to equity. As of the date of this Prospectus, EPO Aheloy has a debt of approximately EUR 404,000 to Sunset Resort Holding (a company controlled by our local partner, Mr. Boyan Bonev).

Intention to re-finance bank debt

The Company has engaged Forton (an affiliate of Cushman Wakefield) to look into a possible refinancing of the bank debt within the Group. The Company has recently worked on several leads to achieve a refinancing of bank debt within the Group. Given the status of these discussions, the Company is optimistic that a refinancing can be concluded in Q1 2020. However, no assurance can be given that the Company and the Group will be able to conclude such refinancing and the Group has not yet received any binding offers for such refinancing.

3.9 Risk factors related to the Company and its business

Note that the list of risk factors below is not exhaustive and only represents a summary of certain risk factors that the Board believes to be most significant for potential investors. Other risk factors not mentioned in this document may also adversely affect the Company's business and the value of the Shares. Potential investors are urged to independently evaluate the risks involved in investing in the Company and to consult with their own advisors, in addition to acquaint themselves with the risk factors, other information in this Prospectus and other relevant information. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which the Company operates or intends to operate as well as overall global financial conditions.

3.9.1 Risks related to the Company's business and the industry in which it operates

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.

Risk of non-completion

Several real estate developers has worked towards completing the Sunrise Gardens (previously the Aheloy Beach Resort), but has not been able to complete the resort. There can be no guarantee that the Group will be able to complete the Sunrise Gardens 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 Sunrise Gardens.

Regulatory regime, planning, zoning and permits

The profitability of the Company will in part depend upon the continuation of a favorable 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.

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.

Key personnel

Any potential loss of key personnel 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.

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.

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, including that investments in hotel properties are relatively illiquid, 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.

Legal title

Individual section numbers for each commercial unit, so called Cadastral numbers (similar to the Norwegian "*matrikelnummer*") have been issued for all property units, save for the property units located in building K of the Sunrise Gardens. Cadastral numbers for the K units may be issued when the K building has completed rough construction.

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.

The Group plans to operate Sunrise Gardens Resort as a hotel, and the Group will be subject to certain risks common to the hotel industry, some of which are beyond its control

Once the Sunrise Gardens Resort is completed, the Group intends to operate it as a hotel. The Group's operations and the results of operations will, if and when the Resort is operated as a hotel, be subject to a number of factors that could adversely affect the Group's business as described below:

- A downturn in international market conditions or the national, regional and/or local political, economic and market conditions in Bulgaria and on the Black Sea coast, may diminish the demand for leisure travel in Bulgaria;
- Increased competition and periodic local oversupply of guest accommodation in Bulgaria and the Black Sea coast;

- Changes in travel pattern or in the structure of the travel industry, including any increase in, or the imposition of new taxes on, air travel;
- Increases in operating expenses as a result of inflation, increased personnel costs and healthcare related costs, higher utility costs (including energy) costs, increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be capable of being offset by increased room rates; and
- Changes in governmental laws and regulations, including those relating to employment, the preparation and sale of food and beverages, and the related costs of compliance.

The impact of any of these factors (or a combination of them) may adversely affect room rates and occupancy levels in the Sunrise Gardens Resort if and when it is operated as a hotel, or otherwise cause a reduction in the Group's revenues or financial condition.

3.9.2 Financial risks

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 Prospectus.

No guarantee of profitability

The Company and the Group companies expects 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.

Whether the Group is able to achieve profitability depend on the demand for accommodation in the

Fluctuations 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.

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 Offer Shares will be issued 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 favorably or unfavorably 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.

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 Sunrise Gardens 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, honor its obligations or meet its liabilities. Any required additional financing may not be available on terms favorable 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.

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 realize their security.

3.9.3 Political, regulatory and market risks

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.

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 endeavors 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.

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.

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

4 THE SUBSEQUENT OFFERING AND THE OFFER SHARES

4.1 Reasons for and overview of the Subsequent Offering and use of proceeds

In December 2019, the Company raised the Convertible Loan of approximately NOK 10.4 million. On 3 February 2020, a general meeting of the Company resolved to convert this Convertible Loan and incurred interest into new 5,268,535 Shares of the Company. The Subsequent Offering has been launched to give all shareholders the possibility to maintain their pro rata shareholding in the Company after the Private Placement and to raise funds to cover the liquidity need of the Company. The proceeds from the Subsequent Offering will be used for general corporate purposes.

The general meeting of the Company has proposed to carry out a Subsequent Offering with gross proceeds of up to NOK 4.6 million (the Subsequent Offering) through issuance of minimum 1 new Share and maximum 2,300,000 new Shares (the Offer Shares). The Subsequent Offering is directed towards the Company's shareholders as of 17 December 2019 (as registered in the VPS on 19 December 2019, the Record Date) (the Eligible Shareholders). The subscription price per Offer Share (the "**Subscription Price**") is NOK 2.00.

Each Eligible Shareholder, except for the Lenders, will be granted approximately 1.109 Subscription Rights for each Share registered as held by such Eligible Shareholder as per the Record Date. Each Subscription Right gives the right to subscribe for and be allocated one Offer Share in the Subsequent Offering. Over-subscription (i.e. subscription of more Offer Shares than the corresponding amount of Subscription Rights held by the relevant Eligible Shareholder) will be permitted. Subscription without Subscription Rights may only be made by the Lenders.

Any announcements regarding the Subsequent Offering will be as stock exchange notices published at www.newsweb.no, under the Company's ticker BSP-ME.

The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons whom, offers and sales of the Offer Shares may be lawfully made.

The Subsequent Offering is not underwritten or guaranteed.

The Company will use Nordea Bank Abp, Filial i Norge, as settlement agent (the "**Settlement Agent**") for the Subsequent Offering.

4.2 Conditions for completion of the Subsequent Offering

The completion of the Subsequent Offering is subject to the following conditions: (i) that the minimum number of Offer Shares is subscribed (i.e. 1 Offer Share), and (ii) that the minimum subscription amount is fully paid-up.

If the Subsequent Offering is withdrawn or not carried out due to non-fulfilment of the above mentioned conditions, all subscriptions for Offer Shares will be disregarded and any payments for Offer Shares will be returned to the subscribers without interest or any other compensation.

4.3 The Offer Shares

The Subsequent Offering entails an offering of up 2,300,000 Offer Shares, directed towards Eligible Shareholders.

The Offer Shares are ordinary Shares in the Company with a nominal value of NOK 0.25 each, and will be issued electronically under the ordinary ISIN of the Company's Shares (ISIN NO 0010755101) in registered form in accordance with the NPLCA. The Offer Shares will be admitted to listing on Merkur Market as soon as the Offer Shares have been issued in the VPS (on or about 11 February 2019).

The Offer Shares will carry full shareholders' rights as soon as the Offer Shares have been issued, i.e. immediately after registration of the share capital increase in the Norwegian Register of Business Enterprises (expected on or about 3 March 2020). The Offer Shares will rank pari passu in all respects with the Company's other outstanding Shares within their respective share class, including the right to dividends, after the Offer Shares are issued and registered. Please refer to Section 4.4 "Rights pertaining to the Shares, including the Offer Shares" for an overview of the rights pertaining to the Offer Shares.

Depending on the amount of Offer Shares subscribed in the Subsequent Offering, the Company's share capital will increase with minimum NOK 0.25 and maximum NOK 575,000. Following completion of the Subsequent Offering, the Company's share capital will be minimum NOK 3,618,269.00 and maximum NOK 4,187,268.75, divided by minimum 14,449,076 Shares and maximum 16,749,075 Shares, all with a par value of NOK 0.25.

4.4 Rights pertaining to the Shares, including the Offer Shares

The Company has one class of shares in issue, and in accordance with the Norwegian Private Limited Companies Act, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 4.4.1 "The Articles of Association" and Section 4.4.2 "Certain aspects of Norwegian corporate law".

4.4.1 The Articles of Association

The Company's Articles of Association are set out in Appendix 1 to this Prospectus. Below is a summary of provisions of the Articles of Association as of 3 February 20, valid at the date of this Prospectus.

Objective of the Company

Pursuant to section 3 of the Articles of Association, the objective of the Company is to own, manage and invest in real property, including related business.

Registered office

Pursuant to section 2 of the Articles of Association, the Company's registered office is in the municipality of Oslo, Norway.

Share capital and par value

Pursuant to article 4 of the Articles of Association, the Company's share capital is NOK 3,618,268.75, divided into 14,449,075 Shares, each with a nominal value of NOK 0.25. The Shares shall be registered with a central securities depository.

Board of Directors

Pursuant to article 8 of the Articles of Association, the Board of Directors shall consist of between 1 and 7 members, as decided by the general meeting.

No restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company, nor does any such restrictions follow by applicable Norwegian law. Share transfers are not subject to approval by the Board of Directors.

General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

The annual general meeting shall deal with and decide the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend.
- Other matters, which according to the law or the Articles of Association fall within the responsibility of the general meeting.

Shareholders may attend a general meeting through electronic means, unless the Board finds that there are justifiable reasons for denying attendance through electronic means and only provided that such attendance and voting can be controlled in a prudent manner.

4.4.2 Certain aspects of Norwegian corporate law

General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 7 days before the annual general meeting of a Norwegian private limited company market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, however the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise

reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

Voting rights – amendments to the Articles of Association

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's articles of association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the articles of association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered

par share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Company's board of directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the board of directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years.

Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at

least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

Liability of board members

Board members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or willfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the Company's board members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

Indemnification of board members

Neither Norwegian law nor the articles of association contains any provision concerning indemnification by the Company of the board of directors. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

4.5 ISIN of the Offer Shares

The Offer Shares will be issued electronically under the ordinary ISIN of the Company's Shares (ISIN NO 0010755101) in registered form in accordance with the NPLCA.

4.6 Subscription Price

The Subscription Price of the Offer Shares is NOK 2.00 per Offer Share.

4.7 Gross and net proceeds of the Subsequent Offering

The gross proceeds to the Company in the Subsequent Offering will depend on the number of subscribed Offer Shares, however limited up to NOK 4.6 million. The net proceeds will correspond to the gross proceeds less a deduction of the fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 100,000.

4.8 Fees and expenses

The Company will bear the fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 100,000. No expenses or taxes will be charged by the Company to the subscribers in the Subsequent Offering.

4.9 Shareholders that are eligible to participate in the Subsequent Offering

The Subsequent Offering is directed towards the Company's shareholders as of 17 December 2019 (as registered in the VPS on 19 December 2019, the Record Date), less shareholders who are resident in a jurisdiction where such offering would be unlawful or would require any filing, registration or similar action, as set out in Appendix 3 to the minutes (the Eligible Shareholders).

The Offer Shares are being offered only in those jurisdictions in which, and only to those persons whom, offers and sales of the Offer Shares may be lawfully made.

4.10 Resolution regarding the Subsequent Offering

At an extraordinary general meeting in the Company held on 3 February 2020, the following resolution regarding the Subsequent Offering was passed:

- (i) *The share capital is increased with minimum NOK 0.25 and maximum NOK 575,000 through issue of minimum 1 new share and maximum 2,300,000 new shares, each with a par value of NOK 0.25.*
- (ii) *The Company's shareholders as of 17 December 2019, as registered in the VPS on 19 December 2019 (the "**Record Date**"), less shareholders who are resident in a jurisdiction where such offering would be unlawful or would require any filing, registration or similar action, as set out in Appendix 3 to the minutes, (the "**Eligible Shareholders**"), shall have the right to subscribe for new shares in the share capital increase.*
- (iii) *The shareholders' preferential rights to subscribe new shares pursuant to the Private Limited Liability Companies Act section 10-4 is set aside.*
- (iv) *The Company shall issue a prospectus to be registered with the Norwegian Register of Business Enterprises in connection with the share capital increase (the "**Prospectus**"). The offer to subscribe new shares in the share capital increase shall be conditional upon the registration and publishing of the Prospectus in accordance with applicable law.*
- (v) *Each Eligible Shareholder, except those Eligible Shareholders set out in Appendix 2 to the minutes, shall receive approximately 1.109 subscription rights for each share registered as held by such Eligible Shareholder as per the Record Date. The subscription rights will not be listed on Merkur Market. Each subscription right gives the right to subscribe for and be allocated one (1) new share. Granted subscription rights will be rounded down to the nearest*

whole subscription right.

- (vi) Oversubscription will be permitted. Subscription without subscription rights is allowed for Eligible Shareholders.*
- (vii) Allocation of new shares shall be made by the board of directors. The following allocation criteria shall apply:*
 - (a) The subscribers shall be allocated shares on the basis of subscription rights which have been validly exercised during the subscription period. Each subscription right will give the right to subscribe for and be allocated one (1) new share;*
 - (b) If not all subscription rights are validly exercised in the subscription period, subscribers having exercised their subscription rights and who have over-subscribed will have the right to be allocated remaining new shares on a pro rata basis based on the number of subscription rights exercised by the subscriber. If a pro rata allocation is not possible, the Company will determine the allocation by lot drawing; and*
 - (c) Shares that have not been allocated in accordance with item (i) and (ii) above shall be allocated on a pro rata basis to Eligible Shareholders that have subscribed without the exercise of subscription rights.*
- (viii) The subscription price shall be NOK 2.00 per share. The subscription amount for the new shares shall be settled by cash payment.*
- (ix) The subscription period shall commence on 4 February 2020 at 09:00 hours (CET) and end on 18 February 2020 at 16:30 hours (CET). The subscription of the new shares shall take place on a separate subscription document.*
- (x) The due date for payment of the new shares is 25 February 2020. Payment shall be made to a separate share issue account. In connection with subscription of shares, each subscriber must, by signing the subscription form, give Nordea a one-time power-of-attorney to debit a specified account for an amount corresponding to the number of subscribed shares multiplied with the subscription price. The account will be debited on or about 25 February 2020. Subscribers without a Norwegian bank account must pay in accordance with instructions from Nordea.*
- (xi) The new shares shall rank pari passu with the existing shares and carry full shareholder rights in the Company, including the right to dividends, from the date of registration of the share capital in the Norwegian Register of Business Enterprises.*
- (xii) Section 4 of the Company's articles of association is amended accordingly.*
- (xiii) The estimated expenses related to the share capital increase are NOK 100,000.*

4.11 Subscription Period and subscription procedure

4.11.1 Timetable for the Subsequent Offering

The subscription period runs from and including 4 February 2020 09.00 CEST to and including 18 February 2020 at 16.30 CEST (the "**Subscription Period**").

The timeline for the Subsequent Offering is indicated in the table below:

Activity	Timeline
Last day of trading in the Company's Shares inclusive of the right to participate in the Subsequent Offering.	17 December 2019
First day of trading in the Company's shares exclusive of the right to participate in the Subsequent Offering	18 December 2019
Record Date	19 December 2019
EGM to resolve the Subsequent Offering	3 February 2020
First day of the subscription period in the Subsequent Offering.	4 February 2020
Last day of the subscription period in the Subsequent Offering.	18 February 2020
Allocation of subscribed shares in the Subsequent Offering.	19 February 2020
Payment Due Date for shares allocated in the Subsequent Offering.	25 February 2020
Registration of the share capital increase pertaining to the Subsequent Offering in the Norwegian Register of Business Enterprises.	On or about 3 March 2020*
Delivery of shares to subscribers in the Subsequent Offering.	On or about 3 March 2020*
Listing of the shares issued in the Subsequent Offering on Merkur Market.	On or about 3 March 2020 ³ *

** Delays may occur based on late receipt of subscription payments, dependency on third parties and time spent by the Norwegian Register of Business Enterprises to process the registration of the share capital increase.*

4.11.2 Subscription Rights

Eligible Shareholders (except for the Lenders) will receive Subscription Rights that may be used to participate in the Subsequent Offering. A description of the Subscription Rights is given below.

Eligible Shareholders, being persons (physical and legal) who were registered as shareholders of the Company in the VPS on the Record Date, who were (i) not invited to participate in the Private Placement, and (ii) who are not resident in a jurisdiction where such offering would be unlawful (subject to applicable exemption), or for jurisdictions other than Norway, would require any filing, registration or similar action, will be granted Subscription Rights giving the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted approximately 1.109 Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date. The number of Subscription Rights issued to each Eligible Shareholder will be rounded down to the nearest whole number of Subscription Rights. One Subscription Right will give the right to subscribe for and be allocated one Offer Share.

The Subscription Rights will not be admitted to trading on any organized marketplace.

The Subscription Rights will be registered in the VPS with ISIN NO 0010874761 and will be distributed to each Eligible Shareholder's VPS account at the start of the Subscription Period. The Subscription Rights will be distributed free of charge to the Eligible Shareholders.

4.11.3 Subscription and payment procedure

Subscription of Offer Shares may be made electronically through the VPS online subscription system or by correctly completing the subscription form enclosed hereto as Appendix 2 and submitting to the Settlement Agent at the addresses indicated below prior to the end of the Subscription Period (18 February 2020 at 16.30 CET):

Nordea Bank Abp, Filial i Norge

Issuer Services Nordea

P.O. Box 1166 Sentrum

0107 Oslo

Norway

E-mail: nis@nordea.com

Neither the Company nor the Settlement Agent may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Company. Subscriptions are irrevocable and binding upon receipt and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Settlement Agent or registered in the VPS.

When subscribing for Offer Shares through the VPS online subscription system or correctly completing the subscription form enclosed hereto as Appendix 2 and submitting to the Settlement Agent, each subscriber grant the Settlement Agent a non-recurring authority to debit a specified bank account in Norway for the subscription amount corresponding to the amount payable for the Offer Shares allocated.

The payment is expected to be debited on 25 February 2020 (the "**Payment Due Date**"). Payment for the allocated Offer Shares must be available on the specific bank account on the business day prior to the Payment Due Date, i.e. 24 February 2020. The Company and the Settlement Agent reserve the right to make up to three debit attempts within seven working days after the Payment Due Date if there are insufficient funds in the account on the first debiting date. The Company and the Settlement Agent further reserve the right to consider the payment overdue if there are not sufficient funds to cover full payment for the Offer Shares allocated on the account when an attempt to debit account has been made by the Settlement on or after the Payment Due Date, or if it for other reasons is not possible to debit the bank account.

Subscribers who are not domiciled in Norway must ensure that payment for the Offer Shares allocated to them is made with cleared funds on or before 10:00 hours (CET) on 25 February 2020 and must contact the Settlement Agent in this respect. Details and instructions can in any case be obtained by contacting the Settlement Agent on telephone no. +47 24 01 34 62.

For late payment, interest will accrue at a rate according to the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which is currently 9.50%.

4.11.4 Allocation of Offer Shares

The Board will allocate the Offer Shares on or about 19 February 2020 in accordance with the following criteria:

- (i) The subscribers shall be allocated shares on the basis of subscription rights which have been validly exercised during the subscription period. Each subscription right will give the right to subscribe for and be allocated one (1) new share;
- (ii) If not all subscription rights are validly exercised in the subscription period, subscribers having exercised their subscription rights and who have over-subscribed will have the right to be allocated remaining new shares on a pro rata basis based on the number of subscription rights exercised by the subscriber. If a pro rata allocation is not possible, the Company will determine the allocation by lot drawing; and
- (iii) Shares that have not been allocated in accordance with item (i) and (ii) above shall be allocated on a pro rata basis to Eligible Shareholders that have subscribed without the exercise of subscription rights.

No fractional Offer Shares will be allocated. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

Notification of allocated Offer Shares in the Subsequent Offering and the corresponding amount to be paid by each subscriber will be set out in a letter from the Settlement Agent, which will be mailed on or about 19 February 2020. The Company expects to issue a stock exchange notification announcing the results of the Subsequent Offering on or about 19 February 2020.

4.12 Settlement Agent

The Company will use Nordea Bank Abp, Filial i Norge, as settlement agent (the "**Settlement Agent**") for the Subsequent Offering.

The postal address of the Settlement Agent is P.O. Box 1166 Sentrum, 0107 Oslo, Norway. The e-mail address of the Settlement Agent is nis@nordea.com. The telephone number of the Settlement Agent is +47 24 01 34 62.

4.13 Payment Due Date for the Offer Shares

The Payment Due Date for the Offer Shares is 25 February 2020. For a description of the payment procedure, please refer to Section 4.11.3 "Subscription and payment procedure".

4.14 Risks related to the Offer Shares and the Shares

Note that the list of risk factors below is not exhaustive and only represents a summary of certain risk factors that the Board believes to be most significant for potential investors. Other risk factors not mentioned in this document may also adversely affect the Company's business and the value of the Shares. Potential investors are urged to independently evaluate the risks involved in investing in the Company and to consult with their own advisors, in addition to acquaint themselves with the risk factors, other information in this Prospectus and other relevant information. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in any

of the jurisdictions in which the Company operates or intends to operate as well as overall global financial conditions.

Volatility of the share price

Investors should be aware that the value of the Shares may fluctuate and may not always reflect the underlying asset value of the Company. Investors may therefore not be able to recover any or all of their original investment. In addition, the price at which investors may dispose of their Shares may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous.

Potential share capital dilution

The Company may require additional capital in the future to finance its business activities and growth plans. The issuance of new Shares in order to raise such additional capital may have a dilutive effect on the ownership interests of the shareholders of the Company at that time.

4.15 Governing law and jurisdiction

This Prospectus, and the terms and conditions of the Subsequent Offering, including issuance of the Offer Shares, are governed by Norwegian law. The Company has been incorporated under the NPLCA and all matters relating to the Offer Shares (and the Shares) will primarily be regulated by this act. Any dispute arising out of, or in connection with, this Prospectus or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo as legal venue.

5 FINANCIAL INFORMATION

The Group prepares its consolidated financial statements in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**"). In this Prospectus, selected financial information from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2018 and 2017 are presented, and is also attached to this Prospectus as Appendix 3. Further, the Group's unaudited consolidated interim financial statements as of, and for the periods ended, 30 June 2019 and 2018 are presented, and is also attached to this Prospectus as Appendix 4.

The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2018 and 2017 are together referred to as the "**Annual Financial Statements**". The Group's unaudited consolidated interim financial statements as of, and for the periods ended, 30 June 2019 and 2018 are together referred to as the "**Interim Financial Statements**". The Annual Financial Statements and the Interim Financial Statements are jointly referred to as the "**Financial Statements**".

The Annual Financial Statements have been audited by Revisjonsfirmaet Flattum & Co AS, as set forth in their report thereon included herein.

The Company presents the Financial Statements in NOK (presentation currency).

5.1 Summary of accounting policies and principles

For information regarding accounting policies, please refer to note 1 of the Annual Financial Statements for the year ended 31 December 2017, attached as Appendix 3 to this Prospectus.

5.2 Selected statement of income

The table below sets out selected data of income from the Annual Financial Statements for the years ended 31 December 2018 and 2017, and from the Interim Financial Statements for the periods ended 30 June 2019 and 2018.

NOK 1,000	30 June 2019 (unaudited)	30 June 2018 (unaudited)	31 December 2018	31 December 2017
Operational revenue				
Other operational revenue	0	0	0	0
Operational costs				
Salary costs	127	0	0	0
Other operational costs	1,890	17,266	18,727	7,524
Operating result	-2,017	-17,266	-18,727	-7,524
Finance income and finance costs				
Other finance income	1,061	1,451	6,517	8,144
Other finance costs	4,796	4,221	9,341	6,678

<i>NOK 1,000</i>	30 June 2019	30 June 2018	31 December	31 December
	(unaudited)	(unaudited)	2018	2017
Net financial items	-3,735	-2,770	-2,824	1,467
Ordinary result before taxes	-5,752	-20,036	-21,551	-6,058
Result for the period	-5,752	-20,036	-21,551	-6,401

5.3 Selected statement of financial position

The table below sets out selected data of financial position from the Annual Financial Statements for the years ended 31 December 2018 and 2017, and from the Interim Financial Statements for the periods ended 30 June 2019 and 2018.

<i>NOK 1,000</i>	30 June 2019	30 June 2018	31 December	31 December
	(unaudited)	(unaudited)	2018	2017
ASSETS				
Non-current assets				
<i>Intangible fixed assets</i>				
<i>Intellectual property rights</i>	134	0	0	0
<i>Fixed assets</i>				
Land plots, buildings and other real estate	204,023	177,007	192,726	202,946
Machinery and plant	208	0	214	0
Movable property	1,665	1,483	1,709	1,535
<i>Total fixed assets</i>	<i>205,897</i>	<i>178,490</i>	<i>194,649</i>	<i>204,480</i>
<i>Financial assets</i>				
Investments in subsidiaries	0	0	0	0
Loans to group companies	0	0	0	0
Other receivables	536	527	551	466
<i>Total financial assets</i>	<i>536</i>	<i>527</i>	<i>551</i>	<i>466</i>
Total non-current assets	206,567	179,017	195,199	204,946
Current assets				

<i>NOK 1,000</i>	30 June 2019 (unaudited)	30 June 2018 (unaudited)	31 December 2018	31 December 2017
<i>Receivables</i>				
Trade receivables	25	618	31	0
Other receivables	12,463	13,474	18,436	10,056
<i>Total receivables</i>	<i>12,488</i>	<i>14,092</i>	<i>18,467</i>	<i>10,056</i>
Cash and cash equivalents	4,847	14,239	3,693	3,728
Total current assets	17,335	28,331	22,160	13,784
TOTAL ASSETS	223,902	207,348	217,359	218,730
EQUITY				
<i>Paid-in equity</i>				
Share capital	1,582	903	953	615
Share premium	83,261	71,615	71,545	58,636
Other paid-in equity	14,294	0	0	0
<i>Total paid-in equity</i>	<i>99,137</i>	<i>72,518</i>	<i>72,498</i>	<i>59,251</i>
<i>Retained earnings</i>				
Other equity	-34,788	-49,661	-27,350	-39,714
<i>Total retained earnings</i>	<i>-34,788</i>	<i>-49,661</i>	<i>-27,350</i>	<i>-39,714</i>
Minority interests	27,381	27,562	24,585	32,788
TOTAL EQUITY	91,730	50,418	69,734	52,325
LIABILITIES				
<i>Non-current liabilities</i>				
Convertible loans	0	13,010	13,631	5,369
Debt to financial institutions	59,998	57,071	49,744	59,043
Other long-term debt	49,225	68,690	50,542	39,643
<i>Total non-current liabilities</i>	<i>109,223</i>	<i>138,771</i>	<i>113,917</i>	<i>104,055</i>
<i>Current debt</i>				
Debt to financial institutions	9,694	9,512	19,897	9,840

<i>NOK 1,000</i>	30 June 2019 (unaudited)	30 June 2018 (unaudited)	31 December 2018	31 December 2017
Trade payables	154	690	228	1,078
Public charges owed	0	0	0	-9
Other short-term debt	13,126	7,962	13,584	51,440
<i>Total current debt</i>	<i>22,949</i>	<i>18,159</i>	<i>33,708</i>	<i>62,350</i>
TOTAL LIABILITIES	132,172	156,930	147,625	166,405
TOTAL EQUITY AND LIABILITIES	223,902	207,348	217,359	218,730

5.4 Selected statement of cash flow

The table below sets out selected data of cash flow from the Annual Financial Statements for the years ended 31 December 2018 and 2017.

<i>NOK 1,000</i>	Year ended 31 December 2018	Year ended 31 December 2017
Cash flow from operating activities		
Ordinary results before taxes	-21,551	-6,401
Loss on sale of fixed assets	12,767	0
Depreciation of fixed assets	12,598	0
Change in trade receivables	-31	0
Change in trade payables	-851	348
Changes in other accruals	1,903	6,926
Net cash flow from operating activities	4,836	874
Cash flow from investment activities		
Incoming cash on sale of fixed assets	6,358	0
Outgoing cash on sale of fixed assets	-388	-1,535
Expenditure on real estate project	-21,504	-35,677
Net cash flow from investment activities	-15,534	-37,211
Cash flow from financing activities		
Raising of new long-term debt	19,076	8,647
Currency translation on debt from financial institutions	757	0
Downpayment of debt to financial institutions	0	-4,817
Conversion of debt towards minority shareholders	26,552	0
Downpayment of short-term debt	-48,130	0
Share capital increases with cash payment	13,247	21,784
Net cash flow from financing activities	11,503	25,614
Net change in liquidity for the period	-35	-10,724
Cash and cash equivalents at the start of the period	3,728	14,452

<i>NOK 1,000</i>	Year ended 31 December 2018	Year ended 31 December 2017
Cash and cash equivalents at the end of the period	3,693	3,728

5.5 Significant changes since 30 June 2019

Other than the raise of the Convertible Loan in December 2019 and the conversion of the Convertible Loan in early February 2020, there have been no events of significant importance to the Company after the last balance sheet date on 30 June 2019.

6 SELECTED OTHER INFORMATION ABOUT THE COMPANY AND THE RESORT

6.1 Transactions with EPO and ABC

In August 2015, the Company completed two transactions whereby it purchased 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.

6.1.1 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 (through the acquisition of shares in EPO Aheloy – EPO Aheloy was the sole shareholder in Dara Properties, however this company has been sold back to BSP's local Bulgarian partner); 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 further regulated in the transaction agreement.

6.1.2 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 Commercial⁹;
- (iii) the indirect acquisition of 25% of the shares in EPO Aheloy (through the acquisition of 50% of the shares in Garby – Garby was a shareholder in EPO Aheloy¹⁰);
- (iv) the indirect acquisition of shares in the Bulgarian private limited liability company Aheloy Beach Management OOD¹¹) (through the acquisition of shares in Aheloy

⁹ ABC has entered into an agreement to transfer 48% of the shares in Aheloy Commercial to the company Doba 1 AD. However, this transfer has not been formally completed due to formal requirements under Bulgarian law. ABC is therefore registered with a 96% shareholding in the Bulgarian Commercial Register.

¹⁰ Please refer to Section **Feil! Fant ikke referansekilden. "Feil! Fant ikke referansekilden."** for information on the current legal structure of the Group.

¹¹ Now renamed Aheloy Building P

Commercial – Aheloy Commercial is was shareholder in Aheloy Beach Management, however this company has been sold to EPO Aheloy);

- (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 further regulated in the transaction agreement.

6.1.3 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 Sunrise Gardens (previously the Aheloy Beach Resort) and to exploit the assets and knowledge of EPO and ABC;
- (ii) To save and protect the investments already made in the Sunrise Gardens;
- (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.

6.2 Options to acquire apartments at the Resort

In January 2017, the Company offered investors to purchase options to acquire apartments at the Resort. The options were offered on the following main terms:

- Each option gives a right to buy an apartment at the Sunrise Gardens at a price of EUR 450 per square meter.
- The option price is EUR 7,500 (deductible from purchase price for apartment if the option is exercised).
- The options can be exercised for a period of 13 months following completion of Building M, N and P at the Sunrise Gardens (including all necessary governmental permits being obtained).

Three options were subscribed, and are currently outstanding as of the date of this Prospectus.

6.3 Legal matters

There are currently no ongoing legal disputes concerning the Company, the Group or the Resort. However, a dispute involving Aheloy Commercial has recently been resolved, as further described below.

Dispute involving Aheloy Commercial

EPO Aheloy has won in its favor the court cases for the commercial areas and also the appeals

connected to assets distribution. BSP sees no further risks connected to court rulings as reconfirming favorable outcome in the last Supreme Court decision came in December '19. Further, the legal representatives of the Group were able to remove all major interdictions over assets which had been imposed by creditors of the previous and insolvent owner of the Aheloy apartments and prior to EPO Aheloy's involvement in the project.

6.4 Shareholder structure

The table below shows the Company's 20 largest shareholders as recorded in the shareholders' register of the Company with the VPS as of 31 January 2020 (prior to distribution of new Shares following conversion of the Convertible Loan).

#	Shareholder name	No. of Shares	% of total Shares
1	E. Larre Holding AS	1,539,139	16.77
2	Janine AS	738,653	8.05
3	Total Management AS	701,196	7.64
4	CL-Holding AS	650,998	7.09
5	Erik Arvid Muller	500,523	5.45
6	Espemo Invest AS	415,535	4.53
7	Hans Fredrik Gulseth	337,376	3.67
8	Sundby Holding AS	317,282	3.46
9	A-J Eiendom AS	279,123	3.04
10	Semeco AS	274,863	2.99
11	VK Invest AS	254,473	2.77
12	Gulseth Holding AS	232,222	2.53
13	EFO Egedomsinvest AS	197,134	2.15
14	Dag Johan Molvær	192,928	2.10
15	K. Bugge AS	192,429	2.10
16	Rødningen Invest AS	187,176	2.04
17	Tryti Holding AS	146,298	1.59
18	Christinedal AS	112,565	1.23
19	Kai Hording	107,992	1.18
20	Ketil Solberg	104,348	1.14
Top 20 holders of Shares		7,482,253	74.45
Other		1,698,355	25.55
Total		9,180,608	100

All Shares have equal voting rights, with each Share holding one vote. Hence all major shareholders have the same voting rights relative to the number of Shares held.

The Company is not aware of any shareholders who through ownership or other arrangements control the Company. The Company is not aware of any arrangements, including in the Articles of Association, which at a later date may result in a change of control of the Company.

6.5 Authorizations

The Board of Directors holds the following authorizations as of the date of this Prospectus:

Date granted	Purpose	Possible increase of issued share capital (NOK)	Amount utilized (NOK)	Valid until
20 June 2018	Issuance of shares to Board Members following exercise of share options.	NOK 40,625	0	9 July 2020
7 January 2019	Have the option to raise additional capital in the period up to the opening of the Resort	NOK 125,000	0	30 June 2020
18 June 2019	General authorization	NOK 82,500	0	18 June 2021

The Board of Directors is not authorized to purchase own shares.

7 MARKET OVERVIEW

7.1 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, to be followed by a new 5 year period.

The Bulgarian economy experienced a recession in 2009 during the financial crisis, but the economy is now growing once again. However, the Bulgarian economy still continues to operate well below its potential.

The Bulgarian economy keeps expanding at a steady pace with GDP forecasted to grow by 3.5% in 2019. The strong business activity, coupled with low unemployment rate and moderate inflation, underpins the demand real estate investment. IT and outsourcing industries remain key market driver in both capital and secondary cities. EC expects higher growth in Bulgaria over next two years with economic growth in 2019 to reach 3.6%, compared to 3.2% in 2018.

Positive trends are said to be the incomes increase that fuels private consumption and the restored European funding that stimulates investment growth. This pattern suggests that external shocks will have a relatively low impact, with exports expected to recover moderately. Overall, inflation has further increased and is projected to reach 2.6% on average in 2019. The unemployment rate is close to its pre-crisis low of 6%

Bulgaria ranked 11th in the Good Country Index, prepared by the team of independent British political consultant Simon Anholt, which uses data from 35 world organizations, including the United Nations and the World Bank, to determine the contribution of individual countries to the overall well-being of humanity over their capabilities, GDP, population, etc. For the last 3 years the champions became Ireland, followed by Sweden in 2016 and the Netherlands in 2017. Among the neighbors, the Macedonia is ranked 25th, followed by Romania 32nd, Greece 42nd, Serbia 48th and Turkey 57th.

The Bulgarian economy relies heavily on the Travel & Tourism sector. The direct contribution of Travel & Tourism to GDP was 3.1% of total GDP supported 90'000 jobs (2.9% of total employment). Travel & Tourism investment in 7.5% of total investment

Bulgaria's growth momentum is expected to remain strong, mainly thanks to solid domestic demand, with private consumption supported by real wage growth. High demand, increased capacity utilization and EU funding are set to boost investment, while imports should outpace exports, leading to a further reduction in the current account surplus. Energy prices and domestic demand increases are expected to lift inflation. The government balance is set to remain positive and public debt should continue falling.

7.2 The Bulgarian tourism market

Bulgarian tourism, which in 2018 registered a total turnover of around 4.3 billion Euros, 70% is represented by summer tourism, which revolves around the sea resorts spread over almost 400 kilometres of coast bordering the Black Sea. This is why the first significant statistics, which arrived at the beginning of July and showed a drastic 20% drop in bookings and stays since 2018, quickly raised concerns, bitterness, and controversy.

It must be said that summer tourism in Bulgaria has indeed registered a significant, sometimes tumultuous growth in recent years – according to experts, however, more thanks to the competition's problems than to its own virtues. The last few years, in fact, have been extremely difficult for some of the classic tourist destinations in the Mediterranean area, such as Turkey, Tunisia, and Egypt which, between political earthquakes, terrorism issues, and instability have seen a collapse in tourist flows, especially foreign.

Bulgaria – traditionally a less popular destination, but stable and quiet for years (with the only exception of the bloody attack on Israeli tourists at Burgas airport in July 2012) – has been able to establish itself as a "Plan B" for many tourists from Germany, United Kingdom, Russia, Ukraine, and many Central and Eastern European countries, often already familiar with the Bulgarian Black Sea from the time of the Iron Curtain.

The problem, however, is that Bulgaria has not been able or willing to go from "alternative solution" to "preferred destination": this is why, with the relative improvement of the situation in the aforementioned countries, the advantage accumulated by the country in recent years seems to have run out quickly, and the boom was followed this year by an impressive decline.

The final calculations, of course, were to be made at the end of the season, but the expected modest trend reversion for 2019 decline is the range of 5 -7%, but was unfortunately in the last weeks of summer was really hit hard by the insolvency of Thomas Cook. If the data seem clear, however, their interpretation is instead open to debate, which involved even the government. One of the elements under discussion, for example, is the tormented relationship of Bulgarian tourists with their own coastline, after years of chaotic development, speculation, and wild construction.

For Rumen Draganov, president of the Institute for the analysis on the tourism, the crisis of summer 2019 is actually "healthy" for the whole sector. Interviewed by public television, Draganov spoke of a "welcome break" after years of double-digit growth that led to "overcrowding, bad service and, ultimately, unsatisfied customers". In 2019, instead, "we have lower prices, less crowded beaches, far better service". Draganov's optimistic forecast is that "next year we will have an increase in the number of tourists again, because those who have visited the Black Sea this year will have been satisfied, and will come back".

Suspended between catastrophic perspectives and dreams of glory, the future of tourism on the Bulgarian coast remains marked by more than a few unknowns with respect to development plans for the future. At the moment, with regard to international tourists, its main strength remains in the low prices compared to most alternative destinations in Europe. An advantage that, however, has generated mass tourism with devastating effects on many of the most popular places, and which does not seem sustainable over the long term.

For Bulgarian tourists, the Black Sea remains the "sea of home", full of memories and emotions. However, with the ease of travel across the border and the competition of alternative destinations

at hand, their presence can no longer be taken for granted. And if the towns on the Bulgarian coast fail to make the leap, the queues for the Greek sea will continue to stretch in the coming summers.

7.3 The Bulgarian holiday homes real estate market

Interest in Bulgarian property will not wane because in whichever corner of Bulgaria you look prices remain, arguably, the cheapest in Europe. The post 2008 crisis holiday real estate market made a gradual slow return over the 4 - 5 years. But this segment proves to be a really price-driven, with the average property search figure today standing at almost half of the EUR 60'000 of a year ago. Interest is not strong at the Seaside and Ski resorts

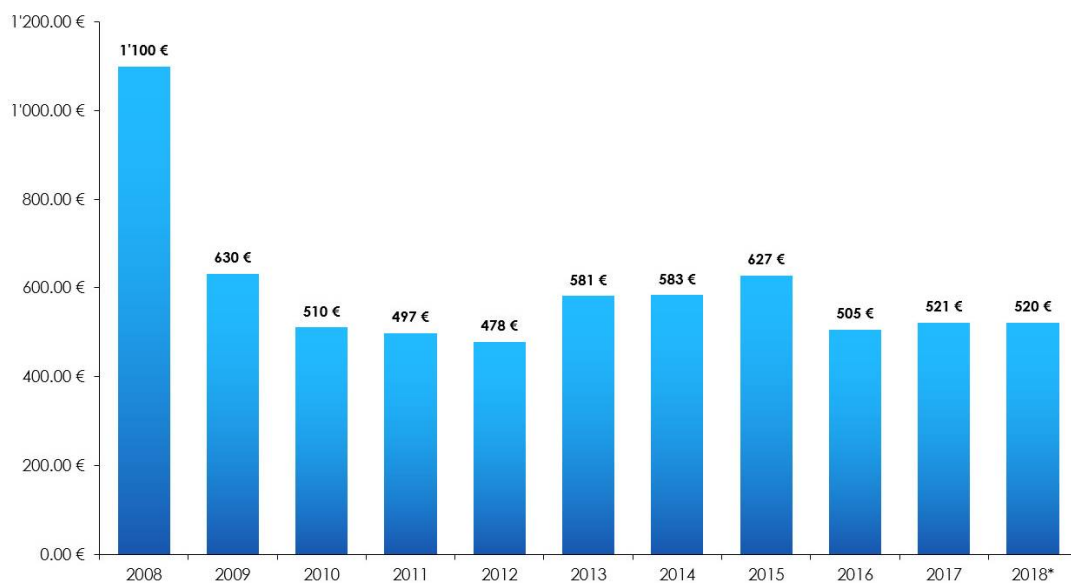
Half of deals in the established beach resorts involve Bulgarian buyers, who are equally attracted to the low prices. Among the most common problems associated with buying in Bulgaria is establishing clear ownership. If you extend your search to satellite resorts, a couple of kilometers inland from the beach, prices can start from EUR 15'000 for a furnished studio and EUR 20'000 for a one-bed apartment. Also the overdevelopment of some Black Sea resorts means plenty of competition for those private owners wanting to earn a rental income on their investment during the busy summer season.

The average price in Sunny Beach in Q3 of 2018 according was 515 EUR/sq.m. compared to 500 EUR/sq.m. during the same period in 2017. Overall, the average asking price remains unchanged in the last year.

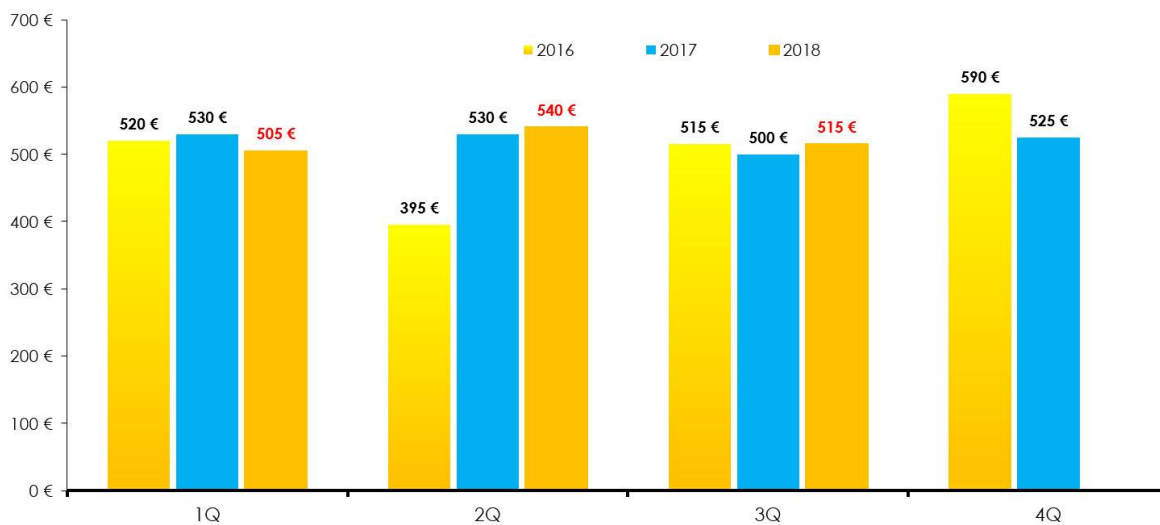
The average total purchase price of the apartments in Sunny Beach this year has seen a slight increase from 30,000 euro in 2017 to 33,000 euro in the first nine months of 2018, due to more expensive purchases in first-line premium complexes where prices reach 800-900 euro/sq.m.

With no doubt, the holiday property market in 2018 and 2019 was under the sign of resale property transactions. The number of transactions with new developments on the sea has decreased significantly. A minus for the buyers in this case is the lack of conditions for a deferred payment in instalments for several years. In previous years, most Russian buyers acquired holiday homes through convenient plans with interest-free instalments paid on reaching each new stage in the construction of the complex.

Average Annual Prices of the Properties in Sunny Beach, Bulgaria, Euro/sq.m.
Source: BULGARIAN PROPERTIES



Average Quarterly Prices of Sunny Beach Apartments, Euros/sq.m.
Source: BULGARIAN PROPERTIES



8 NORWEGIAN TAXATION

*This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes ("**Foreign Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Prospectus and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.*

8.1 Norwegian Shareholders

8.1.1 Taxation of dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian tax exemption method. Under the exemption, only 3% of the dividend income on shares in Norwegian limited liability companies shall be taxed as ordinary income (22% flat rate), implying that such dividends are effectively taxed at a rate of 0.66%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**") is grossed up with a factor of 1.44 before taken to taxation as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a basic tax-free allowance. The tax-free allowance shall be computed for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate will be calculated every income year and is allocated to the shareholder owing the share on 31 December of the relevant income year. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

8.1.2 Taxation of capital gains

Sale, redemption or other disposal of Shares is considered as a realization for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realization of shares in Norwegian limited liability companies are comprised by the Norwegian tax exemption method and therefore tax exempt. Net losses from realization of Shares and costs incurred in connection with the purchase and realization of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realization of Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the

Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realization, and losses can be deducted from ordinary income in the year of realization. Any gain or loss is grossed up with a factor of 1.44 before taken to taxation at a rate of 22% (resulting in an effective tax rate of 31.68%. Under current tax rules, gain or loss is calculated per Share, as the difference between the consideration received and the tax value of the share. The tax value of each Share is based on the individual shareholder's purchase price for the Share. Costs incurred in connection with the acquisition or realization of the Shares will be deductible in the year of sale. Any unused tax-free allowance connected to a Share may be deducted from a capital gain on the same Share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realization of other shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

8.1.3 Net wealth tax

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal tax rate is currently 0.85%. Norwegian limited liability companies and similar entities are exempted from net wealth tax.

Shares listed on Merkur Market are valued at the quoted value at 1 January in the assessment year.

8.2 Non-resident Shareholders

8.2.1 Taxation of dividends

Dividends paid from a Norwegian limited liability company to Foreign Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. Norway has entered into tax treaties with a number of countries and withholding tax is normally set at 15% under these treaties. The shareholder's home country may give credit for the Norwegian withholding tax imposed on the dividend.

Foreign corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") which are genuinely established and carry out genuine economic activities within the EEA are not subject to Norwegian withholding tax.

Dividends paid to foreign individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each

individual share, see Section 8.1.1 "Taxation of dividends". However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Dividends paid to Foreign Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Central Office for Foreign Tax Affairs. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

8.2.2 Taxation of Capital Gains

Gains from realization of Shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the Shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

8.2.3 Net Wealth Tax

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

8.3 Transfer Taxes etc.; VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

9 DEFINITIONS AND GLOSSARY OF TERMS

Term	Definition
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.
Annual Financial Statements	The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2018 and 2017.
Black Sea Property or BSP	Black Sea Property AS, registration number 914 892 902 and registered address Sagveien 23A, 0459 Oslo, Norway.
Board	The board of directors of the Company.
Company	Black Sea Property AS, registration number 914 892 902 and registered address Sagveien 23A, 0459 Oslo, Norway.
Convertible Loan	The loan of NOK 10,426,630 that was raised by the Company on 18 December 2019, and converted into new shares in the Company on 3 February 2020.
Eligible Shareholders	Shareholders in the Company as of 17 December 2019 (as registered in the VPS on 19 December 2019, the Record Date), who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.
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.
Financial Statements	The Annual Financial Statements and Interim Financial Statements jointly.
Foreign Corporate Shareholders	Shareholders of the Company who are limited liability companies and similar entities, and who are not resident in Norway for tax purposes.
Foreign Individual Shareholders	Shareholders of the Company who are not resident in Norway for tax purposes, and who are not Foreign Corporate Shareholders.
Foreign Shareholders	Shareholders of the Company who are not resident in Norway for tax purposes.
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 main companies where it is a shareholder jointly. The main companies referred to are EPO Bulgaria EOOD, EPO Aheloy OOD, Aheloy Beach Management, Aheloy Building P, Garby AD and Aheloy Commercial AD.
Interim Financial Statements	The Group's unaudited consolidated interim financial statements as of, and for the periods ended, 30 June 2019 and 2018.
Lenders	The lenders in the Convertible Loan.
NGAAP	Norwegian Generally Accepted Accounting Principles
NPLCA	The Norwegian Private Limited Liability Companies Act (<i>Nw: aksjeloven</i>) of 13 June 1997 no. 44.

Norwegian Corporate Shareholders	Shareholders of the Company who are limited liability companies and similar entities, and who are resident in Norway for tax purposes.
Norwegian Individual Shareholders	Shareholders of the Company who are resident in Norway for tax purposes, and who are not Norwegian Corporate Shareholders.
Norwegian Shareholders	Shareholders of the Company who are resident in Norway for tax purposes.
Record Date	19 December 2019.
Subsequent Offering	The offering of 2,300,000 Offer Shares to the Eligible Shareholders.
Resort	Sunrise Gardens (previously called Aheloy Beach Resort).
Offer Shares	The 2,300,000 new Shares offered in the Subsequent Offering.
Payment Due Date	25 February 2020.
Prospectus	This prospectus dated 3 February 2020, and its appendices.
Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2006 no. 75 (<i>Nw: verdipapirhandelloven</i>).
Securities Trading Regulation	The regulation of 29 June 2006 no. 876 to the Securities Trading Act (<i>Nw: verdipapirforskriften</i>).
Settlement Agent	Nordea Bank Abp, Filial i Norge.
Subscription Rights	Right(s) granted to each Eligible Shareholder, which gives a preferential right to subscribe for and be allocated Offer Shares in the Subsequent Offering.
Subscription Period	The period commencing on 4 February 2020 at 09.00 hours (CEST) and ending on 18 February 2020 at 16.30 hours (CEST).
Shares	"Shares" means the shares in the capital of Black Sea Property, each having a nominal value of NOK 0.25, and "Share" means any one of them.
Subscription Form	Means the form used to subscribe for Offer Shares, enclosed to this Prospectus as <u>Appendix 2</u> .

**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 3 618 268,75 fordelt på 14 449 075 aksjer, hver pålydende NOK 0,25.

§ 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. Godkjenning 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 Dokumenter lagt ut på selskapets internettside

Dokumenter som gjelder saker som skal behandles på generalforsamlingen og som er gjort tilgjengelig for aksjeeierne på selskapets internettside, vil ikke bli tilsendt aksjeeierne.

§ 12 Forholdet til aksjeloven

For øvrig henvises til den til enhver tid gjeldende aksjelovgivning.

TEGNINGSdokument

I FORBINDELSE MED

UTSTEDELSE AV AKSJER I

BLACK SEA PROPERTY AS

SUBSCRIPTION DOCUMENT

FOR

ISSUANCE OF SHARES IN

BLACK SEA PROPERTY AS

Tegnerens navn/ Subscriber's name:		Tegningsfrist/ Deadline for subscription:	18 February 2020 at 16.30 CET
Adresse/ Address:		Oppgjørsfrist/ Payment date:	25 February 2020
Fødselsnummer/ national identity number or organisasjonsnummer/ reg. no.:			
Antall tegningsretter/ Number of subscription rights:		Antall aksjer inkludert overtegning/ Number of shares, including over- subscription:	
Tegningskurs pr. aksje/ Subscription price per share:	NOK 2	Samlet tegningsbeløp/ Aggregate subscription amount:	NOK _____ (Number of shares X subscription price of NOK 2)
Tegnerens VPS-konto/ Subscriber's VPS account:		Bankkontonummer for trekk av samlet tegningsbeløp/ Bank account no. for debit of aggregate subscription amount:	

**SAMTLIGE BLANKE FELTER OVER MÅ FYLLES INN FØR INNSENDELSE AV
TEGNINGSdokUMENTET**

Den enkelte tegner bekrefter ved underskrift på denne blankett å ha lest og forstått de vilkår som gjelder for tegning av aksjer i Black Sea Property AS (herunder generalforsamlingens vedtak), slik dette fremgår av kapittel 9 "The Subsequent Offering and the Offer Shares" inntatt i prospektet datert 3. februar 2020.

Korrekt utfylte tegningsblanketter må være mottatt av Oppgjørsagenten per post eller e-post ikke senere enn kl. 16.30 på den siste dag av tegningsperioden på følgende adresse:

Nordea Bank Abp, Filial i Norge

Issuer Services Nordea, Postboks 1166 Sentrum, 0107 Oslo, Norge

E-mail: nis@nordea.com

Selskapet og Oppgjørsagenten kan se bort i fra enhver tegningsblankett som er mottatt etter utløpet av tegningsperioden.

Undertegnede tegner herved i henhold til ovenstående aksjer i Black Sea Property AS som angitt innledningsvis.

Name in block letters:

Date:

Place:

Hvis tegneren er et selskap eller tegner etter fullmakt må nylig firmaattest eller kopi av fullmakten vedlegges tegningen.

If the subscriber is a company or subscribes by power-of-attorney, a recent certificate of registration or a copy of the power-of-attorney must be enclosed to the subscription.

**ALL BLANK SPACES ABOVE MUST BE COMPLETED PRIOR TO SUBMISSION
OF THIS SUBSCRIPTION DOCUMENT**

Each subscriber declares by its signature on this form to have read and understood the terms applicable for subscription of shares in Black Sea Property AS (including the resolution by the general meeting) as set out in chapter 9 "The Subsequent Offering and the Offer Shares", included in the prospectus dated 3 February 2020.

A correctly completed subscription form must be received by the Settlement Agent no later than 16.30 CET on the last day of the subscription period at the following address by means of post or e-mail:

Nordea Bank Abp, Filial i Norge

Issuer Services Nordea, P.O. Box 1166 Sentrum, 0107 Oslo, Norway

E-mail: nis@nordea.com

The Company and the Settlement Agent may disregard any subscription forms received after the end of the offering period.

The undersigned hereby and in accordance with the above subscribe for shares in Black Sea Property AS as given account for introductorily.



ÅRSRAPPORT FOR 2018



BLACK SEA PROPERTY AS



ÅRSBERETNING

ÅRSREGNSKAP OG KONSERNREGNSKAP

- RESULTATREGNSKAP
- BALANSE
- KONTANTSTRØMOPPSTILLING
- NOTER

REVISJONSBERETNING

Årsberetning 2018

Black Sea Property AS

Adresse: Sagveien 23 A, 0459 OSLO

Org.nr: 914 892 902 MVA

Virksomhetens art

Black Sea Property AS ble stiftet den 19. januar 2015. Morselskapets hovedoppgave er å investere i andre selskaper. Datterselskapene driver eiendomsutvikling. Black Sea Property AS har sitt forretningssted i Oslo. Datterselskapene har forretningssted og deres aktiviteter skjer i Bulgaria.

Rettvisende oversikt

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

Redegjørelse for foretakets utsikter

Styret vurderer konsernets markedsutvikling som god og viderefører eksisterende satsing innen dagens rammer og virksomhet.

Finansiell risiko

Mesteparten av konsernets virksomhet foregår i Bulgaria, hvor mye av kostnadene er i bulgarske leva og i Euro. Konsernets aktivitet vil være påvirket av valutaendring mellom bulgarske leva, Euro og norske kroner.

Utvikling i resultat og stilling

Styret mener at det fremlagte årsregnskapet for morselskapet og tilhørende konsernregnskap gir et rettvisende bilde over utviklingen og resultatet av foretakets og konsernets virksomhet og stilling. Styret kjenner ikke til forhold inntruffet etter balansedagen som i vesentlig grad påvirker regnskapet pr. 31. desember.

Aktiviteter 2018

Selskapet har gjennom 2018 hatt et sterkt fokus på byggeaktivitet, planarbeid og finansiering av ferdigstillelser prosessen for Sunrise Gardens Resort gjennom datterselskapet EPO Aheloy. Selskapet publiserer regelmessig informasjon om utviklingen av og arbeidet med Sunrise Gardens Resort, som børsmeldinger på www.newsweb.no.

Gjennom 2018 har det blitt arbeidet fortløpende med å optimalisere og ferdigstille ferieanlegget for oppstart sommeren 2019. Nødvendige godkjenninger for vann, kloakk og elektrisitet er på plass, og 358 leiligheter i byggene N og M er ferdigstilt samt fasaden på L bygget. Det arbeides nå med å ferdigstille utvendig fasade på K bygget, bygging av resepsjonsbygg, svømmebasseng samt en del arbeider knyttet til ferdigstillelse av vann og kloakk nett. Resterende arbeid for å ferdigstille resorten vil starte umiddelbart når resterende midler på byggelånet er tilgjengelig.

På markedssiden har Sunrise Gardens Resort avtalt med Sunset Resort at ledergruppen i Sunset Resort vil være ansvarlig for arbeid tilknyttet åpning av Aheloy Beach Resort og det første driftsåret. Sunset Resort er et ferieanlegg i nærliggende Pomorie, som eies og driftes av Selskapets lokale partner Boyan Bonev. Avtalen gir tilgang til bred kompetanse både på den kommersielle og operasjonelle siden av driften og sikrer lave løpende kostnader og senker den operasjonelle risikoen. Parallelt med dette er det startet arbeid for å finne rett management for ledelse av resorten for årene deretter.

Det har videre blitt arbeidet med å sikre nødvendig finansiering av pågående og planlagte byggeaktiviteter samt også kapital nødvendig for nedbetalinger til bank ihht. låneavtale med Unicredit Bulbank. I løpet av 2018 ble det hentet inn MNOK 13,25 fordelt på emisjoner i mai og juli 2018.

Det har samtidig også vært gjennomført en rekke samtaler med EPO Aheloy's bankforbindelse med tanke på opplåning for videre byggearbeid, og det ble i 2018 innvilget et lån på 3 MEUR med visse forbehold. Det ene forbeholdet har vært knyttet til at enkelte heftelser på eiendommene måtte fjernes før utbetaling noe som har tatt betydelig lengre tid enn forventet.

Kort om utvikling 2019

Det er gjennomført nye emisjoner i januar og februar 2019. I februar 2019 ble endelig låneavtale vedrørende byggelån på 3MEUR inngått, hvorav den første transjen på 1,5 MEUR ble gjort tilgjengelig for selskapet i mars 2019. Den siste transjen på 1,5 MEUR skulle bli utbetalt så snart enkelte eksisterende heftelser på eiendom som skal pantsettes var blitt frigitt. Det har blitt arbeidet aktivt for å få fjernet disse raskest mulig, men det har vist seg å være tidkrevende. Gjennom nye forhandlinger med banken har det lyktes å få utbetalt de siste 1,5 MEUR uavhengig av dette, slik at de siste 1,5MEUR vil være tilgjengelig for selskapet i første halvdel av juni.

Styret har, sammen med vår bulgarske samarbeidspartner Boyan Bonev, besluttet en testbasert åpning av resorten i august 2019. Hensikten er å sikre at resorten fungerer i henhold til forventningene. Selskapet forventer derfor minimal operasjonell omsetning sommeren 2019.

Selskapet er i prosess for å vurdere om selskapet skal ta opp ytterligere gjeld for å ferdigstille K og L bygget, samt også finne løsninger knyttet til finansiering av avdrag på eksisterende gjeld som forfaller i desember 2019. Basert på de underliggende verdier i Sunrise Gardens Resort har selskapet tro på å finne akseptable løsninger.

Fortsatt drift

I samsvar med regnskapsloven § 3-3 bekreftes det at forutsetningen om fortsatt drift er til stede, og at denne forutsetningen er lagt til grunn ved utarbeidelse av årsregnskapet.

Arbeidsmiljø

Styret anser arbeidsmiljøet som tilfredsstillende, og har ikke iverksatt spesielle tiltak på dette området i 2018. Det har ikke vært skader eller ulykker i 2018.

Likestilling

Konsernet og morselskapet har i 2018 ingen ansatte, og styret i morselskapet har hatt 4 medlemmer. Blant styremedlemmene har det kun vært menn.

Ytre miljø

Verken morselskapet eller konsernets virksomhet forurensar det ytre miljø ut over det som er vanlig for dens virksomhet.

Resultatdisponering og utbyttegrunnlag

Underskuddet i Black Sea Property AS på 3 958 tusen kroner foreslås disponert som følger:

Udekket tap	3 958	tusen kroner
-------------	-------	--------------

Oslo, 28. mai 2019
Styret for Black Sea Property AS

Egil Redse Melkevik (sign.)
Board member, Chairman

Kåre Rødningen (sign.)
Board member

Hans Fredrik Gulseth (sign.)
Board member, General manager

Erik Sture Larre (sign.)
Board member

Resultatregnskap

Morselskap				Konsern	
2018	2017	Beløp vises i tusen kr	Note	2018	2017
		Driftsinntekter			
287	701	Salgsinntekt	5	0	0
0	-409	Annen driftsinntekt		0	0
287	293	Sum driftsinntekter		0	0
		Driftskostnader			
0	0	Varekostnad		0	0
1 711	1 929	Annen driftskostnad	2, 5	18 727	7 524
1 711	1 929	Sum driftskostnader		18 727	7 524
-1 424	-1 636	Driftsresultat		-18 727	-7 524
		Finansinntekter og finanskostnader			
6 527	6 140	Annen finansinntekt		6 517	8 144
2 259	0	Nedskrivning av finansielle eiendeler		0	0
6 801	3 338	Annen finanskostnad		9 341	6 678
-2 534	2 802	Netto finansposter	10	-2 824	1 467
-3 958	1 166	Ordinært resultat før skattekostnad		-21 551	-6 058
0	0	Skattekostnad på ordinært resultat	16	0	343
-3 958	1 166	Årsresultat	14	-21 551	-6 401
		Fordeling			
		Majoritetsinteresser		10 219	3 124
		Minoritetsinteresser		11 332	3 277
		Overføringer og disponeringer			
-3 958	1 166	Udekket tap	14		
-3 958	1 166	Sum disponert			

Balanse pr. 31. desember

Morselskap				Konsern	
2018	2017	Beløp vises i tusen kr	Note	2018	2017
Anleggsmidler					
Varige driftsmidler					
0	0	Tomter, bygninger og annen fast eiendom	3, 13	192 726	202 946
0	0	Maskiner og anlegg	4	214	0
0	0	Driftsløsøre, inventar, verktøy, kontormaskiner ol	4	1 709	1 535
0	0	Sum varige driftsmidler		194 649	204 480
Finansielle anleggsmidler					
8 314	10 573	Investeringer i datterselskap	7	0	0
105 042	87 184	Lån til foretak i samme konsern	6	0	0
179	99	Andre fordringer		551	466
113 535	97 855	Sum finansielle anleggsmidler		551	466
113 535	97 855	Sum anleggsmidler		195 199	204 946
Omløpsmidler					
Fordringer					
1 044	739	Kundefordringer	6	31	0
99	641	Andre fordringer		18 436	10 056
1 143	1 380	Sum fordringer		18 467	10 056
2 956	925	Bankinnskudd, kontanter og lignende	11	3 693	3 728
4 099	2 306	Sum omløpsmidler		22 160	13 784
117 634	100 161	Sum eiendeler		217 359	218 730

Balanse pr. 31. desember

Morselskap		Konsern			
2018	2017	Beløp vises i tusen kr	Note	2018	2017
Egenkapital					
<i>Innskutt egenkapital</i>					
953	615	Aksjekapital	14, 15	953	615
71 545	58 636	Overkurs	14	71 545	58 636
72 498	59 251	Sum innskutt egenkapital		72 498	59 251
<i>Opptjent egenkapital</i>					
-8 630	-4 672	Annen egenkapital	14	-27 350	-39 714
-8 630	-4 672	Sum opptjent egenkapital		-27 350	-39 714
0	0	Minoritetsinteresser		24 585	32 788
63 868	54 579	Sum egenkapital		69 734	52 325
Gjeld					
<i>Annen langsiktig gjeld</i>					
13 631	5 369	Konvertible lån	8	13 631	5 369
0	0	Gjeld til kredittinstitusjoner	13	49 744	59 043
39 998	39 623	Øvrig langsiktig gjeld	9	50 542	39 643
53 629	44 992	Sum annen langsiktig gjeld		113 917	104 055
<i>Kortsiktig gjeld</i>					
0	0	Gjeld til kredittinstitusjoner	13	19 897	9 840
121	495	Leverandørgjeld		228	1 078
0	0	Skyldige offentlige avgifter		0	-9
17	96	Annen kortsiktig gjeld		13 584	51 440
137	590	Sum kortsiktig gjeld		33 708	62 350
53 766	45 582	Sum gjeld		147 625	166 405
117 634	100 161	Sum egenkapital og gjeld		217 359	218 730

Balanse pr. 31. desember**Morselskap****2018****2017**

Beløp vises i tusen kr

Note**Konsern****2018****2017**

31. desember 2018

Oslo, 28. mai 2019

Egil Redse Melkevik (sign.)

Board member, Chairman

Kåre Rødningen (sign.)

Board member

Hans Fredrik Gulseth (sign.)

Board member, General manager

Erik Sture Larre (sign.)

Board member

Kontantstrømoppstilling

Morselskap			Konsern	
2018	2017	Beløp vises i tusen kr	2018	2017
Kontantstrømmer fra operasjonelle aktiviteter				
-3 958	1 166	Resultat før skattekostnad	-21 551	-6 401
0	0	Tap ved salg av anleggsmidler	12 767	0
2 259	0	Nedskrivning anleggsmidler	12 598	0
-305	-480	Endring i kundefordringer	-31	0
-374	292	Endring i leverandørgjeld	-851	348
471	-607	Endring i andre tidsavgrensningsposter	1 903	6 926
-1 907	371	Netto kontantstrøm fra operasjonelle aktiviteter	4 836	874
Kontantstrømmer fra investeringsaktiviteter				
0	0	Innbetalinger ved salg av varige driftsmidler	6 358	0
0	0	Utbetalinger ved kjøp av varige driftsmidler	-388	-1 535
0	0	Påkostning i eiendomprosjekt	-21 504	-35 677
0	0	Netto kontantstrøm fra investeringsaktiviteter	-15 534	-37 211
Kontantstrømmer fra finansieringsaktiviteter				
8 637	8 647	Opptak av ny langsiktig gjeld	19 076	8 647
0	0	Valutaendring lån kredittinstitusjoner	757	0
0	0	Nedbetaling av lån kredittinstitusjoner	0	-4 817
0	0	Gjeldskonverteringer mot minoritet	26 552	0
0	0	Nedbetaling av kortsiktig gjeld	-48 130	0
-17 946	-33 491	Utbetalinger av lån til datterselskap	0	0
13 247	21 784	Kontantemisjon	13 247	21 784
3 938	-3 061	Netto kontantstrøm fra finansieringsaktiviteter	11 503	25 614
0	0	Effekt av valutakursendringer på likvider	-840	0
2 030	-2 689	Netto endring i likvider i året	-35	-10 724
925	3 615	Kontanter og bankinnskudd per 01.01	3 728	14 452
2 956	925	Kontanter og bankinnskudd per 31.12	3 693	3 728

Noter til regnskapet for 2018

Beløp vises i tusen kr

Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Konsolidering

Konsernregnskapet omfatter morselskapet Black Sea Property AS, datterselskapene Aheloy Commercial AD, Garby AD og EPO Bulgaria EOOD, og datterdatterselskapet EPO Aheloy OOD, som Black Sea Property AS har bestemmende innflytelse over.

Bestemmende innflytelse oppnås normalt når konsernet eier mer enn 50% av aksjene i selskapet, og/eller at konsernet er i stand til å utøve faktisk kontroll over selskapet. Minoritetsinteresser inngår i konsernets egenkapital. Konsernregnskapet er utarbeidet som om konsernet var en økonomisk enhet.

Transaksjoner og mellomværende mellom selskapene i konsernet er eliminert. Konsernregnskapet er utarbeidet etter ensartede prinsipper, ved at datterselskapene følger de samme regnskapsprinsipper som morselskapet.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene.

Valuta

Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt.

I forbindelse med konsolideringen av utenlandske datterselskaper, er gjennomsnittskursen benyttet for resultatpostene, og årssluttkurs benyttet for balansepostene. Eventuelle omregningsdifferanser blir bokført direkte mot egenkapital i konsernregnskapet.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede økonomiske levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet.

Skatter

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

Skattesatsen for datterselskapene er 10 %.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Noter til regnskapet for 2018

Beløp vises i tusen kr

Note 2 - Lønnskostnader, antall ansatte, lån til ansatte og godtgjørelse til revisor

Beløp vises i tusen kr

Antall sysselsatte årsværk i regnskapsåret er 0 i morselskapet og 0 i konsernet.

Morselskap

Selskapet har ingen ansatte, og er ikke pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.

Konsern

Konsernet har ingen ansatte.

Morselskap		Konsern	
2018	Godtgjørelse til revisor er fordelt på følgende:	2018	
56	Lovpålagt revisjon	56	
0	Skatterådgivning	0	
141	Andre tjenester	141	
197	Sum	197	

Merverdiavgift er ikke inkludert i revisjonshonoraret.

Note 3 - Varige driftsmidler

Beløp vises i tusen kr

Konsern

	Eiendom knyttet til næring	Eiendom knyttet til bolig	Prosjekt i arbeid	Sum
Anskaffelseskost 01.01.	31 205	144 255	27 486	202 946
Avganger 2018	-19 126	0	0	-19 126
Tilganger 2018	0	610	0	610
Valutajustering	518	1 186	302	2 007
Endring i prosjekt	0	0	18 887	18 887
Anskaffelseskost 31.12.	12 598	146 051	46 675	205 324
Akk.nedskr. 31.12.	-14 014	0	0	-14 014
Rev.nedskr. 31.12.	1 416	0	0	1 416
Balanseført pr. 31.12.	0	146 051	46 675	192 726
Avskrivningsplan	N/A	N/A	N/A	

Eiendomsprosjektene er under utvikling og avskrivning vurderes når eiendommene er ferdigstilt og tas i bruk.

Noter til regnskapet for 2018

Beløp vises i tusen kr

Note 4 - Varige driftsmidler

Beløp vises i tusen kr

Konsern

	Inventar	Driftsutstyr	Maskiner	Sum
	-Møbler		-Strømaggregat	
Anskaffelseskost 01.01.	1 535	0	0	1 535
Tilgang kjøpte driftsmidler	0	158	214	371
Valutajustering	17	0	0	17
Anskaffelseskost 31.12.	1 551	158	214	1 923
Balanseført pr. 31.12.	1 551	158	214	1 923

Eiendomsprosjektene er under utvikling og avskrivning vurderes når eiendommene er ferdigstilt og tas i bruk.

Note 5 - Transaksjon med nærstående**Morselskap**

Kjøp:

I 2018 er det fakturert TNOK 20 pr. måned fra Imenco Bauer Hydraulics AS for styreformann Egil Melkevik sitt nedlagte konsulentarbeid utover styreverv.

Det er i tillegg fakturert konsultenthonorar på TEUR 1,7 pr. måned fra Remlak EOOD v/Geroge Angelov.

Salg:

Black Sea Property AS har opptjent et fasthonorar på TEUR 2,5 pr. måned i 2018 for konsulenttenester levert til datterselskapet EPO Aheloy OOD.

Konsern

Kjøp:

Tilsvarende som angitt for morselskap.

Note 6 - Mellomværende med selskap i samme konsern og tilknyttet selskap

Beløp vises i tusen kr

<i>Fordringer</i>	2018	2017
Lån til foretak i samme konsern	105 042	87 184
Kundefordringer	1 044	739
Sum	106 086	87 922

Noter til regnskapet for 2018

Beløp vises i tusen kr

De konserninterne lånene er som hovedregel ikke renteberegnet som følge av den finansielle situasjonen i konsernselskapene, jf. Rt 2007 1025 (Norges Høyesterett - dom av 26. juni 2007).

Lån til EPO Bulgaria og EPO Aheloy i 2017 og 2018 på til sammen TEUR 4 705 er renteberegnet med 0,1 % i tråd med avtale.

Note 7 - Datterselskap, tilknyttet selskap m v

Beløp vises i tusen kr

Morselskap

Selskap	Anskaffelse	Kontor	Eier- andel	Resultat 2018	Egenkapital pr. 31.12	Bokført verdi pr. 31.12
EPO Bulgaria EOOD	Juni 2015	Bulgaria	100 %	-255	-3 444	0
Garby AD	August 2015	Bulgaria	50 %	-5	3 545	8 314
Aheloy Commercial AD	August 2015	Bulgaria	48 %	-25 798	-4 842	0
Sum				-26 058	-4 741	8 314

Overnevnte beløp er i NOK hvor resultatet er omregnet med en gjennomsnittskurs på 4,9065, mens egenkapital er omregnet med sluttkurs på 5,0866.

EPO Bulgaria EOOD eier 75 % av EPO Aheloy OOD pr. 31.12.2018.

Note 8 - Konvertible lån**Morselskap**

Konvertible lån er renteberegnet med 10 %.

Konsern

Tilsvarende som angitt for morselskap.

Note 9 - Øvrig langsiktig gjeld

Beløp vises i tusen kr

Morselskap

2018	2017
-39 998	-39 623

Selgerkreditt i TEUR 4 000

Konsern

2018	2017
-39 998	-39 623

Morselskap

Beløpet utgjør i sin helhet selgerkreditt med henholdsvis TEUR 1 500 og TEUR 2 500 i forbindelse med kjøpet fra Aheloy Beach Commercial AS og EPO Invest KS av deres aksjer i og fordringer mot datterselskapene vist i note 8. Fordringene mot Black Sea Property AS er i 2016 utdelt til aksjonærene i Aheloy Beach Commercial AS og EPO Invest KS.

Selgerkreditten løper rentefritt og skal tilbakebetales løpende når morselskapet har fri likviditet etter inndekning av øvrige forpliktelser.

Konsern

Tilsvarende som angitt for morselskap.

Noter til regnskapet for 2018

Beløp vises i tusen kr

Note 10 - Finansposter

Beløp vises i tusen kr

Morselskap			Konsern	
2018	2017		2018	2017
-46	129	Renteinntekt	1	24
6 573	6 010	Valutagevinst	6 573	6 010
-1 178	-44	Rentekostnad	-3 861	-1 232
-5 459	-3 216	Valutatap	-5 459	-3 259
-2 259	0	Nedskrivning av finansielle eiendeler	-77	-77
-165	-77	VPS-kostnader	0	0
-2 534	2 802	Sum	-2 824	1 467

Konsern

Valutajustering knyttet til balanseposter hos utenlandske datterselskaper blir ført direkte mot egenkapital.

Note 11 - Bankinnskudd

Beløp vises i tusen kr

Morselskap			Konsern
2018			2018
0	Bundne bankmidler		717

Konsern

Bundne bankmidler er midler som er dedikert til rentebetalingen på lån i Bulgaria.

Note 12 - Tvister

Konsern

Det er ingen pågående rettssaker som involverer datterselskapet og datter-datter-selskapet EPO Bulgaria og EPO Aheloy, men EPO Aheloy har anmodet om sletting av rådighetsbegrensninger som tidligere er blitt pålagt av kreditorer av den tidligere eieren av eiendomsprosjektet. Det er etter styrets oppfatning ingen saker som vil ha vesentlige, negative, økonomiske konsekvenser for konsernet.

Note 13 - Pant og garantier

Beløp vises i tusen kr

Morselskap			Konsern	
2018	2017	Pantsikret gjeld	2018	2017
0	0	Kortsiktig gjeld	19 897	9 840
0	0	Langiktig gjeld	49 744	59 043
0	0	Sum pantsikret gjeld	69 641	68 884

Morselskap			Konsern	
2018	2017	Sikret i panteobjekt med bokførte verdier:	2018	2017
0	0	Eiendom	192 726	202 946
0	0	Sum	192 726	202 946

Noter til regnskapet for 2018

Beløp vises i tusen kr

Konsern

Gjeld til kredittinstitusjoner er gjennom selskapet EPO Aheloy OOD. Saldo ved årsslutt utgjør TEUR 7 000. Lånet fra UniCredit Bulbank AD ble reforhandlet i 2016, hvor løpetiden ble forlenget til 8 år. Første avdragsforfall var med TEUR 500 den 25. desember 2017. Deretter forfaller TEUR 1 000 de neste 7 årene med årlig betaling den 25. desember det enkelte år. I forbindelse med kapitalinnhenting var det enighet om at låneforfall for 2018 ble flyttet til senest 25. januar 2019. Avdrag ble betalt ihht. denne avtalte planen.

Lånet har rente på 3 måneder EURIBOR pluss 3,5%.

Lånet er sikret med 1. prioritets pant i anlegget på Aheloy, i tillegg til annen sikkerhet ytet av de lokale samarbeidspartnere i Bulgaria.

EPO Aheloy OOD har forpliktet seg til å binde et beløp tilsvarende renter for 6 måneder i forbindelse med rentebetalinger på lånet fra UniCredit Bulbank AD, jf. note 11.

Note 14 - Egenkapital

Beløp vises i tusen kr

Morselskap

	Aksjekapital	Overkurs	Annen egenkapital	Sum
Egenkapital 01.01.	615	58 636	-4 672	54 579
Årsresultat	0	0	-3 958	-3 958
Kontantinnskudd	338	12 910	0	13 247
Egenkapital 31.12.	953	71 545	-8 630	63 868

Konsern

Konsernets egenkapital er endret som følger:

	Aksjekapital	Overkurs	Annen egenkapital	Sum
Egenkapital 01.01.	615	58 636	-6 926	52 325
Årsresultat	0	0	-21 551	-21 551
Kontantinnskudd	338	12 910	0	13 247
Gjeldsettergivelse i datterselskap	0	0	26 552	26 552
Valuta og andre endringer	0	0	-840	-840
Egenkapital 31.12.	953	71 545	-2 765	69 734

Note 15 - Aksjekapital og aksjonærinformasjon

Beløp vises i tusen kr

Morselskap

Aksjekapitalen består av:

	Antall	Pålydende	Balanseført
Ordinary shares	95 268 583	0,01 kr	953

Noter til regnskapet for 2018

Beløp vises i tusen kr

De 10 største aksjonærene og nærstående i selskapet pr. 31.12:

	Ordinære aksjer	Eier- andel	Stemme- andel
E. Larre Holding AS, 1)	11 216 815	12 %	12 %
CL-Holding AS, 2)	10 469 421	11 %	11 %
Total Mangement AS	8 463 217	9 %	9 %
Janine AS	4 984 718	5 %	5 %
Erik Arvid Muller	4 372 296	5 %	5 %
Sundby Holding AS	3 765 055	4 %	4 %
Espemo Invest AS	2 972 729	3 %	3 %
Tryti Holding AS	2 657 435	3 %	3 %
Semeco AS	2 509 000	3 %	3 %
VK Invest AS	2 314 787	2 %	2 %
Sum	53 725 473	56 %	56 %
Øvrige (eierandel < 5%)	41 543 110	44 %	44 %
Totalt antall aksjer	95 268 583	100 %	100 %

1) Styremedlem Erik Sture Larre er aksjonær i E. Larre Holding AS

2) Styremedlemmene Hans Fredrik Gulseth og Erik Sture Larre eier 50 % hver av CL-Holding AS.

Styreleder Egil Redse Melkevik er aksjonær i MTB Invest AS som er blant de øvrige aksjonærer

Styremedlem Kåre Rødningen er aksjonær i Rødningen Invest AS som er blant de øvrige aksjonærer

Note 16 - Skatt

Beløp vises i tusen kr

<i>Beregning av årets skattegrunnlag:</i>	2018	2017
Ordinært resultat før skattekostnad	-3 958	1 166
Permanente forskjeller	-531	11
Nedskrivning på aksjer og andre verdipapir kostnadsført i året	2 259	0
Endring i midlertidige forskjeller	-1 095	-2 628
Årets skattegrunnlag	-3 325	-1 452

<i>Oversikt over midlertidige forskjeller</i>	2018	2017
Langsiktige fordringer og gjeld i valuta	3 347	2 251
Sum	3 347	2 251
Akkumulert fremførbart underskudd før konsernbidrag	-10 216	-6 891
Netto midlertidige forskjeller pr 31.12	-6 869	-4 640
Forskjeller som ikke inngår i utsatt skatt/-skattefordel	-6 869	-4 640
Sum	0	0

Utsatt skattefordel er ikke balanseført da det er knyttet usikkerhet til når det fremførbare underskuddet kan komme til anvendelse.

Til generalforsamlingen i Black Sea Property AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Black Sea Property AS' årsregnskap som viser et underskudd i selskapsregnskapet på kr 3 957 933 og et underskudd i konsernregnskapet på kr 21 550 826. Årsregnskapet består av:

- selskapsregnskapet, som består av balanse per 31. desember 2018, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og
- konsernregnskapet, som består av balanse per 31. desember 2018, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- er årsregnskapet avgitt i samsvar med lov og forskrifter
- gir det medfølgende selskapsregnskapet et rettviseende bilde av den finansielle stillingen til Black Sea Property AS per 31. desember 2018 og av selskapets resultater for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.
- gir det medfølgende konsernregnskapet et rettviseende bilde av den finansielle stillingen til konsernet Black Sea Property AS per 31. desember 2018 og av konsernets resultater for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet og konsernet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift, og på tilbørlig måte å opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:

<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

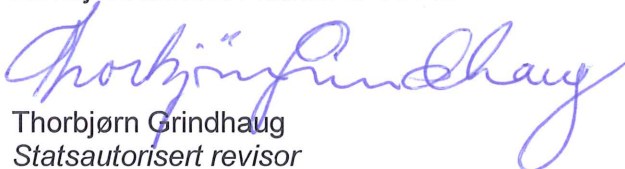
Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i styrets årsberetning om årsregnskapet, forutsetningen om fortsatt drift og forslaget til fremføring av underskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet 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 og konsernets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 28. mai 2019

Revisjonsfirmaet Flattum & Co AS



Thorbjørn Grindhaug
Statsautorisert revisor



ÅRSRAPPORT FOR 2017



BLACK SEA PROPERTY AS



ÅRSBERETNING

ÅRSREGNSKAP OG KONSERNREGNSKAP

- RESULTATREGNSKAP
- BALANSE
- KONTANTSTRØMOPPSTILLING
- NOTER

REVISJONSBERETNING

Årsberetning 2017

Black Sea Property AS

Adresse: Sagveien 23 A, 0459 OSLO

Org.nr: 914 892 902 MVA

Virksomhetens art

Black Sea Property AS ble stiftet den 19. januar 2015. Morselskapets hovedoppgave er å investere i andre selskaper. Datterselskapene driver eiendomsutvikling. Black Sea Property AS har sitt forretningssted i Oslo. Datterselskapene har forretningssted og deres aktiviteter skjer i Bulgaria.

Rettvisende oversikt

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

Redegjørelse for foretakets utsikter

Styret vurderer konsernets markedsutvikling som god og viderefører eksisterende satsing innen dagens rammer og virksomhet.

Finansiell risiko

Mesteparten av konsernet virksomhet foregår i Bulgaria, hvor mye av kostnadene skjer i bulgarske leva og i Euro. Konsernets aktivitet vil være påvirket av valutaendring mellom bulgarske leva, Euro og norske kroner.

Utvikling i resultat og stilling

Styret mener at det fremlagte årsregnskapet for morselskapet og tilhørende konsernregnskap gir et rettvisende bilde over utviklingen og resultatet av foretakets og konsernets virksomhet og stilling. Styret kjenner ikke til forhold inntruffet etter balansedagen som i vesentlig grad påvirker regnskapet pr. 31. desember.

Aktiviteter 2017

Selskapet har gjennom 2017 hatt et sterkt fokus på byggeaktivitet, planarbeid og finansiering av ferdigstillelser prosessen for Aheloy Beach Resort gjennom datterselskapet EPO Aheloy. Selskapet publiserer regelmessig informasjon om utviklingen av, og arbeidet med, Aheloy Beach Resort som børsmeldinger på www.newsweb.no.

Gjennom 2017 har det blitt arbeidet fortløpende med å optimalisere og ferdigstille ferieanlegget for oppstart sommeren 2018. 358 leiligheter er nå ferdigstilt i byggene M og N. Det arbeides nå med å ferdigstille kommersielle arealer og uteområder.

På markedssiden har EPO Aheloy avtalt med Sunset Resort at ledergruppen i Sunset Resort vil være ansvarlig for arbeid tilknyttet åpning av Aheloy Beach Resort og det første driftsåret. Sunset Resort er et ferieanlegg i nærliggende Pomorie, som eies og driftes av Selskapets lokale partner Boyan Bonev. Avtalen gir tilgang til bred kompetanse både på den kommersielle og operasjonelle siden av driften og sikrer lave løpende kostnader og senker den operasjonelle risikoen.

Parallelt med dette har det blitt arbeidet med å sikre nødvendig finansiering av pågående og planlagte byggeaktiviteter. I løpet av 2017 ble det hentet inn MNOK 22,5 i en fortrinnsrettsemisjon samt også MNOK 12,4 i aksjonærlån. Det har samtidig også vært gjennomført samtaler med EPO Aheloy's bankforbindelse med tanke på opplåning for videre byggearbeid.

Gjennom 2017 har det blitt arbeidet med å sikre løsninger på vann og kloakk samt strøm. Selskapet oppnådde progresjon i dette viktige arbeidet og arbeidet fortsetter inn i 2018.

Kort om utvikling 2018

I januar 2018 mottok Selskapet godkjenning av tekniske tegninger knyttet til tilkobling av vann og kloakk. Denne planen vil deretter behandles i kommunestyret med formål å godkjenne nødvendige reguleringsendringer og passasje over kommunens grunn. Det jobbes videre med løsninger på strøm.

Selskapet inngikk samme måned en avtale med reisebyrået Thomas Cook vedrørende salg for sesongen 2018. Basert på risiko knyttet til hvorvidt det blir oppstart sommeren 2018 er det imidlertid ikke blitt gjennomført forhåndssalg.

Etter vedvarende forhandlinger med banken er det oppnådd enighet om en finansiering på MEUR 3 med visse forbehold. Dette tilbudet betinger at EPO Aheloy stiller med egenkapital lik MEUR 1,5. I sammenheng med bankens krav om egenkapital hentet derfor Selskapet MNOK 13,5 MNOK kroner gjennom to kapitalforhøyelser som ble gjennomført i april og mai 2018.

Styret har, sammen med vår bulgarske samarbeidspartner Boyan Bonev, besluttet at åpningen av Aheloy Beach Resort skal utsettes til sommersesongen 2019. Styret har lagt vekt på at den pågående prosessen vedrørende et mulig byggelån på EUR 3 millioner har tatt lengre tid enn ventet, og styret forventer at utbetaling av et slikt lån til EPO Aheloy tidligst kan skje i slutten av juli. Videre er løsninger for tilkobling til vann- og kloakk-systemer og elektrisitetsnett ennå ikke klare.

Samlet er det styrets vurdering at en utsettelse av åpningen av Resorten vil medføre at Resorten kan ferdigstilles i større grad i god tid før sommersesongen 2019, og at dette vil muliggjøre forhåndssalg av overnattinger på Resorten. Utsettelsen av åpningen er ikke ventet å ha en vesentlig effekt på EPO Aheloy's budsjetterte resultat (grunnet en kort sesong basert på salg av restplasser) og Selskapet forventer heller ikke at det vil bli nødvendig å innhente ytterligere kapital utover det som allerede er hentet gjennom nylige kapitalforhøyelser.

Fortsatt drift

I samsvar med regnskapsloven § 3-3 bekreftes det at forutsetningen om fortsatt drift er til stede, og at denne forutsetningen er lagt til grunn ved utarbeidelse av årsregnskapet.

Arbeidsmiljø

Styret anser arbeidsmiljøet som tilfredsstillende, og har ikke iverksatt spesielle tiltak på dette området i 2017. Det har ikke vært skader eller ulykker i 2017.

Likestilling

Konsernet og morselskapet har i 2017 ingen ansatte, og styret i morselskapet har hatt 6 medlemmer. Blant styremedlemmene har det kun vært menn.

Ytre miljø

Verken morselskapet eller konsernets virksomhet forurensar det ytre miljø ut over det som er vanlig for dens virksomhet.

Resultatdisponering og utbyttegrunnlag

Overskuddet i Black Sea Property AS på 1 166 tusen kroner foreslås disponert som følger:

Udekket tap	1 166	tusen kroner
-------------	-------	--------------

Oslo, 30. mai 2018
Styret for Black Sea Property AS

Egil Redse Melkevik (Sign.)
Board member, Chairman

Morten Westergren (Sign.)
Board member

Kåre Rødningen (Sign.)
Board member

Hans Fredrik Gulseth (Sign.)
Board member, General
manager

Erik Sture Larre (Sign.)
Board member

Nils Tore Nilsen (Sign.)
Board member

Resultatregnskap

Morselskap

Konsern

2017	2016	Beløp vises i tusen kr	Note	2017	2016
Driftsinntekter					
701	0	Salgsinntekt		0	0
-409	409	Annen driftsinntekt		0	0
293	409	Sum driftsinntekter		0	0
Driftskostnader					
0	0	Varekostnad		0	0
0	0	Lønnskostnad	2	0	0
1 929	3 552	Annen driftskostnad	2, 4	7 524	5 132
1 929	3 552	Sum driftskostnader		7 524	5 132
-1 636	-3 143	Driftsresultat		-7 524	-5 132
Finansinntekter og finanskostnader					
0	0	Renteinntekt fra foretak i samme konsern		0	0
6 140	21	Annen finansinntekt		8 144	306
0	0	Rentekostnad til foretak i samme konsern		0	-5
3 338	1 033	Annen finanskostnad		6 678	4 339
2 802	-1 011	Netto finansposter	8	1 467	-4 028
1 166	-4 155	Ordinært resultat før skattekostnad		-6 058	-9 160
0	0	Skattekostnad på ordinært resultat	14	343	0
1 166	-4 155	Årsresultat	12	-6 401	-9 160
Fordeling					
		Majoritetsinteresser		3 124	8 213
		Minoritetsinteresser		3 277	947
Overføringer og disponeringer					
1 166	-4 155	Udekket tap	12		
1 166	-4 155	Sum disponert			

Balanse pr. 31. desember

Morselskap			Konsern		
2017	2016	Beløp vises i tusen kr	Note	2017	2016
Anleggsmidler					
Varige driftsmidler					
0	0	Tomter, bygninger og annen fast eiendom	3, 11	202 946	163 629
0	0	Driftsløsøre, inventar, verktøy, kontormaskiner ol	3	1 535	0
0	0	Sum varige driftsmidler		204 480	163 629
Finansielle anleggsmidler					
10 573	10 573	Investeringer i datterselskap	6	0	0
87 184	53 791	Lån til foretak i samme konsern	5	0	0
0	0	Lån til tilknyttet selskap og felles kontrollert virksomhet		0	0
0	0	Investeringer i aksjer og andeler		0	0
99	0	Andre fordringer		466	0
97 855	64 364	Sum finansielle anleggsmidler		466	0
97 855	64 364	Sum anleggsmidler		204 946	163 629
Omløpsmidler					
0	0	Varer		0	0
Fordringer					
739	409	Kundefordringer	5	0	0
632	409	Andre fordringer		10 056	0
1 371	818	Sum fordringer		10 056	0
925	3 615	Bankinnskudd, kontanter og lignende	9	3 728	14 452
2 297	4 432	Sum omløpsmidler		13 784	14 452
100 152	68 796	Sum eiendeler		218 730	178 082

Balanse pr. 31. desember

Morselskap

Konsern

2017	2016	Beløp vises i tusen kr	Note	2017	2016
Egenkapital					
<i>Innskutt egenkapital</i>					
615	300	Aksjekapital	12, 13	615	300
58 636	37 167	Overkurs	12	58 636	37 167
59 251	37 467	Sum innskutt egenkapital		59 251	37 467
<i>Opptjent egenkapital</i>					
-4 672	-5 838	Annen egenkapital	12	-39 714	-11 631
-4 672	-5 838	Sum opptjent egenkapital		-39 714	-11 631
0	0	Minoritetsinteresser		32 788	13 023
54 579	31 629	Sum egenkapital		52 325	38 859
Gjeld					
<i>Annen langsiktig gjeld</i>					
5 369	0	Konvertible lån		5 369	0
0	0	Gjeld til kredittinstitusjoner	11	59 043	63 297
39 623	36 345	Øvrig langsiktig gjeld	7	39 643	65 528
44 992	36 345	Sum annen langsiktig gjeld		104 055	128 824
<i>Kortsiktig gjeld</i>					
0	0	Gjeld til kredittinstitusjoner	11	9 840	4 521
495	202	Leverandørgjeld		1 078	730
-9	0	Skyldige offentlige avgifter		-9	0
96	620	Annen kortsiktig gjeld		51 440	5 147
581	822	Sum kortsiktig gjeld		62 350	10 398
45 573	37 167	Sum gjeld		166 405	139 222
100 152	68 796	Sum egenkapital og gjeld		218 730	178 082

Balanse pr. 31. desember**Morselskap****2017****2016**

Beløp vises i tusen kr

Note**Konsern****2017****2016**

31. desember 2017

Oslo, 30. mai 2018

Egil Redse Melkevik (Sign.)
Board member, Chairman

Morten Westergren (Sign.)
Board member

Kåre Rødningen (Sign.)
Board member

Hans Fredrik Gulseth (Sign.)
Board member, General
manager

Erik Sture Larre (Sign.)

Board member

Nils Tore Nilsen (Sign.)

Board member

Kontantstrømoppstilling

Morselskap

Konsern

2017	2016	Beløp vises i tusen kr	2017	2016
Kontantstrømmer fra operasjonelle aktiviteter				
1 166	-4 155	Resultat før skattekostnad	-6 401	-9 160
292	-1 093	Endring i leverandørgjeld	348	94
		Endring i andre		
-1 087	678	tidsavgrensningsposter	6 926	16 844
371	-4 570	Netto kontantstrøm fra operasjonelle aktiviteter	874	7 778
Kontantstrømmer fra investeringsaktiviteter				
		Endring ved overtakelse av		
0	0	varige driftsmidler	-1 535	0
0	0	Påkostning i eiendomprosjekt	-35 677	-41 544
		Effekt av valutakursendringer på		
0	0	investeringsaktiviteter	0	6 343
0	0	Netto kontantstrøm fra investeringsaktiviteter	-37 211	-35 202
Kontantstrømmer fra finansieringsaktiviteter				
8 647	0	Endring av langsiktig gjeld	8 647	18 329
0	0	Endring av kortsiktig gjeld	0	4 521
		Nedbetaling av lån		
0	0	kredittinstitusjoner	-4 817	-9 619
		Utbetalinger av lån til		
-33 491	0	datterselskap	0	0
21 784	3 330	Kontantemisjon	21 784	3 330
-3 061	3 330	Netto kontantstrøm fra finansieringsaktiviteter	25 614	16 561
		Effekt av valutakursendringer på		
0	1 027	likvider	0	0
-2 689	-213	Netto endring i likvider i året	-10 724	-10 863
		Kontanter og bankinnskudd per		
3 615	3 828	01.01	14 452	25 315
925	3 615	Kontanter og bankinnskudd per. 31.12	3 728	14 452

Noter til regnskapet for 2017

Beløp vises i tusen kr

Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Konsolidering

Konsernregnskapet omfatter morselskapet Black Sea Property AS, datterselskapene Aheloy Commercial AD, Garby AD og EPO Bulgaria EOOD, og datterdatterselskapet EPO Aheloy OOD, som Black Sea Property AS har bestemmende innflytelse over.

Bestemmende innflytelse oppnås normalt når konsernet eier mer enn 50% av aksjene i selskapet, og/eller at konsernet er i stand til å utøve faktisk kontroll over selskapet. Minoritetsinteresser inngår i konsernets egenkapital. Konsernregnskapet er utarbeidet som om konsernet var en økonomisk enhet.

Transaksjoner og mellomværende mellom selskapene i konsernet er eliminert. Konsernregnskapet er utarbeidet etter ensartede prinsipper, ved at datterselskapene følger de samme regnskapsprinsipper som morselskapet.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene.

Valuta

Pengeposter i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt.

I forbindelse med konsolideringen av utenlandske datterselskaper, er gjennomsnittskursen benyttet for resultatpostene, og årssluttkurs benyttet for balansepostene. Eventuelle omregningsdifferanser blir bokført direkte mot egenkapital i konsernregnskapet.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede økonomiske levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet.

Skatter

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 23% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

Skattesatsen for datterselskapene er 10 %.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Noter til regnskapet for 2017

Beløp vises i tusen kr

Note 2 - Lønnskostnader, antall ansatte, lån til ansatte og godtgjørelse til revisor

Beløp vises i tusen kr

Antall sysselsatte årsverk i regnskapsåret er 0 i morselskapet og 0 i konsernet.

Morselskap

Selskapet har ingen ansatte, og er ikke pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.

Konsern

Konsernet har ingen ansatte.

Morselskap**Konsern**

2017	Godtgjørelse til revisor er fordelt på følgende:	2017
52	Lovpålagt revisjon	52
0	Andre attestasjonstjenester	0
24	Skatterådgivning	24
255	Andre tjenester	255
331	Sum	331

Merverdiavgift er ikke inkludert i revisjonshonoraret.

Note 3 - Varige driftsmidler

Beløp vises i tusen kr

Konsern

	Eiendom knyttet til næring	Eiendom knyttet til bolig	Prosjekt i arbeid	Møbler	Sum
Anskaffelseskost 01.01.	27 438	127 494	606	0	155 538
Tilgang 2017	0	8 850	0	1 535	10 385
Valutajustering	3 767	7 911	0	0	11 678
Endring i prosjekt	0	0	26 880	0	26 880
Anskaffelseskost 31.12.	31 205	144 255	27 486	1 535	204 480
Balanseført pr. 31.12.	31 205	144 255	27 486	1 535	204 480
Avskrivningsplan	N/A	N/A	N/A	N/A	

Eiendomsprosjektene er under utvikling og avskrivning vurderes når eiendommene er ferdigstilt og tas i bruk.

Noter til regnskapet for 2017

Beløp vises i tusen kr

Note 4 - Transaksjon med nærstående**Morselskap**

Kjøp:

I 2017 er det fakturert TNOK 20 pr. måned fra Imenco Bauer Hydraulics AS for styreformann Egil Melkevik sitt nedlagte konsulentarbeid utover styreverv.

Det er i tillegg fakturer TEUR 1 600 pr. måned fra Rehlak EOOD v/Geroge Angelov.

Salg:

Black Sea Property AS har opptjent et fasthonorar på TEUR 2,5 pr. måned i 2017 for konsulenttjenester levert til datterselskapet EPO Aheloy OOD.

Note 5 - Mellomværende med selskap i samme konsern og tilknyttet selskap

Beløp vises i tusen kr

<i>Fordringer</i>	2017	2016
Lån til foretak i samme konsern	87 184	53 791
Kundefordringer	739	409
Sum	87 922	54 200

De konserninterne lånene er som hovedregel ikke renteberegnet som følge av den finansielle situasjonen i konsernselskapene, jf. Rt 2007 1025 (Norges Høyesterett - dom av 26. juni 2007).

Nytt lån til EPO Bulgaria i 2017 på TEUR 2 185 er renteberegnet med 0,1 % i tråd med avtale.

Note 6 - Datterselskap, tilknyttet selskap m v

Beløp vises i tusen kr

Morselskap

Selskap	Anskaffelse	Kontor	Eier- andel	Resultat 2017	Egenkapital pr. 31.12	Bokført verdi pr. 31.12
EPO Bulgaria EOOD	Juni 2015	Bulgaria	100 %	-124	-3 150	0
Garby AD	August 2015	Bulgaria	50 %	3 534	3 512	8 314
Aheloy Commercial AD	August 2015	Bulgaria	48 %	-835	21 665	2 259
Sum				2 575	22 027	10 573

Overnevnte beløp er i NOK hvor resultatet er omregnet med en gjennomsnittskurs på 4,7689, mens egenkapital er omregnet med sluttkurs på 5,0313.

Noter til regnskapet for 2017

Beløp vises i tusen kr

Note 7 - Øvrig langsiktig gjeld

Beløp vises i tusen kr

Morselskap			Konsern	
2017	2016		2017	2016
-39 623	-36 345	Selgerkreditt i TEUR 4 000	-39 623	-36 345

Morselskap

Beløpet utgjør i sin helhet selgerkreditt med henholdsvis TEUR 1 500 og TEUR 2 500 i forbindelse med kjøpet fra Aheloy Beach Commercial AS og EPO Invest KS av deres aksjer i og fordringer mot datterselskapene vist i note 8. Fordringene mot Black Sea Property AS er i 2016 utdelt til aksjonærene i Aheloy Beach Commercial AS og EPO Invest KS.

Selgerkreditten løper rentefritt og skal tilbakebetales løpende når morselskapet har fri likviditet etter inndekning av øvrige forpliktelser.

Note 8 - Finansposter

Beløp vises i tusen kr

Morselskap			Konsern	
2017	2016		2017	2016
129	21	Renteinntekt	24	21
2 794	-1 032	Netto valutaposter	2 752	-747
-44	-1	Rentekostnader	-1 232	-3 302
-77	0	VPS-kostnader	-77	0
2 802	-1 011	Sum	1 467	-4 028

Konsern

Valutajustering knyttet til balanserposter hos utenlandske datterselskaper blir ført direkte mot egenkapital.

Note 9 - Bankinnskudd

Beløp vises i tusen kr

Morselskap			Konsern
2017			2017
0	Bundne bankmidler		1 520

Konsern

Bundne bankmidler er midler som er dedikert til rentebetalingen på lån i Bulgaria.

Note 10 - Tvister**Konsern**

Datterselskapene i Bulgaria er involvert i to rettssaker, disse er beskrevet i detalj i prospektet utarbeidet 13. mai 2018. Det er ikke foretatt noen avsetninger relatert til de pågående sakene da det er styrets oppfatning at sakene ikke vil ha vesentlige, negative, økonomiske konsekvenser for konsernet.

Noter til regnskapet for 2017

Beløp vises i tusen kr

Note 11 - Pant og garantier

Beløp vises i tusen kr

Morselskap			Konsern	
2017	2016	Pantsikret gjeld	2017	2016
0	0	Kortsiktig gjeld	9 840	4 521
0	0	Langiktig gjeld	59 043	63 297
0	0	Sum pantsikret gjeld	68 884	67 818

Morselskap			Konsern	
2017	2016	Sikret i panteobjekt med bokførte verdier:	2017	2016
0	0	Eiendom	202 946	163 629
0	0	Sum	202 946	163 629

Konsern

Gjeld til kredittinstitusjoner er gjennom selskapet EPO Aheloy OOD. Saldo ved årsslutt utgjør TEUR 7 000. Lånet fra UniCredit Bulbank AD ble reforhandlet i 2016, hvor løpetiden ble forlenget til 8 år. Første avdragsforfall var med TEUR 500 den 25. desember 2017. Deretter forfaller TEUR 1 000 de neste 7 årene med årlig betaling den 25. desember det enkelte år. Lånet har rente på 3 måneder EURIBOR pluss 3,5%.

Lånet er sikret med 1. prioritets pant i anlegget på Aheloy, i tillegg til annen sikkerhet yttet av de lokale samarbeidspartnere i Bulgaria.

EPO Aheloy OOD har forpliktet seg til å binde et beløp tilsvarende renter for 6 måneder i forbindelse med rentebetalinger på lånet fra UniCredit Bulbank AD, jf. note 9.

Note 12 - Egenkapital

Beløp vises i tusen kr

Morselskap				
	Aksjekapital	Overkurs	Annen egenkapital	Sum
Egenkapital 01.01.2017	300	37 167	-5 838	31 629
Årsresultat	0	0	1 166	1 166
Kontantinnskudd	315	21 469	0	21 784
Egenkapital 31.12.2017	615	58 636	-4 672	54 579

Konsern

Konsernets egenkapital er endret som følger:

	Aksjekapital	Overkurs	Annen egenkapital	Sum
Egenkapital 01.01.2017	300	37 167	1 393	38 860
Årsresultat	0	0	-6 401	-6 401
Kontantinnskudd	315	21 469	0	21 784
Valuta og andre endringer	0	0	-19 428	-19 428
Minoritetsinteresser	0	0	19 764	19 764
Egenkapital 31.12.2017	615	58 636	-4 672	54 579

Noter til regnskapet for 2017

Beløp vises i tusen kr

Note 13 - Aksjekapital og aksjonærinformasjon

Beløp vises i tusen kr

Morselskap

Aksjekapitalen består av:

	Antall	Pålydende	Balanseført
Ordinary shares	61 518 583	0,01 kr	615

De 10 største aksjonærene og nærstående i selskapet pr. 31.12:

	Ordinære aksjer	Eierandel	Stemmeandel
E. Larre Holding AS, 1)	7 055 093	11,47 %	11,47 %
CL-Holding AS, 2)	6 585 000	10,70 %	10,70 %
Total Mangement AS, 3)	6 088 217	9,90 %	9,90 %
Janine AS	3 135 259	5,10 %	5,10 %
Sundby Holding AS	2 715 055	4,41 %	4,41 %
Erik Arvid Muller	2 159 976	3,51 %	3,51 %
Espemo Invest AS	1 915 229	3,11 %	3,11 %
Tryti Holding AS	1 715 028	2,79 %	2,79 %
Ketil Solberg	1 688 214	2,74 %	2,74 %
Semeco AS	1 609 000	2,62 %	2,62 %
Sum	34 666 071	56,35 %	56,35 %
Øvrige (eierandel < 5%)	26 852 512	43,65 %	43,65 %
Totalt antall aksjer	61 518 583	100,00 %	100,00 %

1) Styremedlem Erik Sture Larre er aksjonær i E. Larre Holding AS

2) Styremedlemmene Hans Fredrik Gulseth og Erik Sture Larre eier 50 % hver av CL-Holding AS.

3) Styremedlem Nils Tore Nilsen er aksjonær i Total Management AS

Styreleder Egil Redse Melkevik er aksjonær i MTB Invest AS som er blant de øvrige aksjonærer

Styremedlem Kåre Rødningen er aksjonær i Rødningen Invest AS som er blant de øvrige aksjonærer

Styremedlem Morten Westergren er aksjonær i MW Earth Holding AS som er blant de øvrige aksjonærer

Note 14 - Skatt

Beløp vises i tusen kr

<i>Beregning av årets skattegrunnlag:</i>	2017	2016
Ordinært resultat før skattekostnad	1 166	-4 155
Permanente forskjeller	11	13
Endring i midlertidige forskjeller	-2 628	1 027
Årets skattegrunnlag	-1 452	-3 115

<i>Oversikt over midlertidige forskjeller</i>	2017	2016
Langsiktige fordringer og gjeld i valuta	2 251	-377
Sum	2 251	-377
Akkumulert fremførbart underskudd før konsernbidrag	-6 891	-5 439
Netto midlertidige forskjeller pr 31.12	-4 640	-5 816
Forskjeller som ikke inngår i utsatt skatt/-skattefordel	-4 640	-5 816
Sum	0	0

Noter til regnskapet for 2017

Beløp vises i tusen kr

Utsatt skattefordel er ikke balanseført da det er knyttet usikkerhet til når det fremførbare underskuddet kan komme til anvendelse.

Skattekostnad i konsernet på TNOK 343 relaterer seg i sin helhet til betalbar skatt.

Til generalforsamlingen i Black Sea Property AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Black Sea Property AS' årsregnskap som viser et overskudd i selskapsregnskapet på kr 1 165 872 og et underskudd i konsernregnskapet på kr 6 400 893. Årsregnskapet består av:

- selskapsregnskapet, som består av balanse per 31. desember 2017, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og
- konsernregnskapet, som består av balanse per 31. desember 2017, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- er årsregnskapet avgitt i samsvar med lov og forskrifter
- gir det medfølgende selskapsregnskapet et rettviseende bilde av den finansielle stillingen til Black Sea Property AS per 31. desember 2017 og av selskapets resultater for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.
- gir det medfølgende konsernregnskapet et rettviseende bilde av den finansielle stillingen til konsernet Black Sea Property AS per 31. desember 2017 og av konsernets resultater for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet og konsernet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift, og på tilbørlig måte å opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:

<https://revisorforeningen.no/revisjonsberetninger>

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

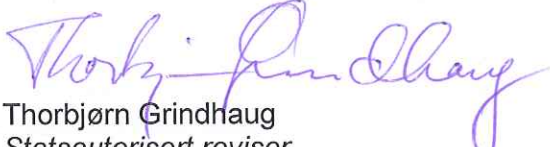
Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i styrets årsberetning om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet 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 og konsernets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 30. mai 2018

Revisjonsfirmaet Flattum & Co AS



Thorbjørn Grindhaug
Statsautorisert revisor



HALVÅRSRAPPORT

2019



BLACK SEA PROPERTY AS



REGNSKAP OG KONSERNREGNSKAP

- HALVÅRSBERETNING
- PERIODEREGNSKAP PR 30. JUNI 2019
- BALANSE PR 30. JUNI 2019

Halvårsberetning 1H-2019

Black Sea Property AS

Adresse: Sagveien 23 A, 0459 OSLO

Org.nr: 914892902

Virksomhetens art

Black Sea Property AS ble stiftet den 19. januar 2015. Morselskapets hovedoppgave er å investere i andre selskaper. Datterselskapene driver eiendomsutvikling. Black Sea Property AS har sitt forretningssted i Oslo. Datterselskapene har forretningssted og deres aktiviteter skjer i Bulgaria.

Rettvisende oversikt

Styret mener at halvårsårsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

Redegjørelse for foretakets utsikter

Styret vurderer konsernets markedsutvikling som god og viderefører eksisterende satsing innen dagens rammer og virksomhet. Det faktum at Thomas Cook gikk konkurs 23. september 2019 kan dog skape en kortsiktig turbulens i markedet for feriereiser, men styret vurderer at dette ikke vil påvirke turistmarkedet i Bulgaria, og etterspørselen etter feriereiser dit, på medium til lang sikt.

Finansiell risiko

Mesteparten av konsernets virksomhet foregår i Bulgaria, hvor mye av kostnadene skjer i bulgarske leva og i Euro. Konsernets aktivitet vil være påvirket av valutaendring mellom bulgarske leva, Euro og norske kroner.

Utvikling i resultat og stilling

Styret mener at det fremlagte halvårsregnskapet for morselskapet og tilhørende konsernregnskap gir et rettvisende bilde over utviklingen og resultatet av foretakets og konsernets virksomhet og stilling. Styret kjenner ikke til forhold inntruffet etter balansedagen som i vesentlig grad påvirker regnskapet pr. 30. juni.

Som angitt i børsmelding den 05.08 2019 forventer selskapet å ha ett finansieringsbehov på inntil EUR 4,8 Millioner i perioden frem mot sommersesongen 2020 for å dekke ulike kvalitetshevende tiltak ved Sunrise Gardens Resort og for å betale avdrag og påløpte renter på EPO Aheloy's banklån. Selskapet arbeider med ulike løsninger for å dekke dette kapitalbehovet. Selskapet har engasjert Cushman & Wakefield Forton som arbeider for å sikre en refinansiering av utestående banklån i konsernet. I tillegg arbeider selskapets styre med å vurdere mulighetene for å innhente ytterligere egenkapital. Styret anser det på nåværende tidspunkt sannsynlig at kapitalbehovet må dekkes dels ved lån og dels ved egenkapital, men fordelingen mellom finansieringsformene og tidspunktet for gjennomføring er foreløpig ikke avklart og vil avhenge av forholdene i både bank- og egenkapitalmarkedet.

Fortsatt drift

Forutsetningen om fortsatt drift er til stede og denne forutsetningen er lagt til grunn ved utarbeidelse av halvårsregnskapet.

Black Sea Property AS

Org.nr: 914892902

Oslo, 30. september 2019
Styret for Black Sea Property AS

Egil Redse Melkevik (sign.)
styreleder, daglig leder

Kåre Rødningen (sign.)
styremedlem

Hans Fredrik Gulseth (sign.)
styremedlem

Erik Sture Larre (sign.)
styremedlem

Black Sea Property AS

Org.nr: 914 892 902

Perioderegnskap 01.01-30.06.**Morselskap****1H-2019****1H-2018**

Beløp vises i tusen kr

Note**Konsern****1H-2019****1H-2018****Driftsinntekter**

144

145

Annen driftsinntekt

0

0

Driftskostnader

127

6

Lønnskostnad

127

0

990

972

Annen driftskostnad

1 890

17 266

-973

-834

Driftsresultat

-2 017

-17 266

**Finansinntekter og
finanskostnader**

1 088

1 451

Annen finansinntekt

1 061

1 451

3 590

4 211

Annen finanskostnad

4 796

4 221

-2 502

-2 760

Netto finansposter

-3 735

-2 770

-3 475

-3 594

Ordinært resultat før
skattekostnad

-5 752

-20 036

-3 475

-3 594

Årsresultat

-5 752

-20 036

Fordeling

Majoritetsinteresser

5 201

9 503

Minoritetsinteresser

552

10 533

**Overføringer og
disponeringer**

-3 475

-3 594

Udekket tap

-3 475

-3 594

Sum disponert

Balanse pr. 30. juni

Morselskap			Konsern		
30.06.19	30.06.18	Beløp vises i tusen kr	Note	30.06.19	30.06.18
Anleggsmidler					
Immaterielle eiendeler					
0	0	Konsesjoner, patenter, lisenser, varemerker		134	0
0	0	Sum immaterielle eiendeler		134	0
Varige driftsmidler					
0	0	Tomter, bygninger og annen fast eiendom		204 023	177 007
0	0	Maskiner og anlegg		208	0
0	0	Driftsløsøre, inventar, verktøy, kontormaskiner ol		1 665	1 483
0	0	Sum varige driftsmidler		205 897	178 490
Finansielle anleggsmidler					
8 314	10 573	Investeringer i datterselskap		0	0
113 212	100 239	Lån til foretak i samme konsern		0	0
175	172	Andre fordringer		536	527
121 701	110 984	Sum finansielle anleggsmidler		536	527
121 701	110 984	Sum anleggsmidler		206 567	179 017
Omløpsmidler					
Fordringer					
1 162	853	Kundefordringer		25	618
28	28	Andre fordringer		12 463	13 474
1 190	880	Sum fordringer		12 488	14 092
3 435	4 493	Bankinnskudd, kontanter og lignende		4 847	14 239
4 624	5 374	Sum omløpsmidler		17 335	28 331
126 325	116 358	Sum eiendeler		223 902	207 348

Black Sea Property AS

Org.nr: 914892902

Balanse pr. 30. juni

Morselskap				Konsern	
30.06.19	30.06.18	Beløp vises i tusen kr	Note	30.06.19	30.06.18
Egenkapital					
<i>Innskutt egenkapital</i>					
1 582	903	Aksjekapital		1 582	903
83 261	69 615	Overkurs		83 261	71 615
14 294	2 000	Annen innskutt egenkapital		14 294	0
99 137	72 518	Sum innskutt egenkapital		99 137	72 518
<i>Opptjent egenkapital</i>					
-12 105	-8 266	Annen egenkapital		-34 788	-49 661
-12 105	-8 266	Sum opptjent egenkapital		-34 788	-49 661
0	0	Minoritetsinteresser		27 381	27 562
87 033	64 252	Sum egenkapital		91 730	50 418
Gjeld					
<i>Annen langsiktig gjeld</i>					
0	13 010	Konvertible lån		0	13 010
0	0	Gjeld til kredittinstitusjoner		59 998	57 071
38 955	38 125	Øvrig langsiktig gjeld		49 225	68 690
38 955	51 135	Sum annen langsiktig gjeld		109 223	138 771
<i>Kortsiktig gjeld</i>					
0	0	Gjeld til kredittinstitusjoner		9 694	9 512
55	101	Leverandørgjeld		154	690
307	874	Annen kortsiktig gjeld		13 126	7 962
337	971	Sum kortsiktig gjeld		22 949	18 159
39 292	52 106	Sum gjeld		132 172	156 930
126 325	116 358	Sum egenkapital og gjeld		223 902	207 348

Black Sea Property AS

Org.nr: 914892902

Balanse pr. 30. juni

Morselskap

30.06.19

30.06.18

Beløp vises i tusen kr

Note

Konsern

30.06.19

30.06.18

Oslo, 30. september 2019

Egil Redse Melkevik (sign.)
styreleder, daglig leder

Kåre Rødningen (sign.)
styremedlem

Hans Fredrik Gulseth (sign.)
styremedlem

Erik Sture Larre (sign.)
styremedlem



HALVÅRSRAPPORT

2018



BLACK SEA PROPERTY AS



REGNSKAP OG KONSERNREGNSKAP

- HALVÅRSBERETNING
- PERIODEREGNSKAP PR 30. JUNI 2018
- BALANSE PR 30. JUNI 2018

Halvårsberetning 1H-2018

Black Sea Property AS

Adresse: Sagveien 23 A, 0459 OSLO

Org.nr: 914892902

Virksomhetens art

Black Sea Property AS ble stiftet den 19. januar 2015. Morselskapets hovedoppgave er å investere i andre selskaper. Datterselskapene driver eiendomsutvikling. Black Sea Property AS har sitt forretningssted i Oslo. Datterselskapene har forretningssted og deres aktiviteter skjer i Bulgaria.

Rettvisende oversikt

Styret mener at halvårsårsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

Redegjørelse for foretakets utsikter

Styret vurderer konsernets markedsutvikling som god og viderefører eksisterende satsing innen dagens rammer og virksomhet.

Finansiell risiko

Mesteparten av konsernet virksomhet foregår i Bulgaria, hvor mye av kostnadene skjer i bulgarske leva og i Euro. Konsernets aktivitet vil være påvirket av valutaendring mellom bulgarske leva, Euro og norske kroner.

Utvikling i resultat og stilling

Styret mener at det fremlagte halvårsregnskapet for morselskapet og tilhørende konsernregnskap gir et rettvisende bilde over utviklingen og resultatet av foretakets og konsernets virksomhet og stilling. Styret kjenner ikke til forhold inntruffet etter balansedagen som i vesentlig grad påvirker regnskapet pr. 30. juni.

Utgangspunktet har gjennom de siste årene vært å få kontroll over eierskapet av leiligheter og kommersielle arealer i anlegget. I den forbindelse har vi vært gjennom en rekke auksjoner og rettssaker for derigjennom å få kontroll over aktiva. For å få denne kontrollen har vi benyttet fordringer mot boet etter Aheloy Residence samt også forestått kjøp og salg mellom selskaper av aktiva. Resultatet av dette er at vi nå mener at vi har kontroll over aktiva. I første halvår har det blitt foretatt salg av kommersielle arealer for å gi risikoavlastning. Den regnskapsmessige konsekvensen av transaksjonene påvirker de bokførte verdiene. Den reelle verdien av anlegget vil være avhengig av driften når anlegget er oppe.

Fortsatt drift

Forutsetningen om fortsatt drift er til stede og denne forutsetningen er lagt til grunn ved utarbeidelse av halvårsregnskapet.

Oslo, 28. september 2018
Styret for Black Sea Property AS

Egil Redse Melkevik
Board member, Chairman

Kåre Rødningen
Board member

Hans Fredrik Gulseth
Board member, General manager

Erik Sture Larre
Board member

Perioderegnskap 01.01-30.06.

Morselskap		Beløp vises i tusen kr	Note	Konsern	
1H-2018	1H-2017			1H-2018	1H-2017
Driftsinntekter					
145	139	Annen driftsinntekt		0	0
Driftskostnader					
972	1 366	Annen driftskostnad		17 266	1 436
-834	-1 227	Driftsresultat		-17 266	-1 436
Finansinntekter og finanskostnader					
1 451	3 206	Annen finansinntekt		1 451	3 262
4 211	1 992	Annen finanskostnad		4 221	3 085
-2 760	1 214	Netto finansposter		-2 770	177
-3 594	-13	Ordinært resultat før skattekostnad		-20 036	-1 259
-3 594	-13	Årsresultat		-20 036	-1 259
Fordeling					
		Majoritetsinteresser		9 503	1 018
		Minoritetsinteresser		10 533	242
Overføringer og disponeringer					
-3 594	-13	Udekket tap			
-3 594	-13	Sum disponert			

Balanse pr. 30. juni

Morselskap			Konsern		
30.06.18	30.06.17	Beløp vises i tusen kr	Note	30.06.18	30.06.17
Anleggsmidler					
Varige driftsmidler					
0	0	Tomter, bygninger og annen fast eiendom		177 007	169 699
0	0	Driftsløsøre, inventar, verktøy, kontormaskiner ol		1 483	0
0	0	Sum varige driftsmidler		178 490	169 699
Finansielle anleggsmidler					
10 573	10 573	Investeringer i datterselskap		0	0
100 239	65 867	Lån til foretak i samme konsern		0	0
172	96	Andre fordringer		527	96
110 984	76 536	Sum finansielle anleggsmidler		527	96
110 984	76 536	Sum anleggsmidler		179 017	169 795
Omløpsmidler					
Fordringer					
853	570	Kundefordringer		618	0
28	50	Andre fordringer		13 474	50
880	620	Sum fordringer		14 092	50
4 493	15 775	Bankinnskudd, kontanter og lignende		14 239	20 380
5 374	16 395	Sum omløpsmidler		28 331	20 430
116 358	92 931	Sum eiendeler		207 348	190 225

Balanse pr. 30. juni

Morselskap				Konsern	
30.06.18	30.06.17	Beløp vises i tusen kr	Note	30.06.18	30.06.17
Egenkapital					
Innskutt egenkapital					
903	615	Aksjekapital		903	615
71 615	58 843	Overkurs		71 615	58 843
72 518	59 458	Sum innskutt egenkapital		72 518	59 458
Opptjent egenkapital					
-8 266	-5 851	Annen egenkapital		-49 661	-20 624
-8 266	-5 851	Sum opptjent egenkapital		-49 661	-20 624
0	0	Minoritetsinteresser		27 562	9 794
64 252	53 608	Sum egenkapital		50 418	48 629
Gjeld					
Annen langsiktig gjeld					
13 010	0	Konvertible lån		13 010	0
0	0	Gjeld til kredittinstitusjoner		57 071	65 848
38 125	38 513	Øvrig langsiktig gjeld		68 690	57 573
51 135	38 513	Sum annen langsiktig gjeld		138 771	123 420
Kortsiktig gjeld					
0	0	Gjeld til kredittinstitusjoner		9 512	5 842
101	93	Leverandørgjeld		690	284
874	716	Annen kortsiktig gjeld		7 962	12 050
971	810	Sum kortsiktig gjeld		18 159	18 176
52 106	39 323	Sum gjeld		156 930	141 596
116 358	92 931	Sum egenkapital og gjeld		207 348	190 225

Balanse pr. 30. juni**Morselskap****30.06.18****30.06.17**

Beløp vises i tusen kr

Note**Konsern****30.06.18****30.06.17**

Oslo, 28. september 2018

Egil Redse Melkevik
Board member, Chairman

Kåre Rødningen
Board member

Hans Fredrik Gulseth
Board member, General manager

Erik Sture Larre
Board member