



Sofia Residential A/S

C/O Øens Virksomhedsadministration ApS
Lergravsvej 59, st.
2300 København S

CVR no. 43757172

ANNUAL REPORT FOR 2024

Adopted at the annual general meeting on

Anders Johansson
chairman of the general meeting

Sofia Residential A/S

ANNUAL REPORT
2024



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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Sofia Residential A/S for the financial year 1 January - 31 December 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2024 and of the results of the group and the company operations for the financial year 1 January - 31 December 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 12th May 2025

Executive board

Anders Retz Johansson
Director

Supervisory board

Georgi Kirov
Chairman

Majbritt Christensen
Board member

Anders Retz Johansson
Board member

Independent auditor's report

To the shareholder of Sofia Residential A/S

Provided that no significant information or changes are brought forward during the consideration of this draft, we will provide the annual report with the following report:

TO THE SHAREHOLDER OF SOFIA RESIDENTIAL A/S OPINION

We have audited the consolidated financial statements and the parent company financial statements of Sofia Residential A/S for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2024 and of the results of the group and the parent company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and parent company" section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained

is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

Independent auditor's report

but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing

so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Hellerup, 12th May 2025
CVR-nr. 33 25 68 76



Søren Jonassen
State Authorised Public Accountant
18488

Company details

The company

Sofia Residential A/S
C/O Øens Virksomhedsadministration ApS
Lergravsvej 59, st.
2300 København S

Website: sofiaresidential.com

CVR no.: 43 75 71 72
Reporting period: 1 January 2024 - 31 December 2024
Incorporated: 1 January 2023
Domicile: Copenhagen

Supervisory board

Georgi Kirov (Chairman)
Majbritt Christensen
Anders Johansson

Executive board

Anders Retz Johansson (director)

Auditors

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

Management's review

BUSINESS REVIEW

The purpose of the Company is to invest in the whole value chain of the real estate investment from the early acquisition of building plots, development of plots, construction to fitout and sale of apartments to end users. The company focuses its investments in the SEE Region, currently primarily in Sofia, Bulgaria.

FINANCIAL REVIEW

The group's income statement for the year ended 31 December 2024 shows EBITDA of DKK 26.752.984, and the balance sheet on 31 December 2024 shows equity of DKK 142.037.169. It is the initial reporting year for the Group and the financial year includes extraordinary costs of DKK -3.875.918 related to the capital raise funding the Group.

The result for the year shows a loss of DKK 7.344.321 primarily due to a technical amortisation of goodwill amounting to DKK 16.314.932. The group's earning capacity is therefore better assessed by EBITDA, which for 2024 amounts to DKK 26.752.984. The consolidated fi-

nancial statements are prepared using the equity method, but since the underlying companies apply historical cost accounting, the financial statements largely reflect the Group's acquisition prices. The market value of the activities is assessed based on earning capacity and should therefore not be confused with the reported equity.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

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



CEO's letter

I am pleased to report a highly successful first fiscal year as an investment fund for Sofia Residential. In 2024, the company made a strong start, successfully positioning itself with a series of investments that offer exposure to the Sofia real estate market.

In 2024, we achieved registration as a self-managed alternative investment fund (AIF) with the Financial Supervisory Authority. This has enabled us to invite new investors on our ambitious growth journey.

At the end of 2024 we started onboarding the first investors in the fund and our new investors have already been rewarded through a positive development in the company's share price. We have experienced an increase in the share price of 40,7% since the establishment of the fund.

The board and management have laid out an ambitious strategy in 2024, preparing Sofia Residential for a future stock market listing. Our plan is to start the process in the 2030's and we expect to be listed before the end of 2035. In the short term, we focus on increasing transparency in our investment assets and improving our reporting. This is to ensure visibility and understanding of the company's potential growth among prospective investors. We are committed to building a diversified portfolio that matches our long-term goals and provides exposure to the real estate market in Southeast Europe.

As a further step towards maturing the company for a future stock market listing, we will begin implementing an ESG strategy in 2025. This strategy should not only be seen as a step towards meeting international standards but also a commitment to ensuring sustainability and ethical management of our resources. We expect that a strong future ESG profile will contribute to supporting our value creation in the future. We are at the beginning of an exciting journey, and with a

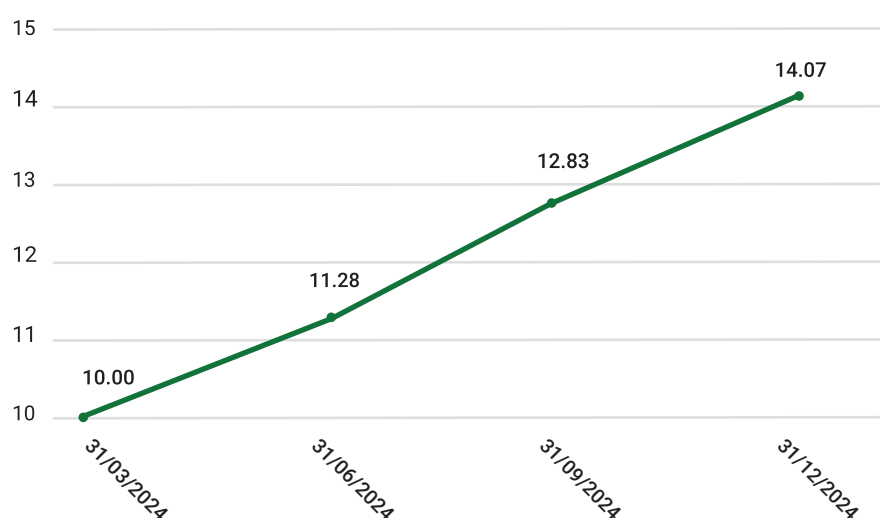
continued focus on strategic growth and sustainability, I am convinced that Sofia Residential will continue to deliver value and returns to our shareholders and positively contribute to the development in the SEE Region.

Anders Johansson, CEO
Sofia Residential A/S



Share price

ISIN: DK0062956306



2024			
31/03	31/06	31/09	31/12
10.00	11.28	12.83	14.07

	DKK
Estimation market value	158.059.971
Costs related to capital increase	2.662.516
Cost paid over 10 years, first year 2024	- 266.252
2% reserve by VK	- 5.379.882
20% profit to share VK	- 10.486.018
Net market value	144.590.335
Numbers of shares 31.12.2024	10.275.499
Share price	14.07

The share price is calculated and reported quarterly based on the value of the underlying investments. The underlying investments e.i Sofia Residential Development A/S, SEE Residential A/S and Vaekstkapital LandHoldings A/S reports an updated share price quarterly and which enables a calculated updated share price in Sofia Residential A/S subsequently.

Portfolio

The main investment by Sofia Residential A/S is the ownership and control of Sofia Residential Development A/S. Since its inception, Sofia Residential Development has pursued a growth strategy aimed at outperforming the overall market.

The company has outlined an ambitious growth plan through 2030 and has consistently delivered strong results against its historical targets. As part of its forward-looking strategy, the company is actively evaluating opportunities to expand into other capital cities to strengthen its market position and diversify its growth platform

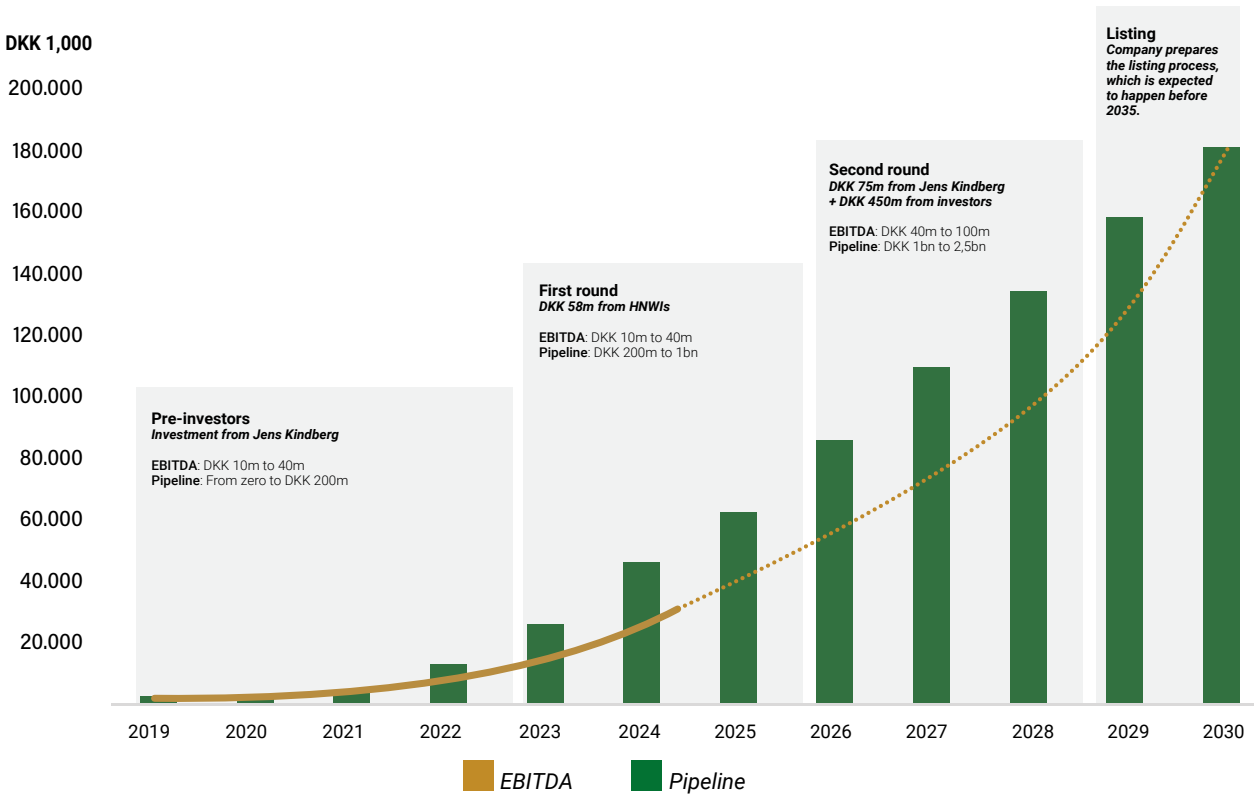
During the last 6 years the company, with the help of good employees, has outperformed the budget each year, and the aim is

to do the same for the next 6 years before we aim for a listing on a stock exchange.

Sofia Residential Development A/S expected 6x growth in EBITDA 6 years ago and ended up with a growth of 20x EBITDA. The coming 6 years the company is also budgeted for 6x growth in EBITDA however the aim is to outperform the expectations again. The pipeline increased even more - 6x growth was also the expectation for this, but the result was 25x growth in the pipeline over the past 6 years.

This capital raise will enable the company to aim for the same kind of growth we have seen the last 6 years, however our budgets for both EBITDA and Pipeline are still 6x for the next 6 years.

SOFIA RESIDENTIAL A/S GROWTH PLAN

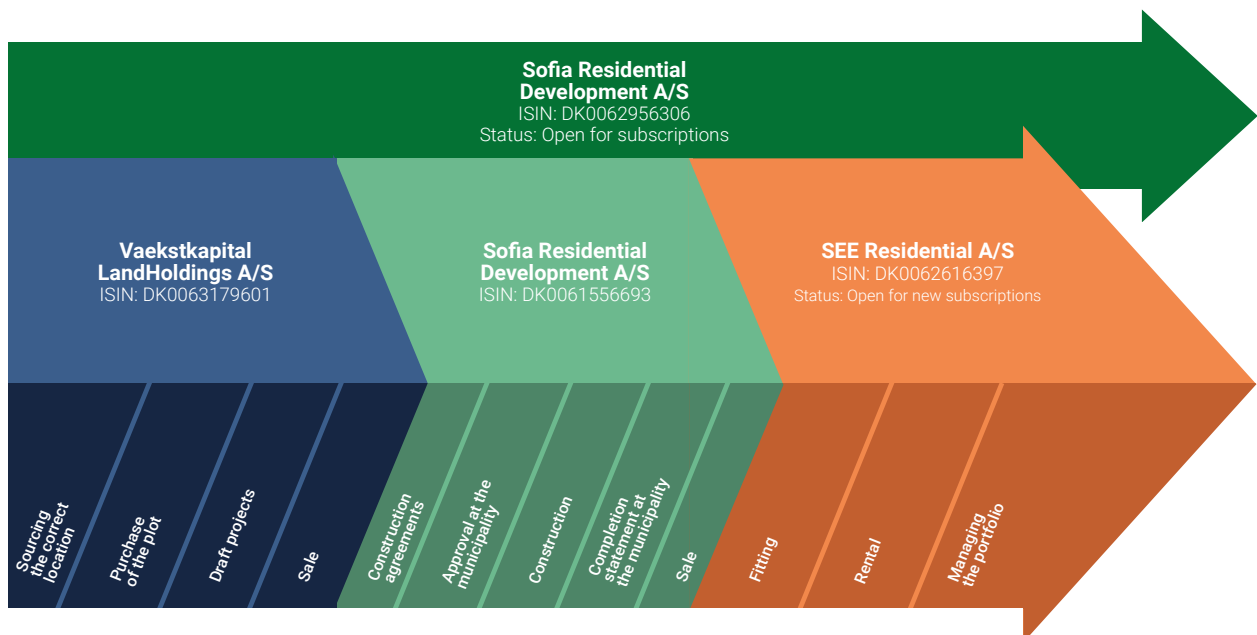


Diversified Investments in the whole value-chain

The Company does not seek to have majority ownership or control (in the medium term) of the Vaekstkapital LandHoldings A/S or the Rental business SEE Residential A/S, but Management believes that the investments in those two businesses, whilst giving solid historical returns of some 20% themselves, are strategic in supporting the rapid growth of Sofia Residential

Development A/S. The LandHoldings A/S provides an ongoing source of sites for development and the rental business in SEE Residential A/S provides a natural sales exit for completed development projects, while the combination of with investments in the two companies give our portfolio an increased diversification.

SOFIA RESIDENTIAL A/S VALUE-CHAIN



Market overview

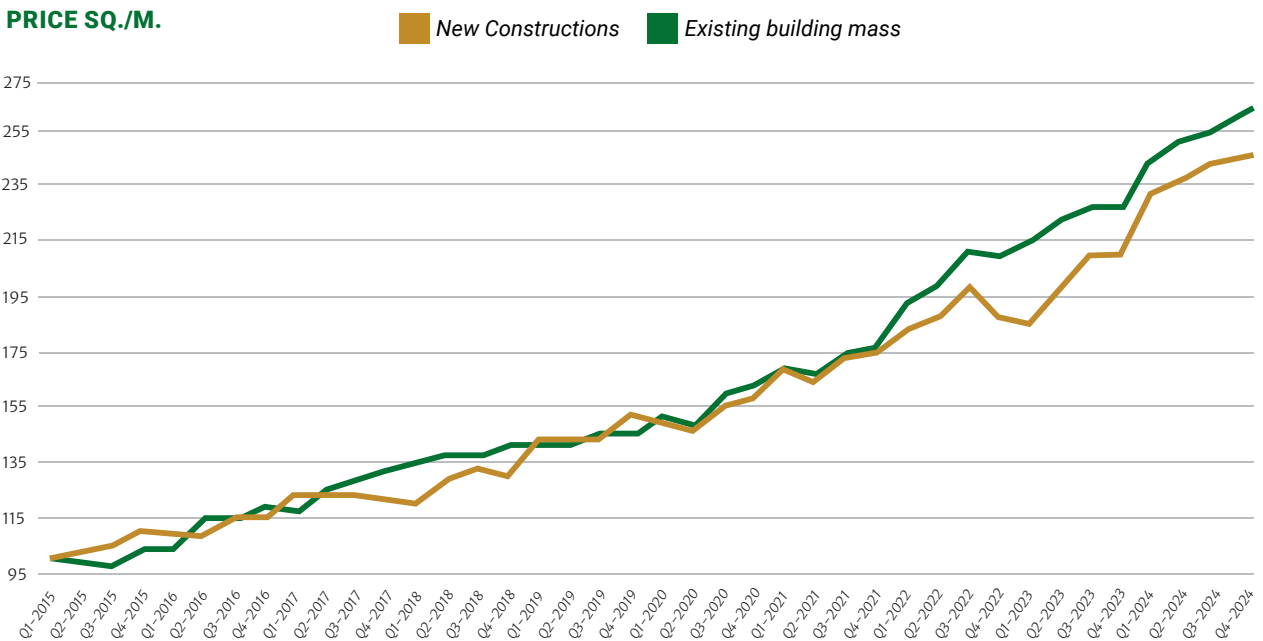
Greater Sofia, the capital of Bulgaria, has approximately 1.7m inhabitants, which equates to about 20% of the population of the country. It is, by definition, the main driver of the Bulgarian economy with 44% of the country's GDP. A young well-educated workforce has attracted significant investment from abroad, especially in the IT sector. Companies like SAP, HP, VMware, DraftKings, Luxoft, Ocado Tech, IBM and Visteon are prime examples of international firms, who have a presence in Sofia.

Sofia has been named one of the top ten best places for start-up businesses in the world, especially in information technologies. (<https://en.wikipedia.org/wiki/Sofia>)

As a result, Sofia has been transformed over the past 20 years or so and is now a vibrant, young, expanding city, dominated

by young professionals and a growing middle class, which in turn has created a significant demand for modern dwellings. Continuing urbanization in Bulgaria also fuels this demand as the population of Sofia continues to expand. This has led to a 50% increase in housing costs over the last five years, albeit from a very low level. About three quarters of all the housing stock in Sofia dates from communist times and is no longer desirable for the burgeoning middle classes which provides the opportunity to Sofia Residential to expand its development business in Sofia.

As shown in the chart below the prices are increasing and have been so for the last years. In the period 2016 until Q2 2024, the market has recorded an average growth rate of 12% per square metre per year.

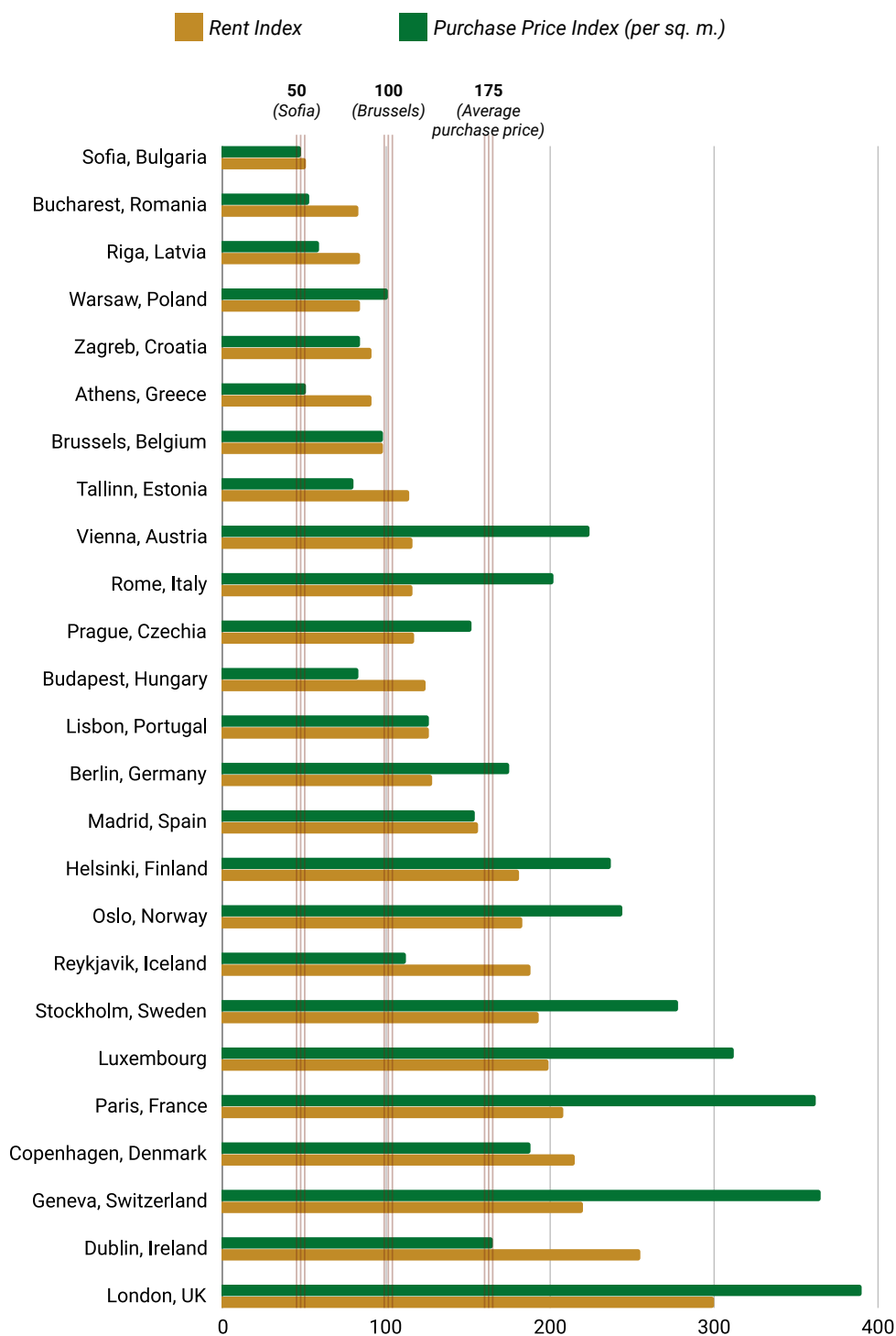


Price index growth per square metre. Source: NSI Data Bulgaria

Property prices have increased by more than 50% over the last five years, (the same happened the 5 years before that) In Sofia according to the National Statistics Institute, whilst spending on housing as part of income has remained steady at 14% in

Bulgaria, which has in turn led to relatively high level of savings, which is running at approximately 9% of income, thus underpinning the property market even further, as this will improve access to mortgages.

INDEX 100 = BRUSSELS



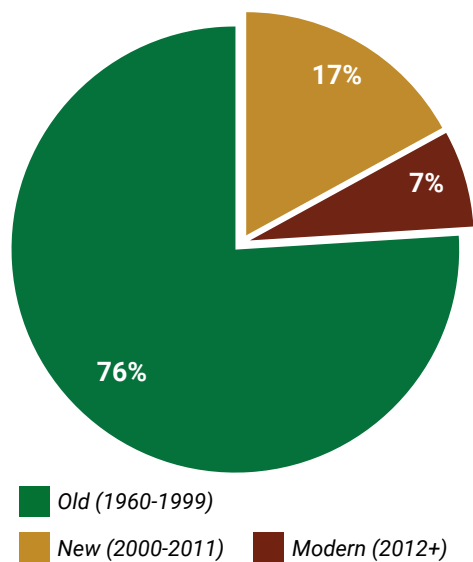
Real Estate purchase (green line) and rental (yellow line) prices in European capitals vs. a benchmark of Brussels.

Management's review

As shown in the INDEX 100 = BRUSSELS above Sofia is one of the cheapest real estate markets in the European Union. What management expect is that the spread in property prices between Sofia and more evolved capitals in the EU will be minimized.

The chart below highlights the future potential for further replacement developments, as 76% of all housing in Sofia is still categorized as pre-1999, therefore ripe for replacement in the foreseeable future.

AGE STRUCTURE OF HOUSING STOCK IN SOFIA



Age structure of housing stock in Sofia. Source: [Worldbank.org](https://data.worldbank.org)



Corporate structure and details

Sofia Residential A/S ("the Company") is a Danish limited liability company established on 03th of July 2024 under the laws of the Kingdom of Denmark with the company registration number 43757172.

The Company's LEI number is: 9845005ETBAD8FA6F735.
The Company is registered with the Danish Financial

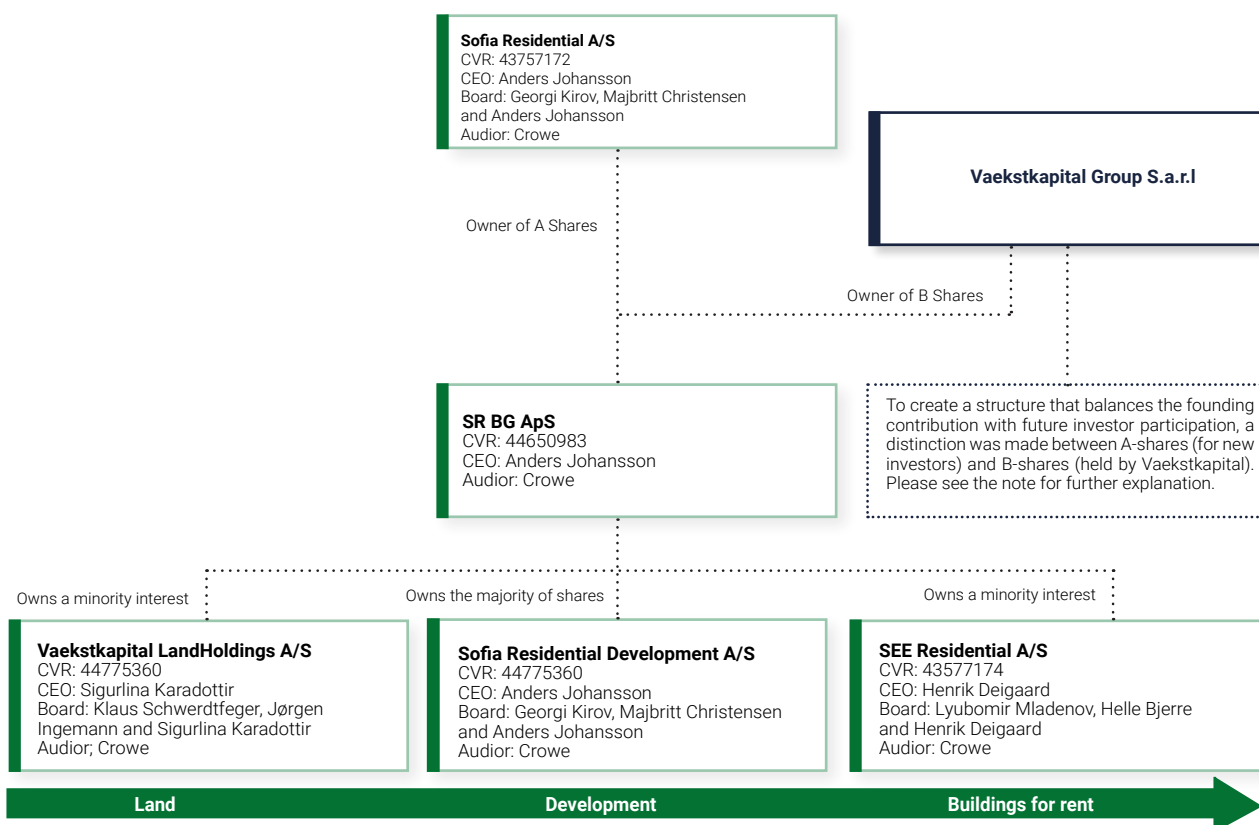
Supervisory Authority (Finanstilsynet) as a self-managed AIF (Alternative Investment Fund) under registration number FT nr 23344.

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

Website: www.SofiaResidential.com

The Company act as the holding company.

SOFIA RESIDENTIAL A/S STRUCTURE



As the founding investor, Vækstkapital contributed significant early-stage capital and assumed the initial risk of the development. To create a structure that balances this founding contribution with future investor participation, a distinction was made between A-shares (for new investors) and B-shares (held by Vækstkapital). To reflect this role and ensure strong alignment of interests, Vækstkapital receives a 2% annual fee on invested capital and 20% of the remaining profits—both

fully conditional on the company generating profits. No payments are made unless the business plan delivers a positive return.

Importantly, this arrangement is voluntary going forward: A-shareholders may opt out at any time without prior notice to B-shares. The structure is designed to be flexible, fair, and focused on long-term value creation for all shareholders.

Organization

The Management is responsible for the daily operations of Sofia Residential A/S. In addition, the Management ensures that the Company's bookkeeping follows the applicable rules and regulations, and that the administration and asset manage-

ment of the Company's assets is carried out in an appropriate manner together with our own staff and our professional partners.



GEORGI KIROV
Chairman

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

Georgi currently holds the position of Director Capital Markets, at Colliers International, Bulgaria

He is also board member of The Royal Institute of Chartered Surveyors, London



MAJBRIIT CHRISTENSEN
Board Member

Majbritt Christensen has worked with real estate since 2004. First as a project developer e.g. involved in the rental and development of large urban areas in Copenhagen. She co-founded Rightsize in 2013, the first independent commercial tenancy advice service in Denmark. This was sold in 2018 and she then founded Adoor, an IT meeting platform for homeowners and buyers. This was sold in 2022. Throughout working with Adoor, she worked as an independent advisor, which is her full time profession today.



ANDERS JOHANSSON
CEO + board member

Anders Johansson joined the Company in 2023 as the new CEO. He came from a position as Chief of Fund Management in the largest Danish real estate investor, Koncenton. Besides his strong skills within management of funds and investing, Anders has a background as a shipbroker, where he gained knowledge of cross border trade and working relations, which are qualifications that are keen for the future development of the Company and its organisation.

Accounting policies

The annual report of Sofia Residential A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies are identical for both the parent company financial statements and the consolidated financial statements.

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

The annual report for 2024 is presented in DKK

BASIS OF RECOGNITION AND MEASUREMENT

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

RECOGNITION AND MEASUREMENT OF BUSINESS COMBINATIONS

Recently acquired entities are recognised in the financial statements from the date of acquisition. Sold entities are recognised in the financial statements until the date of disposal. Comparative figures are not restated in respect of recently acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the time when the company actually gains control over the acquiree.

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of noncontrolling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under 'Intangible assets'. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

On acquisition, goodwill is ascribed to / classed with the cash-generating unit, which subsequently forms a basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are translated on initial recognition into the foreign entity's functional currency using the exchange rate at the date of the transaction.

Accounting policies

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is conditional upon future events or the fulfilment of agreed conditions, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of conditional purchase consideration are recognised in the income statement.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated.

Subsequently, any adjustments made will be recognised as error.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent company Sofia Residential AS - moder and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

INCOME STATEMENT

GROSS PROFIT

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress, less costs of raw materials and consumables and other external expenses.

REVENUE

The Group's revenue primarily comprises:

- Sale of real estate development projects, properties, and individual real estate units,
- Sale of rights to real estate development projects, and
- Revenue from services such as development management, project supervision, brokerage, and construction management.

Revenue from the sale of properties or rights is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer – typically upon delivery – and when the income can be measured reliably and is expected to be received.

EXPENSES FOR RAW MATERIALS AND CONSUMABLES

Costs of raw materials and consumables include cost of acquisitions of plots, real estate development projects, real estate, rights and labour used in generating the year's revenue. Other external costs

Other external costs include expenses related to advertising, administration etc.

Accounting policies

STAFF COSTS

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

INCOME FROM INVESTMENTS IN SUBSIDIARIES AND PARTICIPATING INTERESTS

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses. Dividend from participating interests is recognised in the financial year in which the dividend is declared.

FINANCIAL INCOME AND EXPENSES

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

TAX ON PROFIT/LOSS FOR THE YEAR

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entities directly in equity.

BALANCE SHEET

INTANGIBLE ASSETS

Goodwill

Gains or losses on disposal of subsidiaries, participating interests and associates are stated as the difference be-

tween the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of entities are accounted for using the purchase method, according to which the acquirees' identifiable assets and liabilities are measured at fair value at the date of acquisition. Provision is made for expenses to adopted and announced plans to restructure the acquired entity in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Goodwill arising on acquisition can be restated until the end of the year after the acquisition.

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a longterm earnings profile.

INVESTMENTS IN SUBSIDIARIES AND PARTICIPATING INTERESTS

Investment in participating interests are measured at cost. If cost exceeds the recoverable amount, a writedown is made to this lower value.

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Accounting policies

Goodwill on consolidation is amortised over the expected useful economic life based on management's experience from each individual business segment. Goodwill on consolidation is amortised on a straightline basis over the amortisation period, which is 10 years. The amortisation period is fixed based on the assessment that the strategically acquired entities have a strong market position and a long-term earnings profile.

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

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

TAX ON PROFIT/LOSS FOR THE YEAR

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

SECURITIES AND INVESTMENTS

Securities and investments, which consist of listed shares and bonds, are measured at fair value at the balance sheet date. Non-listed securities are measured at fair value on the basis of the estimated value in use.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and deposits at banks.

EQUITY

Reserve for net revaluation according to the equity method. The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries, participating interests and associates relative to the cost.

DIVIDENDS

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

INCOME TAX AND DEFERRED TAX

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

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

LIABILITIES

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

FOREIGN CURRENCY TRANSLATION

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

Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange

rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

Income statement

		GROUP		PARENT COMPANY	
	Note	2024	2023	2024	2023
		DKK	TDKK	DKK	TDKK
Gross profit		26.752.984	-6	-1.269.489	-6
Staff costs	1	-2.212.717	0	-225.000	0
Profit/loss before amortisation/depreciation and impairment losses		24.540.267	-6	-1.494.489	-6
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-16.505.647	0	0	0
Profit/loss before net financials		8.034.620	-6	-1.494.489	-6
Income from investments in subsidiaries		0	0	-6.180.797	0
Financial income		1.582.274	0	1.820	0
Financial costs	2	-10.179.632	0	-501	0
Profit/loss before tax		-562.738	-6	-7.673.967	-6
Tax on profit/loss for the year	3	2.206.321	0	329.646	0
Profit/loss before minority interests		1.643.583	-6	-7.344.321	-6
Minority interests' share of net profit/loss of subsidiaries		-8.987.904	0	0	0
Profit/loss for the year		-7.344.321	-6	-7.344.321	-6
Recommended appropriation of profit/loss					
Retained earnings		-7.344.321	-6	-7.344.321	-6
		-7.344.321	-6	-7.344.321	-6

Balance sheet

		GROUP		PARENT COMPANY	
	Note	2024	2023	2024	2023
		DKK	TDKK	DKK	TDKK
Assets					
Goodwill		171.736.840	0	0	0
Intangible assets	4	171.736.840	0	0	0
Investments in subsidiaries	5	0	0	0	0
Participating interests		3.956.321	0	0	0
Receivables from participating interests		22.847.657	0	0	0
Deposits		12.267	0	0	0
Fixed asset investments		26.816.245	0	0	0
Total non-current assets		198.553.085	0	0	0
Work in progress		6.026.594	0	0	0
Stocks		6.026.594	0	0	0
Trade receivables		802.492	0	0	0
Receivables from subsidiaries		0	0	83.752.638	0
Other receivables	6	32.469.556	40	0	40
Deferred tax asset		2.637.337	0	329.646	0
Prepayments		40.996	0	0	0
Receivables		35.950.381	40	84.082.284	40
Current asset investments		497.556	0	0	0
Securities		497.556	0	0	0
Cash at bank and in hand		20.209.580	0	4.879.125	0
Total current assets		62.684.111	40	88.961.409	40
Total assets		261.237.196	40	88.961.409	40

Balance sheet

		GROUP		PARENT COMPANY	
	Note	2024	2023	2024	2023
		DKK	TDKK	DKK	TDKK
Equity and liabilities					
Share capital		513.775	40	513.775	40
Reserve for net revaluation under the equity method		88.107.626	-6	88.107.626	-6
Retained earnings		53.415.768	0	0	0
Equity		142.037.169	34	88.621.401	34
Trade payables		416.888	0	247.633	0
Payables to subsidiaries		112.753.508	0	0	0
Other payables		6.029.631	6	92.375	6
Total current liabilities		119.200.027	6	340.008	6
Total liabilities		119.200.027	6	340.008	6
Total equity and liabilities		261.237.196	40	88.961.409	40
Contingent liabilities	7				
Mortgages and collateral	8				

Statement of changes in equity

GROUP

	Share capital	Share premium account	Retained earnings	Non-controlling interests	Total
Equity at 1 January 2024	40.000	0	-6.250	0	33.750
Cash capital increase	473.775	25.233.774	0	0	25.707.549
Capital increase and dividend distribution costs	0	0	-3.875.918	0	-3.875.918
Exchange adjustment, foreign	0	0	-847	0	-847
Purchase of treasury shares	0	0	-898.812	0	-898.812
Other equity movements	0	0	0	44.427.864	44.427.864
Net profit/loss for the year	0	0	-7.344.321	8.987.904	1.643.583
Transfer from share premium account	0	-25.233.774	25.233.774	0	0
Contribution from group	0	0	75.000.000	0	75.000.000
Equity at 31 December 2024	513.775	0	88.107.626	53.415.768	142.037.169

In SR BG ApS, a subsidiary in the Group, the capital consists of A and B shares. The B shares are entitled to a preferential dividend calculated each year as 2% of the balance sheet in SR BG ApS and are owned by a minority shareholder. For 2024, the amount amounts to DKK 3.896.133 (Previous years amount to DKK 0). When paying dividends, this amount and calculated amounts from previous years will have to be paid before ordinary dividends are paid, which are distributed with 80% to the A shares and 20% to the B shares.

PARENT COMPANY

	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2024	40.000	0	-6.250	33.750
Cash capital increase	473.775	25.233.774	0	25.707.549
Capital increase and dividend distribution costs	0	0	-3.875.918	-3.875.918
Exchange adjustment, foreign	0	0	-847	-847
Other equity movements	0	0	-898.812	-898.812
Net profit/loss for the year	0	0	-7.344.321	-7.344.321
Transfer from share premium account	0	-25.233.774	25.233.774	0
Contribution from group	0	0	75.000.000	75.000.000
Equity at 31 December 2024	513.775	0	88.107.626	88.621.401

Notes

	GROUP		PARENT COMPANY		
	Note	2024	2023	2024	2023
		DKK	TDKK	DKK	TDKK
1	Staff costs				
	Wages and salaries	2.159.525	0	225.000	0
	Other social security costs	9.885	0	0	0
	Other staff costs	43.307	0	0	0
		<u>2.212.717</u>	<u>0</u>	<u>225.000</u>	<u>0</u>
	Number of fulltime employees on average	<u>3</u>	<u>3</u>	<u>1</u>	<u>1</u>
2	Financial income				
	Interest received from subsidiaries	9.820.649	0	0	0
	Other financial income	358.983	0	501	0
		<u>10.179.632</u>	<u>0</u>	<u>501</u>	<u>0</u>
3	Tax on profit/loss for the year				
	Current tax for the year	404.316	0	0	0
	Deferred tax for the year	-2.610.637	0	-329.646	0
		<u>-2.206.321</u>	<u>0</u>	<u>-329.646</u>	<u>0</u>
4	Intangible assets				
	Group			Goodwill	
	Cost at 1 January 2024			55.276.206	
	Additions for the year			143.830.808	
	Cost at 31 December 2024			<u>199.107.014</u>	
	Impairment losses and amortisation at 1 January 2024			11.055.242	
	Depreciation for the year			<u>16.314.932</u>	
	Impairment losses and amortisation at 31 December 2024			<u>27.370.174</u>	
	Carrying amount at 31 December 2024			<u>171.736.840</u>	

Notes

	PARENT COMPANY	
	2024	2023
	DKK	TDKK
5 Investments in subsidiaries		
Cost at 1 January 2024	0	0
Additions for the year	36.000	0
Disposals for the year	0	0
Cost at 31 December 2024	36.000	0
Revaluations at 1 January 2024	0	0
Disposals for the year	0	0
Fair value adjustment of hedging instruments for the year	-847	0
Revaluations for the year, net	-6.180.796	0
Other equity movements, net	-898.812	0
Equity investments with negative net asset value amortised over receivables	7.044.455	0
Revaluations at 31 December 2024	-36.000	0
Carrying amount at 31 December 2024	0	0

Group

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
SR BG ApS	København	80%

In SR BG ApS, a subsidiary in the Group, the capital consists of A and B shares. The B shares are entitled to a preferential dividend calculated each year as 2% of the balance sheet in SR BG ApS and are owned by a minority shareholder. For 2024, the amount amounts to DKK 3.896.133 (Previous years amount to DKK 0). When paying dividends, this amount and calculated amounts from previous years will have to be paid before ordinary dividends are paid, which are distributed with 80% to the A shares and 20% to the B shares.

Notes

6 Other receivables

The following receivables fall due for payment more than 1 year after year end.

Group: TDKK 22.631.

Parent company: TDKK 0.

7 Contingent liabilities

Sofia Residential A/S are jointly taxed with the Danish companies in Kindco Holdings 2 ApS. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

8 Mortgages and collateral

The group has no mortgages and collateral.

