

AUDIT ADVISERS

Independent Auditor's Report

To: The shareholders of
INTERCAPITAL PROPERTY DEVELOPMENT ADSIC

Report on the Financial Statements

We have audited the accompanying financial statements of "Intercapital Property Development" ADSIC as of 31st December 2014, including statement of financial condition as of 31st December 2014, consolidated income statement, statement of the changes in equity, and cash flow statement, ending on the same date, as well as the summarized disclosure of applied accounting policies, and other explanatory information.

Responsibility of the management for the financial report

It is the management of the Company who bears the responsibility for the preparation and the true presentation of this financial statement in compliance with the International Financial Reporting Standards, endorsed by the EU and the Bulgarian legislation. This responsibility includes:

- Development, incorporation and maintainance of internal control system connected with the preparation and true representation of the financial reports, which shall not contain any substantial inaccuracies, regardless whether they are caused by fraud or error.
- Selection and application of suitable accounting practices; and
- Establishing of accounting estimations which shall be reasonable given the specific circumstances.

Responsibility of the auditor

Our responsibility comes down to reporting an auditor's opinion on these financial statements, based on the audit performed by us. The audit has been carried out in compliance with the International Financial Reporting Standards. These standards imply complying with the ethical requirements as well as planning and performing the audit in a way which allows us to confirm with reasonable assurance the extent to which the financial statements do not contain any substantial inaccuracies.

The audit includes performing procedures for acquiring audit proofs concerning the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's opinion, including assessment of the risks of significant inaccuracies in the financial report, regardless whether they are caused by fraud or error. While carrying out these risk assessments, the auditor takes in consideration the internal control system applied for the preparation and truthful presentation of the financial report by the Company in order to develop audit procedures that are suitable for these circumstances but not with the purpose of expressing opinion on the effectiveness of internal control system of the Company. The auditor also includes an assessment of the relevance of the accounting policies applied and of the rationality of the accounting estimations made by the management, as well as an assessment of the overall performance of the financial report.

We consider that the audit performed by us presents sufficient and suitable base for expressing our audit opinion.

Opinion

We have not audited the financial reports of the Company for 2013 and therefore do not express opinion of the comparative information in the report. The auditor of the Company for 2013, Grand Thornton OOD has expressed unmodified audit opinion in an audiot report with paragraph for emphasis on matter dated 27.03.2014.

In our opinion, the financial report provides correct and truthful presentation of the financial condition of Intercapital property Development ADSIC as of 31st December 2014, as well as for the financial results from operations and cash flows for the year, ending on this date in accordance with the International Financial Reporting Standards (IFRS), endorsed by the EU and the Bulgarian legislation.

Paragraph for emphasis on matter

We pay particular attention to

1) In Note 2.1 “Going concern” to the financial report it is pointed out that the Company has accumulated losses in the last reporting periods in the amount of BGN 25 254 thousand from its activity and the sum of the current liability exceeds the sum of the current assets with BGN 40 688 thousand for 2014. The management of the Company emphasizes that they have improved the performance of the Company with 71% since last year, as well as the fact that the equity of the Company remains positive, as well as the cash flow from operating activities and additionally they have prepared a plan for financial stabilization, restructuring the liabilities and increasing the revenues.

2) The loans of the Company form 49% of the total liabilities and 77% of the amount of the financial liabilities are towards Piraeus Bank. As of the date of this report we have not received directly confirmation of the expenses and liabilities from the bank. For confirming their amounts we have used alternative audit procedures.

Report on other legal and regulative requirements – Annual management report

According to the requirements of art. 38, para 4 of the Accounting Act we have examined the Annual management report of Intercapital Property Development ADSIC as of 31st December 2014, which is not part of the financial report. The historical information presented in the annual management report written by the management, complies in all material aspects with the financial information contained in the financial report as of 31st December 2014, prepared in compliance with the International Financial Reporting Standards, endorsed by the EU and the Bulgarian legislation. The responsibility for the preparation of the annual management report lies within the management.

Certified auditor, responsible for this engagement:

Ofeliya Slavkova, CEA diploma No 0613

Specialized Audit Company:

Audit Advisers OOD No 152

Managing Partner:

Ofeliya Slavkova

31.03.2015

Sofia