

STATUTORY AUDITOR'S REPORT

To: the Shareholders of Intercapital Property Development REIT

Report on the financial statements

Opinion

We have audited the financial statements of Intercapital Property Development REIT (the Company), which comprise the statement of financial position as of December 31, 2024, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards

Basis for expressing an opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investment properties and assets under construction – valuation. See appendix item 7 to our report and to the extent indicated.

Key audit matter	How this key audit matter was addressed in our audit?
<p>The company owns investment properties and land, with a balance sheet value of BGN 39 244 thousand, which represents 78 % of the company's assets. After initial recognition, investment properties are reported at fair value. To determine the fair value, the management uses an external independent licensed appraiser.</p>	<p><i>In this area, our audit procedures included:</i></p> <ul style="list-style-type: none"> ✓ Assessing whether the appraiser possesses competence, abilities and objectivity, ✓ Reviewing whether the appraiser has the legal capacity to assess real estate properties of the relevant type; ✓ Ensuring that the appraiser has of at least three years of professional experience in assessing investment properties, ✓ Reviewing compliance of the appraiser's legal capacity with the requirements under the LDSIPDS, ✓ Reviewing the selected assessment method and adequacy assessment; ✓ Reviewing performed accounting operations and verifying their compliance with the external assessment, ✓ Reviewing the disclosures' completeness and adequacy. <p>Disclosures are included in the company's Financial Statements for 2024</p>

Other information other than the financial statements and the auditor's report thereon

The Management Board of the Company is responsible for the other information. The other information comprises the annual report on activities, including the corporate governance statement and the report on the implementation of the remuneration policy prepared by the management in accordance with Chapter Seven of the Accountancy Act, but does not include the separate financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, unless it is not specifically stated in our auditors' report and to the extent it is specifically stated.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Additional reporting issues by The Accounting Act and the Public Offering Securities Act

In addition to our reporting responsibilities according to ISAs, with respect to the annual report on activities, the corporate governance statement, and the report on the implementation of the remuneration policy, we have also performed the procedures required by the Guidelines related to new extended audit reports and communication from the auditors of the Professional Organization of Statutory Auditors in Bulgaria - Institute of Certified Public Accountant.

These procedures include tests over the existence, form and content of the other information in order to assist us in forming an opinion as to whether the other information includes the disclosures and reporting as required by Chapter Seven of the Accountancy Act and the Public Offering of Securities Act (art. 100n, para 10 of POSA, art. 100n, para 8, p. 3 and 4 of POSA and art.100n,para 15 in relation with art. 116c, para 1 of the POSA), applicable in Bulgaria.

Opinion under Art. 37, para. 6 of the Law on Accounting

Based on the procedures performed, in our opinion:

- a) The information included in the annual report on the activities for the financial year for which the financial statement has been prepared is consistent with the financial statement.
- b) The annual report on the activities has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act and of Art. 100n, paragraph 7 of the Public Offering of Securities Act.
- c) The information required by Chapter Seven of the Accountancy Act and Art. 100n, para 8 of the Public Offering of Securities Act is presented in the corporate governance statement covering the financial year for which the separate financial statements have been prepared.
- d) The report on the implementation of the remuneration policy for the financial year for which the financial statements have been prepared has been submitted and meets the requirements set out in the ordinance under Art. 116c, para. 1 of the Public Offering of Securities Act

Opinion under Art. 100n, para 10 in relation to art. 100n, para 8, p. 3 and 4 of the Public Offering of Securities Act

Based on the procedures performed and as a result of the acquired knowledge and understanding of the Company and the environment in which it operates, acquired during our audit, in our opinion, the description of the main features of the Company's internal control and risk management systems in relation to the financial reporting process as part of the annual report on activities (as element of the content of the corporate governance statement) and the information under Article 10 , paragraph 1, letter "c", "d", "f", "h" and "i" of the Directive 2004/25/EC of the European Parliament and of the EU Council of April 21, 2004 related to takeover bids, included in the corporate governance statement do not contain

Management's responsibilities and the responsibilities of those entrusted with governance for the financial statement

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The persons entrusted with governance are responsible for the supervision of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those entrusted with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those entrusted with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such

Additional reporting on other legal and regulatory requirements

Additional reporting on the audit of the financial statements in connection with Art. 100(n), para. 4, item 3 of the Law on Public Offering of Securities Act

Statement in connection with Art. 100(n), para. 4, item 3, b. "b" of the Law on the Public Offering of Securities Act

The information on transactions with related parties is disclosed in Note 29 to the separate financial statement. Based on the audit procedures performed on the transactions with related parties, we have not identified any facts or other information, based on which we could conclude that the transactions with related parties are not disclosed in the attached financial statements for the year ended 31 December 2024, in all material aspects, in accordance with the requirements of IAS 24 Disclosure of related parties. The results of our audit procedures regarding transactions with related parties are considered in the context of forming our audit report on the separate financial statements taken as a whole, and not with the purpose of expressing the audit opinion on transactions with related parties.

Statement in connection with Art. 100(n), para. 4, item 3, b. "c" of the Law on the Public Offering of Securities Act

Our responsibilities for the audit of the separate financial statements as a whole, described in the section Auditors' Responsibilities for the Audit of the separate financial statements include assessment whether the separate financial statements present true and fair view of material transactions and events. Based on the audit procedures performed on the material transactions, underlying the separate financial statements for the year ended 31 December 2024, no facts circumstances or other information have come to our attention, based on which we can conclude that there are cases of material misstatements and disclosures in the separate financial statements in accordance with the requirements of IFRS, adopted by EU. The results of our audit procedures on the material transactions and events related to the Company are considered in the context of forming our audit report on the separate financial statements taken as a whole, and not with the purpose of expressing the audit opinion on these material transactions.

Reporting for compliance of the electronic format of the separate financial statements, included in the annual separate financial statements according to art. 100n, para 4 of the Public Offering of Securities Act in relation to the requirements of the ESEF Regulation

In addition to our reporting responsibilities according to ISAs described in section "Auditors' Responsibilities for the Audit of the separate financial statements", we have also performed the procedures required by the Guidelines related to issuing of audit opinion in relation to the application of the European single electronic format (ESEF) for the financial statements of entities, which shares are traded on a regulated market in the European union (EU) of the Professional Organization of Statutory Auditors in Bulgaria - Institute of Certified Public Accountants.

These procedures are related to inspection of the format and whether human readable part of this electronic format complies with the audited separate financial statements and issuing an opinion in relation to compliance of the electronic format of separate financial statements of INTERCAPITAL PROPERTY DEVELOPMENT REIT for the year ended 31 December 2024, included in electronic file 25490027CZAZKV10Y612-20241231-BG-SEP.zip, with the requirements of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("Regulation ESEF").

In relation to these requirements, the electronic format of the separate financial statements, included in the annual separate financial statements according to art. 100n, para 4 of the Public Offering of Securities Act, should be presented in XHTML format.

Management of the Company is responsible for the implementation of the requirements of the Regulation ESEF when preparing the electronic format of the separate financial statements in XHTML.

Our opinion is related to the electronic format of the separate financial statements, included in electronic file "25490027CZAZKV10Y612-20241231-BG-SEP.zip" and does not include other information, included in the annual separate financial statements according to art. 100m, para 4 of the Public Offering of Securities Act.

Based on the procedures performed, our opinion is that electronic format of the separate financial statements of the Company for the year ended 31 December 2023, included in the attached electronic file "25490027CZAZKV10Y612-20241231-BG-SEP.zip" is prepared in all material respects in compliance with the Regulation ESEF.

Reporting under Art.10 of Regulation (EU)537/2014 in relation to the requirements of Article 59 of the Independent Financial Audit and Assurance on Sustainability Act

Registered auditor Katerina Krasimirova Shopova, through "Auditon" OOD, is appointed as the statutory auditor of the financial statements of INTERCAPITAL PROPERTY DEVELOPMENT REIT for the year ending December 31, 2024, following a decision of the General Meeting of Shareholders held on June 28, 2024.

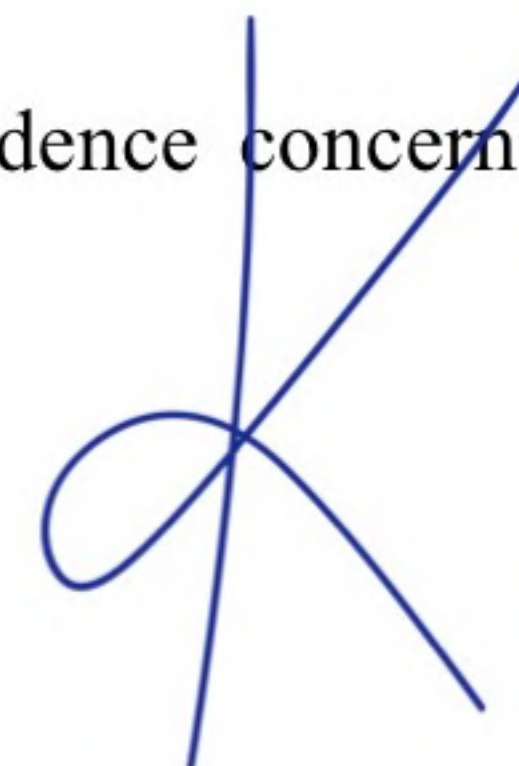
The audit of the financial statements for the year ending December 31, 2024, of the Company is a first full continuous statutory audit engagement of this entity, performed by us.

We confirm that, our audit opinion is consistent with the additional report presented to the Company's Audit Committee, in accordance with the requirements of Article 60 of the Independent Financial Audit and Assurance on Sustainability Act.

We confirm that, except the audit, we have not provided any services specified in Article 64 of the Independent Financial Audit and Assurance on Sustainability Act.

We confirm that, when performing the audit, we have maintained our independence concerning the Company.

March 31, 2025



KATERINA SHOPOVA
Statutory auditor 0864