

Annual Consolidated Management Report
INTERCAPITAL PROPERTY DEVELOPMENT ADSIC
2018

25 April 2019

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1. Information given in terms of value and quantity regarding the main categories of goods, products and / or services, with indication of their share in the proceeds of sales of the issuer as a whole and the changes, during the accounting year.
2. Information on revenue broken down by category of activity, internal and external markets, as well as information on sources for the supply of materials necessary for the production of goods or the provision of services reflecting the degree of dependence on each individual seller or buyer / user, in case the relative share of any of them exceeds 10 per cent of the costs or revenues from sales, information is provided for each person separately, for his share in the sales or purchases and the links with the issuer.
3. Information on Significant Significant Transactions.
4. Information about transactions concluded between the issuer and related parties during the reporting period proposals for such transactions as well as transactions that are outside its

normal business or materially deviate from the market conditions on which the issuer or its subsidiary is country with an indication of the value of the transactions, the nature of the relationship and any information necessary to assess the impact on the issuer's financial position.

5. Information on events and indices having an unusual nature for the issuer that have a significant impact on its activities and its realized revenues and expenses; an assessment of their impact on results in the current year.

6. Information about off-balance-sheet transactions - nature and business purpose, indication of the financial impact of transactions on the business if the risk and benefits of those transactions are material to the issuer and disclosure of such information is material to the issuer's financial condition.

7. Information about the issuer's shareholdings, its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate) as well as investments in equity securities outside its economic group and sources / ways of financing .

8. Information about the concluded by the issuer, by his / her subsidiary parent company or parent company, in their capacity as borrowers, loan agreements with an indication of their terms, including the repayment deadlines, as well as information on guarantees and commitments made.

9. Information about the loan agreements, including the provision of guarantees of any kind, including related parties, with specific terms and conditions, including the terms and conditions, including the terms and conditions, concluded by the issuer, its subsidiary or parent company as lenders the payment deadlines and the purpose for which they were granted.

10. Information on the use of funds from a new issue of securities during the reporting period.

11. Analysis of the ratio between the financial results achieved, as reflected in the financial statements for the financial year, and previously published estimates of those results.

12. Analysis and evaluation of the policy regarding the management of the financial resources, indicating the possibilities for servicing the obligations, the possible threats and measures that the issuer has taken or is about to take with a view to their elimination.

13. Assessment of the possibilities for realization of the investment intentions with indication of the amount of available funds and reflection of possible changes in the structure of financing of this activity.

14. Information about changes during the reporting period in the main management principles of the issuer and its economic group.

15. Information about the main features of the internal control system and the risk management system applied by the issuer in the process of preparing the financial statements.

16. Information on changes in management and supervisory bodies during the reporting financial year.

17. Information on the amount of remuneration, rewards and / or benefits of each member of the management and supervisory bodies for the accounting financial year paid by the issuer and its subsidiaries, regardless of whether they have been included in the issuer's expenses or derive of profit distribution, including:

18. For public companies - information about the shares of the issuer owned by the members of the management and supervisory bodies, procurators and senior management, including the shares held by each of them individually and as a percentage of the shares of each class as well as the provided property the issuer options on its securities - the type and size of the securities on which the options are set, the exercise price of the options, the purchase of a price, if any, and the term of the options.

19. Information about the arrangements known to the Company (including after the financial year), which may result in changes in the relative share of shares or bonds held by current shareholders or bondholders in the future.

20. information on pending court, administrative or arbitration proceedings concerning liabilities or receivables of the issuer amounting to at least 10 percent of its equity; if the total value of the liabilities or receivables of the issuer in all initiated proceedings exceeds 10 per cent of its own capital, information shall be presented for each production separately.

21. Details of the Investor Relations Director, including telephone and correspondence address.

I. General information about the Company on consolidated basis

1. “Intercapital Property Development” ADSIC – the mother company

“Intercapital Property Development” ADSIC is a company registered under the Law on the special purpose vehicles for securitization of real estate properties. The Company functions as a collective investment scheme for real estate properties; “securitization of real estate properties” means that the Company acquires real estate properties with the cash funds it accumulates through securities issues (shares, bonds).

“Intercapital Property Development” ADSIC is established in the Republic of Bulgaria. It was initially entered in the register of the Sofia City Court with Resolution No. 1 dated 29.03.2005, lot No. 92329, volume 1204, reg. I, page 23 under company file No. 3624/2005. At present the Company is entered in the Commercial Register to the Registry Agency under unified identification code 131397743. The seat and the management address of the Company are: Sofia, 7a Aksakov Str.

The Company is managed by a Board of Directors. At present the members of the Board of Directors are: Velichko Klingov, Tsvetelina Hristova and Aheloy 2012 EOOD, UIC 202371390, with seat and management address: Sofia, Sredets District, 7A Aksakov Str., fl. 4, represented by Nikolay Chergilanov. The Company is represented by Velichko Klingov in his capacity of Executive Director.

Milen Bozhilov is the Company’s investor relations director.

Servicing companies of “Intercapital Property Development” ADSIC pursuant to the Law on the special purpose vehicles are: “Optima Audit” AD, “Marina Cape Management” EOOD, IP “Intercapital Markets” AD and “Tokushev & Partners” AD.

As of 31.12.2018 “Intercapital Property Development” ADSIC has investments in the following subsidiary companies:

Name of the subsidiary company	2018 BGN '000	share %	2017 BGN '000	share %
Marina Cape Management EOOD	5	100%	5	100%

“Marina Cape Management” EOOD is with registered seat in Sofia and management address at: 7a Aksakov Str., tel. +359 2 980 12 51, fax: + 359 2 980 61 40, e-mail: office@marinacape.com.

“Marina Cape Management” EOOD is registered with resolution dated 18.10.2006 of the Sofia City Court under company file No. 12083/2006 and is entered in the Commercial Register to the Registry Agency under unified identification code 175158218.

“Marina Cape Management” EOOD is a subsidiary of “Intercapital Property Development” ADSIC (the latter owns 100% of the company’s stock) and is established in 2006 for the purpose of servicing the apartments and the commercial areas in the “Marina Cape” vacation complex. As of 31.12.2017 the company is managed and represented by Radostina Panteleeva.

At a meeting of the Board of Directors of Intercapital Property Development ADSIC from 18.04.2018. it was decided to appoint a second manager of Marina Cape Management Ltd, namely Nedyalko Zafirov Dinev, to represent and manage the company together with the current manager Radostina Krалеva Panteleeva. The new manager is entered in the Commercial Register at the Registry Agency.

“Marina Cape Management” EOOD is a company with which all the clients that have acquired properties in the “Marina Cape” vacation complex conclude a contract for maintenance and management for an annual remuneration of EUR 12 per sq.m.

As of 31.12.2018 “Intercapital Property Development” ADSIC has investments in the following subsidiary companies:

Name of the subsidiary company	2018 BGN '000	share %	2017 BGN '000	share %
Marina Cape Management EOOD	10	100%	10	100%

Marina Cape Tours Ltd. is a 100% subsidiary of Marina Cape Management EOOD. The acquisition of the company was registered in the Commercial Register on 04.11.2009. The object of activity of Marina Cape Tours Ltd. is offering of tourist services and intermediary activity. The company is represented and managed by Radostina Panteleeva.

II. Basic parameters of the annual consolidated financial report

A. Expenses of the Company on consolidated basis

During the reporting year 2018 the Company has realized expenses in the total amount of (excluding corporate tax expenses) BGN 7 922 thousand on consolidated basis. Of this amount, BGN 4 595 thousand represent operating expenses, of which BGN 1 716 thousand represent costs from changes in the fair value of investment properties of the Company. The

financial costs amount to BGN 1 611 thousand, of which the interest expenses amount to BGN 1 600.

B. Financial result of the Company on consolidated basis

In 2018 the Company has realized net profit in the amount of BGN -4 300 thousand on consolidated basis.

C. Revenues of the Company on consolidated basis

In 2018, the Company did not generate revenue from sales of real estate.

In 2017, the Company reported revenues from sales of real estate - residential buildings for seasonal use in the Marina Cape Holiday Complex in the amount of BGN 1 645 thousand. The total area of the sold apartments is 1 046 sq.m. At present Intercapital Property Development ADSIC has concluded preliminary contracts for the sale of apartments with an area of about 2 974.51 sq.m. from the Marina Cape Holiday Complex.

The revenues from exploitation of the commercial properties in "Marina Cape" vacation complex (incl. restaurants, pool bar, supermarket, sport and spa centre, kids' centre, other dining and entertainment premises) are in the amount of BGN 350 thousand.

The revenues from renting apartments – including own properties (i.e. properties owned by "Intercapital Property Development" ADSIC) as well as third parties' properties (apartments whose owners have concluded management contracts with "Marina Cape Management" EOOD) amount to BGN 661 thousand.

The revenues from providing services of maintenance of real estate properties and representation of owners in the "Marina Cape" vacation complex (owners different from "Intercapital Property Development" ADSIC) amount to BGN 743 thousand.

In the fourth quarter of 2017 ICPD ADSIC generated additional revenues of BGN 12,604 thousand in connection with an agreement dated 27.12.2017, by which Intercapital Property Development ADSIC and Marina Cape Properties OOD have agreed that the debt of ICPD ADSIC to 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 shall be extinguished by giving instead of performing, and, by 31 March 2018:

1) an amount of EUR 30,000 shall be paid;

2) ICPD ADSIC shall transfer to Marina Cape Properties OOD all the shares of the capital of Marina Cape Management EOOD.

With Attachment No. 1 of 29.03.2018 "Intercapital Property Development" ADSIC and "Marina Cape Properties" Ltd. have agreed that the deadline for payment of the above amount of EUR 30,000 will be extended until 15.05.2018 and the term for signing the Contract for 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.

The total revenues for 2018 amount to BGN 3 632 thousand on consolidated basis..

D. Assets of the Company on consolidated basis

As of 31.12.2018 the Company's assets on consolidated basis are in the amount of BGN 43 536 thousand, including:

Long-term tangible assets: BGN 37 052 thousand of which the value of the investment properties owned by the Company is with the greatest share – BGN 23 746 thousand;

Deferred tax assets: BGN 21 thousand;

Prepaid Expenses: BGN 447 thousand;

Short-term assets: BGN 6 463 thousand, of which the largest share is the value of receivables from clients and suppliers - BGN 3 649 thousand.

E. Liabilities of the Company on consolidated basis

The short-term liabilities of the Company on consolidated basis as of 31.12.2018 amount to BGN 24 886 thousand. The greatest share of them is that of the obligations to bank and non-bank financial institutions – BGN 11 033 thousand. (which includes the obligation of the bond issue of the parent company, the liability under of a loan from Teximbank AD, the current financial leasing obligation) and other liabilities in the amount of BGN 11 033 (which include ceded liabilities under loan agreements to Grand Borovetz 2013 EOOD, ceded liabilities under a loan contract to BG Invest Properties AD, interest on contract with VEI Project AD, obligation under contract with IKM IMO EAD, etc.)

The payables towards suppliers and customers amount to BGN 1 454 thousand. In addition, as of 31.12.2018 the Company has received advance payments from clients and guarantee deposits in the amount of BGN 5 371 thousand due to concluded contracts for purchase of real estate properties.

The long-term liabilities comprise the financial leasing liabilities amounting to BGN 1 454 and other liabilities amounting to BGN 16 095 thousand, represents a ceded obligation under loan agreements with Piraeus Bank Bulgaria AD, with current owner of the claim from ICPD ADSIC- Futures Capital AD.

F. Shareholders' equity

The Company's shareholders' equity on consolidated basis as of 31.12.2018 is in the amount of BGN -219 thousand. It includes:

Share capital: BGN 6 011 thousand

Issue premiums: BGN 7 651 thousand

Revaluation reserves: BGN 5 878 thousand

General reserves: BGN 1 thousand

Retained earnings from previous periods: BGN -15 460 thousand

Current year profit / loss: BGN -4300 thousand

III. Exposition of the development of the business and the state of the enterprise on a consolidated basis as well as future prospects:

1. Liquidity:

a) trends, circumstances and risks

The Company's liquidity (the group) depends largely on the timing of the incoming and the outgoing cash flows. The incoming cash flows for the Company may have the following origin:

- from the Company's activity. These are mainly advance or final payments under contracts for sale of real estate property (residential buildings for seasonal use) constructed by the parent Company as well as proceeds generated by the tourist

activity carried out by the subsidiary company "Marina Cape Management" EOOD.

- from financial activity. In case of issuance of securities (equity or debt) or obtaining bank loans.

In 2018, the Group reported revenues from sales of real estate - residential buildings for seasonal use in the Marina Cape Holiday Complex in the amount of BGN 1 645 thousand.

In 2018 on a consolidated basis Intercapital Property Development ADSIC continues to account for operating income from the property of the parent company. The operation of the property is carried out by the subsidiary "Marina Cape Management" EOOD. The results of the exploitation of the real estate can be divided into two main directions: the exploitation of the commercial areas (including restaurants, water bar, spa centers and sports centers, conference center, shops, etc.) and the provision of services Owners and tenants (including property maintenance, renting, etc.).

In 2018 the revenues from the exploitation of the shopping facilities in the Marina Cape vacation complex (including restaurants, water bar, spa center, fitness center, bowling hall, squash center, shops, etc.) amounted to BGN 350. The company is constantly striving to optimize the sales prices - costs. Next, the conference center is actively operating in the vacation village, where conference-type events are regularly held. The company aims to actively develop this type of tourism.

Revenues from rental of apartments (including apartments owned by Intercapital Property Development ADSIC and apartments owned by external persons) for 2018 amount to BGN 611 thousand. The Company's gross result for this type of activity in 2017 is a profit of BGN 377 thousand against BGN 371 thousand for 2016.

The revenues from the maintenance services and the representation of owners in the Marina Cape Complex (owners other than Intercapital Property Development ADSIC) amount to BGN 743 thousand. Maintenance revenues are fees paid by property owners in the vacation complex of the subsidiary and servicing company "Marina Cape Management" Ltd. "Marina Cape Management" Ltd. is a company with which all clients who have acquired properties in vacation complex "Marina Cape" conclude a maintenance and management contract with an annual remuneration of EUR 12 per square meter.

In 2018 the group has not generated financial income. The financial expenses on a consolidated basis are in the amount of BGN 1 611 thousand, BGN 1 600 thousand of which are interest expenses.

In the end of 2018, in compliance with the existing legislation, an appraisal of the investment properties, land and assets in process of construction owned by the parent company was carried out. The investment properties of the parent company include all properties – residential and commercial in Vacation Complex Marina Cape. As a result of the appraisal, as of 31.12.2018 the value of the investment properties of the parent company was reduced by BGN 1 716 thousand. The result of the revaluation of the land owned by the Company as of 31.12.2018 valued at BGN 5 788.

b) Development of the Company's investment projects

"Marina Cape"

The vacation complex has been fully completed since August 2010, by virtue of certificate No 45 (26 s.) and No 48 (27 s.) sector number 26 and 27 (Zone 4).

During 2017 works on repairing damages that occurred during the exploitation and other necessary renovation in the complex were carried out. The renovation activities are carried out by the subsidiary and managing company “Marina Cape Management” EOOD.

The vacation complex is exploited all year round. In the winter season 2016-2017, 2 of all 4 restaurants were open, as well as the bowling hall, the spa centre, the fitness hall and the squash courts. A minimum of 100 apartments were maintained for letting out to tourists – organized or casual.

During the 2017 summer season, the complex was exploited at over 90% capacity (for the apartments owned by the Company and for those that are not owned by it but are managed by its subsidiary company “Marina Cape Management” EOOD).

There are regular conference meetings in the complex “Marina Cape”. The company aims to actively develop this type of tourism.

“Borovets Grand”

In May 2008 the Company received the construction permit and started the construction works in the Borovets resort. The company that was chosen to carry out the rough construction was Midia AD. The plot where the project is to be constructed is of total area of 6 600 sq. m. The project is of 10 000 sq. m. built-up area and includes – residential area – 5 175 sq. m., commercial area – 3 140 sq. m. and underground garages – 1 685 sq. m.

In October 2008 the Company received Act 14 and Certificate for completed rough construction for the project in Borovets. Currently the additional requirements by CEZ have been taken care of. Issuance of Act 15 for the outside electric supply of the building and signing a contract for the sale of the electric substation shall be carried out after completing the construction (Act 15) of the building. Currently all construction and other works on the building are at a halt for an indefinite period of time.

The Company’s plans about the “Borovets Grand” project were to have it completed with the funds from the capital increase procedure that was carried out in July-August 2010. The amount raised however fell short of the total funds needed to complete the project.

On 06th June 2011, the Board of Directors took a decision to start negotiations for the sale of the real estate and the built hotel apartment complex “Grand Borovets” for a starting price not lower than € 5 000 000.

In connection with this, several publications of an advertisement for sale were made in few national daily newspapers in Bulgaria, as well as in the newspaper “Vedomosti” in Russia. In addition, the Company has presented the project for sale to brokers in the Arab countries, Russia and Kazakhstan.

Parallel to the latter, the Company is actively searching for a partner who may be willing to invest €2 500 000 required for completing the project Grand Borovets so that it may function as a hotel. As such, the Company has established contacts and is negotiating with several potential investors.

On 17 December 2013 the parent company signed a contract with Bulgaria Leasing EAD for financial leasing of real estate subject to which is the investment project “Grand Borovets”, property of Intercapital Property Development ADSIC. The lease price of the contract is EUR 2 927 724.36, excl. VAT. Initially the lease price was agreed to be paid in a 2-year period, with a grace period of 6 months, in 24 instalments each due on the 20th of each month it is due on and at a fixed annual interest of 9%. By mutual agreement of the parties in 2014, the maturity date was extended until 20.12.2019 as a result of which, the leasing price was altered to 3 183 968.45 euro, excl. VAT. The parties signed a new agreement in the end of 2016, whereby the maturity date was extended until 20.12.2021 as a result of which, the leasing price was altered to 3 411 746 euro excl. VAT. Under the contract from December 17, 2013 ICPD has transferred by notary ownership the land with ID 65231.918.189 located in

Samokov, Sofia region, and the building constructed on it, representing a hotel apartment complex and service buildings with ID 65231.918.189.2, to the lessor "Bulgarian Leasing" EAD. As a result, and under the conditions of a leaseback agreement, ICPD has been granted possession of the properties subject to the Contract for financial leasing by the lessor.

c) Financing of Company's operations

As of 31.12.2018 ICPD on a consolidated basis has obligations towards banking institutions, including long term and short term ones, in the amount of BGN 16 095 thousand, as well as an obligation in relation to a bond issue in the amount of BGN 4 838 thousand.

By letter of departure. № 5146-1453 / 06.03.2018 of "Interbank Capital Development" REIT was announced for a General Meeting of Shareholders of the Issuance of Corporate Bonds Issued by the Public Company on 14.03.2018, attached to the letter a copy of the invitation to convene the meeting. The agenda of the meeting is as follows: „**Item one:** Consent to rescheduling and restructuring of the obligations of the issue of corporate bonds with ISIN code BG2100019079, through renegotiation of part of the terms of the issue as follows

POINT FIRST: Adoption of a decision to confirm the decision under p.2.4. from the second item of the agenda adopted at the General Meeting of Bondholders held on 18.12.2017, whereby the General Meeting of Bondholders empowers the Bondholders' Bondholders to take actions in bringing actions under the Civil Procedure Code and the effective Bulgarian legislation against Euroins AD, UIC 121265113, in his capacity of insurer on insurance policy 29-0000-1753 / 06.08.2010 for payment of insurance indemnity due, as well as to represent the bondholders and to protect Ava their rights claim proceedings.

Draft resolution: The General Meeting of Bondholders reaffirms the decision under item 2.4. from the second item of the agenda adopted at the General Meeting of Bondholders held on 18.12.2017, whereby the General Meeting of Bondholders empowers the Bondholders' Bondholders to take actions in bringing actions under the Civil Procedure Code and the effective Bulgarian legislation against Euroins AD, UIC 121265113, in his capacity of insurer on insurance policy 29-0000-1753 / 06.08.2010 for payment of insurance indemnity due, as well as to represent the bondholders and to protect Ava their rights claim proceedings.

POINT TWO: Adoption of a decision confirming the decision under Item 3 of the Agenda adopted at the General Meeting of the Bondholders held on 18.12.2017 according to which the costs for carrying out the actions envisaged in the decisions of the GSC on item 2 of the agenda the satisfaction of debtors 'claims (including state fees, attorneys' fees, expert fees, etc.) must be secured in advance by the bondholders in proportion to the bonds held by them, and with which the bondholders expressly sign a written agreement on costs.

Draft resolution: The General Meeting of the Bondholders confirms the decision under Item 3 of the Agenda adopted at the General Meeting of the Bondholders held on 18.12.2017, according to which the expenses for carrying out the actions envisaged in the decisions of the GOC under item 2 of the agenda to satisfy the debtor's claims (including state fees, attorneys' fees, expert fees, etc.) must be secured in advance by the bondholders in proportion to their own Commission have, in connection with and pursuant to which bondholders to sign a written agreement on costs.

ITEM 3: Deciding on the confirmation of the decision under item 4 of the agenda adopted at the General Meeting of Bondholders held on 18.12.2017 by which the General Meeting of the Bondholders adopts the offer and chooses Zahariev and Metodiev Law Firm, to be appointed

to represent the bondholders and to keep the documentation and legal representation of the bondholders on the issue of corporate bonds issued by Intercapital Property Development ADSIC with the ISIN code of issue BG2100019079 against insured the company, according to the decision of the OCO under item 2.4. from the second item on the agenda, to all court cases and all the instances related to the satisfaction of the claims of the bondholders of the issue by assigning to the trustee bank to contract with the law firm at the price and under the conditions of the approved offer.

Draft resolution: The General Meeting of the Bondholders confirms the decision under Item 4 of the Agenda adopted at the General Meeting of the Bondholders held on 18.12.2017, by which the General Meeting of the Bondholders Accepts the Offer and elects the Zahariev & Metodiev Law Firm of to be charged to represent the bondholders and to keep the records and legal representation of the bondholders in the issue of corporate bonds issued by Intercapital Property Development REIT with the ISIN code of issue BG2100019079 with against the insurance company, according to the decision of the OCO under item 2.4. from the second item on the agenda, to all court cases and all the instances related to the satisfaction of the claims of the bondholders of the issue by assigning to the trustee bank to contract with the law firm at the price and under the conditions of the approved offer.

POINT FOUR: To decide and empower the Custodian Bank to file an application for opening of insolvency proceedings of the Issuer of the Intercapital Property Development REIT Bonds and to represent the bondholders and to protect their rights and interests in the satisfaction of the receivables in their insolvency proceedings.

Draft resolution: The General Meeting of the Bondholders adopts a resolution and authorizes the Bondholders' Trustee Bank to file an application for opening of insolvency proceedings of the Issuer of the Intercapital Property Development REIT Bonds and to represent the Bondholders and to protect their rights and interests in satisfaction of their claims in insolvency proceedings;

FIFTH POINT: Adoption of a decision for the selection of a law firm and / or a lawyer to be mandated to represent the bondholders and to keep the records and legal representation of the bondholders on the issue of corporate bonds issued by Intercapital Property Development REIT with ISIN code of issue BG2100019079 in a fourth case lawsuit found in connection with an application for opening of insolvency proceedings of the issuer of all instances related to the satisfaction of debts of the issue.

Draft decision: The General Meeting of Bondholders adopts a decision for the selection of a law firm and / or a lawyer to represent the bondholders and to keep the documentation and the legal representation of the bondholders on the issue of corporate bonds issued by Intercapital Property Development REIT with the ISIN code of the issue : BG2100019079, in a court case under point 4, opened in connection with an application for opening of insolvency proceedings of the issuer of all instances related to the satisfaction of a claim s of the bondholders of the issue.

POINT SIX: Adoption for information of the written Agreement on the expenses (including state fees, attorneys' fees, fees for experts, etc.) concluded in pursuance of the third point of the decision adopted at the General Meeting of Bondholders held on 18.12.2017 for the expenses incurred by the Custodian Bank related to the actions of the Trustee Bank to satisfy the claims of the bondholders.

Draft resolution: The General Meeting of the Bondholders takes note of an agreement on the expenses (including state fees, attorneys' fees, fees for experts, etc.) concluded in pursuance of the third point of the decision adopted on 18 December 2017 a meeting of bondholders,

accepting and confirming that the terms of the Agreement bind all bondholders, whether signing the Agreement.

Point SEVEN: Miscellaneous.

At the held General Meeting of Bondholders, 73.74% of the bondholders were represented. By a majority of the submitted bonds, the proposed draft resolutions under items 1, 2 and 3 of the agenda of the meeting were adopted, with which the bondholders confirmed the accepted under item 2.4, item 3 and item 4 of the agenda of the previous General Assembly meeting of the bondholders held on 18.12.2017. In addition to these decisions, the bondholders have accepted, approved and confirmed an agreement on costs concluded in implementation of a decision adopted by the General Meeting on December 18, claim / claims against the bond issuer the company "Euroins" AD. At the meeting was again voted a proposal for filing an application on behalf of the bondholders for initiating insolvency proceedings, respectively for the election of a lawyer's office for representation of the bondholders in the court proceedings, the proposal being rejected.

The Issuing Company was not present through its representative at the held meeting and was informed of its results by letter with outgoing. № 5146-1600 / 19.03.2018 of "Investbank" AD, attached to the minutes of the meeting and the list of the bondholders presented to it.

2. Capital resources:

a) Material commitments for capital expenditures as of the end of the last reporting period;

b) Indication of significant trends, favourable or not, for the capital resources of the Company

Currently, the Company cannot make projections for capital increase through new issuance of shares due to the instability and uncertainty of the capital markets.

3. Results of Company's activity

a) Extraordinary or sporadic events

In 2018 there were no unusual and sporadic events for the Company, which have influenced the results of its activity.

b) analysis of the effect of inflation and the changing prices on the income from the main activity of the company for the reporting period.

According to an analysis of the real estate agency 'Bulgarian Properties', such a positive attitude on the Bulgarian market was not present since 2007-2008. It was present not only in Sofia, but also in other big cities and partly in the holiday segment and the main driver on the market all over the country were Bulgarian buyers.

The market was strongest in Sofia where prices have risen between 10–15% and the average price has reached EUR 1,000 per sq. m. Strongest activity and fastest rise of prices were registered between April and mid-July. After that certain market slow-down is observed and as well as a reduction in the rising of price rates.

The new construction was a hit on the market in 2017 as well and the best projects were sold out at the first stages of construction.

In 2018 the holiday markets at the seaside and especially at the ski resorts were very strong and the sales there have risen at the fastest rate from the middle of the year and in Bansko the sales volumes have risen with the remarkable 30%. Huge demand from Bulgarian buyers is present in Borovets and Pamporovo. Bansko on the other hand remains the most international of the three resorts with buyers from wide variety of nationalities. The trend which was expected by the experts of 'Bulgarian Properties' was the positive processes from the big cities to be transferred to the holiday segment due to the present ready-to-use properties, offered at tempting low prices, which literally everyone can afford.

The experts' expectations are that 2019 will be very similar to 2018. The main trends of economic growth, growth of incomes and employment, low interest rates on deposits and credits are expected to remain unchanged, which will be a prerequisite for continued growth of the real estate market as well as the prices of properties.

The price rise rate will probably slow down, but activity in general will remain unchanged and in 2019 the real estate market will be among the markets most attractive for investments. Local demand will continue to be main market driving force. In Sofia and other big cities where there is increasing volumes of new construction better supply and better choice of properties is expected – buildings in the initial phase of construction, finished new buildings as well as properties on secondary market. In addition to the positive expectations for the big cities and the ski resorts, in 2019 an increased activity is expected at the seaside by Bulgarian buyers – local and living abroad looking for a holiday property. They researched the market in 2018 and it is expected that their interest will result in more property deals in the spring of 2019.

In light of the above the management of the issuer expects resuming of the interest of the buyers towards 'Marina Cape' holiday complex.

II. Important events after the annual closure of the Company's accounts

III. Important research and development

There have not been any important research and development carried out by the Company.

IV. Structure – branches and departments

The activities of the parent company are not organized in departments and there are no branches. The subsidiaries in the Group also have no branches and specialized departments.

V. Financial instruments

Apart from regular shares, the parent company has issued bonds.

As of 31.12.2018, the company has not used financial instruments for hedging the financial, price, credit and liquidity risks and the cash flow risk.

VI. Information regarding art.187d and 247, art.2 of the Commercial Law

1. Information regarding art.187d for transactions with own shares

In 2018 ICPD has not acquired or transferred own shares.

2. Remunerations, received in total through the year by the members of the Board

In accordance with Commercial Law and the statutes of the company - issuer, the remuneration of the Members of the Board is determined by the General Meeting.

The executive members of the Board conclude a contract in writing for the management of the company, whereas the remaining members of the Board may conclude employment contracts or contracts for management.

In 2018 the Members of the Board have been allocated but have not been paid remuneration.

The key management staff of the Company includes the Members of the Board. The remuneration of the key management staff and the Director responsible for the relations with investors includes the following expenses:

	31.12.2018	31.12.2017
	'000 BGN	'000 BGN
Remuneration to natural persons	33	35
Remuneration to Aheloy 2012 OOD	17	41
Total	50	76

	31.12.2018	31.12.2017
	'000 BGN	'000 BGN
Remuneration	17	41
Salaries of management personnel in the Group	74	55
Total	91	96

3. Acquired, owned and transferred company shares during the year by the members of the Board

As of 31.12.2018 the members of the Board own company shares as follows:

	Shares	% of capital
Velichko Klingov ¹	43 111	0.72%

¹ As of 31.12.2018, Velichko Klingov has concluded a contract for repo of financial instruments with collateral – shares of ICPD (37 806 in total) in his capacity of seller, whereas these shares are a part of all shares, listed above.

As of 31.12.2016 the members of the Board own company shares as follows:

	Shares	% of capital
Velichko Klingov ¹	43 111	0.72%

¹ As of 31.12.2017, Velichko Klingov has concluded a contract for repo of financial instruments with collateral – shares of ICPD (37 806 in total) in his capacity of seller, whereas these shares are a part of all shares, listed above.

4. Rights of the members of the Board to acquire company shares or/and bonds

The statutes of ICPD do not provide privileges or limitations for the board members to acquire company shares or bonds.

5. Participation of the members of the board in companies as partners with unlimited liability, ownership of over 25% of the capital of another company as well as their participation in the management of other companies or cooperations as procurators, managers or board members.

5.1 Velichko Stoychev Klingov – CEO

Velichko Stoychev Klingov is not a partner with unlimited liability and does not own more than 25% of a capital of a company.

5.2 Tsvetelina Hristova – member of the Board

Tsvetelina Hristova is not a partner with unlimited liability and does not own more than 25% of a capital of a company.

5.3 Aheloy 2012 OOD – member of the Board

Aheloy 2012 OOD is not a partner with unlimited liability and does not own more than 25% of a capital of a company, excluding the following:

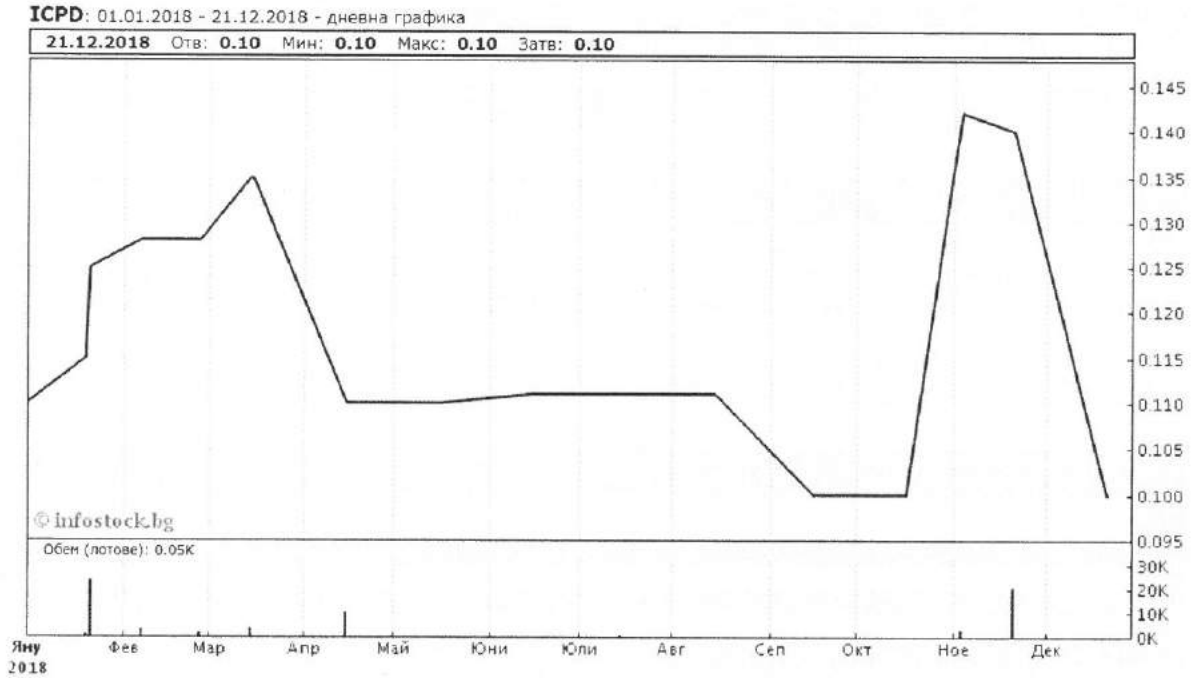
Aheloy 2012 OOD does not take part in management/control organs of other companies.

6. Information as per art. 240 b of the Commercial law

In 2018 the company has not concluded deals as per art. 240 b of the Commercial Law, namely contracts with the members of the board and their affiliates, which go beyond its ordinary activities or significantly deviate from market conditions.

VII. Changes in the price of the Company's shares

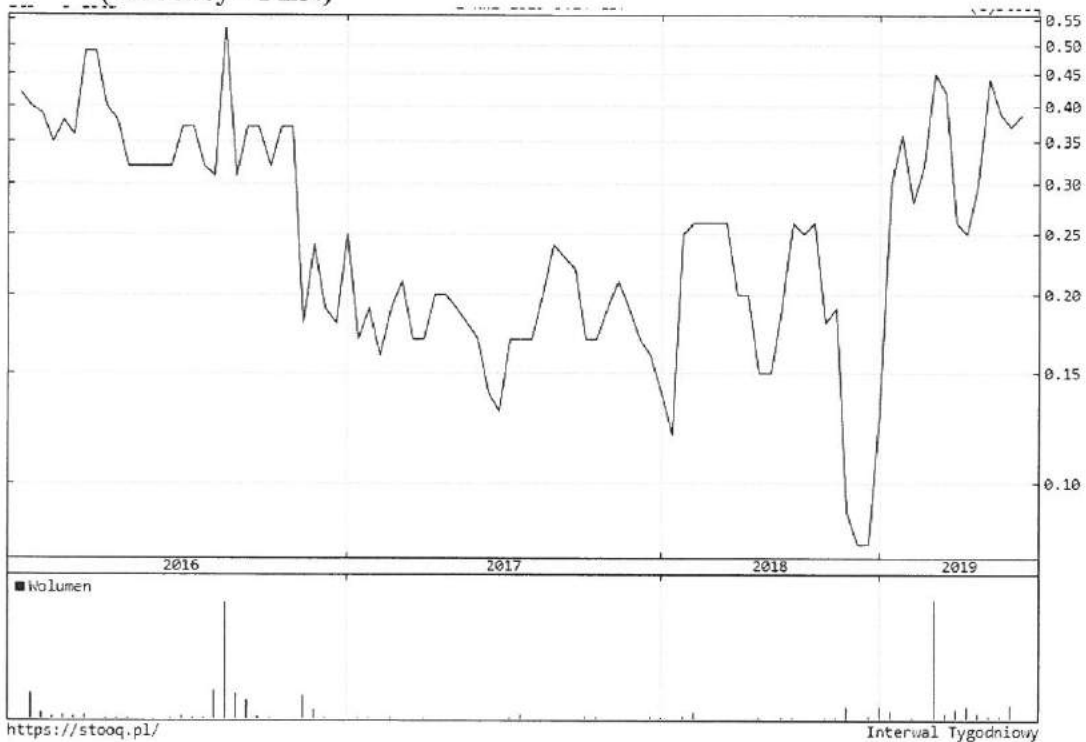
- **on the Bulgarian Stock Exchange – Sofia AD (currency - BGN)**



Source: www.infostock.bg

The shares of the Company have been traded on BSE – Sofia AD since December 05, 2005.

- on the “NewConnect” market, organized by the Warsaw Stock Exchange (currency - PLN)



Source: <https://stooq.com>

The shares of the Company have been traded on the “NewConnect” market since 11 August 2010.

VIII. Planned economic policy

In 2019 the company expects improvement on the holiday property market and in this regard resuming income from sales of properties in Marina Cape vacation complex.

The company will continue to generate revenue from the management of the vacation complex through its subsidiary Marina Cape Management.

The company will continue to work hard in order to restructure its obligations in order to have them regularly serviced and to improve its liquidity.

Despite of the positive trends on the capital market in Bulgaria in the second half of 2016, the company does not plan new issues of shares or bonds in 2019.

IX. Additional information under Appendix No. 10 (pursuant to Art. 32, para 1, p. 2, Art. 32a, par. 2, p. 41a, par. 1 pt. 1 of Ordinance No. 2 from 17.09.2003 on the prospectuses to be published when securities are offered to the public or admitted to trading on a regular market and on disclosure of information by the public companies and the other issuers of securities)

1. Information given in value or quantitative terms about the main categories of commodities, products and/or provided services, with indication of their share in the revenues from sales of the issuer as a whole and the changes that occurred during the reporting fiscal year

In 2018 the company reported income from the sales of properties – residential buildings with seasonal use in Marina Cape vacation complex in the amount of BGN 1 645. The total area of the apartments sold is 2,974.51 sq.m. Currently Intercapital Property Development ADSIC has concluded preliminary contracts on the sale of apartments having area of approximately 1 046 sq.m. from Marina Cape vacation complex.

Revenues (in TBGN.)	2018	2017
<i>Net revenues from the sale of:</i>		
1. Production		
2. Goods	1 645	3 364
4. Services	357	362
5. Others	116	15 023
Total:	2 118	18 749

In 2018, Intercapital Property Development ADSIC for the ninth consecutive year reported revenues on a non-consolidated basis from the exploitation of the investment properties in the complex (including commercial and residential properties). It is carried out by the subsidiary company Marina Cape Management EOOD, as Intercapital Property Development ADSIC receives 70% of the profit of Marina Cape Management EOOD, formed by the commercial and housing estates, according to the signed agreement between the parent company and the subsidiary, which the company directly exploits. For 2018, the value of these revenues under the above contract is BGN 357 thousand. For comparison, in 2017 this revenue amounted to

BGN 362 thousand. Here we should clarify that Intercapital Property Development REIT reports 100% of the profit generated by the subsidiary in relation to property management, then accounts for 30% of this value as an expense for external services.

2. Information about the revenues allocated by separate categories of activities, domestic and external markets as well as information about the sources for supply of materials required for the manufacture of commodities or the provision of services with indication of the degree of dependence in relation to any individual seller or buyer/user, where if the share of any of them exceeds 10 per cent of the expenses or revenues from sales, information shall be provided about every person separately about such person's share in the sales or purchases and his relations with the issuer

The main buyers of the properties which the Company sells are concentrated in the following countries: Russia, Poland and to a lesser degree the Czech Republic, Slovakia, Lithuania and other former Russian republics. In 2018 the company has not generated income from sales of properties.

During the last two years, the Company has focused on reaching new geographical markets for its sales. The company started business relations with partners from China by offered its properties for sale.

The company expects a revival of the holiday property market in 2019 and activation of sales of the properties in Marina Cape vacation complex.

At the same time, in 2019 the management of the group expects an increase in the revenues generated from tourist activity. The complex is becoming more and more recognizable among tourists (including local and foreign visitors), and an increase in the number of tourists who would prefer Bulgaria to Turkey due to the uncertain situation in our southern neighbor is expected. However, due to the warming of relations between Russia and Turkey, some Russian tourists who preferred Bulgaria to Turkey as a tourist destination last year, are likely to return to Turkey.

As a special purpose vehicle "Intercapital Property Development" ADSIC uses the services of outside companies in its operating activity. For the construction of the "Marina Cape" vacation complex in the village of Aheloy, Burgas District and the "Borovets Grand" project in the "Borovets" holiday complex the Company has used and shall use the services of the following companies:

- Midia Group AD, for the construction of the buildings
- Vodokanalstroy EOOD – for projection and construction of the water supply and the sewage installations
- Telelink AD – for the implementation of weak and strong current electric installations
- Nikmar OOD – for supply of terracotta, tiles and other ceramic products
- Nikconsult EOOD – for projection of the buildings
- ET Jo 44 – ventilation and air conditioning
- Consulting and engineering group OOD – for independent construction audit

The subsidiary "Marina Cape Management" also uses the services of various suppliers of goods and services, among which: EVN Bulgaria EAD, Ventenerji OOD, EVN Trejding South East Europe EAD, Janet OOD, Belina EKO OOD and others.

3. Information about concluded big transactions and such of material importance for the issuer's activity

With a Contract for the transfer of a claim, signed on 11.10.2018 between FIGHTERS CAPITAL AD, UIC 201624613, as a cedant, and UNCONSULT EOOD, UIC 122052919 as trainer, notarized signatures with registration number 16421 and No. 16422 dated 11.10.2018, Tihomir Genchev, assistant notary in the notary public Tsvetanka Simeonova, entered in the NC with post № 030 and area of action - PC Sofia region, "AMS EMC CONSULT" EOOD acquired from "FUITSERS CAPITAL" AD the following receivables with debtor "INTERCAPITAL PROPERTY DEVELOPMENT" REIT, namely:
Under Investment Loan Agreement № 1236/2007 of 19.10.2007

1. principal - EUR 2 562 680.06

4. Information about the transactions concluded between the issuer and related parties during the reporting period, proposals for conclusion of such transactions as well as transactions which are outside its usual activity or substantially deviate from the market conditions, to which the issuer or its subsidiary is a party, indicating the amount of the transactions, the nature of relatedness and any information necessary for an estimate of the influence over the issuer's financial status

('000 BGN)	2018	2017
Sales/Purchases of goods and services		
- Services executed by "Marina Cape Management" EOOD for "Intercapital Property Development" ADSIC	275	302
- Services executed by "Intercapital Property Development" ADSIC for "Marina Cape Management" EOOD	357	362

in TBGN	2018	2017
Sales/Purchases of goods and services		
- Services executed by Marina Cape Tours EOOD for Intercapital Property Development ADSIC	0	0
- Services executed by 'Intercapital Property Development' ADSIC for 'Marina Cape Tours' EOOD	0	0

('000 BGN)	2018	2017
Sales/Purchases of goods and services		
- Services executed by Marina Cape Tours EOOD for "Marina Cape Management" EOOD	0	0
- Services executed by "Marina Cape Management" EOOD for Marina Cape Tours EOOD	0	0

5. Information about events and indicators of unusual for the issuer nature, having substantial influence over its operation and the realized by it revenues and expenses made; assessment of their influence over the results during the current year

Not applicable

6. Information about off-balance kept transactions – nature and business objective, indication of the financial impact of the transactions on the operation, if the risk and benefits of these transactions are substantial for the assessment of the issuer’s financial status

In 2018 there were no transactions for the group “Intercapital Property Development” ADSIC that are kept off-balance.

7. Information about holdings of the issuer, about its main investments in the country and abroad (in securities, financial instruments, intangible assets and real estate), as well as the investments in equity securities outside its economic group and the sources/ways of financing

As of 31.12.2018 “Intercapital Property Development” ADSIC has the following investments in subsidiary companies:

Name of the subsidiary company	2018	share	2017	share
	‘000 BGN	%	‘000BGN	%
Marina Cape Management Ltd.	5	100%	5	100%

As of 31.12.2018 “Marina Cape Management” Ltd. has the following investments in subsidiary companies:

Name of the subsidiary company	2018	share	2017	share
	‘000 BGN	%	‘000BGN	%
Marina Cape Tours Ltd.	5	100%	5	100%

As of 31.12.2018 the book value of the land owned by the group is in the amount of BGN 5 788 thousand, the value of the Company’s investment property is BGN 23 746 thousand, the value of work in progress is BGN 7 073 thousand and the value of buildings and construction is BGN 295 thousand.

8. Information about the concluded by the issuer, by its subsidiary or parent undertaking, in their capacity of borrowers, loan contracts with indication of the terms and conditions thereof, including the deadlines for repayment as well as information on the provided guarantees and assuming of liabilities

As of 31.12.2018 “Intercapital Property Development” ADSIC has the following obligations to financial institutions:

1). Towards Futures Capital AD and Marina Cape Properties Ltd.

On 04.07.2017, Intercapital Property Development REIT, with UIC 131397743, was notified of the conclusion of a contract for the transfer of receivables between Piraeus Bank Bulgaria AD and UIC 831633691 as a cedant and Marina Cape Properties, Ltd., under UIC

204372411, as a tester. Pursuant to this agreement, Piraeus Bank Bulgaria JSC has transferred all its receivables to Intercapital Property Development REIT in favor of Marina Cape Ltd. AD arising from the Investment Loan Agreement No 1236/2007 of 19.10.2007. , Investment Loan Agreement No 736/2008 of 07.07.2008 and Investment Loan Agreement No 327/2009 of 14.12.2009, together with all their privileges, collaterals and other accessories.

On 18.08.2017, Intercapital Property Development ADSIC, with UIC 131397743, was notified by Marina Cape Ltd. OOD that according to a signed contract for the transfer of claims, Marina Cape Properties Ltd., with UIC 204372411 has transferred to Futures Capital AD, with UIC 201624613 the principal receivables from the investment credit contracts concluded with "Piraeus Bank Bulgaria" AD described in the previous paragraph, namely the Investment Loan Agreement No. 1236/2007 of 19.10.2007, the Contract for Investment Credit No. 736/2008 of 07.07.2008 and Investment Loan Agreement № 327/2009 as of 14.12.2009. The total amount of the principal receivables transferred is EUR 8 229 045.97.

As a result, at the end of August 2017 the obligation of Intercapital Property Development REIT to Marina Cape Ltd. in relation to the cession between Piraeus Bank Bulgaria AD and Marina Cape Ltd. and the subsequent cession between "Marina Cape Properties" Ltd and Futures Capital AD, amounts to EUR 6 444 263.63.

According to an agreement dated 27.12.2017, Intercapital Property Development REIT and Marina Cape Ltd. have agreed that the debt of ICPD REIT to Marina Cape Ltd. OOD, amounting to EUR 6 444 263.63, is extinguished by giving instead of completion, by 31 March 2018:

- 1) an amount of EUR 30,000 must be paid;
- 2) ICPD REIT transferred to Marina Cape Properties Ltd. all the shares in the capital of Marina Cape Management EOOD.

The implementation of these two instruments is expected to be completed by 30.06.2019

The liabilities of ICPD REIT to Futures Capital AD and Marina Cape Ltd. are secured as follows:

The loans of the Company towards banks and its other liabilities resulting from ceding bank loans to third parties are guaranteed with assets of the company as follows:

1. Towards "Futures Capital" AD and "Marina Cape Properties" AD

On 04.07.2017, Intercapital Property Development ADSITS, EIK 131397743, was informed about a contract for transfer of liabilities between Piraeus Bank AD EIK 831633691 as cedent, and "Marina Cape Properties" OOD EIK 204372411 as cessionary. According to this contract, Piraeus Bank AD has transferred all its collectables from Intercapital Property Development ADSITS, resulting from investment credit contract № 1236/2007 from 19.10.2007, № 736/2008 from 07.07.2008 and № 327/2009 from 14.12.2009 together with all privileges, collaterals and others, to Marina Cape Properties OOD.

On 18.08.2017 Intercapital Property Development ADSITS, EIK 131397743 was informed by Marina Cape Properties OOD, that according to contract for transfer of liabilities, Marina Cape Properties OOD, EIK 204372411 has transferred the receivables from principals of the contracts for investment credit, signed with Piraeus Bank AD, described in the above paragraph, or namely: investment credit contract № 1236/2007 from 19.10.2007, № 736/2008 from 07.07.2008 and № 327/2009 from 14.12.2009. The total amount of the transferred receivables from principals is 8 229 045.97 euro.

As a result of the latter, in the end of August 2017, the liability of Intercapital Property Development ADSITS towards Marina Cape Properties OOD, in relation of the cession carried out between Piraeus Bank AD and Marina Cape Properties OOD and the following cession between Marina Cape Properties OOD and Futures Capital AD is in the amount of 6 444 263.63 euro.

According to an agreement from 27.12.2017, Intercapital Property Development ADSITS and Marina Cape Properties OOD have agreed that the debt of Intercapital Property Development ADSITS towards Marina Cape Properties OOD in the amount of 6 444 263.63 euro is repaid by the following, to be carried out by 31.03.2018:

- 1) Payment in the amount of 30 000 euro
- 2) ICPD ADSITS is to transfer to Marina Cape Properties OOD all company shares of Marina Cape Management EOOD.

With Attachment No. 1 of 29.03.2018 to the agreement of 27.12.2017 Intercapital Property Development ADSIC and Marina Cape Ltd. have agreed to extend the deadline for payment of the above amount of EUR 30,000 until 15.05.2018 and the deadline for the signing of 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.

The liabilities of ICPD ADSITS towards Futures Capital AD and Marina Cape Properties OOD are guaranteed as follows:

1.1. Contract for an investment credit № 1236/2007, concluded on 19.10.2007 in the amount of 4 500 000 (four million and five hundred thousand) EUR to finance the construction of a complex of residential buildings for a seasonal use “Marina Cape”, Aheloy Town, Pomorie Municipality, Bourgas Province.

- Deed of incorporation of mortgage contract from 08.11.2007, № 112, vol. XII, reg. № 3901, case № 2217/2007 of a notary Hristo Roidev, collateral of bank credit № 1236/2007, concluded on 19.10.2007, including residential properties situated in vacation complex Marina Cape, town of Aheloy, Municipality Pomorie, Bourgas Province.

Secured mortgage lender	No of properties as collateral	Area of properties as collateral
Marina Cape Properties OOD	8	627,08 m2
Futures Capital AD	18	1 859,39 m2

- Deed of incorporation of mortgage contract from 04.12.2009, № 80, vol. VII, reg. № 4288, case № 1226/2009 of a notary Gergana Nedina, collateral of bank credit № 1236/2007, concluded on 19.10.2007, Annex A1-1236 from 16.01.2009 and Annex A2-1236 from 19.10.2009, including residential properties situated in vacation complex Marina Cape, town of Aheloy, Municipality Pomorie, Bourgas Province;

Secured mortgage lender	No of properties as collateral	Area of properties as collateral
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Marina Cape Properties OOD	9	652,69 m2
Futures Capital AD	18	1 650,85 m2

- Pledge contract on receivables №1236-1/2007, concluded on 23.10.2007, collateral of investment credit № 1236/2007 - Registered pledge on receivables from concluded contracts for sale of detached residential properties in the complex “Marina Cape”, described in detail in an enclosure to the contract entered in the Central Pledges Register on 07.11.2007;

Secured mortgage lender

Marina Cape Properties OOD

- Pledge contract on receivables №1236-2/2007, concluded on 23.10.2007, collateral of investment credit № 1236/2007 – Registered pledge on receivables of cash funds from the special bank account of the company at “Bank Piraeus Bulgaria” AD – entered in the Central Pledges Register on 07.11.2007;

Secured mortgage lender

Marina Cape Properties OOD

- Pledge contract on receivables №1236-4/ 2009, concluded on 19.10.2009, collateral of investment credit № 1236/2007 - Registered pledge on receivables from concluded contracts for sale of detached residential properties in the complex “Marina Cape”, described in detail in an enclosure to the contract entered in the Central Pledges Register on 03.12.2009.

Secured mortgage lender

Marina Cape Properties OOD

1.2 Contract for an investment credit № 736/2008, concluded on 07.07.2008 in the amount of 3 000 000 (three million) EUR to finance construction-assembly and finishing works in complex of residential buildings for seasonal use “Marina Cape”, Aheloy Town, Pomorie Municipality, Bourgas Province.

- Deed of incorporation of mortgage contract from 09.07.2008, № 35, vol. VIII, reg. № 2387, case № 1404/2008 of a notary Hristo Roidev, collateral of bank credit № 736/2008, concluded on 07.07.2008, including residential properties situated in vacation complex Marina Cape, town of Aheloy, Municipality Pomorie, Bourgas Province.;

Secured mortgage lender	No of properties as collateral	Area of properties as collateral
Marina Cape Properties OOD	19	1064,51 m2
Futures Capital AD	15	913,17 m2

- Pledge contract on receivables № 736 – 1/2008, concluded on 07.07.2008, collateral of bank credit № 736/2008 from 07.07.2008 – Registered pledge on receivables from concluded contracts for sale of detached residential properties in the complex “Marina Cape”, described in detail in an enclosure to the contract in the Central Pledges Register.

Secured mortgage lender
Marina Cape Properties OOD

- Pledge contract on receivables № 736 – 2/2008, concluded on 07.07.2008, collateral of bank credit № 736/2008 from 07.07.2008 - Registered pledge on receivables of cash funds from the special bank account of the company at “Bank Piraeus Bulgaria” AD – entered in the Central Pledges Register;

Secured mortgage lender
Marina Cape Properties OOD

- Pledge contract on receivables № 736 – 5/2009, concluded on 18.10.2009, initial registry № 2009120301928, renewal registry № 2014120200150

Secured mortgage lender
Marina Cape Properties OOD

- Deed of incorporation of mortgage contract from 04.12.2009, № 80, vol. VII, reg. № 4288, case № 1226/2009 of a notary Gergana Nedina, collateral of bank credit № 736/2008, concluded on 07.07.2008, Annex A1-736 from 16.01.2009 and Annex A2-736 from 19.10.2009, including residential properties situated in vacation complex Marina Cape, town of Aheloy, Municipality Pomorie, Bourgas Province.

Secured mortgage lender	No of properties as collateral	Area of properties as collateral
Marina Cape Properties OOD	9	652,69 m2
Futures Capital AD	18	1 650,85 m2

1.3 Contract for an investment credit № 327/2009, concluded on 14.12.2009 for the amount of 3 300 000 (three million and three hundred thousand) EUR to finance payments on dividends and finishing works and infrastructure of “Marina Cape” project, Aheloy Town, Pomorie Municipality, Bourgas Province.

- Deed of incorporation of mortgage contract from 21.12.2009, № 162, vol. VII, reg. № 4500, case № 1306/2009 of a notary Gergana Nedina, collateral of bank credit № 327/2009, concluded on 14.12.2009, including residential properties situated in vacation complex Marina Cape, town of Aheloy, Municipality Pomorie, Bourgas Province;

Secured mortgage lender	No of properties as collateral	Area of properties as collateral
Marina Cape Properties OOD	12	704,41 m ²
Futures Capital AD	28 – жилищни имоти 25 – търговски площи	3 486,39 m ² 7 884,30 m ²

- Pledge contract on receivables № 327-1/2009, concluded on 14.12.2009, collateral of bank credit № 327/2009 from 14.12.2009 - Registered pledge on receivables from concluded contracts for sale of detached residential properties in the complex "Marina Cape", described in detail in an enclosure to the contract in the Central Pledges Register;

Secured mortgage lender
Marina Cape Properties OOD

- Pledge contract on shares № 327-3/2009, concluded on 21.01.2010 with initial registry № 4046-X-25.01.2010 and renewal registry № 6304-X-10.12.2014

Secured mortgage lender
Marina Cape Properties OOD

- Pledge contract on receivables № 327-4/2009, concluded on 14.12.2009 - Registered pledge on receivables of cash funds from the special bank account of the company at "Bank Piraeus Bulgaria" AD – entered in the Central Pledges Register.

Secured mortgage lender
Marina Cape Properties OOD

3). The obligations for the transfer of receivables between Futures CAPITAL AD, as a cedant, and "ASSEMBLY" EOOD, as a transferee, have been transferred together with the following collaterals as follows:

- The Obligation under Investment Loan Agreement No 1236/2007 of 09.10.2007, which is the subject of a contract for the transfer of a claim between the parties dated 11.10.2018, is secured by a contractual mortgage, established by a Notary Deed for the establishment of a contract mortgage on immovable property № 112, volume XII, registration number 3901, case № 2217/2007, dated 08.11.2007, entered under the registration registration number 3334 of 08.11.2007, Act № 56, volume II, case № 2866 / 2007 of the Registry Agency - Pomorie on the following real estates, located in the town of Aheloy, in Complex of residential buildings for season but use "Marina Cape", built in a land property with identifier 00833.5.409 (zero, zero, eight hundred and thirty three, point, five, point, four hundred and nine), with address: "Purification", Aheloy, area 40 002 sq.m. (forty thousand and two square

meters), with a permanent purpose - urbanized area, with neighbors: properties with numbers: 00833.5.399, 00833.5.239, 00833.5.401 and 00833.5.378.

For the avoidance of doubt, the parties underline that the Cesionor becomes an independent first mortgage lender only in respect of the properties detailed in the above Appendix 1 to the Final Contract.

- The Obligation under Investment Loan Agreement No 1236/2007 of 09.10.2007, which is subject to a Contract for transfer of receivables between 11.10.2018 between the Parties, is also secured with joint liability of INTERCAPITAL PROPERTY DEVELOPMENT REIT , entered in the Commercial Register at the Registry Agency under UIC 131397743, Marina Cape Management EOOD, entered in the Commercial Register at the Registry Agency under UIC 175158218, and Miroslav Petrov Sevlievski, Personal Identification Number 650118308.

2. Towards “Grand Borovets 2013” EOOD

Contract for sale-purchase of receivables pursuant to Contract for a credit № 716/18.09.2008 and Contract for a credit № 717/18.09.2008 (cession), pursuant to which the Creditor of the Company DSK Bank EAD has transferred its receivables arising from the two contract for credit on total amount of EUR 5 832 886.5 to Grand Borovets 2013 EOOD.

- Pledge contract on receivables from contracts for sale of real estate properties, described in detail in an enclosure to the Loan contract № 716 concluded on 19.09.2008, entered in the Central Pledges Register on 14.10.2009.
- Pledge contract on receivables from contracts for sale of real estate properties, described in detail in an enclosure to the Loan contract № 717/2008 concluded on 19.09.2008, entered in the Central Pledges Register on 14.10.2009.

Pursuant to the agreement concluded on 27.12.2013, between “Grant Borovets 2013” EOOD from one side, ICPD ADSIC as principal debtor and “Marina Cape Management” EOOD, “Marina Cape Tours” EOOD and Velichko Stoichev Klingov as co-debtors, the amount of the debt of ICPD ADSIC outstanding towards “Grand Borovets 2013” EOOD was reduced by BGN 2 000 000. Additionally, it was agreed that the contractual mortgage on the property with identification number 65231.918.189, located in Samokov, Sofia municipality, Sofia district, together with the building on that property, an apartment hotel complex with related facilities with identification number 65231.918.189.2, which secures the claim of “Grand Borovets 2013” EOOD, is to be removed. The removal of the mortgage was registered on 21.01.2014.

In 2014 an additional BGN 200 thousand from ICPD’s obligations towards Grand Borovets 2013 EOOD were written off. In addition the mortgage on the commercial properties located in Vacation Complex Marina Cape, that secured the receivables of the new creditor was removed

In 2015 an additional BGN 600 thousand from the above mentioned obligation of ICPD towards Grand Borovets 2013 EOOD were written off.

In 2016 an additional write-off of BGN 1 770 thousand from the aforementioned obligation of "Intercapital Property Development" ADSIC towards "Grand Borovets 2013" EOOD was carried out.

In 2017 an additional write-off of BGN 1 170 thousand from the aforementioned obligation of "Intercapital Property Development" ADSIC towards "Grand Borovets 2013" EOOD was carried out.

3) Towards "BG Invest Properties" AD

- Contract for sale-purchase of receivables dated 05.04.2013, concluded between Investbank AD and BG Invest properties EAD, pursuant to which the bank has transferred its receivables from the Company's credit amounting to BGN 240 000, to the new creditor "BG Invest Properties" EAD.
- Deed of establishment of a mortgage since 29.07.2013, act № 161, Volume III, registration № 3115, № case 538/2013, at a notary Gergana Nedina, collateral of a bank loan agreement of 08.03.2013 on the following property located in vacation complex Marina Cape, town Aheloy and property of ICPD ADSIC: sports and recreation center "Fitness Centre" with ID 00833.5.409.21, Aheloy, Municipality Pomorie, Burgas Region, an area of 214.00 sq. m., with adjacent parts: 33 square meters, along with their common parts of the building rights on the land.

9. Information about the concluded by the issuer, by its subsidiary or the parent undertaking, in their capacity of lenders, loan contracts, including the provision of guarantees of any type, including to related persons, with indication of the concrete conditions there under, including the deadlines for repayment and the purpose for which they have been granted

In 2018 "Intercapital Property Development" ADSIC and/or its subsidiary has not concluded loan contracts in the capacity of lenders, including the provision of guarantees of any type, including to related parties.

10. Information on the use of the funds from a new issue of securities carried out during the reported period

In 2018 the Company has not issued any new shares.

11. Analysis of the ratio between the achieved financial results reflected in the financial statement for the fiscal year, and previously published forecasts for these results

The Company does not publish forecasts about its financial results.

12. Analysis and assessment of the policy concerning the management of the financial resources with indication of the possibilities for servicing of the liabilities, eventual threats and measures which the issuer has undertaken or is to undertake in order to eliminate them

The issuer's policy regarding the management of the financial resources is focused on several main directions: raising the revenues from real estate sales and the real estate management revenues, owned by the Company; for the restructuring of the Company's liabilities; to increase the collectibility of the issuer's receivables. The aim of all these measures is to improve the financial position of the company, incl. number and its liquid position. In terms of revenue growth from property sales, the company constantly strives to find new markets and attract potential buyers, as well as to search for new forms of realization of sales revenue related to the real estate owned by the Company.

13. Assessment of the possibilities for realization of the investment intentions, indicating the amount of the available funds and stating the possible changes in the structure of the financing of this activity

Currently, the Company has frozen the construction works on the investment project in Borovets resort due to lack of financing. The Company cannot estimate when it would be able to secure financial resources for completing the project Grand Borovets because currently, the market conditions for capital increase are still unfavourable. On the other hand, it would be difficult to receive bank financing due to the significant level of debt the company already has.

On 06th June 2011, the Board of Directors has taken a decision for starting negotiations for the sale of the land and the built hotel apartment complex "Grand Borovets" of the Company for a starting price not lower than EUR 5 000 000.

In connection with this, several publications of an advertisement for its sale were made in few national daily newspapers in Bulgaria, as well as in the newspaper "Vedomosti" in Russia. In addition, the Company has presented projects for sale to brokers in the Arab countries, Russia and Kazakhstan.

Parallel to this, the Company is actively searching for a partner who is willing to invest €2 500 000 for completing the project Grand Borovets so that it may function as a hotel. As such, the Company has established contacts and negotiated with several potential investors.

New investment projects would be feasible only after an increase in the capital of the Company, which would be possible when the global financial markets and especially the Bulgarian Stock Exchange are once again stable.

14. Information about occurred during the reporting period changes in the base principles for management of the issuer and its economic group

No such changes have occurred during the reporting period.

15. Information about the main characteristics of the applied by the issuer in the course of preparation of the financial statements internal controls system and risk management system

"Intercapital Property Development" ADSIC has adopted and implemented policies and procedures governing the effective functioning of the reporting and disclosure information by the company. The code details the various types of information created and disclosed by the company, the processes of internal company document, the different levels of access to the types of information of those responsible and the deadlines for processing and managing information flows. The established system of risk management ensures the effective implementation of internal control in the creation and management of all company

documents including financial statements and other regulated information, which the Company is obliged to disclose in accordance with the legal provisions.

16. Information on the changes in the management and supervisory bodies during the reporting fiscal year

There have been no changes in 2017. In 2017 there was no change in the management bodies of the parent company and the subsidiary company Marina Cape Tours EOOD (subsidiary of the subsidiary Marina Cape Management EOOD).

17. Information on the amount of the remunerations, rewards and/or the benefits of each member of the management and control bodies for the fiscal year under review, paid by the issuer and its subsidiaries, irrespective of whether they have been included in the issuer's expenses or arise from profit distribution, including:

- a) received amounts and non-money remunerations;
- b) contingent or deferred remunerations, occurred during the year, even if the remuneration is due at a later time;
- c) amount owed by the issuer or its subsidiaries for payment of pensions, compensations at retiring on a pension or other similar compensations

The members of the Board of Directors receive fixed monthly remuneration, determined by the General meeting, which cannot exceed 10 minimum monthly salaries. The General meeting has adopted a resolution pursuant to which the remuneration of the executive member to be in the amount of 12 minimum monthly salaries.

By decision of the General Meeting of Shareholders, the Board of Directors may receive bonuses amounting to no more than 0.1% of the Company's profit before distribution of dividends for each member of the Board of Directors, but not more than 0.5% for the entire Council.

The Company does not owe any other amounts and / or benefits in kind and not set aside or accrued amounts for pensions, benefits or other retirement compensations of the Board of Directors.

Members of the Board of Directors did not receive remuneration or compensation from subsidiaries of the issuer and these are not set aside or accrued amounts for pensions, benefits or other retirement compensations of the Board of Directors in 2018.

18. For the public companies – information about the owned by the members of the management and of the control bodies, procurators and the senior management shares of the issuer, including the shares held by anyone of them separately or as a percent from the shares of each class, as well as provided to them options on securities of the issuer by the latter – type and amount of the securities over which the options have been set up, price of exercising of the options, purchase price, if any, and term of the options.

As of 31.12.2018 the members of the Board of Directors own shares of the company as follows:

Number of shares % from the capital

Velichko Klingov ¹	43 111	0,72%
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As of 31.12.2017 Velichko Klingov has concluded REPO Contracts with a collateral – shares of “Intercapital Property Development” ADSIC (total number of 37 806 shares), as a seller (borrower) and those shares are part of the total number of shares stated above.

As of 31.12.2017 the members of the Board of Directors own shares of the company as follows:

	<i>Number of shares</i>	<i>% from the capital</i>
Velichko Klingov*	43 111	1.28%

* As of 31 Dec 2016 Velichko Klingov has concluded REPO Contracts with a collateral – shares of “Intercapital Property Development” ADSIC (a total of 37 806 in count), as a seller (borrower) and these shares are part of the ones indicated above.

The issuer has not issued options on the securities from the share capital.

19. Information about the known to the company agreements (including also after the fiscal year closing) as a result of which changes may occur at a future time in the owned percent of shares or bonds by current shareholders and bondholder.

The management body of the Company does not have information about agreements as a result of which changes may occur at a future time in the owned percent of shares or bonds by current shareholders and bondholders.

20. Information about pending legal, administrative or arbitration proceedings relating to issuer’s liabilities or receivables at amount at least 10 percent of its equity; if the total amount of the issuer’s liabilities or receivables under all initiated proceedings exceeds 10 per cent of its equity, information shall be submitted for each procedure separately

Below there is information presented on all pending cases:

20.1 CIVIL AND ARBITRARY HEARINGS

20.1.1. Civil Case № 14099/2013 in the inventory of Sofia City Court, Civil Department, 1-14 unit, instituted for payment of sums from Intercapital Property Development ADSIC in favour of Janet Breddy, in relation to an agreement between the parties

The claim is in the amount of 65 925 euro. By decision dated 30.07.2014 the claim is honoured in full. The decision of the Sofia City Court is confirmed by decision of the Sofia Court of Appeal. A cassation request has been submitted. The Supreme Court has not allowed the cassation request to be examined..

As a result of the decision of the Sofia Court of Appeal, Janet Breddy has obtained a receiving order and an enforcement case for collecting the awarded amounts has been initiated, which currently sits at private bailiff Stoyan Yakimov’s office.

On 14.03.2018 ICPD ADSITS has been informed that Janet Breddy has transferred her receivables to CMS Properties OOD, EIK 202176885.

20.1.2. Civil Case № 395/2014 r. in the inventory of Regional Court – Pomorie, Civil Department, unit I, initiated from Roman Anatolievich Burlakov in order that the preliminary contract for purchase of real estate 37_24 be declared final. In addition a claim for 6 550 euro compensation in relation to the preliminary contract has been made.

By court order of Regional Court Nessebar, confirmed by District court Burgas, the claim of the plaintiff to have their property transferred, free of any liabilities is left without consideration by the Court. The order has been appealed by the plaintiff before the Supreme cassation court, where by final order from 14.04.2015, the claim in this part is left without consideration.

By decision of 26.05.2015 the court honoured the claim for declaring the preliminary contract final and the claim for payment of compensation in the amount of 6 550 euro. The decision has been appealed before District court Burgas. By decision 17.12.2015 District court Burgas has confirmed the decision of the court of lower instance.

20.1.3 Case № 338/2014 in the inventory of Regional Court – Pomorie, Civil Department unit IV, initiated by Anatoli Ivanovich Burlakov in order that the preliminary contract for purchase of real estate be declared final. In addition a claim for 6 670 euro compensation in relation to the preliminary contract has been made.

By decision on 30.03.2015 the claim has been honoured in full, whereas the court has declared the contract final and has judged a compensation in the amount of 6 670 euro to the plaintiff. The decision is in force.

20.1.4 Civil Case № 20309/2014 in the inventory of Sofia City Court, Civil Department 1-6 unit, initiated by Aleksei Anatolievich Putintsev and Natalia Alikovna Putintseva against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contract for purchase of real estate, whereby the plaintiffs consider the contract terminated.

The price of the claim is in the amount of 55 000 euro together with the statutory interest as of making the claim (17.12.2014) up to the date of payment as well as expired statutory interest amounting to 5993,17 BGN for the period 12.08.2014 to 17.12.2014 .

After the hearing, the Sofia City Court rejected entirely the claims of plaintiffs. The decision was appealed by the plaintiff, and a case instituted with reference number № 3254/2016 on the inventory of Sofia Court of Appeal.

By decision form 14.11.2016 of Sofia Court of Appeal, the decision of Sofia City Court was cancelled and rendered another decision that the claim for the sum of 55,000 euros was fully upheld. Legal interest from the filing of the application (on 17.12.2014) until the date of payment and the application of the statutory interest for the period from 12/08/2014 until 17/12/2014 was honoured to 3 836.21 lev, being rejected for the amount to the sum claimed by 5 993.17 lev.

The decision of the Sofia Court of Appeal was appealed by the Company within the Supreme Court of Cassation.

20.1.5 Civil Hearing № 28481/2014 in the inventory of Sofia Regional Court, Civil Department, unit 39 initiated by „Vodosnabdyavane i Kanalizacia“ EAD for payment of water delivered to v.c. Marina Cape

The hearing was initiated in relation to a claim from „Vodosnabdyavane i Kanalizacia“ EAD whereby it is claimed that the court admit for certain that amounts of water have been delivered to v.c. Marina Cape in favour of Intercapital Property Development, according to invoices issued for the period 21.02.2013, to 17.12.2013, which have not been paid. According to the plaintiff the total value of the delivered water is in the amount BGN 67 383,34. A response to the claim has been submitted, by which it has been fully challenged. The hearing is at Sofia Regional Court, whereas the next hearing has been scheduled for 23.04.2018.

20.1.6 Civil Hearing № 45799/2014 in the inventory of Sofia Regional Court, Civil Department, 32 unit, plaintiff Alexander Sergeevich Solovyov vs. Intercapital Property Development ADSIC for payment of sums from preliminary contracts for the purchase of real estate, which contracts are considered terminated by Solovyov.

The amount claimed is in the amount of 14 000 euro as a partial claim of 127 000 euro formulated as follows:

- A claim for 21_3, located in the residential complex "Marina Cape" – city of Aheloi for an amount of 7000 euros, partial claim paid upon a preliminary agreement for the property in the amount of 92,000 euros;
- A claim for 34_13, located in the residential complex "Marina Cape" - city. Aheloi is sued for an amount of 7000 euros, partial claim paid on a preliminary agreement for the property in the amount of 35,600 euros

By decision from the 31.08.2015, the claim is upheld. The decision was appealed within the Sofia City Court. The appeal was initiated with reference № 597/2016 by description of SCC. By decision from the 10.11.2016, the Sofia City Court confirmed the decision of the Sofia Regional court. The decision was appealed on time and at the time the appeal is pending.

In relation to the present reprehensible decision of Sofia City Court, the plaintiff received a writ of execution against "Intercapital Property Development" ADSIC for payment of the amount awarded

The decision of the SCC was appealed before the Supreme Court. The SC has decided that the appeal was not upheld and the decision of SCC has come into force as of 23.11.2017

20.1.7. Civil Case № 20308/2014 in the inventory of Sofia City Court, Civil Department I-11 unit, initiated by Nina Yurievna Tereschenko against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contract for purchase of real estate, whereby the plaintiff considers the contract terminated.

The case was initiated by Nina Yurievna Tereschenko in relation to legal right art.55 of the Law for Contracts and Liabilities, under which it is requested that Intercapital Development ADSIC is judged to return payments made by the plaintiffs in relation to preliminary contract for purchase of real estate located in vacation complex Marina Cape - Aheloy. The amount of the claim is in the amount of 94 000 euro, together with the legal interest on this amount, due from the date of the claim to its full payment.

A response to the claim has been submitted, by which it has been fully challenged. By decision on 07.07.2017 the claim has been fully upheld by SCC. The decision has been appealed.

The decision of SCC, by which the decision has been upheld, has come into force as of 24.10.2017.

20.1.8. Civil Case №15692/2015 in the inventory of Sofia City Court, Civil Department, plaintiff Alexander Sergeevich Solvyov vs. Intercapital Property Development ADSIC for payment of sums from preliminary contracts for the purchase of real estate, which contracts are considered terminated by Solovyov.

The price of the claims is as follows:

- For 21_3 located in vacation complex Marina Cape a claim for 85 000 euro has been made, the remainder of the totally paid price amounting to 92 000 euro.
- For 34_13 located in vacation complex Marina Cape a claim for 28 600 euro has been made, the remainder of the totally paid price amounting to 35 600 euro.

By decision made on 22.05.2017 SCC has upheld the claims. An appeal was filed on time and as a result a hearing № 5506/2017 was formed at the register of the Appeal court Sofia. The hearing is scheduled for 18.05.2018.

20.1.9 Commercial Hearing No.:6/2015 in the inventory of District court Burgas, Commercial Department, Unit I, initiated by Maxim Viktorovich Goncharov against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contracts for purchase of real estate, whereby the plaintiffs consider the contract terminated.

The hearing was initiated by Maxim Viktorovich Goncharov in relation to legal right art.55 of the Law for Contracts and Liabilities, under which it is requested that Intercapital Development ADSIC is judged to return payments made by the plaintiff for four preliminary contracts for purchase of real estate located in vacation complex Marina Cape - Aheloy. The amount of the claim is in the amount of 80 503.84 euro, together with the legal interest on this amount, due from the date of terminating the contracts to the full payment of the amount.

In accordance with the law for territorial jurisdiction, "Intercapital Property Development" ADSIC's case was terminated and transferred to the competent Sofia City Court, where the initiated civil case was entered with reference number № 5304/2015. By decision from 12.12.2016 SCC upheld wants to EUR 70 503, 84 euros, together with legal interest from 07.01.2015 until the date of final payment. The claim was rejected for the amount to the total claim of 80 503.84 euros. The decision was appealed by the Company before the Appeal Court in Sofia. By decision on 13.09.2017 the Sofia Appeal Court has upheld the decision of the SCC. The decision of the Appeal Court was appealed on time before the Supreme Court. The SC is yet to review the appeal at a hearing scheduled on 08.05.2018

20.1.10 Civil Hearing No.:223/2015 in the inventory of District court Burgas, Civil Department, Unit I, initiated by Lyudmila Nikolaevna Skomorovska and Aleksander Viktorovich Skomorovski against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contract for purchase of real estate, whereby the plaintiffs consider the contract terminated.

The case was initiated by Lyudmila Nikolaevna Skomorovska and Aleksander Viktorovich Skomorovski in relation to legal right art.55 of the Law for Contracts and Liabilities, under which it is requested that Intercapital Development ADSIC is judged to return payments made by the plaintiffs in relation to preliminary contract for purchase of real estate located in vacation complex Marina Cape - Aheloy. The amount of the claim is in the amount of 67 000

euro, together with the legal interest on this amount, due from the date of the claim to its full payment.

On our plea of lack of jurisdiction of the Burgas District Court to hear the case, the case was suspended and sent to the Sofia City Court. The Sofia City Court instituted civil case № 8306/2015 on the inventory of Sofia City Court.

By decision of 09.03.2016, the claims are fully upheld. The decision was appealed by the Company. In its appeal, the Company instituted № 3458/2016 on the inventory of Sofia Court of Appeal.

By decision dated 13.09.2017, the Sofia Appeal Court has upheld the decision of SCC. The decision of Sofia Appeal Court was appealed on time before the Supreme Court. The supreme Court is yet to review the appeal at a hearing scheduled on 30.04.2018.

20.1.11 Civil Case № 107/2015 in the inventory of Regional Court – Pomorie, Civil Department unit I, initiated by Andrey Yurievich Ragushin in order that the preliminary contract for purchase of real estate be declared final.

The claim was upheld in full by the District Court - Pomorie. The decision was appealed within the district court - Burgas. District Court - Burgas upheld the first instance. The Company has filed an appeal before the Supreme Court of Cassation.

By decision on 21.04.2017 the Supreme Court has not upheld the appeal of the decision.

20.1.12 Civil Hearing No.: 2127/2015 in the inventory of District court Burgas, initiated by Svetlana Nikolaevna Zaharova against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contract for purchase of real estate, whereby the plaintiffs consider the contract terminated.

The case was initiated by Svetlana Nikolaevna Zaharova in relation to legal right art.55 of the Law for Contracts and Liabilities, under which it is requested that Intercapital Development ADSIC is judged to return payments made by the plaintiffs in relation to preliminary contract for purchase of real estate 34_8 located in vacation complex Marina Cape - Aheloy. The amount of the claim is in the amount of 43 000 euro, together with the legal interest on this amount, due from the date of the claim to its full payment.

On our plea of lack of jurisdiction of the Burgas District Court to hear the case, the case was suspended and sent to the Sofia City Court. The Sofia City Court instituted civil case № 3725/2016 on the inventory of Sofia City Court.

By decision of 03.07.2016, the Sofia City Court upheld entirely the claim against the Company. The decision was appealed on time at the Sofia Appeal Court. As a result, a hearing № 3484/2017 at the Sofia Appeal Court was formed for which a decision is still due.

20.1.13 Arbitrary case No: 10/2015 in the inventory of the Arbitrary court for commercial claims – Burgas, initiated by Midia AD against Intercapital Property Development ADSIC

The amount of the claims is BGN 500 000, as a partial claim from the total amount of BGN 6 430 457.72. By decision of 29.02.2016, the claims have been fully respect the decision entered into force. Based on the decision a writ has been issued against "Intercapital Property Development" ADSIC.

On 07.03.2016 ICPD ADSITS was informed that the receivable has been transferred to AVI CONSULT EOOD, EIK 131397729.

20.1.14 Civil Case № 12417/2015 in the inventory of Sofia City Court, initiated by Elisaveta Vidjesingh against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contract for purchase of real estate, whereby the plaintiff considers the contract terminated.

- claim for payment of 43 225 euro, representing the price paid for apartment 32_79, located in v.c. Marina Cape Aheloy, together with the legal interest until the payment is made in full.
- claim for payment of compensation in the amount of BGN 1039 as a result of non-compliance with the obligation to transfer the property, together with the legal interest, until payment in full.
- claim in the amount of 32 580 euro, representing the double size of the paid deposit according to art.22 of the deposit contract, together with the legal interest, until payment in full.
- claim in the amount of BGN 5 541.53, representing expenses made for the furnishing of the property, together with the legal interest, until payment in full.

With a ruling from the 02.03.2017 all claims were dismissed as unsubstantiated and unfounded. The decision was appealed by Elisaveta Vidjesingh but was subsequently withdrawn and a request to withdraw the claim was submitted. By decision on 30.10.2017 on case 3138/2017 from the register of Sofia Appeal Court the decision of SCC was invalidated and the case has been terminated.

20.1.15 Civil Case № 16919/2015 in the inventory of Sofia City Court, initiated by Genadi Grishin against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contract for purchase of real estate, whereby the plaintiff considers the contract terminated.

The claim is for 105 312 euro, representing the paid purchase price of the property. – apartment 1_11, located in vacation complex Marina Cape, together with the legal interest, until payment in full.

The first hearing was held on 10/24/2016. After the hearing on 20.11.2017 the court is to render a decision.

20.1.16 Civil Case № 15944/2015 in the inventory of Sofia City Court, initiated by Olga Nekrasova against Intercapital Property Development ADSIC for payment of sums regarding a preliminary contract for purchase of real estate, whereby the plaintiff considers the contract terminated.

The price of the claims is as follows:

- claim in the amount of 48 000 euro, representing the purchase price paid for the property, apartment 32_51, located in vacation complex Marina Cape, together with the legal interest until full payment is received.
- claim for payment of compensation in the amount of 2000 euro as a result of non-compliance with the obligation to transfer the property.

A court agreement has been concluded, whereas ICPD ADSITS is obliged to transfer the property in question to Olga Nekrasova. In relation to the agreement, the legal proceedings have been terminated as of 22.02.2018.

20.1.17 Enforcement Hearing № 22731/2015 in the inventory of regional court of Sofia for the issuance of and immediate execution and writ of execution for amounts under the credit agreement № 1236/2007 from the 19.10.2007 contracted with “Pireaus Bank Bulgaria”AD.

On 05.04.2015 an order for immediate execution and writ of execution were issued in favor of the Bank for the amount of EUR 250,000 principal.

The company filed an objection towards the issued order for immediate execution and writ.

The Bank has filed a declaration under Art.422 of the Code of Civil Procedure. Under the plea a case with reference № 1501/2016 was initiated, on the inventory of Sofia City Court. By order dated 16.02.2017, the court approved the agreement between the parties. As a result of the concluded agreement the Bank has withdrawn the request for the opening of bankruptcy proceedings against the company.

20.1.18 Enforcement Hearing № 22737/2015 in the inventory of regional court of Sofia for the issuance of and immediate execution and writ of execution for amounts under the credit agreement for investment purposes № 736/2008 from the 07.07.2008 contracted with “Pireaus Bank Bulgaria”AD.

On 04.06.2015 an order for immediate execution and writ of execution were issued in favor of the Bank for the amount of EUR 300,000 principal.

The company filed an objection towards the issued order for immediate execution and writ.

The Bank has filed a declaration under Art.422 of the Code of Civil Procedure. Under the plea a case with reference № 777/2016 was issued, on the inventory of Sofia City Court. By order dated 01.03.2017, the court approved the agreement between the parties. As a result of the concluded agreement the Bank has withdrawn the request for the opening of bankruptcy proceedings against the company.

20.1.19 Enforcement Hearing № 9111/2016 in the inventory of regional court of Sofia for the issuance of and immediate execution and writ of execution for amounts under the credit agreement № 1236/2007 from the 19.10.2007 contracted with “Pireaus Bank Bulgaria”AD.

On 14.03.2015 an order for immediate execution and writ of execution were issued in favor of the Bank for the amount of EUR 500,000 principal.

The company has not filed an objection towards the issued order for immediate execution and writ.

The Bank has filed a declaration under Art.422 of the Code of Civil Procedure. Under the plea a case with reference № 7106/2016 was issued, on the inventory of Sofia City Court. By order dated 16.02.2017, the court approved the agreement between the parties. As a result of the concluded agreement the Bank has withdrawn the request for the opening of bankruptcy proceedings against the company.

20.1.20 Enforcement Hearing № 9111/2016 in the inventory of regional court of Sofia for the issuance of and immediate execution and writ of execution for amounts under the credit agreement № 736/2008 from the 07.07.2008 contracted with “Pireaus Bank Bulgaria”AD.

On 26.04.2016 an order for immediate execution and writ of execution were issued in favor of the Bank for the amount of EUR 500,000 principal. The order for immediate execution and writ of execution have both been enacted.

20.1.21 Civil Hearing № 11196/2016 in the inventory of Sofia Regional Court, Civil Department, unit 50 initiated by „Vodosnabdyavane i Kanalizacia“ EAD for payment of water delivered to v.c. Marina Cape

The hearing was initiated in relation to a claim from „Vodosnabdyavane i Kanalizacia“ EAD whereby it is claimed that the court admit for certain that amounts of water have been delivered to v.c. Marina Cape in favour of Intercapital Property Development, according to invoices issued for the period 02.12.2014, to 01.12.2015, which have not been paid. According to the plaintiff the total value of the delivered water is in the amount BGN 57 654,12. The plaintiff wants to be reimbursed for legitimate interest obligations from the date of initiation of proceedings until full payment of debts and expenses for the formation and conduct of the case.

"Intercapital Property Development" ADSIC filed an objection against the enforcement order. „Vodosnabdyavane i Kanalizacia“ EAD has brought the action to take in order to implement.

A case with reference № 5781/2016 has been initiated on the inventory of Sofia City Court, VI-14 squad. SCC has taken a decision by which the order to implement has been upheld. An appeal has been filed on time at the Sofia Appeal Court. Sofia Appeal Court has initiated a case 3598/2017 which awaits a decision.

20.1.22 Civil Hearing № 1727/2016 in the inventory of Sofia Regional Court, Civil Department, unit 50 initiated by „Vodosnabdyavane i Kanalizacia“ EAD for payment of water delivered to v.c. Marina Cape

The hearing was initiated in relation to a claim from „Vodosnabdyavane i Kanalizacia“ EAD whereby it is claimed that the court admit for certain that amounts of water have been delivered to v.c. Marina Cape in favour of Intercapital Property Development, according to invoices issued for the period 21.01.2014, to 18.12.2014, which have not been paid. According to the plaintiff the total value of the delivered water is in the amount BGN 62 875,46 . The plaintiff wants to be reimbursed for legitimate interest obligations from the date of initiation of proceedings until full payment of debts and expenses for the formation and conduct of the case.

"Intercapital Property Development" ADSIC filed an objection against the enforcement order. „Vodosnabdyavane i Kanalizacia“ EAD has brought the action to take in order to implement.

A case with reference № 7255/2016 has been initiated on the inventory of Sofia City Court. By decision on 21.07.2017 SCC has approved the claim for up to 3639,64 BGN and has renounced the claim of „Vodosnabdyavane i Kanalizacia“ EAD for the remaining amount. The decision has been appealed by „Vodosnabdyavane i Kanalizacia“ EAD and currently a decision by the Appeal Court is pending.

20 Enforcement Hearings

20.2.1 Enforcement Hearing № 831/2013 in the inventory of bailiff Silvia Koseva, reg. № 809 of CPCB, region – District Court Veliko Turnovo

The enforcement hearing is initiated in relation to receiving orders issued in favour of Teimur Yurievich Bayramov and Irina Feodorovna Bayramova. The total amount due in relation to the agreement is 83 060,26 euro and 9 749 BGN. The enforcement proceedings are currently at a halt.

20.2.2 Enforcement Hearing № 692/2014 in the inventory of bailiff Stanimira Nikolova, reg. № 805 of CPCB, region District Court Burgas

The enforcement hearing is initiated according to receiving order issued in favour of Natalia Borisovna Krasutskaya for the amount of 60 122,21 BGN. The enforcement proceedings are currently at a halt.

20.2.3 Enforcement Hearing № 671/2015 in the inventory of bailiff Stanimira Nikolova, reg. № 805 of CPCB, region District Court Burgas

Enforcement proceedings have been instituted and held on the basis of a writ of execution issued in favour of "PIRAEUS BANK BULGARIA" AD and detailed in Item. **Error! Reference source not found., Error! Reference source not found. and Error! Reference source not found.** above. Enforcement proceedings have been terminated as of 18.07.2017.

20.2.4 Enforcement Hearing № 983/2016 in the inventory of bailiff Ivelina Bozhilova, reg. № 800 of CPCB, region District Court Burgas.

Enforcement proceedings have been instituted and held on the basis of a writ of execution issued in favour of "PIRAEUS BANK BULGARIA" AD and detailed in Item. 7.19 above. Enforcement proceedings have been terminated according to bailiff order from 26.07.2017.

20.2.5 Enforcement Hearing № 1632/2015 in the inventory of bailiff Tanya Madzhova, reg. № 803 of CPCB, region District Court Burgas

Enforcement proceedings have been instituted and held on the basis of a writ of execution issued in favour of "TELELINK" EAD for the sum of BGN 497 953,39. Enforcement proceedings are currently pending.

The enforcement case has held public sale of mortgaged in favour of "TELELINK" EAD properties as follows:

Independent property identifier № 00833.5.409.4.1., Representing 5_1 apartment, located in a residential complex "Marina Cape" - city Aheloy;

Independent property identifier № 00833.5.409.4.4., Representing 6_1 apartment, located in a residential complex "Marina Cape " - city Aheloy;

Independent property identifier № 00833.5.409.5.1., Representing 7_1 apartment, located in a residential complex "Marina Cape " - city Aheloy;

Independent property identifier № 00833.5.409.7.13., Representing 11_3_2 apartment, located in a residential complex "Marina Cape " - city Aheloy;

Independent property identifier № 00833.5.409.18.11., Representing 30_7 Studio, located in a residential complex "Marina Cape " - city Aheloy.

By decree award from 29.11.2016, the properties have been awarded in favour of "TELELINK" EAD. Based on the award of the property the repaid obligations under the enforcement case totalling BGN 387 537.50.

20.2.6 Enforcement Hearing № 50/2017 in the inventory of bailiff Delyan Nikolov, reg. № 804 of CPCB, region District Court Burgas

Enforcement proceedings have been instituted on the basis of a writ of execution issued in favour of Alexander Sergeevich Solovyev for the sum of BGN 39 500.59 lev. Enforcement proceedings have been instituted on the basis of the writ of execution issued in gender

Solovyev in the case described in paragraph. 20.1.6 in - above. The enforcement case has conducted inventory of three properties owned by the company

- Independent property with identifier 00833.5.409.9.4 representing Apartment 14_2, located in a residential complex "Marina Cape" - city. Aheloy;
- Independent property identifier 00833.5.409.25.22 representing Apartment 37_22, located in a residential complex "Marina Cape" - city. Aheloy;
- Independent property identifier 00833.5.409.26.19 representing Apartment 38_16, located in a residential complex "Marina Cape" - city. Aheloy;

Several public offerings have taken place, whereas all have been declared unsuccessful due to a lack of submitted valid offers.

20.2.7 Enforcement Hearing № 40/2017 in the inventory of bailiff Delyan Nikolov, reg. № 804 of CPCB, region District Court Burgas

The enforcement hearing was formed based on writ issued in favour of Natalia Borisovna Krasutskaya for the amount of 84 100,69 BGN. The enforcement hearing was formed based on a preservation order in relation to a court claim. There is no decision on the claim.

20.2.8 Enforcement Hearing № 850/2016 in the inventory of bailiff Ivanka Mindova, reg. № 704 of CPCB, region District Court Burgas

Enforcement proceedings have been instituted on the basis of a writ of execution issued in favour of Nedyalko Ivanov Kalatchev for the sum of EUR 64,006.

On 05.09.2017 ICPD ADSITS, EIK 131397743, received a notice regarding enforcement hearing № 850/2016 in the inventory of bailiff Ivanka Mindova, reg. № 704 of CPCB, whereby the Company was informed that by Decree on 19.07.2017 regarding enforcement hearing, AVI CONSULT EOOD, EIK 131397729 is joined as a creditor for the sum in the amount of 542 773,75 BGN, including the following amounts: 100 000 BGN – principal, 161 736.95 BGN – compensation, 238 263.05 BGN – interest, 26 125,15 BGN – court expenses, 157.00 BGN legal enforcement expenses.

In addition the company was informed that the joined creditor AVI CONSULT EOOD exercises the right to withhold as per art. 136, par.4, second proposal of the Law on Obligations and Contracts, regarding properties owned by ICPD ADSITS, located in Marina Cape Vacation Complex, Aheloy, for which the inventory of the enforcement hearing was made, or:

- 1) Independent property identifier 0833.5.409.20.101, area 46.00 m2.;
- 2) Independent property identifier 0833.5.409.18.13, area 59.00 m2.;
- 3) Independent property identifier 0833.5.409.19.29, area 63.00 m2.;
- 4) Independent property identifier 0833.5.409.20.35, area 46.00 m2.;
- 5) Independent property identifier 0833.5.409.20.85, area 42.00 m2.;
- 6) Independent property identifier 0833.5.409.22.12 area 37.00 m2.

The receivable of AVI CONSULT EOOD represents a partial of the entire receivable from ICPD ADSITS in the amount of 6 430 457,72 BGN, whereas for each day until the final payment, an interest in the amount of 0.1% is accrued.

20.3 REQUEST FOR OPENING INSOLVENCY PROCEEDINGS

In 2016 Piraeus Bank Bulgaria AD submitted a claim for opening insolvency proceedings for ICPD as per art. 629, par 2 of the Commercial Law. In relation to the latter, a case No: 2209/2016 of the Sofia City Court was initiated.

On 13 March 2017, Intercapital Property Development ADSIC was informed that by order of 16.02.2017 the court had discontinued the proceedings in the case filed on the basis of Piraeus Bank Bulgaria's application for opening insolvency proceedings against Intercapital Property Development ADSIC.

On 04.07.2017, Intercapital Property Development ADSIC, with UIC 131397743, was notified about the conclusion of a contract for transfer of receivables between Piraeus Bank Bulgaria AD, with UIC 831633691 as an assignor (cedant) and Marina Cape Properties OOD, with UIC 204372411, as an assignee. Pursuant to this agreement, Piraeus Bank Bulgaria AD has transferred to Marina Cape Properties OOD all its receivables from Intercapital Property Development ADSIC arising from Investment Loan Agreement No 1236/2007 dated 19.10.2007, Investment Loan Agreement No. 736/2008 dated 07.07.2008 and Investment Loan Agreement No 327/2009 dated 14.12.2009, together with all their privileges, collaterals and other belongings thereto.

On 18.08.2017, Intercapital Property Development ADSIC, with UIC 131397743, was notified by Marina Cape Properties OOD that according to a Contract for the transfer of receivables, Marina Cape Properties OOD, UIC 204372411 has transferred to Futures Capital AD, with UIC 201624613 receivables on principal arising from investment loan contracts concluded with Piraeus Bank Bulgaria AD, described in the previous paragraph, namely Investment Loan Agreement No 1236/2007 dated 19.10.2007, Investment Loan Agreement No. 736/2008 dated 07.07.2008 and Investment Loan Agreement No 327/2009 dated 14.12.2009. The total amount of the principal receivables transferred is EUR 8 229 045.97.

21. Information about the investor relations director, including telephone and address for correspondence

Date: 29.04.2019

Signature:

/Velichko Klingov – Executive Director/

