

Annual Consolidated Management Report
INTERCAPITAL PROPERTY DEVELOPMENT ADSIC
2020

20 April 2021

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Information, given in value and quantity, concerning the main categories of goods, products and / or services provided, indicating their share in the issuer's sales revenue as a whole and the changes, occurred during the reporting financial year.

2. Information on the revenues allocated to the different categories of activities, internal and external markets, as well as information on the sources of supply of materials necessary for the production of goods or provision of services, reflecting the degree of dependence on each individual seller or buyer, consumer, and in case the relative share of any of them exceeds 10 percent of the expenses or revenues from sales, information shall be provided for each person separately, for his share in the sales or purchases and his connections with the issuer.

3. Information on concluded significant transactions.
4. Information on transactions concluded between the issuer and related parties during the reporting period, proposals for concluding such transactions, as well as transactions that are outside its normal activity or significantly deviate from the market conditions under which the issuer or its subsidiary is party, indicating the value of the transactions, the nature of the interconnection and any information necessary to assess the impact on the issuer's financial condition.
5. Information on events and indicators of an unusual nature for the issuer, having a significant impact on its activity, and the revenues and expenses incurred by it; assessment of their impact on the results in the current year.
6. Information on off-balance sheet transactions - nature and business purpose, indication of the financial impact of the transactions on the activity, if the risk and benefits of these transactions are significant for the issuer and if the disclosure of this information is essential for assessing the financial condition of the issuer.
7. Information on the issuer's shareholdings, 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 / methods of financing .
8. Information about the concluded by the issuer, by his subsidiary company or parent company, in their capacity as borrowers, loan agreements specifying the terms thereof, including repayment deadlines, as well as information on guarantees provided and commitments.
9. Information on loan agreements concluded by the issuer, its subsidiary or parent company, in its capacity as lenders, including the provision of guarantees of any kind, including to related parties, indicating the specific conditions thereof, including the payment deadlines and the purpose for which they were granted.
10. Information on the use of the funds from a new issue of securities during the reporting period.
11. Analysis of the ratio between the achieved financial results, reflected in the financial statements for the financial year, and previously published forecasts of these results.
12. Analysis and evaluation of the policy regarding the management of the financial resources with indication of the possibilities for servicing the obligations, possible threats and measures, which 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 the available funds and reflection of the possible changes in the structure of financing of this activity.
14. Information about changes that occurred during the reporting period in the basic principles of management of the issuer and its economic group.
15. Information on the main characteristics of the internal control system and risk management system applied by the issuer in the process of preparation of the financial statements.
16. Information on the changes in the management and supervisory bodies during the reporting financial year.
17. Information on the amount of remuneration, rewards and / or benefits of each of the members of the management and supervisory bodies for the reporting financial year, paid by the issuer and its subsidiaries, regardless of whether they have been included in the issuer's expenses or arise from the distribution of profits, including:
18. For public companies - information on shares of the issuer held by the members of the management and control bodies, procurators and senior management, including the

shares held by each of them separately and as a percentage of the shares of each class, as well as provided property of the issuer options on its securities - type and amount of the securities on which the options are established, price of exercising the options, purchase of a price, if any, and term of the options.

19. Information about the arrangements known to the company (including after the end of the financial year), as a result of which in the future there may be changes in the relative share of shares or bonds held by shareholders or bondholders.

20. Information on pending court, administrative or arbitration proceedings concerning liabilities or receivables of the issuer in the amount of at least 10 percent of its equity; if the total value of the obligations or receivables of the issuer under all initiated proceedings exceeds 10 per cent of its own capital, information for each proceeding shall be submitted 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, Dobrudja 6 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, Dobrudja 6, Str., fl. 4, with a representative in the Board of Directors Petya Georgieva Yordanova, represented by Todor Terziev. The Company is represented by Velichko Klingov in his capacity of Executive Director.

Radostina Panteleeva 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.

As of 31.12.2020 “Intercapital Property Development” ADSIC has investments in the following subsidiary companies:

Name of the subsidiary company	2020 BGN ‘000	share %	2016 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: Dobrudja 6 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 31.12.2020 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 31.12.2020 “Intercapital Property Development” ADSIC has investments in the following subsidiary companies:

Name of the subsidiary company	2020 BGN ‘000	share %	2016 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 2020 the Company has realized expenses in the total amount of (excluding corporate tax expenses) BGN 3 763 thousand on consolidated basis. Of this amount, BGN 2 578 thousand represent operating expenses. The financial costs amount to BGN 1 185 thousand, of which the interest expenses amount to BGN 1 171. The total effect reported in profit or loss as a result of changes in the fair value of the Group's investment properties amounts to BGN 55 thousand.

B. Financial result of the Company on consolidated basis

In 2020 the Company has realized net loss in the amount of BGN 356 thousand on consolidated basis.

C. Revenues of the Company on consolidated basis

In 2020, the parent company reports revenues from sales of real estate - residential buildings for seasonal use in the holiday complex "Marina Cape" in the amount of BGN 393 thousand. The total area of the sold apartments is 208.18 sq.m.

Revenues from the operation of retail outlets in the holiday complex "Marina Cape" (including restaurants, water bar, supermarket, sports and spa center, children's center, other restaurants and entertainment) in the past year amounted to 314 thousand .lv.

Revenues from renting - both own properties (properties of "Intercapital Property Development" REIT) and foreign properties (properties, the owners of which have concluded a management contract with "Marina Cape Management" EOOD) are worth 406 thousand .lv.

Revenues from the provision of services (mainly for property maintenance and representation) to owners in the Marina Cape complex (owners other than Intercapital Property Development REIT) amount to BGN 392 thousand.

The total revenues from the activity on a consolidated basis for 2020 amount to BGN 3,407 thousand, including 1,644 thousand financial revenues.

D. Assets of the Company on consolidated basis

As of 31.12.2020 the Company's assets on consolidated basis are in the amount of BGN 46 376 thousand, including:

Long-term tangible assets: BGN 40 177 thousand of which the value of the investment properties owned by the Company is with the greatest share – BGN 24 968 thousand;

Deferred tax assets: BGN 21 thousand;

Prepaid Expenses: BGN 447 thousand;

Short-term assets: BGN 6 199 thousand, of which the largest share is the value of receivables from clients and suppliers - BGN 3 366 thousand.

E. Liabilities of the Company on consolidated basis

The short-term liabilities of the Group on a consolidated basis as of 31.12.2020 amount to BGN 11,162 thousand.

Long-term liabilities include financial leasing liabilities in the amount of BGN 44 thousand, transferred funds from companies in the amount of BGN 2 612 thousand and a liability in the amount of EUR 6,000 thousand in bank financing.

F. Shareholders' equity

The equity of the Group on a consolidated basis as of 31.12.2020 amounts to BGN 20,823 thousand. It includes:

Share capital: BGN 27,766 thousand.

Premium reserves when issuing securities: BGN 7,651 thousand.

Reserve from subsequent valuations of assets and liabilities: BGN 7,508 thousand.

Total reserves: BGN 1 thousand

Result from previous years: (BGN 21,747) thousand

Current profit / loss: (BGN 356).

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 2020, the Group reports revenues from sales of real estate - residential buildings for seasonal use in the holiday complex "Marina Cape" in the amount of BGN 370 thousand. The total area of the sold apartments is 208.18 sq.m.

In 2020, on a consolidated basis, Intercapital Property Development REIT continues to report revenues from the operation of the properties built by the Parent Company. The activity of exploitation of the properties is carried out by the subsidiary Marina Cape Management EOOD. The results of the operation of real estate can be divided into two main areas: the operation of retail space (including restaurants, water bar, spas and sports centers, conference center, shops, etc.) and the provision of services of owners and tenants (including property maintenance, renting, etc.).

In 2020, the revenues from the operation of the commercial sites in the holiday complex "Marin Cape", including restaurants, water bar, spa, fitness center, bowling alley, squash center, shops and other restaurants and entertainment) are worth BGN 313 thousand. The company is constantly striving to optimize the ratio of sales prices - costs. Next in the holiday village is an active conference center, which regularly hosts conference-type events. The company aims to actively develop this type of tourism.

Revenues from renting apartments (including apartments owned by Intercapital Property Development REIT and apartments owned by outsiders) for 2020 amount to BGN 382 thousand.

Revenues from the provision of property maintenance services and representation of owners in the Marina Cape complex (owners other than Intercapital Property Development REIT) amount to BGN 393 thousand. Revenues from maintenance are fees paid by property owners in the holiday complex of the subsidiary and service company "Marina Cape Management" EOOD. Marina Cape Management EOOD is a company with which all clients who have acquired properties in the holiday complex "Marina Cape" enter into a contract for maintenance and management at an annual fee of 12 euros per square meter.

In 2020, the Group generated financial income in the amount of BGN 1,644 thousand from the back-digging of the bond issue of the parent company. The financial expenses amount to BGN 1,185 thousand, of which BGN 1,171 thousand. - interest expenses.

At the end of 2020, in accordance with the requirements of the current legislation, an assessment was made of the investment properties and lands owned by the Parent Company. The investment properties of the Parent Company include all sites - residential and commercial areas in the holiday complex "Marina Cape". As a result of the assessment made as of 31.12.2019, the value of the investment properties of the Parent Company has increased by BGN 127 thousand. As of December 31, 2019, the value of the lands owned by the Parent Company is BGN 7,549 thousand.

b) development of the investment projects of the Company (the Group)

Marina Cape

The holiday complex was fully completed in August 2010, when on 12.08.2010 with certificates № 45 (26 s.) And № 48 (27 s.), Sectors 26 and 27 (Zone 4) were put into operation.

The holiday complex is operated all year round. During the summer season 2020, the complex operated at high occupancy (for apartments owned by the Group and those not owned by it, but managed by the subsidiary Marina Cape Management EOOD).

The complex regularly hosts conference-type events, and the company actively strives to develop this type of tourism.

Grand Borovets

In May 2008 the Company received the construction permit and started the construction works on the project in the resort complex Borovets. The company Midia AD was chosen as a contractor for the building up to the stage of rough construction. The terrain on which the project is built has an area of 6,600 square meters. The site has a total built-up area of 10,000 square meters and includes a residential area - 5,175 square meters, retail space - 3,140 square meters 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. To date, the remarks on the additional prescriptions of CEZ have been removed. Act 15 for the external power supply of the site and the signing of a contract for the purchase of the substation will be made after the completion of construction (Act 15) for the building. At the moment, all construction and installation works on the site are frozen for an indefinite period of time.

On December 17, 2013 the Company concluded a contract for financial leasing of real estate with Bulgaria Leasing EAD with a leasing object: the investment project Grand Borovets. The lease price to be paid was EUR 2,927,724.36 excluding VAT. Initially, the lease price was to be paid within 2 years of the transfer of possession of the leased objects, of which 6 months grace period, through 24 lease payments, e due on the 20th of the month for which the

installment is due, at a fixed annual interest rate of 9%. By mutual agreement between the parties from 2014, the term for repayment of the lease installments was extended to 20.12.2020, as a result of which the lease price was changed to EUR 3,183,968.45 without VAT. At the end of 2016, a new agreement was signed between the parties, according to which the term for repayment of the lease installments was extended until 20.12.2021, and the lease price was changed to EUR 3,411,746 without VAT. Pursuant to the Agreement of December 17, 2013, Intercapital Property Development REIT has notarized the ownership of the land property with identifier 65231.918.189, located in the town of Samokov, Samokov Municipality, Sofia District, and the property built in this property. building representing the hotel apartment complex with service facilities with identifier 65231.918.189.2, of the lessor Bulgaria Leasing EAD. As a result, and under the terms of a reverse lease, Intercapital Property Development REIT received from the lessor the possession of the properties subject to the Financial Leasing Agreement.

As a result of a signed 3-tranche agreement on 13.11.2019. between Intercapital Property Development REIT, Bulgaria Leasing and Investbank AD, Bulgaria Leasing was replaced as a lessor by Investbank AD.

With Annex of 10.2020 the interest under the leasing contract is reduced to 6% per annum. To date, all other clauses of the contract are unchanged.

Share capital structure

	2020		2019	
	Shares	%	Shares	%
Universal Pension Fund "Budeshte"	1 900 000	6.84%	0	0%
MF Activa	1 500 000		0	0%
		5.40%		
"Marina Cape Properties" OOD	6 930 108	24.96%	0	0%
Other individuals	1 725 246	6.21%	1 725 246	27.32%
Legal entities	24 141 230	86.94%	4 369 000	72.68%
	<u>27 766 476</u>	<u>100</u>	<u>6 011 476</u>	<u>100</u>

c) financing the activities of the Group

As of December 31, 2020, Intercapital Property Development REIT has liabilities to banking institutions, incl. long-term and short-term in the amount of BGN 11,735 thousand.

A meeting of the Board of Directors of ICPD REIT was held on 11.05.2020, at which a decision was made to convene a regular annual General Meeting of Shareholders for 2020, to be held on 19.06.2020 at 11:00 hours, in the city of Sofia, 3 Angel Kanchev Str. (Cosmos Coworking Camp) with the following agenda:

- "Item one: Reports of the management body on the activities of the Company in 2019;
Draft resolution: The General Meeting of Shareholders approves the report of the Board of Directors on the activities of the Company in 2019 and the consolidated report on the activities of the Company in 2019;
- Item two: Annual report of the Audit Committee of the Company on the activities in 2019;

Draft resolution: The General Meeting of Shareholders approves the annual report of the Audit Committee of the Company for the activities in 2019;

Item three: Reports of the selected registered auditor on the annual financial statements of the Company for 2019;

Draft resolution: The General Meeting of Shareholders approves the report of the elected registered auditor on the annual financial statements of the Company for 2019 and on the annual consolidated financial statements of the Company for 2019;

Item four: Approval of the annual financial statements of the Company for 2019;

Draft resolution: The General Meeting of Shareholders approves the annual financial statements of the Company for 2019;

Item five: Acceptance of the consolidated annual financial statements of the Company for 2019;

Draft resolution: The General Meeting of Shareholders approves the consolidated annual financial statements of the Company for 2019;

Item six: Adoption of a decision regarding the financial result of the Company for 2019;

Draft resolution: The General Meeting of Shareholders accepts the proposal of the Board of Directors to keep the reported loss from the activity of the Company for 2019 in the amount of BGN 66,000 uncovered.

Item seven: Discharge of the members of the Board of Directors from liability for their activities during the period 01.01.2019 - 31.12.2019;

Draft resolution: The General Meeting of Shareholders releases from liability the members of the Board of Directors Velichko Stoychev Klingov, Tsvetelina Chavdarova Hristova and AHELOY 2012 OOD, with UIC 202371390, for their activity during the period 01.01.2019 - 31.12.2019. ;

Item eight: Selection of a registered auditor for inspection and certification of the annual financial statements of the Company for 2020;

Draft resolution: For verification and certification of the annual individual and consolidated financial statements for 2020, the General Meeting of Shareholders elects the registered auditor, proposed by the Board of Directors and recommended by the Audit Committee, according to the proposal contained in the agenda;

Item nine: Report of the Investor Relations Director;

Draft resolution: The General Meeting of Shareholders approves the report of the Investor Relations Director;

Item ten: Report of the management body for implementation of the Remuneration Policy of the members of the Board of Directors of the Company for 2019;

Draft resolution: The General Meeting of Shareholders approves the report of the Board of Directors on the implementation of the Remuneration Policy of the members of the Board of Directors of the Company for 2019;

Item eleven: Adoption of changes in the Articles of Association of the Company.

Draft resolution: The General Meeting of Shareholders approves the amendments to the Articles of Association of the company according to the proposal contained in the materials on the agenda.

Item twelve: Adoption of changes in the composition of the Audit Committee of the Company.

Draft resolution: The General Meeting of Shareholders approves the changes in the composition of the Audit Committee of the Company according to the proposal contained in the materials on the agenda.

Item thirteen: Adoption of a decision to renew the mandate of the Board of Directors.

Draft resolution: The General Meeting of Shareholders re-elects the current members of the Board of Directors Velichko Stoychev Klingov, Tsvetelina Chavdarova Hristova and

AHELOY 2012 OOD, with UIC 202371390, for a new five-year term from the date of the General Meeting.

Point fourteen: Miscellaneous. ”

At the General Meeting, all items were adopted except for item 13.

A meeting of the Board of Directors of ICPD REIT was held on 21.08.2020, at which a decision was made to convene an extraordinary general meeting of shareholders to be held on 28.09.2020 at 11:00 am, in the city of Sofia. , 6 Dobrudja Str., 4th floor with the following agenda:

The General Meeting will be held with the following agenda:

"Item one: Adoption of a policy for the remuneration of the members of the Board of Directors of the Company.

Draft resolution: The General Meeting of Shareholders adopts a new remuneration policy for the members of the Board of Directors of the company, which repeals the current one.

Point two: Ave. taking a decision to renew the mandate of the Board of Directors.

Draft resolution: The General Meeting of Shareholders re-elects the current members of the Board of Directors Velichko Stoychev Klingov, Tsvetelina Chavdarova Hristova and AHELOY 2012 OOD, with UIC 202371390, for a new five-year term from the date of the General Meeting.

Point three: Miscellaneous. "

At the general meeting, all items were adopted.

3. Results of Company's activity

In 2020, as in previous years, the company's activities were aimed at improving revenues and restructuring its liabilities as much as possible. As a result of the efforts made, there is a new contract for the management of the company's properties, which will lead to more revenue. a significant part of the cases against the company. The efforts made to protect, preserve and improve the assets owned by the company, in addition to the market environment, have objectively increased their value.

(a) unusual or sporadic events

In 2020, no unusual and sporadic events occurred for the Company to affect the results of the activity:

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

As at 31 December 2020, the Group has not used financial instruments to hedge financial, price, credit and liquidity risk and 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 2020 ICPD has not acquired or transferred own shares.

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

According to the Commercial Law and the Articles of Association of the Issuing Company, the remuneration of the members of the Board of Directors is determined by the General Meeting.

The executive members of the Board of Directors enter into a written contract with the Company for assignment of management, while the other members of the Board of Directors may enter into employment contracts or contracts for assignment of management.

The key management personnel of the Parent Company include the members of the Board of Directors. The remuneration of the key management personnel includes the following expenses:

	31.12.2020	31.12.2016
	'000 BGN	'000 BGN
Remuneration to individuals	41	39
Remuneration to Aheloy 2012 OOD	-	-
Total	41	39

Remuneration of management staff in the group

	31.12.2020	31.12.2016
	'000 BGN	'000 BGN
Remuneration to Aheloy 2012 OOD	-	-
Salaries of the management staff in the Group	84	84
Total	84	84

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

As of 31.12.2020 the members of the Board own company shares as follows:

	Shares	% of capital
Velichko Klingov ¹	5 305	0.02%

As of 31.12.2019 the members of the Board own company shares as follows:

	Shares	% of capital
Velichko Klingov ¹	43 111	0.72%

¹ As of December 31, 2019, Velichko Klingov has entered into Repurchase Agreements for financial instruments with collateral - shares of Intercapital Property Development REIT (a total of 37,806), in his capacity of seller (borrower), as these shares are part of the total number of shares mentioned 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.

Velichko Klingov is not an unlimited partner and does not own more than 25 percent of the capital of a company.

Velichko Klingov participates in the following management / control bodies of other companies and organizations.

Name	BULSTAT	Address	Function
Foundation „NOVO BG”	130982466	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	member of the Board of Trustees and Executive Director
Foundation „NEW TIME”	175004387	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	member of the Management Board and executive director
CHAMKORIA SKI CLUB ASSOCIATION	131220166	Samokov, 56 Makedonia Street	Member of the Management Board
“Great Luck” AD	203494225	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	member of the Management Board
PE "NEW TIME"	131287649	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	Deputy Chairman of the Management Board

5.2. Tsvetelina Chavdarova Hristova - member of the Board of Directors

Tsvetelina Hristova is not an unlimited partner and owns more than 25 percent of the capital of the following companies.

Name	BULSTAT	Address	Function
„Neti Accounting“ EOOD	204845531	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	Sole owner of the capital
„Bolkan Imo“ EOOD	175236293	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	Sole owner of the capital
„Smart Traing Bulgaria“ EOOD	206224046	S. Bistritsa, 67 Stefan Stambolov Street	Sole owner of the capital

Tsvetelina Hristova participates in management / control bodies of other commercial companies.

Име на ЮЛ	ЕИК	Седалище и адрес	Функция
„Neti Accounting“ EOOD	204845531	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	manager
„Bolkan Imo“ EOOD	175236293	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	manager
„Smart Traing Bulgaria“ EOOD	206224046	S. Bistritsa, 67 Stefan Stambolov Street	manager

5.3. Aheloy 2012 Ltd. - a member of the Board of Directors

Aheloy 2012 Ltd. is not an unlimited partner and does not own more than 25 percent of the capital of a company.

Aheloy 2012 Ltd. does not participate in management / control bodies of other companies.

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

In 2020 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 2021, the company relies on the activation of the holiday property market, especially in connection with the need for isolation due to the Kovid pandemic and the resumption of real estate sales. The company is working hard to restructure its liabilities in order to service them regularly and improve its liquidity.

In addition, in 2021 the management is considering the possibility of launching a new procedure for the capital increase and issuing a bond issue in order to refinance the liabilities and achieve better financial conditions - interest, terms, collateral..

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 2020, the Company reports revenues from sales of real estate - residential buildings for seasonal use in the holiday complex "Marina Cape" in the amount of BGN 156 thousand. The total area of the sold apartments is 84 sq.m

Revenues (in TBGN.)	2020	2019
<i>Net revenues from the sale of:</i>		
1. Finished goods	313	244
2. Goods for sale	394	207
4. Services	799	1 354
4. Others	257	1464
<i>Total:</i>	1 763	3 269

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 sold by the Company are concentrated in the following countries: Russia, Poland and to a lesser extent the Czech Republic, Slovakia, Lithuania and others. former Russian republics.

In the last few years, the Company's sales efforts have been focused on reaching new geographic markets. The company has started business relations with partners from China for the properties it offers.

In 2021, the company expects an increase in the holiday property market and intensification of sales of apartments in the holiday complex "Marina Cape".

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

Not applicable.

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)	2020	2016
Sales/Purchases of goods and services		
- Paid advances to Marina Cape Management EOOD from Intercapital Property Development REIT	1 000	0
- Services executed by "Intercapital Property Development" ADSIC for "Marina Cape Management" EOOD	821	647

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

No such.

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 2020 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 31.12.2020 “Intercapital Property Development” ADSIC has the following investments in subsidiary companies:

Name of the subsidiary company	2020	share	2016	share
	‘000 BGN	%	‘000BGN	%
Marina Cape Management Ltd.	5	100%	5	100%

As of 31.12.2020 ”Marina Cape Management” Ltd. has the following investments in subsidiary companies:

Name of the subsidiary company	2020	share	2016	share
	‘000 BGN	%	‘000BGN	%
Marina Cape Tours Ltd.	5	100%	5	100%

As at 31 December 2020 the carrying amount of the lands owned by the Group amounts to BGN 7,549 thousand, of the investment properties - BGN 24,269 thousand, of the assets under construction - BGN 7,273 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

The following table shows the principal obligations of loans received from financial institutions with a breakdown of the liability as at 31 December 2020 according to maturity:

Long Term Liability, EUR	Interest	Maturity
6 000 000	6%	01.07.2022

Collateral provided for liabilities to financial institutions

Number of real estate on collateral	Area of real estate under collateral	Book value of the collateral provided ‘BGN 000
82 residential sites	8046 sq.m.	9 867
31 commercial / warehouse sites	9797 sq.m.	12 560

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 2020 “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

On 30.07.2020 the FSC confirmed the prospectus for public offering of shares

On 06.08.2020 the announcement for public offering of securities of the company under Art. 92a of LPOS (as amended by SG No. 28 of 2020) is published on www.x3news.com, on the issuer's website (www.icpd.bg) and on the authorized investment intermediary (www.intercapitalmarkets.com).

- Start date for trading and transfer of the rights on the stock exchange, as well as start date for subscription of shares from the increase: 24.08.2020;

- Closing date for trading the rights on the stock exchange: 03.09.2020;

- Final date for transfer of rights: 08.09.2020 - Date of the auction under Art. 112b, para. 7 of LPOS: 15.09.2020;

- Final date for subscription of shares from the increase: 01.10.2020;

On 13.10.2020, according to entry № 20201013143520 in the electronic file of the Company, a change in the amount of the capital was entered in the Commercial Register, which was increased as a result of a successfully completed subscription under the conditions of public offering of shares with 21,755,000 new ordinary shares. , registered dematerialized shares, each with the right to one vote, nominal value BGN 1 and issue value BGN 1.

On 14.10.2020 the Central Depository entered in its register the issue from the capital increase.

On 20.10.2020 the issue was entered in the register of the FSC under Art. 30, para. 1, item 3 of the FSCA;

On 23.10.2020 the issue was introduced for trading on the BSE.

With funds from the capital increase the company has repaid its liabilities in the amount of BGN 20,260,000 thousand.

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 financial resources is focused on several main areas: increasing the revenues from real estate sales and the revenues from real estate management owned by the Company; for restructuring the liabilities of the Company; to increase the collection of the issuer's receivables. The purpose of all these measures is to

improve the financial condition of the company, incl. number and its liquid position. In terms of increasing revenues from real estate sales, the company is constantly striving to find new markets and attract potential buyers, as well as to seek new forms of realization of sales revenues related to real estate that the Company owns.

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

In 2020, the term of office of the Board of Directors was renewed for five years and the composition of the Audit Committee was changed.

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 a fixed monthly remuneration, determined by the General Meeting, which may not exceed 10 minimum monthly salaries. The General Meeting also adopted a decision that the remuneration of the Executive Director should be up to 12 minimum salaries.

By decision of the General Meeting of Shareholders, the members of the Board of Directors may receive royalties in the amount of not more than 0.1% of the Company's profit before the distribution of dividends for each member of the Board of Directors, but not more than 0.5% for the whole Advice.

The Company does not owe any other amounts and / or benefits in kind, as well as does not set aside or accrue amounts for the provision of pensions, benefits or other compensations upon retirement of the members of the Board of Directors.

The members of the Board of Directors have not received remuneration or compensation from subsidiaries of the issuer and the latter have not set aside or accrues amounts for the provision of pensions, benefits or other compensations upon retirement of the members of the Board of Directors in 2020.

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 31.12.2020 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 ¹	5 305	0.02%

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 by current shareholders.

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

Commercial case № 6/2015 on the list of the District Court - Burgas, TO, I panel, filed by Maxim Viktorovich Goncharov against "INTERCAPITAL PROPERTY DEVELOPMENT" REIT for payment of amounts under preliminary contracts for purchase and sale of real estate, which contracts Goncharov considers spoiled

The case was initiated at the request of Maxim Viktorovich Goncharov with legal grounds Art. 55 of the CPA, which requires INTERCAPITAL PROPERTY DEVELOPMENT REIT to be ordered to return payments made by the plaintiff under four preliminary contracts for purchase and sale of real estate - Apartments with № 37_11, № 37_12, № 37_13 and _ 37_13 The prices of the filed claims amount to EUR 80,503.84, together with the legal interest on this amount, due from the date of cancellation of the contracts until the full repayment of the obligation.

On objection for local jurisdiction of INTERCAPITAL PROPERTY DEVELOPMENT REIT the case was terminated and forwarded to the Sofia City Court, where it was instituted as gr.d. № 5304/2015 according to the list of the Sofia City Court, CA 1 - 2 panel. decision of 12.12.2016, the Sofia City Court upheld the claim up to the amount of EUR 70,503.84, together with the legal interest from January 7, 2015 until the date of final payment. The claim was rejected for the amount over EUR 70,503.84. appealed in time before the Court of Appeal of Sofia The decision of the Court of Appeal of Sofia upheld the first instance decision by a decision of 13.09.2017 The decision of the Court of Appeal of Sofia was appealed in time before the Supreme Court of Cassation

The Supreme Court of Cassation overturned the decision of the Sofia Court of Appeal and returned the case for a new ruling. With a decision on v.gr.d. № 5364/2020 on the list of the Court of Appeal Sofia, 8 s-v again confirmed the decision of the Sofia City Court of 12.12.2016, which upheld the claims up to 70 503.84 euros, together with the legal interest of 07.01 .2015 until the date of final payment. A cassation appeal was filed by INTERCAPITAL PROPERTY DEVELOPMENT REIT on time.

Other lawsuits with effect in the last 12 months

Enforcement cases

Civil case № 16919/2015 on the list of Sofia City Court, filed by Gennady Grishin against "INTERCAPITAL PROPERTY DEVELOPMENT" REIT for payment of amounts under a preliminary contract for purchase and sale of real estate, which contract Gennady Grishin considers

The price of the claim is in the amount of 105,312 euros, representing the paid sale price of the property - Apartment № 1_11, located in the holiday complex "Marina Cape", together with the legal interest until the final payment of the debt.

With a decision of 09.07.2020 the filed claim in the amount of EUR 105 312, together with the legal interest of 29.12.2015 was fully upheld. The decision came into force on March 23, 2020.

The enforcement case № 550/2020 on the list of PEA Delyan Nikolov, with registration № 804 of the BCPEA, with area of action District Court - Burgas was initiated on the basis of a writ of execution issued in favor of Gennady Grishin for the amount of EUR 105 312 principal, representing an amount due in connection with the cancellation of the preliminary contract described above.

Civil case № 45799/2014 on the list of Sofia District Court, Civil Court, 32 panel, instituted by Alexander Sergeevich Solovyov against "INTERCAPITAL PROPERTY DEVELOPMENT" REIT for payment of amounts under preliminary contracts for purchase and sale of real estate, which considered spoiled

The price of the filed claims amounts to EUR 14,000, as a partial claim of EUR 127,600, formed as follows:

- for 21_3, located in the holiday complex "Marina Cape" - Aheloy, a claim was filed for an amount of 7,000 euros, a partial claim of the price paid under a preliminary contract for the property in the amount of 92,000 euros;
- for 34_13, located in the holiday complex "Marina Cape" - Aheloy, a claim was filed for an amount of 7,000 euros, a partial claim of the price paid under a preliminary contract for the property in the amount of 35,600 euros

With a Decision of 31.08.2015 the claim was upheld. The decision was appealed in time before the Sofia City Court. An appeal was formed on the appeal. № 597/2016 according to the inventory of the Sofia City Court, Civil Code, res. IV-b composition. With a decision of 10.11.2016, the Sofia City Court fully confirms the decision of the RCC. The decision was appealed in time and at the moment the appeal procedure is pending.

In view of the convicting appellate decision of the Sofia City Court, the plaintiff received a writ of execution against INTERCAPITAL PROPERTY DEVELOPMENT REIT for payment of the awarded amounts.

The decision of the Sofia City Court was appealed to the Supreme Court of Cassation. The Supreme Court of Cassation issued a ruling, which did not allow a cassation appeal of the decision of the Sofia City Court and the same came into force on 23.11.2017.

Based on the decision of the Sofia City Court, Alexander Sergeevich Solovyov obtained a writ of execution and filed an enforcement case against ICPD № 50/2017 on the list of PEA Delyan Nikolov, Burgas.

Currently, enforcement case дело50 / 2017 has been terminated.

Civil case № 15692/2015 on the inventory of the Sofia City Court, filed by Alexander Sergeevich Solovyov against “INTERCAPETAL PROPERTY DEVELOPMENT "REIT for payment of amounts under preliminary contracts for purchase and sale of real estate, which contracts Soloviev considers spoiled

The price of the filed claims is as follows:

- for 21_3, located in the holiday complex "Marina Cape" - Aheloy, a claim was filed for an amount of 85,000 euros, the remainder of the total price paid under a preliminary contract in the amount of 92,000 euros;

- for 34_13, located in the holiday complex "Marina Cape" - Aheloy, a claim was filed for an amount of EUR 28,600, the remainder of the total price paid under a preliminary contract in the amount of EUR 35,600;

With a decision of 22.05.2017, the Sofia City Court upheld the claims. An appellate appeal was filed in time, and on the basis of it a civil case file 6 5506/2017 was formed according to the list of the Court of Appeal Sofia, GC. By a decision of 08.08.2020 the Court of Appeal Sofia fully upheld the first instance decision. Following a cassation appeal filed by INTERCAPITAL PROPERTY DEVELOPMENT REIT, with a Decision of 19.06.2020 on gr.d. № 4845/2020 on the list of the Supreme Court of Cassation no cassation appeal of the decision of the Sofia Court of Appeal was allowed.

A writ of execution was issued in favor of Alexander Sergeevich Soloviev, on the basis of which an enforcement case № 575/2020 was instituted according to the list of PEA Delyan Nikolov.

At present, enforcement case №575 has been terminated.

The Company is not aware of any possibilities for initiating future arbitration, court or administrative proceedings, which may have a significant impact on the financial condition and profitability of the issuer.

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

The position of investor relations director of “Intercapital Property Development” ADSIC is taken by:

Radostina Pantaleeva

Correspondence address: Sofia, Dobrudja 6 Str., fl. 4,

tel: 02 / 980 12 51

Date: 20.04.2021

Signature:

/Velichko Klingov – Executive Director/