

**Explanatory notes
to the notification of the financial condition of
Intercapital Property Development REIT
as of 31.12.2024**

January 2025

1. General information

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ICPD Q4 2024

1.1. Financial results

In the fourth quarter of 2024, the Company generated revenues of BGN 313 thousand on real estate .

In the fourth quarter of 2024, the Company did not generate revenue from goods.

The total result of the activity, including financial costs, is described below.

<i>(thousands of leva except data per share)</i>	31/12/2024	31/12/2023
Sales revenue	313	9129
Other operating income	11	10
Financial income	-	-
Extraordinary income	-	-
Result of main activity	-914	-529
Net result of operations	-914	-529
Net profit per share	-0.033	-0.019
Amount of assets	47,835	48339
Lands	8,467	8306
Investment properties	36,689	34,826
Unfinished production	0	0
Net assets	29,094	28755
Share capital	27,766	27,766
Number of shares	27,766,476	27,766,476

1.2. Stock trading

As of 31.12 . 2024 , the market price of shares on the Bulgarian Stock Exchange - Sofia is 0. 68 leva per share.

In the period 01. 01.2024 - 31.12.2024 the highest market price of the Company's shares on the Bulgarian Stock Exchange-Sofia was 0. 68 BGN , reached at 16.01 .

In August 2010, Intercapital Property Development REIT became the first Bulgarian company whose shares are traded on a capital market outside Bulgaria, as well as the first Bulgarian company whose shares are admitted to 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 . 202 4 The last traded price of shares on the "NewConnect" market was PLN 1.42 per share.

2. Marina Cape

In the fourth quarter of 2024, activities were carried out to eliminate irregularities that occurred during the operation and repair works of the complex in order to prepare it for the summer season of the year. The repair activities are carried out by the service company "Marina Cape Management" EOOD.

The holiday complex is operated year-round. During the winter season 2023 -2024, 2 of the 4 restaurants are operational, as well as the bowling alley, the spa center, the fitness center and the squash courts. A minimum of 100 apartments are maintained for rental to tourists - casual and organized visitors.

Conference-type events are regularly held in the complex, and the company actively strives to develop this type of tourism.

2.1 Sales

Over the past few years, the Company's sales efforts have been focused on reaching new geographic markets. The Company has entered into business relationships with partners in China for its properties. Contacts with clients and buyers from Bulgaria are being restored again

2.2 Financing and information about newly arising material receivables and/or liabilities during the reporting period

In the period 01.01.-31. 12.2024, no new material receivables and/or liabilities arose for "Intercapital Property Development" REIT.

3. Key risks and uncertainties facing Intercapital Property Development REIT during the remainder of the financial year

The main risks and uncertainties that Intercapital Property Development REIT may encounter in 2023 are:

- Market risk - risk of a decrease in the market prices of the real estate that the company sells as a result of reduced demand for vacation properties, as well as the risk of low tourist flow for 2023 as a result of the slow recovery after the recent global financial crisis.
- risk of inability to service bank loans taken and the issued bond issue - in the event that the company fails to generate sufficient revenue to cover interest expenses and principal repayment.
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Another event with an extremely negative impact is the military conflict between Russia and Ukraine. The Company has no direct exposures to financial instruments issued by issuers in Russia and Ukraine, and relations with Russian banks.

The indirect effects for the Company are expected to be reflected in increased uncertainty and a significant deterioration in the investment environment in 2024-25. The Company recognizes that the solvency of its customers may deteriorate as a result of inflation, increased energy prices and job losses. Due to the unpredictability of the military conflict, it is practically impossible to make a definitive forecast of the impact on the Company's financial position at this stage.

4. Information on major transactions concluded with related and/or interested parties

During the period under review, Intercapital Property Development REIT did not enter into any major transactions with related and/or interested parties.

5. Information regarding the opinion of the management body regarding the possibilities for realization of published forecasts


The company has not published forecasts for the results of the current financial year.

6. Information about the convened Regular Annual General Meeting of the Company's shareholders

No regular annual general meeting of the Company's shareholders was convened in the fourth quarter.

7. Information regarding the opinion of the management body regarding the possibilities for realization of published forecasts

The company has not published forecasts for the results of the current financial year.


Velichko Klingov
Executive Director

