

**Inside information pursuant to Appendix No 9  
to Art. 33a<sup>1</sup>, p. 3 of ORDINANCE No. 2 as of 17.09.2003 on the prospectuses to be published  
when securities are offered to the public or admitted to trading on a regulated market and on  
disclosure of information by the public companies and the other issuers of securities**

for the period 01.01.2018 – 31.03.2018

**“Intercapital Property Development” ADSIC**

**1. For the issuer**

**1.1. Change of the persons, exercising control over the company**

Since the establishment of the company up to present there haven't been persons exercising control over it.

**1.2. Change in the members of the management and the control bodies of the company and reasons for the change; changes in the way of representation; appointment or discharge of procurator.**

During the reporting period no such circumstance has occurred.

**1.3. Amendments and/or supplements to the company's By-laws.**

During the reporting period no such circumstance has occurred.

**1.4. Decision for transformation of the company and implementation of the transformation; structural changes in the company.**

No decisions for transformation of the company and implementation of transformations have been taken; there have not been any structural changes in the company.

**1.5. Initiation of a liquidation procedure and all main stages, related to such procedure.**

No liquidation procedure has been initiated for the company.

**1.6. Initiation of a bankruptcy procedure for the company or its subsidiary and all substantial stages, connected with the procedure.**

No bankruptcy procedure has been initiated for the company or its subsidiary.

**1.7. Acquisition, granting for use or disposition of assets of big value according Art. 114 para 1 item 1 of LPOS.**

Such a circumstance has not occurred.

**1.8. Decision for conclusion, termination and rescission of a contract for a joint enterprise.**

There has not been taken any decision for conclusion, termination and rescission of a contract for a joint enterprise.

**1.9. Decision of the Financial Supervision Commission for delisting the company of the registry for the public companies and the other issuers of securities under art. 30, para 1, point 3 of the Law on the Financial Supervision Commission**

There has not been such a decision of the commission for delisting the company of the registry for the public companies and the other issuers of securities under art. 30, para 1, point 3 of the Law on the Financial Supervision Commission.

**1.10. Change of the auditors of the company and reasons for the change.**

During the reporting period no such circumstance has occurred.

**1.11. Announcement of the profit of the company.**

As of 31.03.2018 the net financial result of the Company on non-consolidated basis is loss in the amount of BGN 459 thousand.

**1.12. Material losses and the reasons thereof.**

During the reporting period the Company has not realized material losses due to extraordinary or unforeseeable circumstances.

The loss generated by the company as of 31.03.2018 in the amount of BGN 459 thousand is mainly attributable to the financial expenses incurred during the reporting period and, in particular, to interest expenses.

**1.13. Unforeseeable or unforeseen circumstance of extraordinary nature, as a result of which the company or its subsidiary has suffered damages, amounting to three or more percent of the company's equity.**

During the reporting period there have not been any circumstances of extraordinary nature that have caused such damages for the Company.

**1.14. Public disclosure of a modified auditor's report.**

The audited report of the registered audit company NIBOS EOOD, with UIC 200635432, represented by the manager and sole proprietor of the capital - Nikolay Mihaylov Polinchev - registered auditor with Dipl. 0684 with the ICPA, which verified and certified the annual non-consolidated financial statement of the company for 2017, contains the following qualified opinions:

*“Basis for qualified opinion*

The Statement of account of the Company as of 31 December 2017 presents trade and other receivables in the amount of BGN 6 628 thous. as disclosed in Notes 10. Trade receivables, 12. Other receivables and 33. Receivables from Related parties. The Company has over 90% overdue, unimpaired receivables of over one year. In our opinion, concerning receivables standing at BGN 3 068 thous., the value of receivables exceeds the value of the net assets of the debtors, which gives rise to uncertainty whether the Company will be able to collect the full amount of its receivables.

As a result, we did not succeed in obtaining sufficient assurance that the carrying amount of the receivables presented in the Statement of account as of 31 December 2017 does not exceed their recoverable value. For this reason, we are not in a position to determine whether there are and what are the effects of the receivables presented like that, on the net assets of the Company as of 31 December 2017.

We have performed our audit in conformity with the International Standards on Auditing (ISA). Our responsibilities according to these standards are described in the section of our Report - Auditor's Responsibility for the Audit of the Financial Statements.

We are independent from Intercapital Property Development Special Purpose Investment Company in compliance with the Code of Ethics for professional accountants of the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements, applicable to our audit of the Financial Statements in the Republic of Bulgaria, and we have fulfilled our other ethical responsibilities in conformity with the requirements of the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.“

The Statement of account of the Company as of 31 December 2017 presents trade and other receivables in the amount of BGN 5 197 thous. as disclosed in Notes 10. Trade and other receivables. The Company has over 90% overdue, unimpaired receivables of over one year. In our opinion, concerning receivables in the amount of BGN 3 068 thous., the value of receivables exceeds the value of the net assets of the debtors, which gives rise to uncertainty whether the Company will be able to collect the full amount of its receivables.

As a result, we did not succeed in obtaining sufficient assurance that the carrying amount of the receivables presented in the Statement of account as of 31 December 2017 does not exceed their recoverable value. For this reason, we are not in a position to determine whether and what are the effects of the receivables presented like that, on the net assets of the Company as of 31 December 2017.

We have performed our audit in conformity with the International Standards on Auditing (ISA). Our responsibilities according to these standards are described in the section of our Report - Auditor's Responsibility for the Audit of the Consolidated Financial Report.

We are independent from Intercapital Property Development Special Purpose Investment Company in compliance with the Code of Ethics for professional accountants of the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements, applicable to our audit of the Consolidated Financial Report in the Republic of Bulgaria, and we have fulfilled our other ethical responsibilities in conformity with the requirements of the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **1.15. Decision of the general meeting about the dividend's type and amount, as well as on the conditions and the order for its payment.**

There has not been such a decision during the reporting period.

#### **1.16. Occurrence of liability, which is essential for the company or for its subsidiary, including each non fulfillment or increase of the liability.**

As of 31.03.2018 the most essential liabilities of the Company are the obligations toward

financial institutions (including those for which during the past quarter ICPD has been notified that they were transferred to new creditors). Their total value (incl. accrued interest, principal and bank fees) is as follows:

	<b>31.03.2018</b>	<b>31.12.2017</b>
	<b>BGN '000</b>	<b>BGN '000</b>
<b>Bank Loans + Ceded Bank Debts in 2017</b>		
Long-term part	16 095	16 095
Short-term part	524	386
<b>Total</b>	<b>16 619</b>	<b>16 481</b>

As of March 31, 2018 the subsidiary "Marina Cape Management" EOOD has no obligations towards banking institutions.

Pursuant to an agreement dated 27.12.2017, Intercapital Property Development ADSIC and Marina Cape Properties OOD have agreed that the debt of ICPD ADSIC to Marina Cape Properties OOD in the amount of EUR 6 444 263.63 is extinguished by giving instead of execution for the purpose of which by 31 March 2018:

- 1) an amount of EUR 30,000 should be paid;
- 2) ICPD ADSIC shall transfer to Marina Cape Properties OOD all its shares from the capital of Marina Cape Management EOOD.

With Attachment No. 1 of 29.03.2018 to the agreement "Intercapital Property Development" ADSIC and "Marina Cape Properties" EOOD have agreed that the deadline for payment of the above amount of EUR 30,000 will be extended until 15.05.2018 and the deadline for signing the contract for the purchase and sale of the shares in the capital of Marina Cape Management EOOD to be changed from 31.03.2018 on 15.05.2018.

**1.17. Arising of receivable, which is essential for the company, with indication of its due date.**

During the reporting period no essential receivable has arisen for the company.

**1.18. Liquidity problems and measures for financial support.**

By a letter under outgoing No 5146-1453/06.03.2018 of Investbank AD, 'Intercapital Property Development' ADSIC was informed about a General Meeting of Bondholders of corporate bonds issue, issued by the public company convened on 14.03.2018 and a copy of the invitation for the meeting was attached to the letter. The agenda of the meeting includes the following points:

**POINT ONE:** Adoption of a decision on confirmation of the decision under point 2.4 of the agenda, adopted by the General Meeting of Bondholders, held on 18.12.2017, by means of which the General Meeting of Bondholders authorizes the bondholders` trustee bank to undertake the necessary actions for initiation of claim/s under the rules of the Civil Procedure Code and the relevant Bulgarian legislation in force against 'Insurance Company Euroins' AD, UIC 121265113 in its capacity as insurer under insurance policy 29-0000-1753/06.08.2010 for payment of the due insurance indemnity, as well as to represent the bondholders and to protect their rights in the course of court proceedings.

**Draft resolution:** The General Meeting of Bondholders confirms the decision under point 2.4 of the agenda, adopted by the General Meeting of Bondholders, held on 18.12.2017, by means of which the General Meeting of Bondholders authorizes the bondholders` trustee bank to undertake the necessary actions for initiation of claim/s under the rules of the Civil Procedure Code and the relevant Bulgarian legislation in force against 'Insurance Company Euroins' AD, UIC 121265113 in its capacity as insurer under insurance policy 29-0000-1753/06.08.2010 for payment of the due

insurance indemnity, as well as to represent the bondholders and to protect their rights in the course of court proceedings.

**POINT TWO:** Adoption of a decision on confirmation of the decision under point 3 of the agenda, adopted by the General Meeting of Bondholders, held on 18.12.2017, according to which the costs for performance of the actions, envisaged under the decisions adopted under point two of the agenda, relevant to satisfaction of receivables of bondholders (including state fees, attorney's fees, expert's fees etc.) shall be mandatorily provided in advance by the bondholders of the bond issue in proportion to the amount of bonds held, with regard to which and in fulfillment of which the bondholders shall sign an explicit written agreement on costs and expenses.

**Draft resolution:** The General Meeting of Bondholders confirms the decision under point 3 of the agenda, adopted by the General Meeting of Bondholders, held on 18.12.2017, according to which the costs for performance of the actions, envisaged under the decisions adopted under point two of the agenda, relevant to satisfaction of receivables of bondholders (including state fees, attorney's fees, expert's fees etc.) shall be mandatorily provided in advance by the bondholders of the bond issue in proportion to the amount of bonds held, with regard to which and in fulfillment of which the bondholders shall sign an explicit written agreement on costs and expenses.

**POINT THREE:** Adoption of a decision on confirmation of the decision under point 4 of the agenda, adopted by the General Meeting of Bondholders, held on 18.12.2017, by means of which the General Meeting of Bondholders accepts the offer of and elects 'Zahariev and Metodiev' Law Firm to represent the bondholders and to maintain the documentation and to act as a counsellor of the bondholders of corporate bonds, issued by 'Intercapital Property Development' ADSIC under ISIN Code of the issue BG2100019079 against the insurance company in conformity to a decision of the General Meeting of Bondholders under point 2.4 of point two of the agenda, under all court proceedings in all court instances relevant to satisfaction of receivables of bondholders of the bond issue and assigns to the trustee bank to sign a contract with the law firm at the price and under the terms and conditions of the approved offer.

**Draft resolution:** The General Meeting of Bondholders confirms the decision under point 4 of the agenda, adopted by the General Meeting of Bondholders, held on 18.12.2017, by means of which the General Meeting of Bondholders accepts the offer of and elects 'Zahariev and Metodiev' Law Firm to represent the bondholders and to maintain the documentation and to act as a counsellor of the bondholders of corporate bonds, issued by 'Intercapital Property Development' ADSIC under ISIN Code of the issue BG2100019079 against the insurance company in conformity to a decision of the General Meeting of Bondholders under point 2.4 of point two of the agenda, under all court proceedings in all court instances relevant to satisfaction of receivables of bondholders of the bond issue and assigns to the trustee bank to sign a contract with the law firm at the price and under the terms and conditions of the approved offer.

**POINT FOUR:** Adoption of a decision and authorization of the bondholders' trustee bank to file an application for initiation of bankruptcy proceedings of the issuer of bonds 'Intercapital Property Development' ADSIC and to represent the bondholders and to protect their rights and interests relevant to satisfaction of their receivables in the course of the bankruptcy proceedings.

**Draft resolution:** The General Meeting of Bondholders adopts a decision and authorizes the bondholders' trustee bank to file an application for initiation of bankruptcy proceedings of the issuer of bonds 'Intercapital Property Development' ADSIC and to represent the bondholders and to protect their rights and interests relevant to satisfaction of their receivables in the course of the bankruptcy proceedings;

**POINT FIVE:** Adoption of a decision on election of a law firm and/or an attorney at law, which shall act as representatives, maintain documentation and act as counsellors of bondholders of corporate bonds, issued by 'Intercapital Property Development' ADSIC under ISIN Code of the issue BG2100019079 in the course of the court proceedings under point 4, initiated upon filed

application for initiation of bankruptcy proceedings against the issuer in all court instances, relevant to satisfaction of receivables of bondholders of the bond issue.

**Draft resolution:** The General Meeting of Bondholders adopts a decision on election of a law firm and/or an attorney at law, which shall act as representatives, maintain documentation and act as counsellors of bondholders of corporate bonds, issued by 'Intercapital Property Development' ADSIC under ISIN Code of the issue BG2100019079 in the course of the court proceedings under point 4, initiated upon filed application for initiation of bankruptcy proceedings against the issuer in all court instances, relevant to satisfaction of receivables of bondholders of the bond issue.

**POINT SIX:** Acceptance for information purposes of the Agreement on costs and expenses (including state fees, attorney`s fees, expert`s fees etc.) signed in fulfilment of point three of the decision, adopted by the General Meeting of Bondholders, held on 18.12.2017 relevant to costs incurred by the trustee bank in relation to the actions of the trustee bank aimed at satisfaction of receivables of bondholders.

**Draft resolution:** The General Meeting of Bondholders accepts information purposes of the Agreement on costs and expenses (including state fees, attorney`s fees, expert`s fees etc.) signed in fulfilment of point three of the decision, adopted by the General Meeting of Bondholders, held on 18.12.2017 and agrees and confirms that the terms and conditions of the Agreement shall be binding on all bondholders notwithstanding whether they have signed the Agreement.

**POINT SEVEN:** Miscellaneous.

73.74% of bondholders were represented at the General Meeting of Bondholders. The majority of presented bonds voted 'for' the adoption of draft resolutions under points 1, 2 and 3 of the agenda, by means of which the bondholders confirmed the decisions adopted under points 2.4, 3 and 4 of the agenda of the preceding General Meeting of Bondholders, held on 18.12.2017. In addition to these decisions the bondholders accepted for information purposes and approved and confirmed an Agreement on costs and expenses signed in fulfilment of the decision, adopted by the General Meeting on 18.12.2017 relevant to filing of claim/s against the insurer of the bond issue 'Insurance Company Euroins' AD. The general meeting again voted on the proposal for filing of an application on behalf of the bondholders for initiation of bankruptcy proceedings, respectively for election of a law firm, which to represent the bondholders in the course of the court proceedings, but the proposal was not accepted.

The issuer company was not represented at the general meeting and was informed about the results of the meeting by a letter under outgoing No 5146-1600/19.03.2018 of 'Investbank' AD, to which copies of the minutes of the general meeting and the list of represented bondholders were attached.

Pursuant to an agreement dated 27.12.2017, Intercapital Property Development ADSIC and Marina Cape Properties OOD have agreed that the debt of ICPD ADSIC to Marina Cape Properties OOD in the amount of EUR 6 444 263.63 is extinguished by giving instead of execution for the purpose of which by 31 March 2018:

- 1) an amount of EUR 30,000 should be paid;
- 2) ICPD ADSIC shall transfer to Marina Cape Properties OOD all its shares from the capital of Marina Cape Management EOOD.

With Attachment No. 1 of 29.03.2018 to the agreement "Intercapital Property Development" ADSIC and "Marina Cape Properties" EOOD have agreed that the deadline for payment of the above amount of EUR 30,000 will be extended until 15.05.2018 and the deadline for signing the contract for the purchase and sale of the shares in the capital of Marina Cape Management EOOD to be changed from 31.03.2018 on 15.05.2018.

**1.19. Increase or reduction of the share capital**

There have not been such circumstances during the reporting period.

**1.20. Confirmation of negotiations for acquisition of the company.**

There hasn't been such a circumstance during the reporting period.

**1.21. Conclusion or fulfillment of significant contracts, which are not related to the company's usual activity.**

During the reporting period no significant contracts which are not related to the company's usual activity have been concluded or fulfilled.

**1.22. Position of the management body in connection with the tender offer made.**

During the reporting period no tender offer has been made to the Company's shareholders, respectively there has not been any position of the Board of Directors of the company related to that.

**1.23. Termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years.**

During the reporting period there has not been any termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years.

**1.24. Introduction of new products and developments on the market**

No new products and developments have been introduced on the market during the reporting period.

**1.25. Big orders (amounting to over 10 percent of the average revenues of the company for the last three years).**

During the reporting period there have not been orders amounting to over 10 percent of the average revenues of the company.

**1.26. Development and/or change in the amount of the orders and the use of the production capacity.**

There hasn't been such a circumstance.

**1.27. Termination of the sales of a given product, forming significant part of the revenues of the company.**

There hasn't been such a circumstance.

**1.28. Purchase of patent**

There hasn't been such a circumstance.

**1.29. Obtaining, suspension of the use, withdrawal of authorization to pursue business (license).**

There has not been obtaining, suspension of the use, withdrawal of authorization to pursue business (license) during the reporting period.

**1.30. Initiation or termination of legal or arbitration proceedings, relating to liabilities or receivables of the company or its subsidiary, with price of the claim at least 10 percent of the company's equity.**

There hasn't been such a circumstance.

**1.31. Other circumstances, which the company considers could be of importance for the investors at taking a decision to acquire, to sell or continue to own publicly offered securities.**

At a meeting of the Board of Directors of Intercapital Property Development ADSIC from 18.04.2018 the Board decided to appoint a second manager of Marina Cape Management EOOD, namely Nedyalko Zafirov Dinev, to represent and manage the company together with the current manager Radostina Krалеva Panteleeva. The amendment was entered in the Commercial Registry by registration number 20180508094247 dated 08.05.2018 on the electronic file of the subsidiary and servicing company "Marina Cape Management" EOOD.

On 27.04.2018 there was a Meeting of the Board of Directors of ICPD which took a decision to convene a General Annual Meeting of the shareholders of the company for 2018 on 29.06.2018 г. at 13:00 o'clock in Sofia, Sredets region, 6 Dobrudja str., 3th floor with the following agenda:

**“Item one:** REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE YEAR 2017;

Draft Resolution: The General Meeting of the shareholders approves the report of the Board of Directors of the Company regarding the activity of the Company in the year 2017, and the consolidated management report of the Company for the year 2017.

**Item two:** REPORT OF THE AUDIT COMMITTEE OF THE COMPANY FOR THE YEAR 2017;

Draft Resolution: The General Meeting of the shareholders approves the annual report of the Audit Committee of the Company for its activity in the year 2017;

**Item three:** REGISTERED AUDITOR'S REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR 2017;

Draft Resolution: The General Meeting of the shareholders approves the report of the chosen registered auditor regarding the annual financial statement of the Company for the year 2017, and the annual consolidated financial statement of the Company for 2017;

**Item four:** APPROVING THE ANNUAL FINANCIAL REPORT OF THE COMPANY FOR THE YEAR 2017;

Draft Resolution: The General Meeting of the shareholders approves the annual financial report of the Company for the year 2017;

**Item five:** APPROVING THE CONSOLIDATED ANNUAL FINANCIAL REPORT OF THE COMPANY FOR THE YEAR 2017;



Draft Resolution: The General Meeting of the shareholders approves the annual consolidated financial report of the Company for the year 2017;

**Item six:** APPROVING THE FINANCIAL RESULT ALLOCATION OF THE COMPANY'S ACTIVITY FOR THE YEAR 2017;

Draft Resolution: The General Meeting of the shareholders approves the proposal of the Board of Directors for the realized profit from the activity of the Company for 2017, in the amount of 96 330.32 BGN shall be used to cover losses of the Company from previous years.

**Item seven:** RELEASING FROM RESPONSIBILITY THE MEMBERS OF THE BOARD OF DIRECTORS FOR THEIR ACTIVITY DURING THE PERIOD 1<sup>ST</sup> JANUARY 2017 –31<sup>ST</sup> DECEMBER 2017.;

Draft Resolution: The General Meeting of the shareholders releases from responsibility the members of the Board of Directors Velichko Stoichev Klingov, Tsvetelina Chavdarova Hristova and Aheloy 2012 OOD, with identification number EIK 202371390, for their activity in the period 1<sup>st</sup> January 2017 – 31<sup>st</sup> December 2017.;

**Item eight:** CHOOSING A REGISTERED AUDITOR FOR VERIFICATION AND CERTIFICATION OF THE ANNUAL FINANCIAL REPORT OF THE COMPANY FOR THE YEAR 2018;

Draft Resolution: In order to verify and certify the annual individual and consolidated financial statements for 2018, the General Meeting of Shareholders elects a registered auditor proposed by the Board of Directors and recommended by the Audit Committee according to the suggestion contained in the agenda.

**Item nine:** REPORT OF THE INVESTOR RELATIONS DIRECTOR;

Draft Resolution: The General Meeting of the shareholders approves the report of the Investor Relations Director;

**Item ten:** REPORT OF THE MANAGEMENT REGARDING THE COMPANY'S POLICY FOR REMUNERATION OF THE MEMBERS OF BOARD OF DIRECTORS FOR 2017

Draft Resolution: The General Meeting of the shareholders approves the report of the management regarding the policy for remuneration of members of the Board of Directors developed by the Board of Directors for 2017.

**Item eleven:** Change of management address of the Company.

Draft Resolution: The General Meeting of Shareholders decided that the management address of the Company should be moved to 6, Dobrudja Str, 4<sup>th</sup> floor.

**Item twelve:** Changing of the Article of Association of the Company.

Draft Resolution: Under the decision of the previous item of the agenda, the general meeting of the shareholders approves a change in the Art. 6 of the Articles of Association of the Company according to the proposal of the Board of Directors on the agenda.

**Item thirteen:** Defines the mandate of the Audit Committee under Art. 107 of the Independent Financial Audit Act.

Draft Resolution: The General Meeting of Shareholders determines the mandate of the Audit Committee at 3 years from the date of the general meeting.

**Item fourteen:** Miscellaneous.”

11.05.2018  
Sofia

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/Velichko Klingov – Executive Director/