

I. History

"Intercapital Property Development " REIT is a joint-stock company with a special investment purpose, which was established on 18.02.2005 and entered in the register of the Sofia City Court with Decision No. 1 of 29.03.2005, part. No. 92329, volume 1204, reg. I, page 23 in company case No. 3624/2005.

With decision No. 702-DSITS dated 16.11.2005 of the Commission for Financial Supervision, the Company received a license to operate as a company with a special investment purpose. With the same decision, the Prospectus for the public offering of 750,000 new shares of the Company, issued for the purpose of an initial increase of the company's capital, was also confirmed.

History of changes in share capital:

- The company was registered with capital in the amount of **BGN 2,500,000** according to Decision No. 1 of 29.03.2005 of the Sofia City Court under fi.d. No. 3624/2005
- In January 2006, the first capital increase of "Intercapital Property Development " REIT was carried out with new 750,000 shares with a nominal value of BGN 1 each. Pursuant to Decision No. 4 of 26.01.2006 of the Sofia City Court under the f.d. No. 3624/2005, the capital increase to the amount of **BGN 3,250,000 was entered.**
- In September 2006, a second increase in the capital of "Intercapital Property Development " REIT was carried out with new 1,625,000 shares with a nominal value of BGN 1 each. Pursuant to Decision No. 6 of 18.09.2006 of the Sofia City Court under the f.d. No. 3624/2005, the capital increase to the amount of BGN 4,875,000 was entered.
- With Decision No. 7 of 25.09.2006 of the Sofia City Court under the f.d. No. 3624/2005, an obvious factual error in Decision No. 6 of 18.09.2006 was removed and the correct statement was made, namely that the Company's capital was increased to **BGN 4,823,627** through the issuance of 1,573,627 new shares with a nominal value of BGN 1 each.
- On 23.08.2010, according to entry No. 20100823172414 in the Commercial Register, a capital increase to **BGN 6,011,476 was entered** through the issuance of new 1,187,849 shares with a nominal value of BGN 1 each.
- On 13.10.2020, according to entry No. 20201013143520 in the Commercial Register, a capital increase to **BGN 27,766,476 was entered through the issuance of 27,766,476 new shares with a nominal value of BGN 1 each.**

The company is not limited by the term of existence.

"Intercapital Property Development " REIT is a public joint-stock company within the meaning of the LPA.

The company's shares are traded on the BSE AD, alternative market BaSE Market, with stock code: ICPD.

The company's shares are also accepted for trading on the Warsaw Stock Exchange (Warsaw Stock Exchange), Poland, on the " NewConnect " market with stock code: I C D.

Activity overview

The company has the following subject of activity according to the ZDSITSDSS: investment of funds raised through the offering of securities in the purchase of real estate and limited property rights; development of own real estate by carrying out constructions and improvements; sale of real estate; renting out or managing own real estate and any other activity related to investing in real estate and permitted by law.

The company may not carry out other activities beyond those mentioned above and directly related to their implementation, unless they are permitted by the Tax and Customs Administration.

At least 70 percent of the Company's assets at the end of each quarter should be as a result of the activity according to its subject.

Investments in real estate

The main assets of "Intercapital Property Development " REIT are located in the city of Aheloy, kk Marina Cape . The assets are kept and managed by "Marina Cape Management" EOOD (a third party within the meaning of Art. 27, Para. 4 of ZDSCIDS). "Marina Cape Management" EOOD has two managers who can guarantee functioning and representativeness. The company has imposed measures to protect personnel, property and ensure the functioning of the complex in compliance with the orders of the state and municipal authorities. There are strict restrictions on entering the complex. Security has been increased.

At the moment, all the possibilities are available: a normal life in the complex of property owners, as well as the possibility of accommodation for tourists on the basis of their own kitchen.

The other major asset of "Intercapital Property Development " REIT was a building under rough construction in " Borovets"

The main buyers of the properties that the Company sells are concentrated in the following countries: Bulgaria, Poland and, to a lesser extent, the Czech Republic, Slovakia, Lithuania, etc. former Russian republics.

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

Development of the Company's investment projects

1. Marina Cape

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

In 2023 , activities were carried out to eliminate irregularities that occurred during the operation and repair works of the complex. The repair works are carried out by "Marina Cape Management" EOOD. Also in 2021, based on a contract between "Intercapital Property Development " REIT and "Marina Cape Management" EOOD, completed the redevelopment of the 4th zone in the complex, with which the existing apartments in the zone were converted into studios, with the aim of more efficient use and tourism. For this purpose, there was an approved

project and a construction permit for the reconstruction was issued. In August, the company received a certificate of occupancy. All of Zone 4 is now fully equipped and operational.

The holiday complex is operated all year round. During the winter season, 2 of the 4 restaurants were operational, as well as the bowling alley, spa, gym and squash courts. A minimum of 100 apartments were maintained for renting out to tourists - occasional and organized visitors.

During the 2023 summer season, the complex operated at high occupancy (for the apartments owned by the Company and those not owned by the Company, but managed by the subsidiary "Marina Cape Management" EOOD).

conference-type events are regularly held in the complex , subject to compliance with all anti-epidemiological measures. The company actively strives to develop this type of tourism.

2. "Grand Borovets"

In May 2008, the Company received the building permit and began construction work on the project in the Borovets resort complex. The company Midia AD was chosen as the contractor for the building up to the rough construction stage . The land on which the project is being built has an area of 6,600 sq m. The site has a built-up area of 10,000 sq m and includes a residential part - 5,175 sq m, commercial areas - 3,140 sq m and underground garages – 1,685 sq. m.

In October 2008, the Company received Act 14 and a Certificate of completed rough construction for the project in Borovets.

On December 17, 2013, the Company concluded a contract for financial leasing of real estate with "Bulgaria Leasing" EAD with the lease object: the "Grand Borovets" investment project. The lease price to be paid was EUR 2,927,724.36 excluding VAT.

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

As of 31.12.2022, all obligations under the contract have been paid.

As a result of repayment of the obligations under the lease agreement, in fulfillment of its clauses and in order to optimize cash flows, on 20.03.2023 the Company signed agreement with "BI GI IMO" JSC , no the power on which transferred of "BI GI IMO" AD the right for acquisition on the right on property on leasing objects by A contract for financial leasing on real properties , no which contract The company is a lessee . "BI GAY IMO" JSC acquires the right vs the amount from BGN 8,069,527.13 (eight million and sixty nine thousands five hundred twenty - seven leva and thirteen pennies).

In this connection it was done interception on countered receivables of "BI GI IMO" EAD to The company in size at BGN 6,669,527.13 . (six million six hundred sixty nine thousands five hundred twenty - seven leva and thirteen pennies), as a result on which the remainder taking of INTERCAPITAL PROPERTY DEVELOPMENT REIT to BI IMO EAD stayed in size at BGN 1,400,000 . (one one million four hundred thousands leva).

Sales and operation of investment properties

In 2023, the Company reports income from the sale of properties - residential buildings for seasonal use in the "Marina Cape" holiday complex in the amount of BGN 238 thousand . The total area of the sold properties is 162.94 sq.m.

The main buyers of the properties that the Company sells are concentrated in the following countries: Bulgaria, Poland and, to a lesser extent, the Czech Republic, Slovakia, Lithuania, etc. former Russian republics.

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

In 2024, the company relies on activation of the holiday property market. The company is working hard to restructure its liabilities in order to service them regularly and improve its liquidity.

In 2023, "Intercapital Property Development " REIT reports income from the operation of the investment properties in the complex (including commercial and residential properties). It is carried out by the third party "Marina Cape Management" EOOD, on the basis of a contract between MKM EOOD and IKPD REIT, regarding the management of the properties in the Marina Cape complex. The subject of the contract is the use and exploitation of all real estate owned by IKPD REIT, in the Marina Cape complex, as Marina Cape Management EOOD has the right to use and exploit the properties according to their purpose, unless something additional is agreed between the Parties, including has the right to sublease and/or exploit them in any other way, collecting income from it.

For the use and operation of the Properties, MKM EOOD undertakes to pay the Owner an annual fee in the amount of 75% (seventy-five percentage points) of the net amount of the annual positive financial result of the activity of the Manager on the territory of the entire "Marina Cape" Vacation Complex. , town of Aheloy, for the relevant year, before taxes, but not less than 420,000 (four hundred and twenty thousand) euros without VAT included.

The contract is from 01.04.2019, and the payments cover the period until April of each following year.

In the past year, the Company realized revenues from operational activity in the amount of BGN 9,129 thousand .

In 2023, the company generated revaluation revenue of 1,381 BGN 151 thousand were recorded as an increase in other comprehensive income. The financial costs are worth BGN 826 thousand . and mainly represent interest costs and loan fees.

At the end of 2023, in accordance with the requirements of the current legislation, an assessment was made of the investment properties, lands and assets under construction owned by the Company. The Company's investment properties include all objects - residential and commercial areas in the "Marina Cape" holiday complex. As of 31.12.2023, their value is BGN 36,786 thousand . at BGN 28,908 thousand . as of 31.12.2022

II. Important events that occurred in 2023

The regular annual General Meeting of Shareholders for 2022 was held on 27.06.2023 at 12:00, in the city of Sofia , 6 Dobrudzha Street, floor 4 , with the following agenda:

Point one : Report of the management body on the Company's activities in 2022;

Draft decision : The General Meeting of Shareholders accepts the report of the Board of Directors on the Company's activities in 2022;

Point two : Annual report of the Company's Audit Committee on the activity in 2022;

Draft decision : The General Meeting of Shareholders accepts the annual report of the Company's Audit Committee on the activity in 2022;

Point three : Report of the selected registered auditor on the annual financial statement of the Company for 2022;

Draft decision : The General Meeting of Shareholders accepts the report of the selected registered auditor on the Company's annual financial report for 2022;

Item four : Adoption of the Company's annual financial report for 2022;

Draft decision : The General Meeting of Shareholders adopts the annual financial report of the Company for 2022;

Item five : Adoption of a decision regarding the financial result of the Company for 2022;

Draft decision : The General Meeting of Shareholders adopts a decision regarding the financial result of the Company for 2022 according to the proposal contained in the materials on the agenda;

Point six : Exoneration of the members of the Board of Directors for their activities during the period 01.01.2022 - 31.12.2022;

Draft decision : The General Meeting of Shareholders exempts the members of the Board of Directors Velichko Stoychev Klingov , Tsvetelina Chavdarova Hristova and "AHELOY 2012" OOD, with EIK 202371390, for their activity during the period 01.01.2022 - 31.12.2022;

Point seven : Selection of a registered auditor for verification and certification of the Company's annual financial report for 2023;

Draft decision : To verify and certify the annual financial report of the Company for 2023. 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 materials on the agenda;

Item Eight : Report of the Investor Relations Director;

Draft decision : The General Meeting of Shareholders accepts the report of the Investor Relations Director for 2022;

Point nine : Report of the management body on the implementation of the Policy on the remuneration of the members of the Board of Directors of the Company for 2022;

Draft decision : The General Meeting of Shareholders accepts the report of the Board of Directors on the implementation of the Policy on the remuneration of the members of the Board of Directors of the Company for 2022;

Point ten : Adoption of a decision to empower the executive director;

Draft decision : The general meeting of shareholders assigns the executive director of the Company, personally or through duly authorized persons, to carry out all legal and factual actions necessary for the implementation of the adopted decisions, including, but not limited to, announcing those adopted by the general meeting to the shareholders acts and decisions before the Commercial Register, Financial Supervision Commission, BSE and the public."

All points were accepted at the meeting .

At 17 . 09 . 2021 The company successfully placed a second corporate bond issue under the terms of an initial private offering. The bond loan has a total nominal and issue value of 6,000,000 euros, divided into 6,000 ordinary , non-privileged , registered, non-current, secured, interest-bearing, non-convertible , freely transferable bonds, with a nominal value of one bond - 000 euros. The nominal annual interest rate is fixed at 6.00% and interest payments every 6 months, the term of the bond issue is 60 months. The purpose of the issue is to refinance an existing loan and investments with an investment purpose in the Marina Cape. The characteristics of the bond loan are detailed in the memorandum to it. The Board of Directors elected "TEXIM BANK" AD as the trustee of the issue, which should be elected by the First General Meeting of the bondholders.

In 2023, the Company disclosed inside information in a timely manner, including information about the notifications received for significant shareholdings under Art. 145 of the Civil Procedure Code.

III. The main risks faced by the company are:

- **Choosing an inappropriate marketing strategy**

The future earnings as well as the market value of the Issuer depend on the business strategy chosen by the company's senior management team. The Company strives to control strategic risk by constantly monitoring its market strategy and results in order to adjust them in a timely manner if necessary in order to protect investor interest. Any inappropriate or delayed changes in the Company's strategy could have a serious adverse effect on its activity, measured in losses or lost benefits in its financial and operational condition.

- **Operational risks. Risks related to the management of the issuer**

Operational risks are related to the management of the Company. This is the risk of unexpected losses or expenses related to the Company's activities as a result of inadequate actions or malfunctioning internal processes. The main risk is related to the making of wrong investment decisions by the company's management, actions of the third party under Art. 27 of the ZDSITSDS for service of the investment properties and the depository bank. These risks could lead to losses for the Company, and hence deterioration of the Issuer's liquidity. Other operational risks could be - possible technical errors of the unified information system; departure of key employees and inability to appoint personnel with the necessary qualities; risk of an excessive

increase in management and administration costs, leading to a decrease in the overall profitability of the company.

The persons who would invest in the Company's securities expect the investment to be influenced by the main risks related to the activities of the company - the Issuer. The actual occurrence of these risks during the period of ownership of the debt securities leads to a decrease in cash receipts for the Issuer, and from there to the possibility of generating profit for the Company and profitability for its shareholders.

- **Liquidity Risk**

The inability of the Company to cover its counter-obligations according to their maturity leads to liquidity risk. Liquidity mainly depends on the availability of highly liquid assets, mainly cash or their respective equivalents.

The effective management of liquidity risk requires a conservative policy by constantly maintaining optimal liquid funds, flexible credits for financing the company's activities, adequate credit resources, a daily check of the available liquid assets to cover the upcoming maturities arising from the Company's liabilities.

Investments in real estate assets are generally illiquid - there is a possibility that a property will not sell at a fair market price, at low cost and quickly, due to long transfer times, legal and factual complications related to the transfer of ownership. This means that in order to avoid this type of risk, a continuous very careful monitoring and assessment of the Company's liquidity is required.

- **Risk of the company not being able to service the bond issue**

This risk for the Issuer is related to the probability of a negative impact of various factors that may affect the successful repayment of the bond loan and is associated with the possibility that the Issuer may not pay the interest and principal due on the bond on time or at all. Such a risk would also arise in case of poor management of the company's cash flows, which is why the Issuer will manage this risk by maintaining sufficient liquid assets, assessing and controlling credit risk.

- **Credit Risk**

This type of risk arises in the event of the appearance of borrowed funds and the probability that the borrower will not fulfill his commitments in the contract between him and the creditor in an untimely, partial or full manner, or when the company's customers are unable to pay partially or fully on schedule the expected dues from them amounts, which will lead to losses for the company. To control this risk, the Company has created an organization for ongoing collection monitoring and analysis of the current state of its receivables from customers and other counterparties to it, and uses this information to control credit risk. Also, the Issuer strictly monitors the emergence of new obligations and their timely payment.

The law on companies with a special investment purpose and securitization companies (ZSICSDS) provides a mechanism for limiting this risk by requiring all real estate owned by the company to be evaluated by independent experts with the necessary qualifications and experience.

- **Dependence on key personnel**

The construction of new and innovative business, economic and financial models requires highly specific qualifications in the company's employee team - the lack of such specialists in the country due to the high competition between employers in Bulgaria and the European markets leads to a serious deficit in their number. The success of the company's goals will depend, to some extent, on its ability to retain its managers. The inability to maintain sufficiently experienced and qualified personnel in key positions for the company could have a significant adverse effect on its financial and operational condition. At this time, the Company has not concluded "key personnel" insurance.

- **Macroeconomic and microeconomic risk**

Macroeconomic risk is the risk of shocks that may affect economic growth, population income, supply and demand, the realization of profits by economic entities, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changing legislation and regulatory requirements, priorities of national governments, etc. Trends in the macroeconomic environment affect the market performance and the final results of the activity of all sectors of the economy. Bulgaria has an open economy and its development depends directly on international market conditions.

The macroeconomic situation and economic growth worldwide are of serious importance for the development of the company, as they influence the government policies of the respective countries and, in particular, the regulations and decisions made by the respective Central Banks regarding monetary and interest policy, exchange rates, taxes, GDP, inflation, budget deficit and external debt, unemployment rate and income structure.

The year 2023 was marked by the increase in the price of energy carriers around the world and by the rearrangement of global energy markets as a result of the Russian invasion of Ukraine and the policy of sanctions, price ceilings, etc.

2023 is the year of high inflation. All advanced economies reported an acceleration in consumer prices.

- **Risk related to dependence on the activity of third parties within the meaning of Art. 27, para. 3 of the ZDSITSDS**

The financial condition of the Company is directly dependent on the activities of third parties within the meaning of Art. 27, para. 3 of the ZDSITSDS. In order to limit possible losses, "Intercapital Property Development " REIT has concluded written contracts with the third parties, which clearly regulate the rights, obligations and responsibilities of the parties in case of breach of contracts.

- **Risk that the Issuer will not be able to finance its planned capital expenditures and investments**

Investing in real estate requires a hefty capital outlay. In case of unfavorable economic, financial or other negative events for the Company, it may be necessary to finance these costs mainly from external sources. However, there is no certainty that external financing will be able to be found and attracted on acceptable terms. As a result, it is likely that the Company will be required to reduce capital expenditures and investments, which would adversely affect its operating results and financial condition. In order to minimize this risk, the Company carries out strict planning of

future investments and the need for financing, in order to take timely actions on its provision, in order not to delay the activity and lost benefits.

- **Risk of insufficient working capital to pay dividends**

Companies with a special investment purpose are obliged to distribute a minimum of 90% of the converted profit for the year (according to the provisions of Article 29 of the Income Tax Act and Article 247a of the Tax Code) in the form of a dividend. The dividend should be paid within twelve months from the end of the relevant financial year. The Board of Directors is therefore responsible for the precise management of cash inflows and outflows in the Company so that it has sufficient cash to pay the dividend due. In the event of adverse economic and financial consequences, it may be necessary to finance these costs primarily from external sources such as bank loans or other credit lines. However, there is no certainty that if external financing is needed, it will be able to be attracted under acceptable conditions. There is also a possibility after conversion of the financial result for the year, according to the provisions of Art. 29, para. 3 of the ZDSITSDS that no distributable financial result is available.

- **Risk associated with the payment of fixed interest on the bond issue**

With a fixed interest rate for the period of a given issue, the Issuer assumes the obligation to pay a certain interest regardless of market levels and the income it receives. Thus, there is an impossibility for the Issuer to take advantage of a reduction in interest rates (as is the case with a floating rate) and continue to pay higher interest regardless of the dynamics of its income (which may be decreasing) and the prevailing interest rate market levels. On the other hand, a fixed interest rate allows the Issuer to better plan its cash flows. Also, to some extent, a fixed rate protects an investor from a negative decline in interest rates.

- **Unethical and illegal behavior**

This is the risk that the Company will suffer damages due to unethical behavior of persons with whom it is in contractual relations with it or with a net subsidiary, incl. persons from the management bodies of companies of the group. To avoid this risk, the Board of Directors intends to adhere to strict rules for transparency in decision-making and to avoid conflicts of interest. The risk of unethical and illegal behavior of counterparties external to the Company will be minimized through a preliminary analysis of these partners and their reputation.

- **Risks related to the activity and structure of the issuer**

As of the date of the "Intercapital Property Development " Prospectus, REIT does not have a majority shareholder and does not belong to a specific economic group. In case of a possible need to finance the implementation of the Issuer's investment policy, this circumstance may create a risk for the Issuer from the lack of support of a majority shareholder when making a decision to issue debt securities, apply for a bank loan or increase the Company's capital.

- **Risks related to competition**

The real estate market is highly competitive and multi-player. The main competitors of the Company are other companies with a special investment purpose securitizing real estate, and in particular those aimed at offering tourist and vacation services.

The main part of the company's assets are real estate on the territory of the town of Aheloy (vacation complex "Marina Cape"), the other asset was in the resort Borovets (unfinished construction). The vacation rental market is highly competitive, and there are no individuals who have a significant market share and can influence the economic environment. The price of real estate owned by "Intercapital Property Development " REIT depends on the general condition of the vacation property market.

There are no guarantees that "Intercapital Property Development " REIT will be able to achieve better profitability than its competitors and/or will attract more tourists and partner organizations to hold events in the Marina Cape holiday complex.

- **Risk of possible execution of transactions between the Company and its related persons, in other than market conditions**

All transactions of the Issuer with related parties are concluded under market conditions. Although the management of the Issuer expects that all future transactions or agreements will be concluded under conditions no worse for "Intercapital Property Development " REIT than those under which it can conclude transactions with unrelated parties, the possibility is not excluded that a similar situation occurs.

- **Macroeconomic and microeconomic risk**

Macroeconomic risk is the risk of shocks that may affect economic growth, population income, supply and demand, the realization of profits by economic entities, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changing legislation and regulatory requirements, priorities of national governments, etc. Trends in the macroeconomic environment affect the market performance and the final results of the activity of all sectors of the economy. Bulgaria has an open economy and its development depends directly on international market conditions.

The macroeconomic situation and economic growth worldwide are of serious importance for the development of the company, as they influence the government policies of the respective countries and, in particular, the regulations and decisions made by the respective Central Banks regarding monetary and interest policy, exchange rates, taxes, GDP, inflation, budget deficit and external debt, unemployment rate and income structure.

Global macroeconomics and economic growth around the world were significantly affected and impacted in 2020 and 2021 by the scale and spread of the coronavirus (COVID-19) pandemic. This influence continues to the present.

The year 2022 was marked by the increase in the price of energy carriers around the world and by the rearrangement of global energy markets as a result of the Russian invasion of Ukraine and the policy of sanctions, price ceilings, etc.

2023 is the year of high inflation. All advanced economies reported an acceleration in consumer prices.

· **Credit risk of the country**

Credit risk is the likelihood of a country's international credit ratings deteriorating. Low credit ratings of the country may lead to higher interest rates, more difficult financing conditions for economic entities, including the Company.

The country's credit risk is related to the country's ability to regularly repay its debts. In this regard, Bulgaria is constantly improving its position on the international debt markets, which facilitates the access of the state and economic agents to financing from external sources. The most important effect of credit rating improvement is to lower risk premiums on loans, leading (other things being equal) to more favorable interest rates.

The determination and measurement of the country's credit risk is carried out by specialized international credit agencies.

Key factors that could lead to positive action on the rating are: progress towards joining the eurozone, including greater confidence that Bulgaria meets the membership criteria and the likely timeline for adopting the euro; improving the growth potential of the economy, for example by introducing structural and management reforms to improve the business environment and/or efficient use of EU funds.

Factors that could lead to negative actions on the rating are: a significant delay in joining the Eurozone, due to, for example, non-fulfillment of convergence criteria or unfavorable economic policy developments; a period of energy shortage in Bulgaria or in countries that are important trading partners of the country or an increased risk of such a scenario, the materialization of which will significantly lower the prospects for growth compared to the current expectations of the rating agency.

On 26.11.2022, the international rating agency S&P Global Ratings confirmed the long-term and short-term credit rating of Bulgaria in foreign and local currency 'BBB/A-2'. The outlook for the rating remains stable.

· **Inflation risk**

Inflation risk is associated with the likelihood that inflation will affect real investment returns. The current bond issue is issued in Leva and inflation in the country may affect the value of investments over time.

In general, the inflation risk is the risk of a rise in the general level of prices, which leads to a decrease in the purchasing power of the population, a reduction in consumption and a decrease in the demand for all types of loans and credit products. In recent years, the Bulgarian government has adhered to a strict fiscal policy under the conditions of the Currency Board. The tendency is to maintain such a policy in the coming years, especially with a view to achieving the goals of Bulgaria's accession to the Eurozone in the shortest possible time. The main risks related to the inflation forecast relate to the dynamics of international prices and the rate of economic growth in Bulgaria. International commodity prices may rise more significantly as a result of political crises

or increased demand. The limited supply of some agricultural goods and especially cereals internationally in connection with unfavorable climatic phenomena may additionally cause higher inflation in the country. The risk of an increase in inflation is related to a possible devaluation of assets denominated in BGN and EUR. The currency board system controls the money supply, but external factors (eg the increase in the price of fuels - gas and oil) put pressure in the direction of increasing price levels.

According to data from the National Statistical Institute, as of December 2023, inflation and consumer price indices have the following levels:

Through December 2023 the monthly inflation as measured by the **index on consumer prices (CPI)**, is 0.3% vs the previous one month , and annual inflation for December 2023 vs December 2022 is 4.7%.

The biggest increase on prices in groups : entertainment and culture (+2.4%), restaurants and hotels (+0.7%), miscellaneous goods and services (+0.7%) and food products and non-alcoholic beverages (+0.7%). A decrease was registered in the following groups : transport (-1.5%), clothing and footwear (-0.6%), and communications (-0.3%).

Monthly inflation , measured with **the harmonized index on consumer prices (HIPC)**, is 0.3%, and the annual inflation is 5.0%.

East : www.nsi.bg

□ Currency risk

This risk is related to the possibility of depreciation of the local currency. For Bulgaria specifically, this is a risk of premature rejection of the conditions of the Currency Board at a fixed rate of the national currency. On July 10, 2020, the European Central Bank announced that Bulgaria was officially accepted into the ERM II currency mechanism. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva, and it was assumed that Bulgaria joins the currency mechanism with its existing currency board regime, as a unilateral commitment and without additional requirements to the ECB.

Any significant depreciation of the BGN may have a significant adverse effect on business entities in the country, including the Company. Risk also exists when the income and expenses of a business entity are formed in different currencies. The exposure of business entities operating on the territory of Bulgaria to the US dollar, which is the main currency of a significant part of the world markets of raw materials and products, is particularly pronounced.

• Risk of changing the taxation regime of investments in securities

The taxation of income realized from transactions with shares of public companies on a regulated and unregulated market, as well as income from dividends and liquidation shares, is discussed in detail in item 20.9 "Tax legislation" of this Document.

The risk of changing the described taxation regime consists in the possibility of changing the stated tax status of income from securities, from dividends and liquidation shares, in the direction of increasing the tax burden for shareholders and reducing their profits.

IV. Analysis of financial and non-financial key performance indicators relevant to business activity, including information on environmental and employee issues

The results in 2023 are due to the targeted efforts of the management to increase the income from the activity, reduce the costs, optimize the guarantees provided by the company.

This is evident from the evolution of the following main coefficients indicated below:

	2023	2022
Price/earnings ratio	33.91	54.12
Earnings per share	0.021	0.017
Debt to equity	0.42	0.42

V. Important events that occurred after the date on which the annual financial statement was drawn up

There is no

VI. Possibly a future development

The main and future activity of the Company is related to the investment of funds raised through the issuance of securities, in the purchase of real estate and limited real rights on real estate, development of own real estate by making improvements, sale of real estate, letting for rent or for the management of own real estate and any other activity related to the investment and development of real estate permitted by law.

The future earnings as well as the market value of the Issuer depend on the business strategy chosen by the company's senior management team. The Company strives to control strategic risk by constantly monitoring its market strategy and results in order to adjust them in a timely manner if necessary in order to protect investor interest. Any inappropriate or delayed changes in the Company's strategy could have a serious adverse effect on its activity, measured in losses or lost benefits in its financial and operational condition.

In 2024, the company expects an increase in the vacation property market and activation of sales of apartments in the Marina Cape vacation complex.

In 2021, the company concluded a contract with MKM OOD for the reconstruction and modernization of the so-called zone 4, The same envisages the reconstruction of the existing large and non-functional apartments to be made into small functional studios, with the aim of easy and practical use for tourist purposes, and also with the aim of easy sale. Modern technologies for heating and ventilation, access control, video surveillance, etc. were introduced .

The area is intended to function practically as a small hotel, with all the necessary amenities. In this way, the seasons of use will be extended by holding mass events. A building permit and a commissioning certificate issued in July 2023 have been issued for the reconstruction.

After the commissioning of zone 4, a review of the contract with Marina Cape Management EOOD is pending, with the aim of updating the amount and parameters under which the company has provided its assets in the Marina Cape complex for management.

VII. Actions in the field of research and development

In 2023 The company did not carry out research and development activities.

VIII. Information on the acquisition of own shares, required pursuant to Art. 187e of the Commercial Law

In 2023, "Intercapital Property Development " REIT did not acquire or transfer its own shares.

IX. The presence of branches of the enterprise

The company did not establish and register branches in 2023 .

X. Financial instruments used by the enterprise

Not applicable.

XI. Information under Appendix No. 2 of Regulation No. 2 of the Financial Supervisory Service of 9.11.2021 on initial and subsequent disclosure of information in the event of public offering of securities and admission of securities to trading on a regulated market

1. Information, given in value and quantitative terms, about the main categories of goods, products and/or services provided, indicating their share in the sales revenue of the issuer, as a whole, and the changes that occurred during the reporting financial year

1.1 The reported income from the Company's activities in 2023 is income from the sale of investment properties and income from services (income from the operation of the investment properties in the complex) from the sale of properties - residential buildings for seasonal use in the "Marina Cape" holiday complex in the amount at BGN 284 thousand . The total area of the sold properties is 162.94 sq.m

1.2 As a result of repayment of the obligations under the lease agreement, in fulfillment of its clauses and in order to optimize cash flows, on 20.03.2023 the Company signed an agreement with "BI JI IMO" JSC, pursuant to which it transferred to "BI JI AI IMO AD the right to acquire the right of ownership of leased objects under the Contract for Financial Leasing of Real Estate, under which the Company is the lessee. "BI GI IMO" AD acquires the right for the sum of BGN 8,069,527.13 (eight million sixty-nine thousand five hundred twenty-seven BGN and thirteen cents)

Income from the activity (in thousand BGN)	2023	2022
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Net sales revenue of:		
1. Investment properties	8,308	50
2. Services	821	822
3. Others	11	3
Total:	9140	875

In 2023, "Intercapital Property Development " REIT for 2023 reports income on a non-consolidated basis from the operation of the investment properties in the complex (including commercial and residential properties). It is carried out by the service company "Marina Cape Management" EOOD, on the basis of a contract between MKM EOOD and IKPD REIT, regarding the management of the properties in the Marina Cape complex. The subject of the contract is the use and exploitation of all real estate owned by IKPD REIT, in the Marina Cape complex, as Marina Cape Management EOOD has the right to use and exploit the properties according to their purpose, unless something additional is agreed between the Parties, including has the right to sublease and/or exploit them in any other way, collecting income from it.

In 2023 , the Company reports income from property sales - residential buildings for seasonal use in the "Marina Cape" holiday complex in the amount of 238 BGN thousand . The total area of the sold properties is 162.94 sq.m.

In 2023, "Intercapital Property Development " REIT for 2023 reports income on a non-consolidated basis from the operation of the investment properties in the complex (including commercial and residential properties). It is carried out by "Marina Cape Management" EOOD, on the basis of a contract between MKM EOOD and IKPD REIT, regarding the management of the properties in the Marina Cape complex. The subject of the contract is the use and exploitation of all real estate owned by IKPD REIT, in the Marina Cape complex, as Marina Cape Management EOOD has the right to use and exploit the properties according to their purpose, unless something additional is agreed between the Parties, including has the right to sublease and/or exploit them in any other way, collecting income from it.

- 2. Information on revenues distributed by individual 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 the provision of services, reflecting the degree of dependence in relation to each individual seller or buyer/user, and in the event that the relative share of any of them exceeds 10 percent of the costs or revenues from sales, information is provided about each person separately, about his share in sales or purchases and his connections with the issuer.**

The company operates only on the Bulgarian market.

The distribution in 2023 of revenues by categories of activities and volume is shown in the previous point.

1.1. For the use and operation of the Properties, MKM EOOD undertakes to pay the Owner an annual fee in the amount of 75% (seventy-five percentage points) of the net amount of the annual positive financial result of the activity of the Manager on the territory of the entire "Marina Cape" Vacation Complex. , town of Aheloy, for the relevant year, before taxes, but not less than 420,000 (four hundred and twenty thousand) euros without VAT included.

1.2. The contract is from 01.04.2019, and the payments cover the period until April of each following year.

In the past year, the Company realized revenues from operational activity in the amount of BGN 9,140 thousand .

In 2023, the company generated revenues from revaluations worth BGN 1,381 thousand. Financial expenses were worth BGN 826 thousand . and mainly represent interest costs and loan fees.

At the end of 2023, in accordance with the requirements of the current legislation, an assessment was made of the investment properties owned by the Company and . The Company's investment properties include all objects - residential and commercial areas in the "Marina Cape" holiday complex. As of 31.12.2023, their value is BGN 36,786 thousand . at BGN 28,908 thousand . as of 31.12.2022

3. Information on concluded material transactions.

There are none.

4. Information regarding transactions concluded between the issuer and related parties during the reporting period, proposals for concluding such transactions, as well as transactions that are outside of its usual business or significantly deviate from the market conditions to which the issuer or its subsidiary is a party to indicating the value of the transactions, the nature of the relationship and any information necessary to assess the impact on the issuer's financial position

There are none.

In 2023 , there were no proposals to conclude transactions with related parties, as well as transactions that are outside of its usual activity or significantly deviate from the market conditions to which the Company is a party.

5. Information on events and indicators of an unusual nature for the issuer, having a significant impact on its activity, and its realized revenues and incurred expenses; assessment of their impact on results in the current year

In 2023 , there were no events and indicators of an unusual nature that would have a significant impact on the Company's activities and its realized revenues and incurred expenses.

6. Information on off-balance sheet transactions - nature and business purpose, indicating the financial impact of the transactions on the activity, if the risk and benefits of these transactions are material for the issuer and if the disclosure of this information is essential for the assessment of the issuer's financial condition.

In 2023 , there were no transactions conducted off-balance sheet by the Company.

7. Information on the issuer's equity holdings, 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 the sources/methods of financing.

Information about the owned real estate is presented above in item 0.

8. Information regarding the loan agreements concluded by the issuer, its subsidiary or parent company, in their capacity as borrowers , indicating the conditions under them, including the repayment deadlines, as well as information on the guarantees provided and the assumption of obligations

As of 31.12.2023 , "Intercapital Property Development " REIT has the following principal obligations under a bond loan:

Long-term liability, EUR	Interest	Maturity
6,000,000	6%	17.09.2026

Collateral provided on real estate owned by "Intercapital Property Development " REIT for obligations of the Company:

Bond loan collateral provided

Number of real estates under the collateral	Area of real estate under the collateral	Book value of the collateral provided BGN 000

60 residential objects	4,810.67 sq.m	BGN 13,438,719
19 commercial/warehouse sites	1,554.63 sq.m	BGN 15,319,653
land	40,000 sq.m.	BGN 8,467,000

9. Information about the loans granted by the issuer or its subsidiaries, provision of guarantees or assumption of obligations in general to one person or its subsidiary , including related persons with indication of names or name and EIC of the person, the nature of the relationship between the issuer or its subsidiaries and the borrower , the amount of the outstanding principal, the interest rate, the date of the conclusion of the contract, the deadline for repayment, the amount of the assumed obligation, specific conditions other than those specified in this provision, as well as the purpose for which they were granted, in case they are concluded as targeted.

In 2023, "Intercapital Property Development " REIT and/or its subsidiary did not enter into loan agreements in their capacity as lenders, including the provision of guarantees of any kind, including to related parties.

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

In 2021, the Company issued a new issue of bonds, with ISIN BG2100010219, under the following parameters:

- 1) Amount of the concluded bond loan – 6,000,000 (six million) euros.
- 2) Number of bonds – 6,000 (six thousand) pieces.
- 3) Nominal value of each bond – 1,000 (one thousand) euros.
- 4) Issue value of each bond - 1,000 (one thousand) euros.
- 5) Type of bonds - ordinary, non-cash, registered, interest-bearing, term, secured, non-convertible , freely transferable, corporate.
- 6) Maturity and maturity of the issue – 5 (five) years (equivalent to 60 months) from the date of conclusion of the bond loan.
- 7) Date from which the period until the maturity of the bonds runs – 17.09.2021.
- 8) Principal repayment – payable in one lump sum at the maturity of the bond loan, together with the last tenth interest payment.
- 9) Interest – 6% (six percent) per annum, fixed interest rate payable every 6 (six) months. The base for calculating the interest is: Actual number of days in the period over actual number of days in the year (Actual / Actual). All interest payments are calculated as simple interest on the face value of the bond loan.
- 10) Frequency of interest payments – once every 6 months; maturity dates of interest payments – 1) 17.03.2022; 2) 17.09.2022; 3) 17.03.2023; 4) 17.09.2023; 5) 17.03.2024;

6) 17.09.2024; 7) 17.03.2025; 8) 17.09.2025; 9) 17.03.2026; 10) 17.09.2026 In the event that the date of payment coincides with a non-working day, the payment shall be made on the first following working day.

- 11) Institution servicing interest and principal payments - "Central Depository" JSC.
- 12) Trustee of the bondholders, proposed by the issuer - "TEXIM BANK" AD, EIC 040534040, address: Sofia, p.k. 1303, Vazrazhdane District, Todor Aleksandrov Blvd. No. 117, www.teximbank.bg, who should be elected by the First General Meeting of Bondholders.
- 13) Collateral - The Company undertakes to provide collateral for the issue in the form of first-order mortgages on real estate, representing apartments and commercial premises, as well as on the land (UPI) and facilities owned by the Issuer, established in favor of the trustee of the bondholders. The Issuer will initially establish second mortgages, which will subsequently become first mortgages, on the real estate, representing apartments and commercial premises, which currently secure with first mortgages an existing bank loan in the amount of 3,447,000 (three million four hundred and forty-seven thousand) euros, subject to refinancing with funds raised from the current bond issue. Regarding the mortgages that will be established on the land (UPI) and the facilities, the same will be first in order already at their initial establishment.
- 14) Conditions of offer - under the conditions of a private (non-public) offer in accordance with Art. 205, para. 2 of the Commercial Law through invitations to investors in the Republic of Bulgaria (no more than 150 in number).
- 15) Secondary trade - After publication of the announcement in the Commercial Register at the Registration Agency in accordance with Art. 206, para. 6 of the Commercial Law, but no later than 6 months after concluding the bond loan, the Company will submit an application for the issued bonds to be accepted for trading on the Bulgarian Stock Exchange and/or another regulated market in the EU.

The funds raised from the issue were used to repay:

bank loan in the amount of EUR 3,580,000 ;

advance payment for finishing works and reconstruction EUR 2,420,000 according to the objectives entered in the Proposal for the Subscription of the Issue of Corporate Bonds under the conditions of a private offering.

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

The company does not publish estimated financial results.

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

The issuer's policy regarding the management of financial resources is focused in several main directions: increasing the income from sales of real estate and the income from management of real estate owned by the Company; to restructure the Company's liabilities; to increase the collection of the issuer's receivables. The purpose of all these measures is to improve the company's financial condition, including number and of its liquid position. In terms of increasing revenue from property sales, the company is constantly making efforts to find new markets and attract potential buyers, as well as to search for new forms of realization of revenue from sales related to the real estate that the Company owns.

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

Investment property "Grand Borovets" is currently under construction (this procedure has been suspended for an unknown period of time) and has not been put into operation. Funds amounting to approximately 2,500,000 euros are needed to finalize the construction activities and put the investment property into operation.

In the event that the Company fails to sell the investment property in the short- to medium-term plan, the necessary funds for finishing the property and putting it into operation will be financed through borrowed funds or a new issue of securities. The same will be implemented in the long term, since the commissioning of "Grand Borovets" does not affect the investment plans of the Company in the medium term.

During the considered historical financial periods, despite the fact that the Company's management had made a decision to sell the investment property "Grand Borovets" and the same was announced publicly, it did not actively look for a buyer. Since the beginning of 2021, the management has intensified its search for an investor willing to buy the unfinished property, considering that in the short to medium term (although as of the date of the report this is not yet a fact), it will be able to reach an agreement for purchase and sale of the investment property.

14. Information on changes that have occurred during the reporting period in the main management principles of the issuer and its economic group.

No such changes occurred during the reporting period.

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

"Intercapital Property Development " REIT has adopted and applies rules and procedures regulating the effective functioning of the company's reporting and information disclosure systems. The rules describe in detail the different types of information created and disclosed by the company, the processes of the internal company document circulation, the different levels of access to the types of information of the responsible persons and the deadlines for processing and managing the information flows. The created risk management system ensures the effective implementation of internal control in the creation and management of all company documents,

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

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

There have been no changes in the composition of the Company's Board of Directors.

17. Information on the amount of remuneration, awards and/or benefits to each of the members of the management and control bodies for the reporting financial year, paid by the issuer, which is not a public company, and its subsidiaries, regardless of whether they were included in expenses of the issuer or arising from profit distribution, including:

- a) sums received and non-monetary rewards;
- b) contingent or deferred remuneration arising during the year, even if the remuneration is due at a later time;
- c) an amount payable by the issuer or its subsidiaries for the payment of pensions, retirement benefits or other similar benefits.

" Intercapital Property Development " REIT is a public company that pays remuneration to the members of the Board of Directors in an amount determined by a decision of the General Meeting of Shareholders and according to the adopted Remuneration Policy.

The members of the Board of Directors receive a fixed monthly remuneration, determined by the General Assembly, which cannot exceed 10 minimum monthly wages. The General Assembly also decided that the executive director's remuneration should be up to 12 minimum wages.

By decision of the General Meeting of Shareholders, the members of the Board of Directors may receive bonuses in the amount of no more than 0.1% of the Company's profit before the distribution of dividends for each member of the Board of Directors, but no more than 0.5% in total for the whole Advice.

The Company does not owe any other amounts and/or benefits in kind, nor does it set aside or charge amounts for the provision of pensions, benefits or other compensation upon retirement of the members of the Board of Directors.

The members of the Board of Directors did not receive remuneration or compensation from the issuer's subsidiaries, and the latter did not set aside or accrue any amounts to provide pensions, benefits or other compensation upon retirement of the members of the Board of Directors in 2023 .

Remuneration was paid for the reporting period as follows:

- Mr. Velichko Stoychev Klingov , in his capacity as an executive member of the Company's Board of Directors, was paid remuneration in the amount of BGN 19,000 , including for previous years.

• AHELOY 2021 EOOD, in his capacity as a member of the Company's Board of Directors, was paid remuneration in the amount of BGN 0;

• Ms. Tsvetelina Chavdarova Hristova, in her capacity as a member of the Company's Board of Directors, was not paid remuneration in 2023

18. Information on the issuer's shares owned by the members of the management and control bodies and the proxies, including the shares owned by each of them separately and as a percentage of the shares of each class, as well as options granted to them by the issuer on its securities - type and amount of the securities on which the options are based, exercise price of the options, purchase price, if any, and term of the options .

As of 31.12.2023, the members of the Board of Directors own shares of the Company as follows:

	Number of shares	% of capital
Velichko Klingov	5 305	0.02%

The issuer has not issued options on the equity securities.

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

The Management Body of the Company is not aware of any known arrangements, as a result of which changes in the relative share of shares held by current shareholders may occur in the future .

20. Information on pending judicial, administrative or arbitration proceedings concerning the issuer's obligations or claims in the amount of at least 10 percent of its equity; if the total value of the issuer's liabilities or claims for all initiated proceedings exceeds 10 percent of its own capital, information is presented for each proceeding separately

Arbitration proceedings

In the last 12 months, the Company has not been a party to pending arbitration proceedings, but has been a party to judicial and enforcement proceedings. As a result of the management's efforts to settle the claims against the Company, there are currently no legal or executive proceedings against the Company.

Pending lawsuits

As of 31.12.2023, the company has no pending cases.

Other court cases with effect in the last 12 months

There are none

The Company is not aware of the possibility of future arbitration, court or administrative proceedings, which may have a significant impact on the issuer's financial condition and profitability.

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

Director of Investor Relations of "Intercapital Property Development " REIT is: **Radostina Pantaleeva** , with correspondence address: Sofia, Dobrudzha St. No. 6, 4th floor, phone: 02 / 980 12 51, 02 / 921 05 16.

22. Changes in company share prices

The Company's shares are traded on the BSE Sofia - AD since December 5, 2005.

As of 31.12 . 2023 , the market price of shares on the Bulgarian Stock Exchange - Sofia is BGN 0.70 per share.

In the period 01 . 01.2023 – 31.12. 2023 , the highest market price of the Company's shares on BSE-Sofia is BGN 0.90, reached on 01.02 . and the lowest – BGN 0.61 per share from 09/26/2023.

In August 2010, "Intercapital Property Development " REIT became the first Bulgarian company whose shares were traded on a capital market outside Bulgaria, as well as the first Bulgarian company whose shares were accepted for trading on a market organized by the Warsaw Stock Exchange. 11.08.2010 was the first date of quotation of the Company's shares on the alternative trading system for new companies " NewConnect ", organized by the Warsaw Stock Exchange.

As of 31.12 . 2023 the last traded the price of shares on the " NewConnect " market is PLN 1.81 per share.

The Company's shares are traded on the " NewConnect " market, organized by the Warsaw Stock Exchange, since August 11, 2010.

XII. Information under Appendix No. 3 of Regulation No. 2 of the Financial Supervisory Service of 9.11.2021 on initial and subsequent disclosure of information in the event of public offering of securities and admission of securities to trading on a regulated market

1. Information about securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member state

The company has no securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member country.

2. Information regarding the direct and indirect ownership of 5 percent or more of the voting rights in the company's general meeting, including data on the shareholders, the amount of their shareholding and the manner in which the shares are owned (as of 31.12.2023)

As of 31.12.2023, the shareholders holding directly and indirectly 5 percent or more of the voting rights in the company's general meeting are:

Shareholder	Number of shares held	% of capital	Mode of ownership (direct/indirect)
UNIVERSAL PENSION FUND-FUTURE	1,900,000	6.84%	direct
EF PRINCIPAL EXCHANGE TRADED FUND ETF	1 824 483	6.57%	direct
DF "EF RAPID	2,415,000	8.70%	direct
EXCHANGE TRADED FUND ASSET BALANCED ETF	1,400,000	5.04%	direct
MKP Ltd	3,350,162	12.07%	direct
EUROINS ROMANIA ASIGURARE-REASIGURARE S.	1 731 110	6.23 %	direct

3. Details of shareholders with special control rights and a description of those rights

The company has no shareholders with special control rights

4. Agreements between shareholders that are known to the company and that may lead to restrictions on the transfer of shares or voting rights

The Company is not aware of any agreements between shareholders that may lead to restrictions on the transfer of shares or voting rights.

5. Material contracts of the company that give effect, are amended or terminated due to a change in control of the company in the implementation of a mandatory tender offer, and their consequences, except in cases where the disclosure of this information may

cause serious damage to the company; the exception under the previous sentence does not apply in cases where the company is obliged to disclose the information by virtue of the law.

The Company has no material contracts that take effect, are amended or terminated due to a change in control of the Company during the implementation of a mandatory tender offer. The company was not subject to a tender offer.

6. **Electronic reference to the place on the website of the public company, where the internal information under Art. 7 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Directives 2003 /124/EC , 2003/125/EC and 2004/72/EC of the Commission (OJ, L 173/1 of June 12, 2014) (Regulation (EU) No. 596/2014) regarding the circumstances that occurred during the past year, or an electronic link to the issuer's chosen news agency or other media through which the company publicly discloses inside information**

"Intercapital Property Development " REIT discloses internal information to the Financial Supervision Commission, "Bulgarian Stock Exchange" JSC and the public through the systems for providing information electronically e- Register and X3 News, as well as on the Company's website - <http://www.icpd.bg/>. The e- Register system belongs to the Financial Supervision Commission and the information published through it can be found on the electronic page of FSC - <https://www.fsc.bg/bg/>. The internal information disclosed by the company can be found on the company's website (<http://www.icpd.bg/index.php?request=documents>) and in the company's profile in X3news : <http://www.x3news.com/>.

XIII. Non-financial declaration under Art. 41 of the Law on Accounting

The company does not fall under the scope of a person obliged to prepare a Non-Financial Declaration

XIV. Information under 247, para. 2 of the Commercial Law

Information regarding the remuneration received total through the year from the members on tips :

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

The Company's key management personnel include the members of the Board of Directors . Remuneration of key management personnel includes the following expenses:

31.12.2022 2 31.12.2022

	000 BGN	000 BGN
Remuneration to natural persons	42	42
Award to Aheloy 2012	-	-
Total	42	42

Information regarding acquired , owned and transferred from the members on the tips through the year shares and obligations on the company :

As of 31.12.2023 , the members of the Board of Directors own shares of the Company as follows:

	Number of shares	% of capital
Velichko Klingov	5 305	0.02%

The other members of the Board of Directors do not own shares of the Company's capital.

Information regarding the rights of council members to acquire shares and bonds of the company :

The Articles of Association of the Company do not provide for special rights of the members of the Board of Directors in the acquisition of shares and bonds of the company.

Information regarding the participation of board members in commercial companies as unlimited partners, the ownership of more than 25 percent of the capital of another company , as well as their participation in the management of other companies or cooperatives as procurators, managers or board members :

Velichko Klingov participates as a partner in the following general partnerships, limited partnerships and/or limited liability companies owning more than 25 percent of their capital:

Yul's name	EIC	Headquarters and address	Participation
"NUTRICIOPHARMA" LTD	206458992	City of Sofia, Sredets district, "Dobrudzha" street No. 6	a partner holding 50% of the capital
"D.STOYANOV 94" LTD	204792776	City. Aheloy, Marina Cape No. 13, fl. 1, apt. A2 (identical to 22_1)	A partner holding 50% of the capital

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

Yul's name	EIC	Headquarters and address	Function
" NOVO BG" FOUNDATION	130982466	city . Sofia , Sredets district , ul . " Dobruja " no 6, fl . 3	member of the Board of Trustees and executive director
THE NEW TIME FOUNDATION	17500438 7	city . Sofia , Sredets district , ul . " Dobruja " no 6, fl . 3	member of the Management Board and executive director
PP "NEW TIME"	131287649	city . Sofia , Sredets district , ul . " Dobruja " no 6, fl . 3	Deputy Chairman of the Board of Directors
MARINA CAPE PROPERTIES LTD	203701631	city . Aheloy, st . Marina Cape No. 13, fl . 1, app . A2 / 22_1	manager
Danube meat " JSC	206825253	City. Sofia, str . Dobrudzha No. 6, fl . 3	Member of the Board of Directors and Executive Director
"D.STOYANOV 94 " Ltd	204792776	City. Aheloy, Marina Cape No. 13, fl. 1, apt. A2 (identical to 22_1)	manager
"TRAKIETS LAND DEVELOPMENT"	203619312	City. Sofia, Dobrudzha Street 3 6, 1st floor	manager
"NUTRICIOPHARMA" LTD	206458992	City of Sofia, Dobrudzha Street No. 6	manager
AHELOY AGRO EOD	203176048	City. Sofia, 6 Dobrudzha St., 1st floor	manager

Tsvetelina Hristova is not a general partner and owns more than 25 percent of the capital of the following commercial companies :

Yul's name	EIC	Headquarters and address	Participation
" Neti Accounting " EOD	20484553 1	City of Sofia, Sredets district, "Dobrudzha"	Sole owner of the capital

		street No. 6, 3rd floor	
"BOLKAN IMO" EOOD	17523629 3	City of Sofia, Sredets district, "Dobrudzha" street No. 6, 3rd floor	Sole owner of the capital
"Smart Trading Bulgaria" EOOD	20622404 6	S. Bistricea, 67 Stefan Stambolov St	Sole owner of the capital

Tsvetelina Hristova participates in management / control bodies of other commercial companies, as follows:

Yul's name	EIC	Headquarters and address	Function
" Neti Accounting " EOOD	20484553 1	City of Sofia, Sredets district, "Dobrudzha" street No. 6, 3rd floor	manager
"BOLKAN IMO" EOOD	17523629 3	City of Sofia, Sredets district, "Dobrudzha" street No. 6, 3rd floor	manager
"Smart Trading Bulgaria" EOOD	20622404 6	S. Bistricea, 67 Stefan Stambolov St	manager

"Aheloy 2012" Ltd. is not a general partner and does not own more than 25 percent of the capital of a commercial company.

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

Petya Georgieva Yordanova (a person designated to represent AHELOY 2012 EOOD in the Board of Directors of the public company) is not a partner with unlimited liability and does not own more than 25 percent of the capital of a commercial company.

Petya Georgieva Yordanova does not participate in management / control bodies of other commercial companies.

Information about contracts under Art. 240b of the Labor Code concluded during the year :

In 2023 , there were no contracts concluded between the Company and the members of the

Board of Directors or persons related to them under Art. 240b of the Criminal Code.

Planned business policy in the coming year, including the expected investments and development of the personnel, the expected income from investments and development of the company, as well as the upcoming transactions of essential importance for the company's activity:

Information is available in the Likely Future Developments section.

XV. Information under Art. 31 of the ZDSITSDS and Art. 20 of Ordinance No. 2 of 9.11.2021 on initial and subsequent disclosure of information during public offering of securities and admission of securities to trading on a regulated market

1. Relative share on the assets given for usage vs pay , vs the general size on investments in real estate properties .

As of 31.12.202 3 years, the Company has lent for management of Marina Cape Management EOOD (third face by Art . 27, para . 4 of the ZDSITSDS) real estate properties on value 36,786 thousand BGN , which represent 100 % of the general size on investments in real estate properties .

2. Information for sale or purchase on new active on value exceeding by 5 per hundred the general value on investments in real estate properties , as well as for such transactions carried out after the date on preparation on the annual financial report

No are concluded such transactions .

3. Done constructions , repairs and improvements on the real ones properties .

Through reporting period were performed repair works and activities by removal on occurred irregularities with a purpose preparation on vacation Marina complex Cape " for the summer one season on the year . Repairs activities are performed from Marina Cape Management EOOD - third face by Art . 27, para . 4 of the ZDSITSDS. The modernization and reconstruction of zone 4 in the Complex was also completed

4. Relative share on unpaid rents , leases and leases installments relative to the general value on the receivables arising from all concluded from the company agreements from rent , lease , rent .

As of 31.12.2023 , the value on receivables on The company , arising from The contracts for management and maintenance , including advances made with " Marina Cape Management EOOD are in size on 1 106 BGN thousand .

The company has not concluded others contracts for rental , leasing , management and maintenance .

5. Information for the real ones properties on the territory on another country member , countries .

The company there is no real properties on the territory on another country member .

6. Information what share from the assets on the company is the result on the main one his activity by Art . 5, para . 1, item 2 of the ZDSITSDS.

As of 31.12.202 3 years over 100% of the assets of Intercapital Properties Development " REITs are the result on the main one his activity by Art . 5, para . 1, item 2 of the ZDSITSDS.

7. Information what share from the gross ones income on the company for the current one financial year is the result on the main one his activity by Art . 5, para . 1, item 2 of the ZDSITS.

As of 31.12.202 3 years gross income of Intercapital Properties Development " REITs are the result on the main one his activity by Art . 5, para . 1, item 2 of the ZDSITS.

8. Information for provided collaterals or loans on third persons .

Through reporting period " Intercapital Properties Development " REIT did not provide collateral foreign obligations and did not provide loans on third persons .

9. Information for emitted debts precious papers admitted to trade on regulated market .

During the previous reporting period, a second corporate bond issue was issued with a nominal and issue value of EUR 6,000,000, divided into 6,000 ordinary, non-privileged, registered, non-current, secured, interest-bearing, non-convertible , freely transferable bonds at the nominal value of one bond - 1000 Euro. The nominal annual interest rate is fixed at 6.00% and interest payments every 6 months, the term of the bond issue is 60 months.

Through reporting period " Intercapital Properties Development " REIT has not issued debts precious papers admitted to trade on regulated market .

10. Term , amount and purpose (acquisition and for commissioning on acquired property) of received from the company banking credit .

Through reporting period " Intercapital Properties Development " REIT did not receive banking credits .

11. Information for the size on the investment in valuable books issued or guaranteed from country member and in banking deposits in banks which they have right Yes carry out activity on the territory on country member .

As of 31.12.202 3 years " Intercapital Properties Development REIT has not invested in valuables books issued or guaranteed from country member and in banking deposits in banks which they have right Yes carry out activity on the territory on country member .

12. Information for the size on investment in mortgages bonds admitted to trade on place for trade in a country member , relative to the general size on the assets on the company .

As of 31.12.202 3 years " Intercapital Properties Development REIT has not invested in mortgages bonds admitted to trade on place for trade in a country member .

13. Information for the size on the investment in others companies with special investment purpose investing in real estate properties , vs the general size on the assets on the company .

As of 31.12.202 3 years " Intercapital Properties Development REIT has not invested in others companies with special investment purpose investing in real estate properties .

14. Information for the size on the investment in specialized company by Art . 28 of the ZDSITSDS from the ZDSITS, relative to the general size on the assets on the company .

As of 31.12.202 3 years " Intercapital Properties Development " REIT no owns share participation in specialized company by Art . 28 of the ZDSITSDS.

15. Information for the size on the investment in third persons by the meaning on Art . 27, para . 4 of the ZDSITSDS, relative to the size on the assets on the company .

To 12/31/2023 Intercapital Properties Development " REIT did not own share participation in third persons by the meaning on ZDSITSDS .

March 2024

Signature:

/ Velichko Klingov – Ex. Director/

