

## PROSPECTUS



### **Black Sea Property AS**

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

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### **Repair Issue of minimum 1 and 5,000,000 Offer Shares towards Eligible Shareholders Subscription Period: 14 May 2018 at 09:00 hours to 28 May 2018 at 16.30 hours**

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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 5,000,000 new shares (the "**Offer Shares**") to the Company's shareholders as of 23 April 2018 (as registered in the VPS on 25 April 2018, the "**Record Date**") who were not invited to participate in the Private Placement (the "**Eligible Shareholders**") (the "**Repair Issue**"), 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 0.5437 Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date. 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 Repair Issue. Over-subscription will be allowed. Subscription without Subscription Rights is not allowed. **Subscription Rights that are not exercised before the end of the Subscription Period (i.e. before 28 May 2018 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 7-10, 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 1 "Risk Factors".

The date of this Prospectus is 13 May 2018

## IMPORTANT INFORMATION

Please refer to Section 11 "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 Repair Issue and the Offer Shares (as defined below). This Prospectus has been prepared in accordance with the Securities Trading Regulation section 7-14, cf. the Securities Trading Act section 7-10. 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 1 "Risk Factors" 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 the 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 RISK FACTORS**

### **1.1 General**

An investment in the Shares, including the Offer Shares, involves risk. Prospective investors should carefully consider the risks outlined in this Section, as well as the information contained elsewhere in the Prospectus, before deciding whether or not to subscribe for Offer Shares or to make any other investments in the Shares or the Company. The risks described below are not the only risks facing the Company. If any of the following risks were to materialize, this could have a material adverse effect on the Company and/or its business, financial condition, results of operations, liquidity and/or prospects, the value of the Shares could decline, and investors may lose all or part of their investment. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company.

A prospective investor and shareholder in the Company should carefully consider the factors set forth below, and elsewhere in this Prospectus, and should consult his or her own expert advisors as to the suitability of an investment in the Shares of the Company. An investment in the Shares, including the Offer Shares, is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

### **1.2 Risks related to the Company's business and the industry in which it operates**

#### **1.2.1 Business culture and legislation**

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

#### **1.2.2 Risk of non-completion**

Several real estate developers has worked towards completing 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 Aheloy Beach Resort as the Group may experience *inter alia* insufficient funding, changes in regulatory regime and non-performance of third parties which may hinder or delay the completion of the Aheloy Beach Resort.

#### **1.2.3 Regulatory regime, planning, zoning and permits**

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

#### **1.2.4 Management of growth**

In order to execute the Company's business plan, the Group's operations are expected to grow significantly. This growth may place a significant strain on the personnel, management systems and resources involved in the Group's business. If the Group does not manage growth effectively, its

business, results, operations and financial conditions would be materially adversely affected. The Group may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

#### 1.2.5 Key personnel

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

#### 1.2.6 The Company is dependent on third parties

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

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

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

#### 1.2.7 Decrease in property values

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

#### 1.2.8 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 Aheloy Beach Resort. Cadastral numbers for the K units may be issued when the K building has completed rough construction. For further information, please refer to Section 4.6 "Legal matters".

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

### 1.3 Financial risks

#### 1.3.1 No guarantee as to future performance

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

#### 1.3.2 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.

#### 1.3.3 Fluctations in operating results

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

- (i) timing and delivery delays;
- (ii) local bureaucracy;
- (iii) the ability to employ personnel of suitable capability;
- (iv) further environmental protectionism;
- (v) high rates of inflation in construction costs;
- (vi) transportation difficulties;
- (vii) fluctuation of fall in overall or local housing market occupancy;
- (viii) fluctuation or fall in overall or local housing market average prices; and
- (ix) fluctuation or fall in overall or local rental yields and transaction prices for commercial property in Bulgaria.

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

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

#### 1.3.4 Exchange rate risk

The Group will operate in Bulgaria, which could generate revenue, expenses and liabilities in currencies other than EUR or NOK. As a result, the Company will be subject to the effects of exchange rate fluctuations with respect to any of these currencies. The Company's reporting currency is the NOK, and the 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 favourably or unfavourably by

fluctuations in the EUR/ BGN, EUR/NOK or the NOK/BGN exchange rate, and therefore the Company will necessarily be subject to foreign exchange risk. The Company does not have any present intention to hedge these risks.

### 1.3.5 Future capital needs and additional financing

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

- (i) fund its expansion;
- (ii) complete investments and/ or acquisitions;
- (iii) successfully promote itself;
- (iv) develop or enhance its services;
- (v) respond to competitive pressures; or
- (vi) take advantage of acquisition opportunities.

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

### 1.3.6 Gearing

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

## 1.4 Political, regulatory and market risks

### 1.4.1 Risks associated with international operations

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

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

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

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

- (i) linguistic, legal and cultural differences;
- (ii) unexpected changes in regulatory requirements;
- (iii) difficulties and costs of staffing and managing international operations;
- (iv) differing technology standards;
- (v) potentially adverse tax consequences; and
- (vi) uncertain protection of property rights.

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

#### 1.4.2 Land and property ownership rights and valuations

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

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

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

#### 1.4.3 Political and regulatory environment

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

Ahelyo Commercial AD and EPO Ahelyo OOD (companies in which Black Sea Property is a shareholder) is involved in legal disputes in Bulgaria. It is possible that the Group's investments in Bulgaria will be exposed to various legal disputes and challenges also in the future. The Company recognizes that there is a risk that the Company's professional judgment are lacking substantial legal foundations. See Section 4.6 "Legal matters" for a description of the legal disputes.

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

## **1.5 Risks related to the Offer Shares and the Shares**

### **1.5.1 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.

### **1.5.2 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.

## **1.6 Notice**

**Note that the list of risk factors above 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.**

## 2 STATEMENT OF RESPONSIBILITY

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

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, 13 May 2018

The Board of Black Sea Property AS

Egil Redse Melkevik  
*Chairman*

Erik Sture Larre  
*Director*

Nils Tore Nilsen  
*Director*

Kåre Rødningen  
*Director*

Hans Fredrik Gulseth  
*Director*

Morten Westergren  
*Director*

### 3 PRESENTATION OF BLACK SEA PROPERTY

#### 3.1 Black Sea Property AS

Black Sea Property AS is a Norwegian limited liability company organized under the Norwegian Private Limited Liability Companies Act (the "**NPLCA**"). The Company was incorporated on 19 January 2015 and registered in the Norwegian Register of Business Enterprises on 30 January 2015 with registration number 914 892 902.

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

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

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

#### 3.2 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 Aheloy Beach Resort and to exploit the assets and knowledge of EPO and ABC, to save and protect the investments already made in the Aheloy Beach Resort, 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 Aheloy Beach Resort 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.  |

### 3.3 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.

#### 3.3.1 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.

#### 3.3.2 ABC transaction

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

- (i) 50% of the shares in the Bulgarian joint stock company Garby AD ("**Garby**");
- (ii) approximately 48% of the shares in Aheloy Commercial<sup>1</sup>;
- (iii) the indirect acquisition of 25% of the shares in EPO Aheloy (through the acquisition of 50% of the shares in Garby – Garby is a shareholder in EPO Aheloy);
- (iv) the indirect acquisition of shares in the Bulgarian private limited liability company Aheloy Beach Management OOD<sup>2</sup> ) (through the acquisition of shares in Aheloy 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

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<sup>1</sup> 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.

<sup>2</sup> Now renamed Aheloy Building P

- (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.

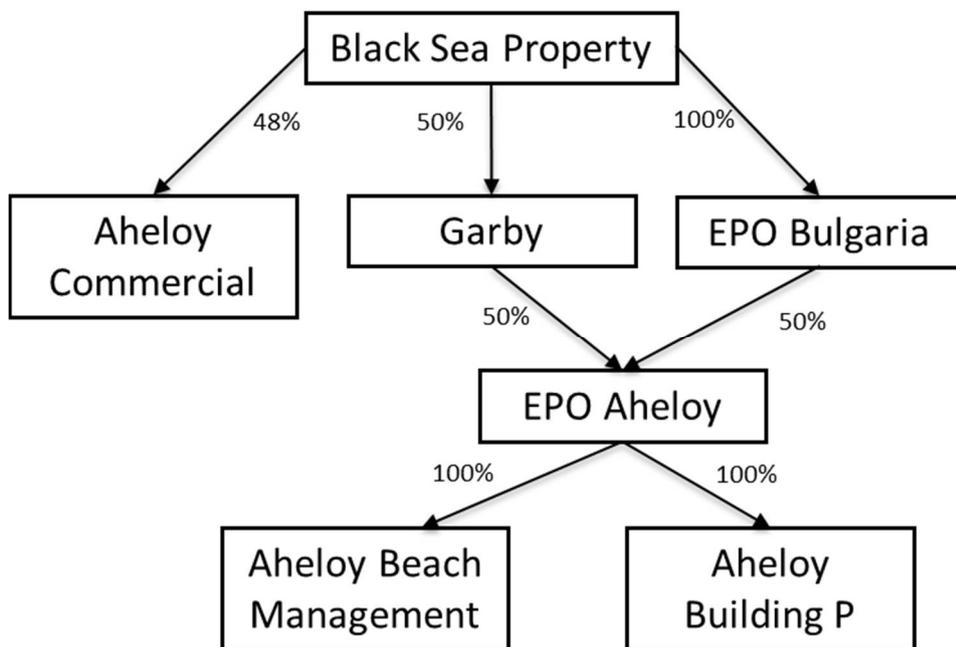
### 3.3.3 Rationale for the transactions:

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

- (i) To unite the efforts of the two Norwegian initiatives (EPO and ABC) in the Aheloy Beach Resort and to exploit the assets and knowledge of EPO and ABC;
- (ii) To save and protect the investments already made in the Aheloy Beach Resort;
- (iii) Invest in the actual values of the project; and
- (iv) To reorganize the ownership to a more straightforward and open structure, which will provide investors greater insight in their investment.

### 3.4 Corporate structure

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:



## **4 FURTHER INFORMATION ON THE AHELOY BEACH RESORT**

### **4.1 The Resort**

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. Currently a new high speed road connection (Bourgas – Sunny Beach – Varna) is under construction, to be opened in June 2018, which will divert the traffic away inland in very near future. The beach line is situated just in front of the complex and is shared with the residents and visitors of the town of Aheloy. All beaches in Bulgaria are owned by the government and free public access is mandatory.

The company EPO Aheloy is the development company for the Resort. The Company has an effective 75 % ownership stake in EPO Aheloy through holdings in EPO Bulgaria and Garby. 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 Aheloy Beach Resort. 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 and in addition 20 villas*

*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 4.3 "Current status of Aheloy Beach Resort".

Key figures of the Aheloy Beach Resort include:

- (i) The total built-up area of the resort is 80,000 square meter;
- (ii) Total number of apartments is more than 1,000;
- (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) Aheloy Beach Resort is a gated residence resort. There are no shopping and amusement centers in the vicinity, which will contribute to spending within the resort by visiting tourists; and
- (vi) The total built up area of the commercial units is approximately 19,000 square meters, which is approximately 10% of the total built up area of the resort.

#### 4.2 History of the Aheloy Beach Resort

Aheloy Beach Resort is one of the largest holiday resorts in Bulgaria and is planned to comprise, when completed, close to 2,000 apartments, of which the first 800 (Phase I and III) were finished in 2010, fully sold and currently operating under the name Midia Grand Resort. The construction of

Phase II, the Aheloy Beach Resort, was first started in 2007 and stopped in 2010 when the developer (Aheloy Residence OOD) ran into financial difficulties, due to a number of cancellations of apartment sales, failure to collect final payments from buyers and inability to obtain financing due to the general decline in the credit markets. Aheloy Residence OOD has been declared bankrupt and the bankruptcy estate has still not been settled.

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

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

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

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

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

EPO Aheloy has repaid EUR 3 million in principal of the EUR 10 million loan facility<sup>3</sup>, and is currently in the processing of raising an additional EUR 3 million construction loan from UniCredit Bulbank, with an interest rate of 3M EURIBOR + 3.5%, to be repaid in annual downpayments in December each year and with final maturity in December 2024. Disbursement of the loan is subject to entry into final agreements, establishment of mortgages, deposit of EUR 1,500,000 upfront, positive equity, reporting requirements and certain other conditions.

The building works on the Resort resumed in September 2016.

#### **4.3 Current status of Aheloy Beach Resort**

As of today's date, the construction status of Phase II of the Aheloy Beach Resort is closely following the outlined completion schedule, with estimated remaining timeline of under 90 days prior to opening. Now all 358 apartment units in buildings "N" and "M" are fully complete, with furniture and appliances installation in place. Landscape works will be carried out as planned, including facade of buildings "L" and "K" to transform the appearance of the resort. BSP is satisfied with the construction works performed and has prepared to commence works over the commercial space and the additional facilities needed.

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<sup>3</sup> For further information on the terms of the EUR 10 million loan facility, please refer to Section **Feil! Fant ikke referansekinden.** "Feil! Fant ikke referansekinden."

Building "P" is well conserved due to BSP's efforts with repaired roof, drainage lines, terraces, insulation and internal unrepairable damaged elements removed and prepared for inside construction works to begin. This building is owned by EPO Aheloy together with certain other investors. The Company intend to reach an agreement, through EPO Aheloy, with the external investors as soon as possible on their respective funding before starting actual construction works.

EPO Aheloy has successfully acquired ownership control over all assets in the now insolvent Aheloy Residence.

BSP has made good progress in planning and obtaining building permit procedure. Technical parameters of the infrastructure, zoning, approvals and passage parcel plan execution are underway.

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 Aheloy Beach Resort. The table below lists the number of units already acquired by EPO Aheloy, and the total number of units planned to be developed<sup>4</sup>.

| Building | Number of Units | Resort square meters | Average unit size | Other owners | Doba 1 units | EPOA owned units | EPOA sq. m estimate |
|----------|-----------------|----------------------|-------------------|--------------|--------------|------------------|---------------------|
| N        | 175             | 13 237               | 75,64             |              |              | 175              | 13 237              |
| M        | 183             | 12 834               | 70,13             |              |              | 183              | 12 834              |
| P        | 244             | 16 553               | 67,84             | 109          | 50           | 85               | 5 766               |
| L        | 306             | 18 800               | 61,44             | 8            |              | 312              | 19 169              |
| K *      | 100             | 6 300                | 63,00             |              |              | 100              | 6 300               |
| Total    | 1 008           | 67 724               |                   | 117          | 50           | 855              | 57 306              |
|          |                 |                      |                   | 167          |              | 855              |                     |
|          |                 |                      |                   | <b>1 022</b> |              |                  |                     |

\* Reduction according to new plans projected

#### 4.4 Plans for completion of the Aheloy Beach Resort

The current future plans involve the completion of buildings P, N & M as a first step. EPO Aheloy plans to partially operate these three buildings, scheduled for opening in the summer of 2018 (estimated cost to complete is approximately EUR 4.5m). All units that EPO Aheloy owns will be fully furnished, thus enabling EPO Aheloy to operate the resort as a hotel.

An agreement with the tour-operator Thomas Cook has been entered into between Cook and the management company for the Resort (the management company is wholly owned by EPO Aheloy) for the summer season of 2018. The consummation of the agreement is subject to, *inter alia*, opening of the Resort.

Further, the tour operators TUI, ITS and Neckermann have all showed an interest to place Aheloy in their catalogues for the summer of 2019. However, before entering into an agreement with renowned tour operators, sufficient financing must be in place to complete the buildings P, N & M on time for the 2018 summer season.

<sup>4</sup> The numbers stated for currently owned units exclude the premises designated for housekeeping and other uses.

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 Aheloy Beach Resort. The Sunset Resort 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.

#### **4.5 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 Aheloy Beach Resort 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 Aheloy Beach Resort (including all necessary governmental permits being obtained).

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

#### **4.6 Legal matters**

There are currently two ongoing legal disputes concerning the Resort and companies with interests in the Resort, as further described below.

##### **Commercial case no. 228/2011 of Sofia District court (Insolvency of Aheloy Residence OOD)**

An insolvency procedure against Aheloy Residence OOD was initiated by the Sofia District court in January 2015. Both EPO Aheloy and Dara Properties (as defined below) have receivables towards Aheloy Residence OOD.

The distributions of assets from the insolvency estate of Aheloy Residence OOD is currently ongoing.

By virtue of Court Ruling of 19 December 2017 on commercial case No. 228/2011 of Sofia District Court, the first instance court approved the second distribution account in the insolvency proceedings of EPO Aheloy.

The distribution account provides that EPO Aheloy, being the only secured creditor in the process, should receive the amount of BGN 1,149,450 (approx. EUR 587,700) upon entry into force of the final court act on commercial case No. 138/2015 of Sofia District Court (which case has now been terminated). The amount of BGN 1 149 450 represents a partial payment of the receivables of EPO Aheloy from Aheloy Residence OOD with a total amount of the principal of BGN 10 463 498.63 secured by contractual mortgage over the real estate assets of the debtor.

The court ruling of Sofia District Court for approval of the second distribution account has been appealed by some of the other creditors of Aheloy Residence. The interlocutory appeal has been

announced through the Commercial Register on 23 March 2018. EPO Aheloy and the rest of the creditors were entitled to submit replies to the interlocutory appeal by 30 March 2018. Then the case must be sent to the Sofia Court of Appeal which should review and rule on the interlocutory appeal.

The appellate instance could either reject the interlocutory appeal or amend the distribution account. The ruling of Sofia Court of Appeal will be final and upon its issuance the distribution account will enter into force.

Upon entry into force of the distribution account, the receiver of Aheloy Residence must remit the respective amount to the bank account of EPO Aheloy.

#### **Dispute involving Aheloy Commercial**

Aheloy Commercial is involved in a dispute with the Bulgarian company Zlatarsko OOD, where the latter has claimed payment of an amount of BGN 11,266,000 from Aheloy Commercial. The current status of the dispute is unclear.

Aheloy Commercial disputes and challenges the claim of Zlatarsko. The lawsuit is still pending and it cannot be predicted with certainty what the result will be, i.e. whether the claim of Zlatarsko is grounded and will be sustained or whether it is not grounded and will be rejected.

## **5 MARKET OVERVIEW**

### **5.1 Macroeconomic overview of the Bulgarian economy**

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

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

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

Bulgaria's economy is set to continue growing robustly. Domestic demand is expected to be the main growth driver, while the contribution of net exports is set to remain negative. Inflation is expected to continue increasing this year as a result of strong private demand. Positive labour market trends will continue, with robust wage increases and rising employment. Public finances are projected to remain sound, supported by the favourable macroeconomic environment and despite increases in public investment and wages.

Real GDP in Bulgaria grew by a robust 3.6% in 2017, driven by strong domestic demand. While private consumption remained buoyant, public consumption also picked up. Strong demand and lower uncertainty also spurred investment growth, mostly private investment. Real GDP growth is projected to reach 3.8% in 2018 before tapering off to 3.7% in 2019. Positive developments on the labour market and real disposable income growth are set to support strong private consumption. Private investment growth is projected to remain strong, supported by low interest rates, but to decline somewhat. The main driver of investment growth in 2018 is expected to be the capital expenditure of the government due to the uptake of EU funds under the 2014-2020 EU programming period. Higher government revenues are also forecasted to support public risks to the growth forecast. On the upside, higher wages and employment growth could translate into higher demand.

After a long period of deflation, annual HICP inflation reached 1.2% in 2017. Over the next two years, inflation is expected to rise further due to increasing purchasing power of households, rising administrative prices and higher energy prices than last year. Inflation is forecast to increase to 1.8% in 2018 and remain at the same level in 2019. The strong labour market recovery continued in 2017, with employment growth rising by 1.8% and the employment rate returning to its pre-crisis high of 64.3%.

The unemployment rate is forecasted to continue falling to 5.5% in 2018 and 5.3 % in 2019.

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

| <b>Bulgarian Economy</b>             |                |        |       |       |               |       |       |       |  |
|--------------------------------------|----------------|--------|-------|-------|---------------|-------|-------|-------|--|
| <b>AVERAGE INDEPENDENT FORECASTS</b> |                |        |       |       |               |       |       |       |  |
|                                      | Current Prices |        | 2019F | 2018F | Annual Change |       | 2015  | 2014  |  |
|                                      | BGN b          | %      |       |       | 2017E         | 2016  |       |       |  |
| Real GDP                             | 94.1           | 100,0% | 3.7%  | 3.8%  | 3.6%          | 3.9%  | 3.6%  | 1.3%  |  |
| Composition                          |                |        |       |       |               |       |       |       |  |
| <i>Private consumption</i>           | 57.3           | 60.9%  | 4.5%  | 4.9%  | 4.8%          | 3.6%  | 4.5%  | 2.7%  |  |
| <i>Public consumption</i>            | 14,7           | 15.6%  | 3.0%  | 3.7%  | 3.2%          | 2.2%  | 1.4%  | 0.1%  |  |
| <i>Gross fixed capital formation</i> | 17,5           | 18.6%  | 6.5%  | 8.7%  | 3.8%          | -6,6% | 2.7%  | 3.4%  |  |
| <i>Exports</i>                       | 60.2           | 64.0%  | 4.8%  | 5.0%  | 4.0%          | 8.1%  | 5.7%  | 3.1%  |  |
| <i>Imports</i>                       | 56.2           | 59.7%  | 6.2%  | 7.4%  | 7.2%          | 4.5%  | 5.4%  | 5.2%  |  |
| <b>Key Economic Indicators</b>       |                |        | 2019F | 2018F | 2017E         | 2016  | 2015  | 2014  |  |
| Unemployment Rate                    |                |        | 5.3%  | 5.5%  | 6.2%          | 7.6%  | 9.2%  | 11.4% |  |
| CPI                                  |                |        | 1.8%  | 1.8%  | 1.2%          | -1,3% | -1,1% | -1,6% |  |
| Current Account (% of GDP)           |                |        | 0,8%  | 1,4%  | 3,0%          | 5,3%  | 0,6%  | 0,2%  |  |
| Budget Balance (% of GDP)            |                |        | 0,5%  | 0,5%  | 0,9%          | 0,3%  | -1,1% | -1,7% |  |
| Government Debt (% of GDP)           |                |        | 21.4% | 23.3% | 25.4%         | 29.0% | 26.0% | 27.0% |  |

Source: EC, Eurostat [https://ec.europa.eu/info/publications/economy-finance/european-economic-forecast-spring-2018\\_en](https://ec.europa.eu/info/publications/economy-finance/european-economic-forecast-spring-2018_en)

## 5.2 The Bulgarian tourism market

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

The direct contribution of Travel & Tourism to GDP was BGN 3,035m, 3.1% of total. The total contribution of Travel & Tourism to GDP was BGN 11,388.7m, 11.5% of GDP in 2017, and is forecasted to rise by 0.1% in 2018, and to rise by 3.6% p.a. to BGN 16,185.0m, 13.3% of GDP in 2028.

In 2017 Travel & Tourism directly supported 90,000 jobs (2.9% of total employment). This is expected to fall by 1.8% in 2018 and rise by 2.6% p.a. to 115,000 jobs (4.1% of total employment) in 2028. The industry was 10.7% of total employment (335,500 jobs). This is expected to fall by 1.8% in 2018 to 329,500 jobs and rise by 1.3% p.a. to 374,000 jobs in 2028 (13.4% of total)

Visitor exports generated BGN 7,779.7m, 11.9% of total exports in 2017. Travel & Tourism investment in 2017 was BGN 1,453.6m, 7.4% of total investment. It should rise by 3.4% in 2018, and rise by 3.3% pa over the next ten years to BGN 2,073.9m in 2028, 7.7% of total.

## 5.3 The Bulgarian real estate market

Construction activity in the higher hotel segment has not been particularly high in last two years. The largest completed project is the 600 room RIU Helios Paradise hotel in Sunny Beach, which opened in May 2015, and where the investor Terra Tour Service invested approximately EUR 50m. That company also invests in the largest project under construction at the moment - the Hyatt Regency Hotel in Sofia. The investment in the five-star hotel amounts to EUR 30m for a total of 190 rooms.

The publicly traded tourism companies related to the major seaside resorts, report different results in terms of revenue. Albena records a double-digit growth in annual sales, while St. Konstantin and Elena is rather stable. Golden Sands, on the other hand, reports a considerable drop in revenue due to non-core income items. The accommodation prices in four and five-star hotels in the city of Sofia and Burgas and Varna regions have grown since last year. Seaside top hotels are priced higher than their counterparts in Sofia on a BB basis. For the city of Sofia, the Average Daily Rate (VAT excl.) is in the range of EUR 75-150 for the four-star and EUR 114-174 for the five-star category. The rate for

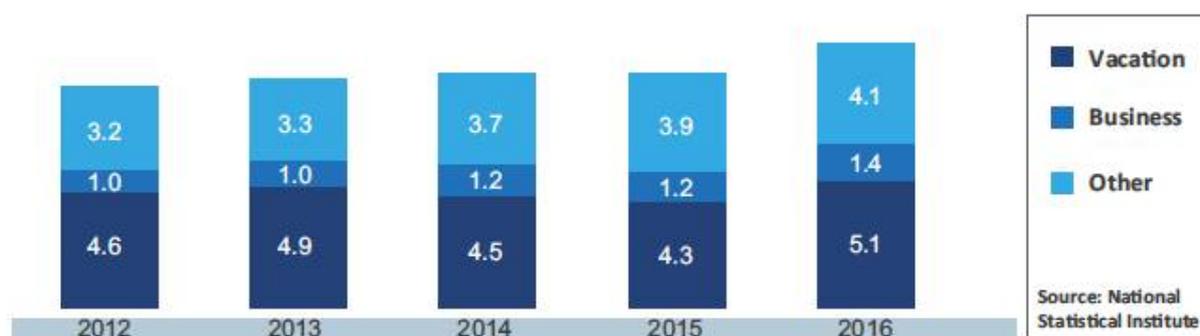
Burgas Region (for the month of July) is in the range of EUR 68-96 for the four-star and EUR 116-218 for the five-star accommodation establishments. As for Varna Region, the Average Daily Rate varies between EUR 56-93 for the four-star and EUR 127-214 for the five-star hotels.

The number of foreign citizens who visited Bulgaria in 2016 increases with regard to both holiday (20% annual increase) and business travels (19% annual increase). This positive trend could be explained by a couple of factors. The unfavorable events in Turkey, Egypt and Tunisia are a key driver for the increase in the number of tourists choosing Bulgaria as a summer destination, while Sofia benefits from the new flight lines launched by low-cost carriers such as Wizz Air and Ryanair.

The popularity of Bulgaria as a destination is constantly increasing and every year it is visited by more and more foreign tourists. The tourism sector data from the statistics for 2017, according to which foreign tourist visits exceeded 8,882 million and increased by 7,6% compared to a year earlier. An even higher growth of 9.3% is recorded in the revenues from international tourism. In 2017 total revenues from the sector amounted to BGN 6.895 billion, according to BNB data. In the last 2 years the average annual growth of tourist visits in the country is 12%, while data for the same period for the European Union is about 7%. The cheapest holiday destination for 2018, according to the Post Office's annual survey of on-the-ground costs, is Bulgaria. After comparing prices in 42 destinations, for typical travel purchases such as drinks in local bars and restaurant meals, the Black Sea resort of Sunny Beach supplanted the Algarve as the top option for budget breaks.

The Bulgarian real estate investment market continued its positive trend across all market segments throughout 2017. The investment activity was the highest since 2011, with total trading volume reaching well above 100 million euro. During 2016 the main market driver was the retail segment, drawing the interest of larger institutional buyers back to the Bulgarian market. It is expected that the availability of investment-grade assets, the increased buy-side enthusiasm from institutional buyers and the consistently improving lending terms will have a continued positive effect on the Bulgarian market and will ensure an increasing number of larger real estate transactions in 2018.

#### FOREIGN CITIZENS VISITED BULGARIA (MLN. ARRIVALS)



## 6 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 2016 and 2015 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 2017 and 2016 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 2016 and 2015 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 2017 and 2016 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).

### 6.1 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 2016, attached as Appendix 3 to this Prospectus.

### 6.2 Selected statement of income

The table below sets out selected data of income from the Annual Financial Statements for the years ended 31 December 2016 and 2015, and from the Interim Financial Statements for the periods ended 30 June 2017 and 2016.

| <i>NOK 1,000</i>                        | <b>30 June 2017</b> | <b>30 June 2016</b> | <b>31 December</b> | <b>31 December</b> |
|---|---------------------|---------------------|--------------------|--------------------|
|   | <b>(unaudited)</b>  | <b>(unaudited)</b>  | <b>2016</b>        | <b>2015</b>        |
| <b>Operational revenue</b>              |                     |                     |                    |                    |
| Other operational revenue               | 0                   | 0                   | 0                  | 0                  |
| <b>Operational costs</b>                |                     |                     |                    |                    |
| Other operational costs                 | 1,436               | 1,666               | 5,132              | 3,200              |
| <b>Operating result</b>                 | <b>-1,436</b>       | <b>1,666</b>        | <b>-5,132</b>      | <b>-3,200</b>      |
| <b>Finance income and finance costs</b> |                     |                     |                    |                    |
| Other finance income                    | 3,262               | 1,259               | 306                | 3,732              |
| Other finance costs                     | 3,085               | 3,136               | 4,339              | 6,438              |
| <b>Net financial items</b>              | <b>177</b>          | <b>-1,877</b>       | <b>-4,028</b>      | <b>-2,706</b>      |

| <i>NOK 1,000</i>                        | <b>30 June 2017<br/>(unaudited)</b> | <b>30 June 2016<br/>(unaudited)</b> | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> |
|---|-------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| <b>Ordinary result before<br/>taxes</b> | <b>-1,259</b>                       | <b>-3,543</b>                       | <b>-9,160</b>               | <b>-5,906</b>               |
| <b>Result for the period</b>            | <b>-1,259</b>                       | <b>-3,543</b>                       | <b>-9,160</b>               | <b>-5,906</b>               |

### 6.3 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 2016 and 2015, and from the Interim Financial Statements for the periods ended 30 June 2017 and 2016.

| <i>NOK 1,000</i>                                  | <b>30 June 2017<br/>(unaudited)</b> | <b>30 June 2016<br/>(unaudited)</b> | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> |
|---|-------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                     |                                     |                                     |                             |                             |
| <b>Non-current<br/>assets</b>                     |                                     |                                     |                             |                             |
| <i>Fixed assets</i>                               |                                     |                                     |                             |                             |
| Land plots,<br>buildings and<br>other real estate | 169,699                             | 124,853                             | 163,629                     | 128,428                     |
| <i>Total fixed assets</i>                         | <i>169,699</i>                      | <i>124,853</i>                      | <i>163,629</i>              | <i>128,428</i>              |
| <i>Financial assets</i>                           |                                     |                                     |                             |                             |
| Investments in<br>subsidiaries                    | 0                                   | 0                                   | 0                           | 0                           |
| Loans to group<br>companies                       | 0                                   | 0                                   | 0                           | 0                           |
| Other receivables                                 | 96                                  | 0                                   | 0                           | 0                           |
| <i>Total financial<br/>assets</i>                 | <i>96</i>                           | <i>0</i>                            | <i>0</i>                    | <i>0</i>                    |
| <b>Total non-current<br/>assets</b>               | <b>169,795</b>                      | <b>124,853</b>                      | <b>163,629</b>              | <b>128,428</b>              |
| <b>Current assets</b>                             |                                     |                                     |                             |                             |
| <i>Receivables</i>                                |                                     |                                     |                             |                             |
| Trade receivables                                 | 0                                   | 0                                   | 0                           | 0                           |
| Other receivables                                 | 50                                  | 353                                 | 0                           | 0                           |
| <i>Total receivables</i>                          | <i>50</i>                           | <i>353</i>                          | <i>0</i>                    | <i>0</i>                    |
| Cash and cash<br>equivalents                      | 20,380                              | 33,536                              | 14,452                      | 25,316                      |

| <i>NOK 1,000</i>                     | <b>30 June 2017<br/>(unaudited)</b> | <b>30 June 2016<br/>(unaudited)</b> | <b>31 December<br/>2016</b> | <b>31 December<br/>2015</b> |
|--------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| <b>Total current assets</b>          | <b>20,430</b>                       | <b>33,889</b>                       | 14,452                      | 25,316                      |
| <b>TOTAL ASSETS</b>                  | <b>190,225</b>                      | <b>158,742</b>                      | <b>178,082</b>              | <b>153,743</b>              |
| <b>EQUITY</b>                        |                                     |                                     |                             |                             |
| <i>Paid-in equity</i>                |                                     |                                     |                             |                             |
| Share capital                        | 615                                 | 300                                 | 300                         | 276                         |
| Share premium                        | 58,843                              | 37,167                              | 37,167                      | 33,861                      |
| <i>Total paid-in equity</i>          | <i>59,458</i>                       | <i>37,467</i>                       | <i>37,467</i>               | <i>34,137</i>               |
| <i>Retained earnings</i>             |                                     |                                     |                             |                             |
| Other equity                         | -20,624                             | -5,632                              | -11,631                     | -10,402                     |
| <i>Total retained earnings</i>       | <i>-20,624</i>                      | <i>-5,632</i>                       | <i>-11,631</i>              | <i>-10,402</i>              |
| Minority interests                   | 9,794                               | 10,493                              | 13,023                      | 9,233                       |
| <b>TOTAL EQUITY</b>                  | <b>48,629</b>                       | <b>42,328</b>                       | <b>38,859</b>               | <b>32,968</b>               |
| <b>LIABILITIES</b>                   |                                     |                                     |                             |                             |
| <i>Non-current liabilities</i>       |                                     |                                     |                             |                             |
| Debt to financial institutions       | 65,848                              | 69,765                              | 63,297                      | 72,033                      |
| Other long-term debt                 | 57,573                              | 37,203                              | 65,528                      | 38,462                      |
| <i>Total non-current liabilities</i> | <i>123,420</i>                      | <i>106,968</i>                      | <i>128,824</i>              | <i>110,495</i>              |
| <i>Current debt</i>                  |                                     |                                     |                             |                             |
| Debt to financial institutions       | 5,842                               | 9,186                               | 4,521                       | 9,619                       |
| Trade payables                       | 284                                 | 260                                 | 730                         | 636                         |
| Other short-term debt                | 12,050                              | 0                                   | 5,147                       | 24                          |
| <i>Total current debt</i>            | <i>18,176</i>                       | <i>9,446</i>                        | <i>10,398</i>               | <i>10,279</i>               |
| <b>TOTAL LIABILITIES</b>             | <b>141,596</b>                      | <b>116,414</b>                      | <b>139,222</b>              | <b>120,775</b>              |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>190,225</b>                      | <b>158,742</b>                      | <b>178,082</b>              | <b>153,743</b>              |

## 6.4 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 2016 and 2015.

| <i>NOK 1,000</i>  | Year ended 31 December<br>2016 | Year ended 31 December<br>2015 |
|---|--------------------------------|--------------------------------|
| <b>Cash flow from operating activities</b>                    |                                |                                |
| Ordinary results before taxes                                 | -9,160                         | -5,906                         |
| Change in trade payables                                      | 94                             | 636                            |
| Changes in other accruals                                     | 16,844                         | 24                             |
| <b>Net cash flow from operating activities</b>                | <b>7,778</b>                   | <b>-5,246</b>                  |
| <b>Cash flow from investment activities</b>                   |                                |                                |
| Changes in acquisition of non-current assets                  | 0                              | -128,428                       |
| Acquisition of shares in other companies                      | 0                              | 0                              |
| Expenditure on real estate project                            | -41,544                        | 0                              |
| Effects of currency translations                              | 6,343                          | 0                              |
| <b>Net cash flow from investment activities</b>               | <b>-35,202</b>                 | <b>-128,428</b>                |
| <b>Cash flow from financing activities</b>                    |                                |                                |
| Changes in long-term debt                                     | 18,329                         | 38,462                         |
| Changes through takeover of loans from financial institutions | 0                              | 81,652                         |
| Changes in short-term debt                                    | 4,521                          | 0                              |
| Downpayment of debt to financial institutions                 | -9,619                         | 0                              |
| Payments under loans to subsidiaries                          | 0                              | 0                              |
| Share capital increases with cash payment                     | 3,330                          | 34,137                         |
| Other changes upon forming of a group                         | 0                              | 4,737                          |
| <b>Net cash flow from financing activities</b>                | <b>16,561</b>                  | <b>158,989</b>                 |
| Effects of currency translations on liquidity                 | 0                              | 0                              |
| Net change in liquidity for the period                        | -10,863                        | 25,315                         |
| Cash and cash equivalents at the start of the period          | 25,315                         | 0                              |
| <b>Cash and cash equivalents at the end of the period</b>     | <b>14,452</b>                  | <b>25,315</b>                  |

## 6.5 Material borrowings

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

### 6.5.1 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.

|                  |                      |
|------------------|----------------------|
| <b>Debtor:</b>   | EPO Aheloy           |
| <b>Creditor:</b> | UniCredit Bulbank AD |

|                                      |   |
|--------------------------------------|---|
| <b>Principal amount:</b>             | EUR 10 million  |
| <b>Outstanding principal amount:</b> | EUR 7 million   |
| <b>Purpose of loan:</b>              | To purchase the receivables UniCredit Bulbank AD had toward Aheloy Residence EOOD.  |
| <b>Repayment profile:</b>            | EUR 1 million to be paid annually to the end of 2024.   |
| <b>Interest rate:</b>                | 3-month EURIBOR plus a margin of 3.5%. Accrued interest payable each 25 June and 25 December until final payment.   |
| <b>Final Maturity Date:</b>          | December 2024   |
| <b>Securities</b>                    | <p>This loan is secured by both mortgages and pledges, as set out below:</p> <p><u>Mortgages:</u></p> <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) Contractual mortgage over real estates in a residential building in the city of Pomorie, owned by Sunset Resort Commercial AD;</li> <li>(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;</li> <li>(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;</li> <li>(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</li> <li>(vi) First rank contractual mortgage over real estates in the village of Aheloy.</li> </ul> <p><u>Pledges:</u></p> <ul style="list-style-type: none"> <li>(vii) First rank pledge over the enterprise of EPO Aheloy;</li> <li>(viii) First rank pledge over the receivables in the amount of EUR 1.8 million, frozen in an account in the name of EPO Aheloy;</li> <li>(ix) 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.</li> </ul> |
| <b>Other issues</b>                  | UniCredit Bulbank has now committed to providing additional loan of EUR 3m to the construction works on the Aheloy Beach Resort within 2018.  |

|  |  |
|--|--|
|  |  |
|--|--|

### 6.5.2 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. However, EPO Aheloy is currently increasing its registered capital with the respective historical loan amounts provided by its shareholders. Upon completion of the restructuring it will have two shareholders, EPO Bulgaria with 75% and Sunset Resort Holding with 25% each, with respective capital of EUR 8,007,678 and EUR 2,669,225. This is being executed as part of the requirements from UniCredit Bulbank for the provision of EUR 3m as a new construction loan. As a result the only outstanding loans payable by EPO Aheloy to parties in the Group will be to Sunset Resort Holding of EUR 541,820 and to BSP EUR 1,257,000.

### 6.5.3 Convertible loan – Black Sea Property

In December 2017, the Company raised a convertible loan from certain of its shareholders of NOK 12,410,000, of which 25% of the loan amount may be converted into shares in the Company upon maturity of the loan. In addition, the remainder (75%) of the loan may be converted into Shares in the Company if the Company carries out a share capital increase with minimum gross proceeds equivalent to 200,000 euros. The Company carried out the Private Placement of NOK 11.5 million in May 2018, and the right to convert 75% of the convertible loan has now been triggered. As of the date of this Prospectus, none of the lenders have requested conversion of their part of the loan.

Other main terms of the convertible loan are as follows:

- The loan shall receive an interest rate of 10% p.a.
- The loan, as well as accrued interest, shall be paid in one bullet payment on due date 1 February 2020.
- The loan will be secured with second priority mortgages in buildings N and M of the Resort. In addition, it shall be possible to require first priority mortgage in the Resort's building plot after 6 months after the borrowing date if such mortgage is not necessary in connection with EPO Aheloy's uptake of a EUR 3 million construction loan. As of the date of this Prospectus, no security has been established due to ongoing discussions with UniCredit Bulbank.

## 6.6 Significant changes since 30 June 2017

Since 30 June 2017, an agreement has been entered into with tour operator Thomas Cook for the resort (applies for the summer season of 2018), technical plans for sewage and fresh water supply connections have been approved and the Company has raised a convertible loan from certain shareholders of NOK 12.4 million. Time used for negotiating a solution with UniCredit Bulbank, including the discussions for self-participation, has put pressure on the previously announced schedule for opening of the Resort. EPO Aheloy has therefore decided to open 358 apartments for the 1<sup>st</sup> year (building "N" and "M") at the earliest 1 July 2018 and base first year operations on last minute sales. This approach will minimize the risk of depending on receiving pre-payments from tour-operators and thereafter not meeting their requirements for such pre-payments with respect to opening date. Apart from this, there have been no events of significant importance to the Company after the last balance-sheet date on 30 June 2017.

## 7 THE BOARD OF DIRECTORS

### 7.1 Overview

The general meeting is the highest authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the Company's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Company does not currently have any employees. However, 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.

### 7.2 Board of Directors

#### 7.2.1 General

The Articles of Association provide that the Board of Directors shall consist of between 2 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 Admission Document are set out in the table below.

| Name                 | Position | Served since | Term expires | Shares                  |
|----------------------|----------|--------------|--------------|-------------------------|
| Egil Melkevik        | Chair    | 2015         | 2018         | 681,388 <sup>5</sup>    |
| Erik Sture Larre     | Director | 2015         | 2018         | 16,451,525 <sup>6</sup> |
| Nils Tore Nilsen     | Director | 2015         | 2018         | 8,463,217 <sup>7</sup>  |
| Kåre Rødningen       | Director | 2015         | 2018         | 1,589,849 <sup>8</sup>  |
| Hans Fredrik Gulseth | Director | 2015         | 2018         | 7,246,037 <sup>9</sup>  |
| Morten Westergren    | Director | 2015         | 2018         | 149,347 <sup>10</sup>   |

<sup>5</sup> Held through MTB Invest AS, a company controlled by Egil Melkevik.

<sup>6</sup> Held through E.Larre Holding AS, a company controlled by Erik Sture Larre, and through CL-Holding AS, a company jointly owned by Erik Sture Larre and Hans Fredrik Gulseth.

<sup>7</sup> Held through Total Management AS, a company controlled by Nils Tore Nilsen.

<sup>8</sup> Held through Rødningen Invest AS, a company controlled by Kåre Rødningen.

<sup>9</sup> Held personally, through Christinedal AS, a company controlled by Hans Fredrik Gulseth, and through CL-Holding AS, a company jointly owned by Hans Fredrik Gulseth and Erik Sture Larre.

<sup>10</sup> Held through MW Earth Holding AS, a company controlled by Morten Westergren.

## 7.2.2 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 employer 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.

### **Nils Tore Nilsen**

Mr. Nilsen has served as a member of the Board in BSP since November 2015. He has been self-employed since 1995, and has broad experience from investments in the real estate sector. Mr. Nilsen graduated from the Officer School, Norway War Academy, Norway Army Staff College.

### **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.

### **Morten Westergren**

Mr. Westergren has served as a member of the Board in BSP since November 2015. Mr. Westergren has broad experience from the retail and trade sector, and currently holds the position as Retail and Trade Manager with Rema 1000. Mr. Westergren graduated from the Norwegian Retail and Trade Academy.

## 7.3 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 on two occasions. On both occasions, the share options have been awarded as compensation for their services on the Board of Directors in lieu of cash payment.

In the annual general meeting in 2017, the following share options were awarded:

- Egil Melkevik (chairman): 714,286 options;
- Hans Fredrik Gulseth: 714,286 options;

- Erik Sture Larre: 357,143 options;
- Nils Tore Nilsen: 357,143 options;
- Kåre Rødningen: 357,143 options; and
- Morten Westergren: 357,143 options.

The share options were granted free of charge, and each gives the right to require issuance of one new Share in the Company. The strike price for the options are NOK 0.01 per share to be issued, and the options may be exercised at any time until 31 January 2019.

In the extraordinary general meeting held on 4 December 2017, the following share options were awarded:

- Egil Melkevik (chairman): 357,143 options;
- Hans Fredrik Gulseth: 357,143 options;
- Kåre Rødningen: 178,571 options;
- Nils Tore Nilsen: 89,286 options;
- Erik Sture Larre: 89,286 options; and
- Morten Westergren: 89,286 options.

## 8 SHARE CAPITAL AND SHAREHOLDER MATTERS

### 8.1 Share capital and share capital development

As of the date of this Prospectus, the Company's share capital is NOK 902,685.83, divided into 90,268,583 Shares, each with a nominal value of NOK 0.01<sup>11</sup>. 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 AB (Publ), 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                                    |
| Pending registration | Private Placement  | 287,500                              | 0.01                      | 0.40                     | 90,268,583                     | 902,685.83                                    |

### 8.2 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 25 April 2018 (prior to distribution of Shares subscribed in the Private Placement completed in May 2018).

| # | Shareholder name    | No. of Shares | % of total Shares |
|---|---------------------|---------------|-------------------|
| 1 | E. Larre Holding AS | 7,055,093     | 11.47             |
| 2 | CL-Holding AS       | 6,585,000     | 10.70             |
| 3 | Total Management AS | 6,088,217     | 9.90              |

<sup>11</sup> Due to the recent completion of the Private Placement, the latest increase in share capital (of NOK 287,500) has not yet been registered in the Norwegian Register of Business Enterprises.

|                          |                      |            |       |
|--------------------------|----------------------|------------|-------|
| 4                        | Janine AS            | 3,135,259  | 5.10  |
| 5                        | Erik Arvid Muller    | 2,750,061  | 4.47  |
| 6                        | Sundby Holding AS    | 2,715,055  | 4.41  |
| 7                        | Espemo Invest AS     | 1,915,229  | 3.11  |
| 8                        | Tryti Holding AS     | 1,715,028  | 2.79  |
| 9                        | Ketil Solberg        | 1,688,214  | 2.74  |
| 10                       | Semeco AS            | 1,609,000  | 2.62  |
| 11                       | VK Invest AS         | 1,493,893  | 2.43  |
| 12                       | A-J Eiendom AS       | 1,494,408  | 2.42  |
| 13                       | Dag Johan Molvær     | 1,066,464  | 1.73  |
| 14                       | K. Bugge AS          | 1,065,000  | 1.73  |
| 15                       | EFO Egedomsinvest AS | 1,040,000  | 1.69  |
| 16                       | Rødningen Invest AS  | 999,971    | 1.63  |
| 17                       | TKP Invest AS        | 790,594    | 1.29  |
| 18                       | Kai Hording          | 748,603    | 1.22  |
| 19                       | Roja AS              | 724,990    | 1.18  |
| 20                       | Carl Petter Sand     | 674,262    | 1.10  |
| Top 20 holders of Shares |                      | 45,351,341 | 73.72 |
| Other                    |                      |            |       |
| Total                    |                      | 61,518,583 | 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.

### 8.3 Authorisations

The Board of Directors hold 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     |
|-----------------|--|---|-----------------------|-----------------|
| 27 June 2017    | Issuance of shares to Board Members following exercise of share options. | NOK 28,571.43                                   | 0                     | 31 January 2019 |
| 4 December 2017 | Issuance of shares to Board Members following exercise of share options. | NOK 11,607.14                                   | 0                     | 1 August 2019   |

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

## **8.4 Financial instruments**

Apart from those options described in Section 7.3 "Share options held by members of the Board of Directors" and the convertible loan described in Section 6.5.3 "Convertible loan – Black Sea Property", 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 subsidiaries. Further, none of the companies in the Group has issued any convertible loans or subordinated debt or transferrable securities.

## **8.5 Shareholder rights**

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 8.5.1 "The Articles of Association" and Section 8.5.2 "Certain aspects of Norwegian corporate law".

### **8.5.1 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 8 May 2018, 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 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 902,685.83, divided into 90,268,583 Shares, each with a nominal value of NOK 0.01<sup>12</sup>. 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.

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<sup>12</sup> Due to the recent completion of the Private Placement, the latest increase in share capital (of NOK 287,500) has not yet been registered in the Norwegian Register of Business Enterprises.

### **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.

#### **8.5.2 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 authorisation 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.

## 9 THE REPAIR ISSUE

### 9.1 Background and overview of the Repair Issue

The general meeting of the Company has proposed to carry out a repair Issue with gross proceeds of up to NOK 2 million (the Repair Issue) through issuance of minimum 1 new Share and maximum 5,000,000 new Shares (the Offer Shares). The Repair Issue is directed towards the Company's shareholders as of 23 April 2018 (as registered in the VPS on 25 April 2018, the Record Date) (the Eligible Shareholders). The subscription price per Offer Share (the "**Subscription Price**") is NOK 0.40.

Each Eligible Shareholder will be granted 0.5437 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 Repair Issue. 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 is not permitted.

Any announcements regarding the Repair Issue will be as stock exchange notices published at [www.newsweb.no](http://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 (pursuant to the exercise of the Subscription Rights) may be lawfully made.

The Company is currently in the processing of raising an additional EUR 3 million construction loan from UniCredit Bulbank, with an interest rate of 3M EURIBOR + 3.5%, to be repaid in annual downpayments in December each year and with final maturity in December 2024. Disbursement of the loan is subject to entry into final agreements, establishment of mortgages, deposit of EUR 1,500,000 upfront (a self-participation equity contribution), positive equity, reporting requirements and certain other conditions. The proceeds from the Repair Issue will be used to partly finance the self-participation equity contribution, and for general corporate purposes.

The Repair Issue is not underwritten or guaranteed.

The Company will use Nordea Bank AB (Publ), Filial i Norge, as settlement agent (the "**Settlement Agent**") for the Repair Issue.

### 9.2 Resolution regarding the Repair Issue

At an extraordinary general meeting in the Company held on 25 April 2018, the following resolution regarding the Repair Issue was passed:

- (i) *The share capital is increased with minimum NOK 0.01 and maximum NOK 50,000 through issue of minimum 1 new share and maximum 5,000,000 new shares, each with a par value of NOK 0.01.*
- (ii) *The Company's shareholders as of 23 April 2018, as registered in the VPS on 25 April 2018 (the "**Record Date**"), that were not invited to participate in the private placement, as set out in Appendix 4 to the minutes, (the "**Eligible Shareholders**"), shall receive rights to subscribe for,*

- and be allocated, the new shares in the rights issue;*
- (iii) The shareholders' preferential rights to subscribe new shares pursuant to the Private Limited Liability Companies Act section 10-4 is set aside.*
  - (iv) Each Eligible Shareholder shall receive 0,5437 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;*
  - (v) Oversubscription will be permitted, however subscription without subscription rights will not be allowed;*
  - (vi) Allocation of new shares shall be made by the board of directors. The following allocation criteria shall apply:
    - (a) Allocation will be made to subscribers on the basis of granted 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; and*
    - (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.**
  - (vii) The subscription price shall be NOK 0.40 per share. The subscription amount for the new shares shall be settled by cash payment;*
  - (viii) The subscription period shall commence on 14 May 2018 at 09:00 hours (CET) and end on 28 May 2018 at 16:30 hours (CET).*
  - (ix) The subscription of the new shares shall take place on a separate subscription document within 28 May 16.30 CET;*
  - (x) The due date for payment of the new shares is 4 June 2018;*
  - (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; and*
  - (xiii) The estimated expenses related to the share capital increase are NOK 75,000.*
  - (xiv) The resolutions in item 4 and 5 of the general meeting is mutually dependent on the resolutions actually being passed.*

### **9.3 Conditions for completion of the Repair Issue**

The completion of the Repair Issue 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 Repair Issue 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.

#### 9.4 The Offer Shares

The Offer Shares are ordinary Shares in the Company with a nominal value of NOK 0.01 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 June 2018).

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 11 June 2018). 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 8.5 "Shareholder rights" for an overview of the rights pertaining to the Offer Shares.

#### 9.5 Share capital after the Repair Issue

Depending on the amount of Offer Shares subscribed in the Repair Issue, the Company's share capital will increase with minimum NOK 0.01 and maximum NOK 50,000. Following completion of the Repair Issue, the Company's share capital will be minimum NOK 902,685.84 and maximum NOK 952,685.84, divided by minimum 90,268,584 Shares and maximum 95,268,584 Shares, all with a par value of NOK 0.01.

#### 9.6 Subscription Period and timetable

The subscription period runs from and including 14 May 2018 09.00 CEST 28 May 2018 at 16.30 CEST (the "**Subscription Period**").

The timeline for the Repair Issue 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 Repair Issue. | 23 April 2018           |
| First day of trading in the Company's shares exclusive of the right to participate in the Repair Issue | 24 April 2018           |
| Record Date  | 25 April 2018           |
| EGM to resolve the Repair Issue  | 25 April 2018           |
| First day of the subscription period in the Repair Issue.  | 14 May 2018             |
| Last day of the subscription period in the Repair Issue.   | 28 May 2018             |
| Allocation of subscribed shares in the Repair Issue.   | On or about 29 May 2018 |
| Payment Due Date for shares allocated in the Repair Issue.   | 4 June 2018             |

|  |                           |
|--|---------------------------|
| Registration of the share capital increase pertaining to the Repair Issue in the Norwegian Register of Business Enterprises. | On or about 7 June 2018*  |
| Delivery of shares to subscribers in the Repair Issue.   | On or about 11 June 2018* |
| Listing of the shares issued in the Repair Issue on Merkur Market.   | On or about 11 June 2018* |

*\* 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.*

### **9.7 Record Date for Eligible Shareholders**

The date for determining the Eligible Shareholders who receive Subscription Rights was 23 April 2018, as registered in the VPS on 25 April 2018 (the Record Date).

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired until and including 23 April 2018 will give the right to receive Subscription Rights, whereas Shares that were acquired from and including 24 April 2018 will not give the right to received Subscription Rights.

### **9.8 Subscription Rights**

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 Repair Issue. Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.5437 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 001 0822828 and was distributed to each Eligible Shareholder's VPS account on 11 May 2018. The Subscription Rights will be distributed free of charge to the Eligible Shareholders.

### **9.9 Subscription and payment procedure**

Subscription of Offer Shares may be made electronically through the VPS online subscription system (available on <https://investor.vps.no/sc/servlet/no.vps.sc.servlets.SCLogonServlet?ISIN=NO0010822828&Tsted=06824&Sig=0f9bff2da636be8e672438decf3c58150114e72602bef2ba18d1c5d3379a03ad>) 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 Application Period (28 May 2018 at 16.30 CET):

**Nordea Bank AB (Publ), 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 4 June 2018 (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. 1 June 2018. 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 1 June 2018 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 8.5%.

#### **9.10 Allocation of Offer Shares**

The Board will allocate the Offer Shares on or about 29 May 2018 in accordance with the following criteria:

- (i) Allocation will be made to Eligible Shareholders on the basis of granted 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) Offer Share; and
- (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 Offer 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.

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 Repair Issue 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 29 May 2018. The Company expects to issue a stock exchange notification announcing the results of the Repair Issue on or about 29 May 2018.

#### **9.11 Proceeds and expenses related to the Repair Issue**

The gross proceeds to the Company in the Repair Issue will depend on the number of subscribed Offer Shares, however limited up to NOK 2 million.

The Company will bear the fees and expenses related to the Repair Issue, which are estimated to amount to approximately NOK 75,000. No expenses or taxes will be charged by the Company to the subscribers in the Repair Issue.'

#### **9.12 Governing law and jurisdiction**

This Prospectus, and the terms and conditions of the Repair Issue, 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 Repair Issue shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo as legal venue.

## 10 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.*

### 10.1 Norwegian Shareholders

#### 10.1.1 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 (23% flat rate), implying that such dividends are effectively taxed at a rate of 0.69%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**") is grossed up with a factor of 1.33 before taken to taxation as ordinary income (23% flat rate, resulting in an effective tax rate of 30.59%) 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.

#### 10.1.2 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 1.33 before taken to taxation at a rate of 23% (resulting in an effective tax rate of 30.59%. 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.

### 10.1.3 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.

## 10.2 Non-resident Shareholders

### 10.2.1 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 10.1.1 "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.

#### 10.2.2 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.

#### 10.2.3 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.

### **10.3 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.

## 11 DEFINITIONS AND GLOSSARY OF TERMS

| Term                                    | Definition   |
|---|--|
| <b>Aheloy Commercial</b>                | 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.  |
| <b>Annual Financial Statements</b>      | The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2016 and 2015.   |
| <b>Black Sea Property or BSP</b>        | Black Sea Property AS, registration number 914 892 902 and registered address Filipstad Brygge 1, 0252 Oslo, Norway.   |
| <b>Board</b>                            | The board of directors of the Company.   |
| <b>Company</b>                          | Black Sea Property AS, registration number 914 892 902 and registered address Filipstad Brygge 1, 0252 Oslo, Norway.   |
| <b>Eligible Shareholders</b>            | Shareholders in the Company as of 23 April 2018 (as registered in the VPS on 25 April 2018, the Record Date) who were not invited to participate in the Private Placement, 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. |
| <b>EPO Aheloy</b>                       | 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.   |
| <b>EPO Bulgaria</b>                     | 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.   |
| <b>Financial Statements</b>             | The Annual Financial Statements and Interim Financial Statements jointly.  |
| <b>Foreign Corporate Shareholders</b>   | Shareholders of the Company who are limited liability companies and similar entities, and who are not resident in Norway for tax purposes.   |
| <b>Foreign Individual Shareholders</b>  | Shareholders of the Company who are not resident in Norway for tax purposes, and who are not Foreign Corporate Shareholders.   |
| <b>Foreign Shareholders</b>             | Shareholders of the Company who are not resident in Norway for tax purposes.   |
| <b>Garby</b>                            | Garby AD, a Bulgarian joint stock company with registration number EIK 202674327 and registered address 5, Han Pagan Str., Sofia 1680, Bulgaria.   |
| <b>Group</b>                            | 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.  |
| <b>Interim Financial Statements</b>     | The Group's unaudited consolidated interim financial statements as of, and for the periods ended, 30 June 2017 and 2016.   |
| <b>NGAAP</b>                            | Norwegian Generally Accepted Accounting Principles   |
| <b>NPLCA</b>                            | The Norwegian Private Limited Liability Companies Act ( <i>Nw: aksjeloven</i> ) of 13 June 1997 no. 44.  |
| <b>Norwegian Corporate Shareholders</b> | Shareholders of the Company who are limited liability companies and similar entities, and who are resident in Norway for tax purposes.   |

|  |   |
|--|---|
| <b>Norwegian Individual Shareholders</b> | Shareholders of the Company who are resident in Norway for tax purposes, and who are not Norwegian Corporate Shareholders.                          |
| <b>Norwegian Shareholders</b>            | Shareholders of the Company who are resident in Norway for tax purposes.  |
| <b>Record Date</b>                       | 25 April 2018.  |
| <b>Repair Issue</b>                      | The offering of 5,000,000 Offer Shares to the Eligible Shareholders.  |
| <b>Resort</b>                            | The Aheloy Beach Resort.  |
| <b>Offer Shares</b>                      | The 5,000,000 new Shares offered in the Repair Issue.   |
| <b>Payment Due Date</b>                  | 4 June 2018.  |
| <b>Private Placement</b>                 | The private placement with gross proceeds of NOK 11.5 million completed in May 2018.  |
| <b>Prospectus</b>                        | This prospectus dated 13 May 2018, and its appendices.  |
| <b>Securities Trading Act</b>            | The Norwegian Securities Trading Act of 29 June 2006 no. 75 ( <i>Nw: verdipapirhandelloven</i> ).   |
| <b>Securities Trading Regulation</b>     | The regulation of 29 June 2006 no. 876 to the Securities Trading Act ( <i>Nw: verdipapirforskriften</i> ).  |
| <b>Settlement Agent</b>                  | Nordea Bank AB (Publ), Filial I Norge.  |
| <b>Subscription Rights</b>               | Right(s) granted to each Eligible Shareholder, which gives a preferential right to subscribe for and be allocated Offer Shares in the Repair Issue. |
| <b>Subscription Period</b>               | The period commencing on 14 May 2018 at 09.00 hours (CEST) and ending on 28 May 2018 at 16.30 hours (CEST).   |
| <b>Shares</b>                            | "Shares" means the shares in the capital of Black Sea Property, each having a nominal value of NOK 0.01, and "Share" means any one of them.         |
| <b>Subscription Form</b>                 | 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 902 685,83 fordelt på 90 268 583 aksjer, hver pålydende NOK 0,01.

**§ 5 Overdragelse av aksjer**

Ved overdragelse av aksjer har de øvrige aksjeeierne ingen forkjøpsrett.

**§ 6 Styresamtykke**

Erverv av aksjer i selskapet er ikke betinget av samtykke fra selskapet.

**§ 7 Elektronisk kommunikasjon**

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

**§ 8 Styret – firmategning**

Selskapets styre består av 1 til 7 styremedlemmer etter generalforsamlingens nærmere beslutning.

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

**§ 9 Ordinær generalforsamling**

Den ordinære generalforsamling skal behandle:

1. 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/<br>Subscriber's name:   |          | Tegningsfrist/<br>Deadline for subscription:  | 28 May 2018 at 16.30 CET  |
| Adresse/<br>Address:  |          | Oppgjørsfrist/<br>Payment date:   | 4 June 2018   |
| Fødselsnummer/ national identity<br>number or organisasjonsnummer/<br>Reg. no.: |          |   |   |
| Antall tegningsretter/ Number of<br>subscription rights:                        |          | Antall aksjer inkludert overtegning/<br>Number of shares, including over-<br>subscription:                            |   |
| Tegningskurs pr. aksje/<br>Subscription price per share:                        | NOK 0.40 | Samlet tegningsbeløp/<br>Aggregate subscription amount:   | NOK _____<br>(Number of shares X subscription<br>price of NOK 0.40) |
| Tegnerens VPS-konto/<br>Subscriber's VPS account:                               |          | Bankkontonummer for trekk av samlet<br>tegningsbeløp/ Bank account no. for<br>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 Repair Issue" inntatt i prospektet datert 13. mai 2018.

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 AB (Publ), 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 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 Repair Issue", included in the prospectus dated 13 May 2018.

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

**Nordea Bank AB (Publ), 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 2016**

## **Årsberetning**

### **Årsregnskap og konsernregnskap**

- Resultatregnskap**
- Balanse**
- Kontantstrømpoppstilling**
- Noter**

## **Revisjonsberetning**

# Årsberetning 2016

## **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 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 krone.

### **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 i 2016**

Selskapet ble notert og hadde sin første handelsdag på Mercur Market den 12. januar 2016 med tickerkode BSP-ME.

Selskapet gjennomførte i første halvår av 2016 en omfattende prosess for å velge entreprenør, og etter at det i første omgang ble mottatt 7 tilbud fra lokale entreprenører ble San Marco Group EOOD endelig valgt og byggearbeidene på resorten startet den 01. september 2016. Ved utgangen av året var leilighetene i bygg N nær ferdigstilt, med påfølgende aktiviteter knyttet til installasjon av heiser tidlig 2017. Byggeprosessen har i all hovedsak gått etter plan, og samarbeidet med valgt entreprenør er videreført også for bygg M som er under ferdigstilling nå.

Det er vedtatt en prosjektplan for Resorten som innebærer en reduksjon i antall leiligheter i bygning «K» fra 300 til 100 leiligheter. Dette reduserer det totale antallet leiligheter etter ferdigstilling til 1000 hvorav 841 leiligheter vil eies av Selskapets datterselskap EPO Aheloy OOD. Denne reduksjonen vil forbedre kvaliteten på de gjenværende leilighetene samt også redusere den økonomiske risikoen i prosjektet.

I siste kvartal 2016 fikk Black Sea Property AS' deleide selskap i Bulgaria forhandlet frem en løsning med sin bank på forlengelse av løpetiden til 8 år. Dette medfører at lån på 7,5MEUR vil bli nedbetalt over 8 år der første avdrag skal betales i desember 2017 med 500 tusen EURO for deretter å bli betalt ned med 1MEUR årlig de neste 7 årene. I tillegg til å refinansiere banklånet ble det initiert aktiviteter for å skaffe kapital for

ferdigstillelse av leilighetsbyggene P,N og M som samlet representerer noe over 600 leiligheter.

Markedet for ferieeiendom i Bulgaria har opplevd et oppsving den siste tiden, da politiske faktorer i Tyrkia og Nord-Afrika gjør at Bulgaria anses som en tryggere destinasjon som også tilbyr rimelige priser. Ferieeiendom i Bulgaria er også stadig mer attraktivt for en bredere gruppe kjøpere fra hele verden enn tidligere. Selskapet forventer at disse trendene vil påvirke Resorten positivt i perioden fremover.

## **Kort om utviklingen i 2017**

Det ble i første kvartal 2017 hentet inn 22MNOK gjennom en Fortrinnsrettsemisjon. Styret er svært fornøyd med den høye deltagelsen i fortrinnsrettsemisjonen som sammen med forlenget løpetid på lånet i datterselskapet EPO Aheloy skaper et godt grunnlag for videre bygging og utvikling av Aheloy Beach Resort.

Ved utgangen av 2016 eide konkursboet etter den opprinnelige utvikleren 232 leiligheter. EPO Aheloy har påstartet prosessen med å erverve disse leilighetene samt også landet. Hittil i 2017 har EPO Aheloy fått tilslag på 99 leiligheter samt ca. 10 tusen kvadrat med tomt nær resorten. Det arbeides også med å erverve resterende land og leiligheter gjennom tilsvarende prosess. Enkelte andre kreditorer i Aheloy Residence boet har påklaget saksbehandlingen knyttet til auksjonsprosessen og beslutningen om å utpeke EPO Aheloy som vinner av auksjonen, og beslutningen kan således bli opphevet. Selskapets juridiske rådgivere i Bulgaria forventer at disse protestene ikke vil føre frem.

Aheloy Commercial AD, et selskap eid 48 % av Black Sea Property, er saksøkt av Aheloy Residence og det tilknyttede selskapet Zlatarsko OOD. Tvisten er en forlengelse av tidligere rettsaker og forventes ikke løst i det korte perspektiv. Selskapet arbeider tett med sine bulgarske juridiske rådgivere for å håndtere denne rettsaken og for å finne en løsning for de kommersielle arealene på Resorten.

Selskapet har påstartet prosesser for å forberede Resorten for dens operative fase, og vil blant annet etablere et forvaltningsselskap sammen med lokal partner for håndtering av drift og forvaltning av Resorten. Det arbeides også mot å ansette en hotellsjef.

I 2017 har konsernet avhendet datterselskapet Dara Properties EOOD.

## **Status på ferdigstillelse av Aheloy Beach Resort**

Byggearbeidene har fortsatt i 2017, og ved utløpet av mai er alle enhetene i Bygg N ferdig og møblert.

Byggearbeidene på bygg M pågår og forventes ferdigstilt i juli sammen med hoveddelen av landskapsarbeidet rundt byggene P,N og M. Kommersielle arealer, resepsjon samt også resterende landskapsarbeid forventes ferdigstilt i April 2018.

Resorten planlegges å åpne i mai 2018 med samlet ca 600 leiligheter ferdigstilt. Det arbeides fortsatt med å finne løsninger for vann & kloakk samt elektrisitet på Resorten.

## **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 2016. Det har ikke vært skader eller ulykker i 2016.

## **Likestilling**

Konsernet og morselskapet har i 2016 ingen ansatte, og styret i morselskapet har hatt 7 medlemmer. Blant styremedlemmene har det vært kun menn.

## Black Sea Property AS

Org.nr: 914 892 902

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### Ytre miljø

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

### Resultatdisponering og utbyttegrunnlag

Underskuddet i Black Sea Property AS på TNOK -4 155 foreslås dekkes som følger:

Udekket tap

TNOK -4 155

Oslo, 30. mai 2017  
Styret for Black Sea Property AS

---

Egil Redse Melkevik (Sign.)  
styreleder

---

Morten Westergren (Sign.)  
styremedlem

---

Kåre Rødningen (Sign.)  
styremedlem

---

Hans Fredrik Gulseth (Sign.)  
styremedlem

---

Erik Sture Larre (Sign.)  
styremedlem

---

Nils Tore Nilsen (Sign.)  
styremedlem

# Black Sea Property AS

Org.nr: 914 892 902

## Resultatregnskap

| Morselskap                                |        |                                     |      |        | Konsern |  |
|---|--------|-------------------------------------|------|--------|---------|--|
| 2016                                      | 2015   | Beløp vises i tusen kr              | Note | 2016   | 2015    |  |
| <b>Driftsinntekter</b>                    |        |                                     |      |        |         |  |
| 409                                       | 0      | Annen driftsinntekt                 |      | 0      | 0       |  |
| <b>Driftskostnader</b>                    |        |                                     |      |        |         |  |
| 3 552                                     | 2 337  | Annen driftskostnad                 | 2, 4 | 5 132  | 3 200   |  |
| -3 143                                    | -2 337 | Driftsresultat                      |      | -5 132 | -3 200  |  |
| <b>Finansinntekter og finanskostnader</b> |        |                                     |      |        |         |  |
| 21  | 3 482  | Annen finansinntekt                 | 13   | 306    | 3 732   |  |
| 1 033                                     | 2 828  | Annen finanskostnad                 | 13   | 4 339  | 6 438   |  |
| -1 011                                    | 654    | Netto finansposter                  |      | -4 028 | -2 706  |  |
| -4 155                                    | -1 683 | Ordinært resultat før skattekostnad |      | -9 160 | -5 906  |  |
| -4 155                                    | -1 683 | Årsresultat                         | 11   | -9 160 | -5 906  |  |
| <b>Fordeling</b>                          |        |                                     |      |        |         |  |
|   |        | Majoritetsinteresser                |      | 8 213  | 4 912   |  |
|   |        | Minoritetsinteresser                |      | 947    | 993     |  |
| <b>Overføringer og disponeringer</b>      |        |                                     |      |        |         |  |
| -4 155                                    | -1 683 | Udekket tap                         | 11   |        |         |  |
| -4 155                                    | -1 683 | Sum disponert                       |      |        |         |  |

# Black Sea Property AS

Org.nr: 914 892 902

## Balanse pr. 31. desember

| Morselskap                       |        | Konsern                             |      |         |         |
|----------------------------------|--------|-------------------------------------|------|---------|---------|
| 2016                             | 2015   | Beløp vises i tusen kr              | Note | 2016    | 2015    |
| <b>Anleggsmidler</b>             |        |                                     |      |         |         |
| <i>Varige driftsmidler</i>       |        |                                     |      |         |         |
| Tomter, bygninger og annen       |        |                                     |      |         |         |
| 0                                | 0      | fast eiendom                        | 3, 6 | 163 629 | 128 428 |
| 0                                | 0      | Sum varige driftsmidler             |      | 163 629 | 128 428 |
| <i>Finansielle anleggsmidler</i> |        |                                     |      |         |         |
| 10 573                           | 10 573 | Investeringer i datterselskap       | 8    | 0       | 0       |
| 53 791                           | 56 935 | Lån til foretak i samme konsern     | 7    | 0       | 0       |
| 64 364                           | 67 508 | Sum finansielle anleggsmidler       |      | 0       | 0       |
| 64 364                           | 67 508 | Sum anleggsmidler                   |      | 163 629 | 128 428 |
| <b>Omløpsmidler</b>              |        |                                     |      |         |         |
| <i>Fordringer</i>                |        |                                     |      |         |         |
| 409                              | 0      | Kundefordringer                     | 7    | 0       | 0       |
| 409                              | 0      | Andre fordringer                    |      | 0       | 0       |
| 818                              | 0      | Sum fordringer                      |      | 0       | 0       |
| 3 615                            | 3 828  | Bankinnskudd, kontanter og lignende | 9    | 14 452  | 25 316  |
| 4 432                            | 3 828  | Sum omløpsmidler                    |      | 14 452  | 25 316  |
| 68 796                           | 71 336 | Sum eiendeler                       |      | 178 082 | 153 743 |

**Black Sea Property AS**

Org.nr: 914 892 902

**Balanse pr. 31. desember**

| Morselskap                    |        |                                |           | Konsern |         |
|-------------------------------|--------|--------------------------------|-----------|---------|---------|
| 2016                          | 2015   | Beløp vises i tusen kr         | Note      | 2016    | 2015    |
| <b>Egenkapital</b>            |        |                                |           |         |         |
| <i>Innskutt egenkapital</i>   |        |                                |           |         |         |
| 300                           | 276    | Aksjekapital                   | 10, 11    | 300     | 276     |
| 37 167                        | 33 861 | Overkurs                       | 11        | 37 167  | 33 861  |
| 37 467                        | 34 137 | Sum innskutt egenkapital       |           | 37 467  | 34 137  |
| <i>Opptjent egenkapital</i>   |        |                                |           |         |         |
| -5 838                        | -1 683 | Annen egenkapital              | 11        | -11 631 | -10 402 |
| -5 838                        | -1 683 | Sum opptjent egenkapital       |           | -11 631 | -10 402 |
| 0                             | 0      | Minoritetsinteresser           |           | 13 023  | 9 233   |
| 31 629                        | 32 454 | Sum egenkapital                |           | 38 859  | 32 968  |
| <b>Gjeld</b>                  |        |                                |           |         |         |
| <i>Annen langsiktig gjeld</i> |        |                                |           |         |         |
| 0                             | 0      | Gjeld til kredittinstitusjoner | 6, 12, 13 | 63 297  | 72 033  |
| 36 345                        | 38 462 | Øvrig langsiktig gjeld         | 12, 13    | 65 528  | 38 462  |
| 36 345                        | 38 462 | Sum annen langsiktig gjeld     |           | 128 824 | 110 495 |
| <i>Kortsiktig gjeld</i>       |        |                                |           |         |         |
| 0                             | 0      | Gjeld til kredittinstitusjoner | 6         | 4 521   | 9 619   |
| 202                           | 395    | Leverandørgjeld                |           | 730     | 636     |
| 620                           | 24     | Annen kortsiktig gjeld         |           | 5 147   | 24      |
| 822                           | 419    | Sum kortsiktig gjeld           |           | 10 398  | 10 279  |
| 37 167                        | 38 882 | Sum gjeld                      |           | 139 222 | 120 775 |
| 68 796                        | 71 336 | Sum egenkapital og gjeld       |           | 178 082 | 153 743 |

# Black Sea Property AS

Org.nr: 914 892 902

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## Balanse pr. 31. desember

| Morselskap |      | Beløp vises i tusen kr | Note | Konsern |      |
|------------|------|------------------------|------|---------|------|
| 2016       | 2015 |                        |      | 2016    | 2015 |

31. desember 2016  
Oslo, 30. mai 2017

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Egil Redse Melkevik (Sign.)  
styreleder

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Morten Westergren (Sign.)  
styremedlem

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Kåre Rødningen (Sign.)  
styremedlem

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Hans Fredrik Gulseth (Sign.)  
styremedlem

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Erik Sture Larre (Sign.)  
styremedlem

---

Nils Tore Nilsen (Sign.)  
styremedlem

# Black Sea Property AS

Org.nr: 914 892 902

## Kontantstrømoppstilling

| Morselskap   |         | Konsern  |         |          |
|--|---------|--|---------|----------|
| 2016   | 2015    | Beløp vises i tusen kr                                   | 2016    | 2015     |
| <b>Kontantstrømmer fra operasjonelle aktiviteter</b> |         |  |         |          |
| -4 155   | -1 683  | Resultat før skattekostnad                               | -9 160  | -5 906   |
| -1 093   | 395     | Endring i leverandørgjeld                                | 94      | 636      |
| 678  | 24      | Endring i andre tidsavgrensningsposter                   | 16 844  | 24       |
| -4 570   | -1 264  | Netto kontantstrøm fra operasjonelle aktiviteter         | 7 778   | -5 246   |
| <b>Kontantstrømmer fra investeringsaktiviteter</b>   |         |  |         |          |
| 0  | 0       | Endring ved overtakelse av varige driftsmidler           | 0       | -128 428 |
| 0  | -10 573 | Kjøp av aksjer i andre foretak                           | 0       | 0        |
| 0  | 0       | Påkostning i eiendomprosjekt                             | -41 544 | 0        |
| 0  | 0       | Effekt av valutakursendringer på investeringsaktiviteter | 6 343   | 0        |
| 0  | -10 573 | Netto kontantstrøm fra investeringsaktiviteter           | -35 202 | -128 428 |
| <b>Kontantstrømmer fra finansieringsaktiviteter</b>  |         |  |         |          |
| 0  | 38 462  | Endring av langsiktig gjeld                              | 18 329  | 38 462   |
| 0  | 0       | Endring ved overtakelse av lån fra kredittinstitusjoner  | 0       | 81 652   |
| 0  | 0       | Endring av kortsiktig gjeld                              | 4 521   | 0        |
| 0  | 0       | Nedbetaling av lån kredittinstitusjoner                  | -9 619  | 0        |
| 0  | -56 935 | Utbetalinger av lån til datterselskap                    | 0       | 0        |
| 3 330  | 34 137  | Kontantemisjon   | 3 330   | 34 137   |
| 0  | 0       | Andre endringer ved konserndannelse                      | 0       | 4 737    |
| 3 330  | 15 665  | Netto kontantstrøm fra finansieringsaktiviteter          | 16 561  | 158 989  |
| 1 027  | 0       | Effekt av valutakursendringer på likvider                | 0       | 0        |
| -213   | 3 828   | Netto endring i likvider i året                          | -10 863 | 25 315   |
| 3 828  | 0       | Kontanter og bankinnskudd per 01.01                      | 25 315  | 0        |
| 3 615  | 3 828   | Kontanter og bankinnskudd per. 31.12                     | 14 452  | 25 315   |

## **Noter til regnskapet for 2016**

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, datterselskapet Aheloy Commercial AD, EPO Bulgaria EOOD og Garby AD, og datterdatterselskapet EPO Aheloy OOD samt tilhørende datterselskap Dara Propertis EOOD, 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.

#### *Datterselskap*

Datterselskapene vurderes etter kostmetoden i selskapets regnskap. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det blir foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger blir reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger blir inntektsført som annen finansinntekt i samme år som det blir avsatt i datterselskapet. Overstiger utbytte andel av opptjent egenkapital etter kjøpet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene blir fratrukket investeringens verdi i balansen.

#### *Klassifisering og vurdering av balanseposter*

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet, 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 opptakstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. 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.

**Noter til regnskapet for 2016**

Beløp vises i tusen kr

*Valuta*

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

I forbindelse med konsolideringen av utenlandske datterselskaper, er gjennomsnittskursen benyttet for resultatpostene. Mens kursen per 31.12. ble 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 planmessig.

*Skatter*

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 24% hos morselskapet og 10% hos datterselskapene i Bulgaria på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverseres eller kan reverseres i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.

*Kontantstrømoppstilling*

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

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

Beløp vises i tusen kr

**Konsern**

Konsernet har ingen ansatte.

| <b>Morselskap</b> |  | <b>Konsern</b> |
|-------------------|--|----------------|
| <b>2016</b>       | Godtgjørelse til revisor er fordelt på følgende: | <b>2016</b>    |
| 49                | Lovpålagt revisjon                               | 49             |
| 8                 | Andre attestasjonstjenester                      | 8              |
| 17                | Skatterådgivning                                 | 17             |
| 483               | Andre tjenester                                  | 483            |
| 557               | Sum  | 557            |

Merverdiavgift er inkludert i revisjonshonoraret.

## Black Sea Property AS

Org.nr: 914 892 902

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### Noter til regnskapet for 2016

Beløp vises i tusen kr

#### Note 3 - Varige driftsmidler

Beløp vises i tusen kr

##### Konsern

|                         | Eiendom knyttet<br>til næring | Eiendom knyttet<br>til bolig | Prosjekt<br>i arbeid | Sum     |
|-------------------------|-------------------------------|------------------------------|----------------------|---------|
| Anskaffelseskost 01.01. | 16 073                        | 112 354                      | 0                    | 128 428 |
| Valutajustering         | -794                          | -5 549                       | 0                    | -6 343  |
| Endring i prosjekt      | 0                             | 0                            | 41 544               | 41 544  |
| Anskaffelseskost 31.12. | 15 280                        | 106 805                      | 41 544               | 163 629 |
| Balanseført pr. 31.12.  | 15 280                        | 106 805                      | 41 544               | 163 629 |

Avskrivningsplan

Avskrives ikke

Avskrives ikke

Avskrives ikke

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

#### Note 4 - Transaksjon med nærstående

##### Morselskap

Kjøp:

I 2016 er det fakturert TNOK 50 fra Imenco Bauer Hydraulics AS for styreformann Egil Melkevik sitt nedlagte konsulentarbeid utover styreverv, samt TEUR 67,5 fra datterselskapet EPO Bulgaria EOOD for leverte konsulentttjenester.

Selskapet har tidligere hatt en konsulentavtale med Fenix Securities AS, hvor Håvard Lindstrøm og Torbjørn Myhre er aksjonærer. Fenix Securities AS koordinerte og fulgte opp selskapets investering i Aheloy Residence Resort. Fenix Securities AS mottok et månedlig honorar på TEUR 10 t.o.m. 1. kvartal 2017. Avtalen ble avsluttet i forbindelse med at Håvard Lindstrøm og Torbjørn Myhre trådte tilbake som henholdsvis styreleder og daglig leder i Black Sea Property AS.

Salg:

Black Sea Property AS har opptjent et fasthonorar på TEUR 2,5 pr. måned i 2016 for konsulentttjenester levert til datterselskapet EPO Aheloy OOD.

## Black Sea Property AS

Org.nr: 914 892 902

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### Noter til regnskapet for 2016

Beløp vises i tusen kr

#### Note 5 - Skatt

Beløp vises i tusen kr

| <i>Beregning av årets skattegrunnlag:</i> | <b>2016</b>   | <b>2015</b>   |
|---|---------------|---------------|
| Ordinært resultat før skattekostnad       | -4 155        | -1 683        |
| Permanente forskjeller                    | 13            | 9             |
| Endring i midlertidige forskjeller        | 1 027         | -650          |
| <b>Årets skattegrunnlag</b>               | <b>-3 115</b> | <b>-2 324</b> |

| <i>Oversikt over midlertidige forskjeller</i>            | <b>2016</b>   | <b>2015</b>   |
|--|---------------|---------------|
| Langsiktige fordringer og gjeld i valuta                 | -377          | 650           |
| Akkumulert fremførbart underskudd før konsernbidrag      | -5 439        | -2 324        |
| <b>Netto midlertidige forskjeller pr 31.12</b>           | <b>-5 816</b> | <b>-1 674</b> |
| Forskjeller som ikke inngår i utsatt skatt/-skattefordel | -5 816        | -1 674        |
| <b>Sum</b>   | <b>0</b>      | <b>0</b>      |

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

## Black Sea Property AS

Org.nr: 914 892 902

### Noter til regnskapet for 2016

Beløp vises i tusen kr

#### Note 6 - Pant og garantier

Beløp vises i tusen kr

| Morselskap |      |                         | Konsern |        |
|------------|------|-------------------------|---------|--------|
| 2016       | 2015 | <i>Pantsikret gjeld</i> | 2016    | 2015   |
| 0          | 0    | Kortsiktig gjeld        | 4 521   | 9 619  |
| 0          | 0    | Langiktig gjeld         | 63 297  | 72 033 |
| 0          | 0    | Sum pantsikret gjeld    | 67 818  | 81 652 |

| Morselskap |      |   | Konsern |         |
|------------|------|---|---------|---------|
| 2016       | 2015 | <i>Sikret i panteobjekt med bokførte verdier:</i> | 2016    | 2015    |
| 0          | 0    | Eiendom   | 163 629 | 128 428 |
| 0          | 0    | Sum   | 163 629 | 128 428 |

#### Konsern

Gjeld til kredittinstitusjoner er gjennom selskapet EPO Aheloy OOD. Saldo ved årsslutt utgjør TEUR 7500. Lånet fra UniCredit Bulbank AD ble reforhandlet i 2016, hvor løpetiden ble forlenget til 8 år. Første avdragsforfall er med TEUR 500 den 25. desember 2017. Deretter forfaller TEUR 1000 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 ytet av de lokale samarbeidspartnere i Bulgaria.

EPO Aheloy OOD har forpliktet seg til å binde et beløp tilsvarende TEUR 300 i forbindelse med rentebetalinger på lånet fra UniCredit Bulbank AD, jf. note 9.

#### Note 7 - Mellomværende med selskap i samme konsern og tilknyttet selskap

Beløp vises i tusen kr

| <i>Fordringer</i>               | 2016   | 2015   |
|---------------------------------|--------|--------|
| Lån til foretak i samme konsern | 53 791 | 56 935 |
| Kundefordringer                 | 409    | 0      |
| Sum                             | 54 200 | 56 935 |

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

## Black Sea Property AS

Org.nr: 914 892 902

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### Noter til regnskapet for 2016

Beløp vises i tusen kr

#### Note 8 - Datterselskap, tilknyttet selskap m v

Beløp vises i tusen kr

##### Morselskap

| Selskap              | Anskaffelse | Kontor   | Eier-<br>andel | Resultat<br>2016 | Egenkapital<br>pr. 31.12 | Bokført verdi<br>pr. 31.12 |
|----------------------|-------------|----------|----------------|------------------|--------------------------|----------------------------|
| EPO Bulgaria EOOD    | Juni 2015   | Bulgaria | 100 %          | -176             | -2 778                   | 0                          |
| Garby AD             | August 2015 | Bulgaria | 50 %           | 200              | -199                     | 8 314                      |
| Ahelay Commercial AD | August 2015 | Bulgaria | 48 %           | -204             | 20 745                   | 2 259                      |
| Sum                  |             |          |                | -180             | 17 768                   | 10 573                     |

Overnevnte beløp er i NOK hvor resultatet er omregnet med en gjennomsnittskurs på 4,4799, mens egenkapital er omregnet med sluttkurs på 4,6295.

#### Note 9 - Bankinnskudd

Beløp vises i tusen kr

##### Morselskap

2016

0 Bundne bankmidler

##### Konsern

2016

2 726

##### Konsern

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

## Black Sea Property AS

Org.nr: 914 892 902

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### Noter til regnskapet for 2016

Beløp vises i tusen kr

#### Note 10 - Aksjekapital og aksjonærinformasjon

Beløp vises i tusen kr

##### Morselskap

Aksjekapitalen består av:

|                 | Antall     | Pålydende | Balanseført |
|-----------------|------------|-----------|-------------|
| Ordinære aksjer | 30 000 000 | 0,01 kr   | 300         |

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

|                         | Ordinære aksjer | Eierandel | Stemmeandel |
|-------------------------|-----------------|-----------|-------------|
| E. Larre Holding AS, 1) | 3 606 400       | 12,02 %   | 12,02 %     |
| Total Management AS, 2) | 2 945 360       | 9,82 %    | 9,82 %      |
| Håvard Lindstrøm AS     | 1 500 000       | 5,00 %    | 5,00 %      |
| Sace Holding AS         | 1 500 000       | 5,00 %    | 5,00 %      |
| Christinedal AS, 3)     | 1 442 500       | 4,81 %    | 4,81 %      |
| Sundby Holding AS       | 1 526 630       | 5,09 %    | 5,09 %      |
| Janine AS               | 1 385 259       | 4,62 %    | 4,62 %      |
| Espemo Invest AS        | 843 800         | 2,81 %    | 2,81 %      |
| Semeco AS               | 750 000         | 2,50 %    | 2,50 %      |
| Stord Eiendomsinvest AS | 721 200         | 2,40 %    | 2,40 %      |
| Sum                     | 16 221 149      | 54,07 %   | 54,07 %     |
| Øvrige (eierandel < 5%) | 13 778 851      | 45,93 %   | 45,93 %     |
| Totalt antall aksjer    | 30 000 000      | 100,00 %  | 100,00 %    |

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

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

3) Styremedlem Hans Fredrik Gulseth er aksjonær i Christinedal 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

## Black Sea Property AS

Org.nr: 914 892 902

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### Noter til regnskapet for 2016

Beløp vises i tusen kr

#### Note 11 - Egenkapital

Beløp vises i tusen kr

##### Morselskap

|                        | Aksjekapital | Overkurs | Annen egenkapital | Sum    |
|------------------------|--------------|----------|-------------------|--------|
| Egenkapital 01.01.2016 | 276          | 33 861   | -1 683            | 32 454 |
| Årsresultat            | 0            | 0        | -4 155            | -4 155 |
| Kontantinnskudd        | 24           | 3 305    | 0                 | 3 329  |
| Egenkapital 31.12.2016 | 300          | 37 166   | -5 838            | 31 629 |

##### Konsern

Konsernets egenkapital er endret som følger:

|                           | Aksjekapital | Overkurs | Annen egenkapital | Sum    |
|---------------------------|--------------|----------|-------------------|--------|
| Egenkapital 01.01.2016    | 276          | 33 861   | -1 169            | 32 968 |
| Årsresultat               | 0            | 0        | -9 160            | -9 160 |
| Kontantinnskudd           | 24           | 3 305    | 0                 | 3 329  |
| Valuta og andre endringer | 0            | 0        | -1 301            | -1 301 |
| Minoritetsinteresser      | 0            | 0        | 13 023            | 13 023 |
| Egenkapital 31.12.2016    | 300          | 37 166   | 1 393             | 38 859 |

#### Note 12 - Øvrig langsiktig gjeld

Beløp vises i tusen kr

##### Morselskap

2016  
-36 345

2015  
-38 462

Selgerkreditt i TEUR 4 000

##### Konsern

2016  
-36 345

2015  
-38 462

##### 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.

**Noter til regnskapet for 2016**

Beløp vises i tusen kr

**Note 13 - Finansposter**

Beløp vises i tusen kr

| <b>Morselskap</b> |             |                            | <b>Konsern</b> |             |  |
|-------------------|-------------|----------------------------|----------------|-------------|--|
| <b>2016</b>       | <b>2015</b> | <b>Annen finansinntekt</b> | <b>2016</b>    | <b>2015</b> |  |
| 21                | 4           | Renteinntekt               | 21             | 254         |  |
| 0                 | 3 478       | Valutagevinst              | 285            | 3 478       |  |
| 21                | 3 482       | Sum                        | 306            | 3 732       |  |

| <b>Morselskap</b> |             |                            | <b>Konsern</b> |             |  |
|-------------------|-------------|----------------------------|----------------|-------------|--|
| <b>2016</b>       | <b>2015</b> | <b>Annen finanskostnad</b> | <b>2016</b>    | <b>2015</b> |  |
| 1                 | 0           | Rentekostnad               | 3 307          | 1 081       |  |
| 1 032             | 2 828       | Valutatap                  | 1 032          | 5 357       |  |
| 1 033             | 2 828       | Sum                        | 4 339          | 6 438       |  |

**Konsern**

Valutejustering knyttet balanserposter hos utenlandske datterselskaper blir ført direkte mot egenkapital.

Til generalforsamlingen i  
**Black Sea Property AS**

### **Uttalelse om revisjonen av årsregnskapet**

#### *Konklusjon*

Vi har revidert Black Sea Property AS' årsregnskap som viser et underskudd for selskapsregnskapet på kr 4.154.744 og et underskudd for konsernregnskapet på kr 9.160.008, og etter vår mening:

- er årsregnskapet avgitt i samsvar med lov og forskrifter
- gir selskapsregnskapet et rettviseende bilde av den finansielle stillingen til Black Sea Property AS per 31. desember 2016 og av selskapets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.
- gir konsernregnskapet et rettviseende bilde av den finansielle stillingen til konsernet Black Sea Property AS per 31. desember 2016 og av konsernets resultater og kontantstrømmer for det avsluttede regnskapsåret i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Årsregnskapet består av:

- selskapsregnskapet, som består av balanse per 31. desember 2016, 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 2016 resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.

#### *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 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.

#### *Øvrig informasjon*

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon består av årsberetningen, men inkluderer ikke årsregnskapet og revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi hadde konkludert med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

#### *Styrets og ledelsens ansvar for årsregnskapet*

Styret og 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 feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og 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 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 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 årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til overføring av underskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

##### *Konklusjon om registrering og dokumentasjon*

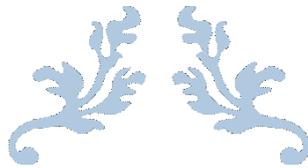
Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi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

Oslo, 30. mai 2017

Revisjonsfirmaet Flattum & Co AS



Thorbjørn Grindhaug  
Statsautorisert revisor



# HALVÅRSRAPPORT

2017



## BLACK SEA PROPERTY AS



## REGNSKAP OG KONSERNREGNSKAP

- PERIODEREGNSKAP PR 30. JUNI 2017
- BALANSE PR 30. JUNI 2017

# Halvårsberetning 2017

## **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.

### **Rettsvisende oversikt**

Styret mener at halvårsregnskapet gir et rettsvisende 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 krone.

### **Utvikling i resultat og stilling**

Styret mener at det fremlagte halvårsregnskapet for morselskapet og tilhørende konsernregnskap gir et rettsvisende 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.

### **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 halvårsregnskapet.

### **Arbeidsmiljø**

Styret anser arbeidsmiljøet som tilfredsstillende, og har ikke iverksatt spesielle tiltak på dette området i 1H-2017. Det har ikke vært skader eller ulykker i 1H-2017.

### **Likestilling**

Konsernet og morselskapet har i 1H-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 forurenser det ytre miljø ut over det som er vanlig for dens virksomhet.

# Black Sea Property AS

Org.nr: 914 892 902

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## Resultatdisponering og utbyttegrunnlag

Underskuddet i Black Sea Property AS på TNOK 13 foreslås dekkes som følger:

Udekket tap

TNOK 13

Oslo, 29. september 2017  
Styret for Black Sea Property AS

---

Egil Redse Melkevik  
styreleder

---

Morten Westergren  
styremedlem

---

Kåre Rødningen  
styremedlem

---

Hans Fredrik Gulseth  
styremedlem

---

Erik Sture Larre  
styremedlem

---

Nils Tore Nilsen  
styremedlem

**Perioderegnskap 01.01-30.06.**

| Morselskap                                |             | Beløp vises i tusen kr              | Konsern       |               |
|---|-------------|-------------------------------------|---------------|---------------|
| 1H-2017                                   | 1H-2016     |                                     | 1H-2017       | 1H-2016       |
| <b>Driftsinntekter</b>                    |             |                                     |               |               |
| 139                                       | 0           | Annen driftsinntekt                 | 0             | 0             |
| <b>Driftskostnader</b>                    |             |                                     |               |               |
| 1 365                                     | 1 259       | Annen driftskostnad                 | 1 436         | 1 666         |
| -1 227                                    | -1 259      | Driftsresultat                      | -1 436        | -1 666        |
| <b>Finansinntekter og finanskostnader</b> |             |                                     |               |               |
| 3 206                                     | 2 519       | Annen finansinntekt                 | 3 262         | 1 259         |
| 1 992                                     | 1 878       | Annen finanskostnad                 | 3 085         | 3 136         |
| 1 214                                     | 642         | Netto finansposter                  | 177           | -1 877        |
| -13                                       | -617        | Ordinært resultat før skattekostnad | -1 259        | -3 543        |
| <b>-13</b>                                | <b>-617</b> | <b>Resultat</b>                     | <b>-1 259</b> | <b>-3 543</b> |
| <b>Fordeling</b>                          |             |                                     |               |               |
|   |             | Majoritetsinteresser                | 1 018         | 3 156         |
|   |             | Minoritetsinteresser                | 242           | 387           |

**Balanse pr. 30. juni**

| Morselskap                       |          |   | Konsern  |          |
|----------------------------------|----------|---|----------|----------|
| 30.06.17                         | 30.06.16 | Beløp vises i tusen kr                  | 30.06.17 | 30.06.16 |
| <b>Anleggsmidler</b>             |          |   |          |          |
| <i>Varige driftsmidler</i>       |          |   |          |          |
| 0                                | 0        | Tomter, bygninger og annen fast eiendom | 169 699  | 124 853  |
| 0                                | 0        | Sum varige driftsmidler                 | 169 699  | 124 853  |
| <i>Finansielle anleggsmidler</i> |          |   |          |          |
| 10 573                           | 10 573   | Investeringer i datterselskap           | 0        | 0        |
| 65 867                           | 55 061   | Lån til foretak i samme konsern         | 0        | 0        |
| 96                               | 0        | Andre fordringer                        | 96       | 0        |
| 76 536                           | 65 634   | Sum finansielle anleggsmidler           | 96       | 0        |
| 76 536                           | 65 634   | Sum anleggsmidler                       | 169 795  | 124 853  |
| <b>Omløpsmidler</b>              |          |   |          |          |
| <i>Fordringer</i>                |          |   |          |          |
| 570                              | 0        | Kundefordringer                         | 0        | 0        |
| 50                               | 1 613    | Andre fordringer                        | 50       | 353      |
| 620                              | 1 613    | Sum fordringer                          | 50       | 353      |
| 15 775                           | 5 160    | Bankinnskudd, kontanter og lignende     | 20 380   | 33 536   |
| 16 395                           | 6 773    | Sum omløpsmidler                        | 20 430   | 33 889   |
| 92 931                           | 72 407   | Sum eiendeler                           | 190 225  | 158 742  |

**Balanse pr. 30. juni**

| Morselskap                    |          |                                | Konsern  |          |
|-------------------------------|----------|--------------------------------|----------|----------|
| 30.06.17                      | 30.06.16 | Beløp vises i tusen kr         | 30.06.17 | 30.06.16 |
| <b>Egenkapital</b>            |          |                                |          |          |
| <i>Innskutt egenkapital</i>   |          |                                |          |          |
| 615                           | 300      | Aksjekapital                   | 615      | 300      |
| 58 843                        | 37 167   | Overkurs                       | 58 843   | 37 167   |
| 59 458                        | 37 467   | Sum innskutt egenkapital       | 59 458   | 37 467   |
| <i>Opptjent egenkapital</i>   |          |                                |          |          |
| -5 851                        | -2 300   | Annen egenkapital              | -20 624  | -5 632   |
| -5 851                        | -2 300   | Sum opptjent egenkapital       | -20 624  | -5 632   |
| 0                             | 0        | Minoritetsinteresser           | 9 794    | 10 493   |
| 53 608                        | 35 167   | Sum egenkapital                | 48 629   | 42 328   |
| <b>Gjeld</b>                  |          |                                |          |          |
| <i>Annen langsiktig gjeld</i> |          |                                |          |          |
| 0                             | 0        | Gjeld til kredittinstitusjoner | 65 848   | 69 765   |
| 38 513                        | 37 203   | Øvrig langsiktig gjeld         | 57 573   | 37 203   |
| 38 513                        | 37 203   | Sum annen langsiktig gjeld     | 123 420  | 106 968  |
| <i>Kortsiktig gjeld</i>       |          |                                |          |          |
| 0                             | 0        | Gjeld til kredittinstitusjoner | 5 842    | 9 186    |
| 93                            | 37       | Leverandørgjeld                | 284      | 260      |
| 716                           | 0        | Annen kortsiktig gjeld         | 12 050   | 0        |
| 810                           | 37       | Sum kortsiktig gjeld           | 18 176   | 9 446    |
| 39 323                        | 37 240   | Sum gjeld                      | 141 596  | 116 414  |
| 92 931                        | 72 407   | Sum egenkapital og gjeld       | 190 225  | 158 742  |

**Balanse pr. 30. juni**

Morselskap

30.06.17

30.06.16

Beløp vises i tusen kr

Konsern

30.06.17

30.06.16

Oslo, 29. september 2017  
Styret for Black Sea Property AS

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Egil Redse Melkevik  
styreleder

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Morten Westergren  
styremedlem

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Kåre Rødningen  
styremedlem

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Hans Fredrik Gulseth  
styremedlem

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Erik Sture Larre  
styremedlem

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Nils Tore Nilsen  
styremedlem