

" Intercapital Property Development" REIT 1
Annual activity report
31 December 2024 Mr.

ANNUAL ACTIVITY REPORT

of "INTERCAPITAL PROPERTIES"
DEVELOPMENT" REIT
for 2024

IMPLEMENTATION REPORT
OF THE REMUNERATION POLICY
for 2024

March 2025

I. History

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

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

History of changes in share capital:

- The company is registered with a capital of **BGN 2,500,000** according to Decision No. 1 of March 29, 2005 of the Sofia City Court under file No. 3624/2005.
- In January 2006, the first capital increase of "Intercapital Property Development" REIT was carried out with 750,000 new shares with a nominal value of 1 lev each. According to Decision No. 4 of 26.01.2006 of the Sofia City Court under file No. 3624/2005, the capital increase was registered to the amount of **3,250,000 leva**.
- In September 2006, a second capital increase of Intercapital Property Development REIT was carried out with 1,625,000 new shares with a nominal value of 1 lev each. According to Decision No. 6 of 18.09.2006 of the Sofia City Court under file No. 3624/2005, the capital increase was registered to the amount of 4,875,000 leva.
- By Decision No. 7 of 25.09.2006 of the Sofia City Court under case number 3624/2005, an obvious factual error in Decision No. 6 of 18.09.2006 was removed and the correct statement was stated, namely that the capital of the Company was increased to **4,823,627 leva**, through the issuance of 1,573,627 new shares with a nominal value of 1 leva each.
- On 23.08.2010, according to entry No. 20100823172414, an increase in the capital to **BGN 6,011,476 was entered in the Commercial Register**, through the issuance of 1,187,849 new shares with a nominal value of BGN 1 each.
- On October 13, 2020, according to entry No. 20201013143520, an increase in capital to **BGN 27,766,476 was entered in the Commercial Register**, through the issuance of 27,766,476 new shares with a nominal value of BGN 1 each.

The company is not limited in its term of existence.

"Intercapital Property Development" REIT is a public joint-stock company within the meaning of the Public Offering of Securities Act.

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

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

Activity overview

The company has the following scope of activity according to the Securities and Exchange Commission Act: investing funds raised through the offering of securities in the purchase of real estate and limited property rights; developing its own real estate by carrying out construction and improvements; selling real estate; renting out or managing its 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 specified above and those directly related to their implementation, unless permitted by the LDSICDS.

At least 70 percent of the Company's assets at the end of each quarter should be the result of the activity in accordance with its subject matter.

Real estate investments

The main assets of Intercapital Property Development REIT are located in the town of Aheloy, Marina Cape Resort. The assets are kept and managed by Marina Cape Management EOOD (a third party within the meaning of Art. 27, para. 4 of the Act on the Management of Real Estate and Property). Marina Cape Management EOOD has two managers who can guarantee its 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 state and municipal authorities. Strict restrictions have been introduced for entry into the complex. Security has been increased.

Currently, all options are available for normal life in the property owners' complex, as well as the possibility of accommodating tourists on a self-catering basis.

The other major asset of Intercapital Property Development REIT was a building under construction in the Borovets resort.

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 and other former Russian republics.

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.

Development of the Company's investment projects

1. "Marina Cape"

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

In 2024, activities were carried out to eliminate irregularities that occurred during the operation and repair work of the complex. The repair activities 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, the reconstruction of the 4th zone in the complex was completed, with which the existing apartments in the zone were converted into

studios, for the purpose 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 use. Currently, the entire zone 4 is fully equipped and functioning.

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

During the 2024 summer season, the complex operated at high occupancy (for the apartments owned by the Company and those not owned by it but managed by the subsidiary Marina Cape Management EOOD).

Despite the difficulties and restrictions, conference-type events are regularly held in the complex , while observing 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. Midia AD was selected 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 developed built-up area of 10,000 sq. m and includes a residential area of 5,175 sq. m, commercial areas of 3,140 sq. m and underground garages of 1,685 sq. m.

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

On December 17, 2013, the Company entered into a real estate finance lease agreement with Bulgaria Leasing EAD with the lease object: the Grand Borovets investment project. The leasing price to be paid was EUR 2,927,724.36 excluding VAT.

As a result of a signed 3-party agreement on November 13, 2019 between Intercapital Property Development REIT, Bulgaria Leasing and Investabank AD, Bulgaria Leasing was replaced as the lessor by Investbank AD.

As of December 31, 2022, all obligations under the contract have been paid.

As a result of the 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 "BGI IMO" AD, by virtue of which it transferred to "BGI IMO" AD the right to acquire the right of ownership over leased objects under a Real Estate Finance Lease Agreement, under which the Company is the lessee. "BGI IMO" AD acquires the right for the amount of BGN 8,069,527.13 (eight million and sixty-nine thousand five hundred and twenty-seven leva and thirteen stotinki).

In this regard, a set-off of counterclaims of "BGI IMO" EAD to the Company in the amount of BGN 6,669,527.13 (six million six hundred sixty-nine thousand five hundred twenty-seven leva and thirteen stotinki) was carried out, as a result of which the residual claim of

"INTERCAPITAL PROPERTY DEVELOPMENT" REIT to "BGI IMO" EAD remained in the amount of BGN 1,400,000 (one million four hundred thousand leva).

Sales and operation of investment properties

In 2024, the Company reported revenues from sales of properties - residential buildings for seasonal use in the Marina Cape holiday complex in the amount of BGN 313 thousand. The total area of the properties sold is 143.79 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 and other former Russian republics.

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.

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

In 2024, Intercapital Property Development REIT reports income from the exploitation of investment properties in the complex (including commercial and residential properties). It is carried out by the third party Marina Cape Management EOOD, based on an agreement between MKM EOOD and IKPD REIT, regarding the management of properties in the Marina Cape complex. The subject of the agreement is the use and exploitation of all real estate owned by IKPD REIT, in the Marina Cape complex, with Marina Cape Management EOOD having the right to use and exploit the properties according to their intended purpose, unless something is additionally agreed between the Parties, including having the right to sublet and/or exploit them in any other way, collecting income from this.

For the use and exploitation of the Properties, MKM EOOD undertakes to pay the Owner an annual remuneration in the amount of 75% (seventy-five percentage points) of the net amount of the annual positive financial result from the activities of the Manager on the territory of the entire Marina Cape Holiday Complex, town of Aheloy, for the respective year, before taxes, but not less than 420,000 (four hundred and twenty thousand) euros excluding VAT.

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

Last year, the Company generated operating income of BGN 872 thousand .

In 2024, the company generated income from revaluations of BGN 2,641 thousand. BGN 1,93 thousand were reported in an increase in other comprehensive income. Financial expenses amounted to BGN 765 thousand and mainly represent interest and loan fees.

At the end of 2024, in accordance with the requirements of the current legislation, an assessment was made of the investment properties, land and assets under construction owned by the Company. The Company's investment properties include all sites - residential and commercial

areas in the Marina Cape holiday complex. As of 31.12.2024, their value is BGN 39,224 thousand compared to BGN 36,786 thousand as of 31.12.2023 .

II. Important events that occurred in 2024

The Annual General Meeting of Shareholders for 2024 was held on 28.06.2024 at 12:00 , in the city of Sofia, 6 Dobrudzha Street, 1st floor , with the following agenda:

" Item one : Report of the management body on the activities of the Company in 2023;

Draft resolution : The General Meeting of Shareholders adopts the report of the Board of Directors on the activities of the Company in 2023.

Item Two : Annual Report of the Company's Audit Committee on its activities in 2023;

Draft resolution : The General Meeting of Shareholders adopts the annual report of the Company's Audit Committee for its activities in 2023.

Item Three : Report of the elected registered auditor on the annual financial statements of the Company for 2023;

Draft resolution : The General Meeting of Shareholders adopts the report of the elected registered auditor on the annual financial statements of the Company for 2023.

Item Four : Adoption of the Company's annual financial report for 2023;

Draft resolution : The General Meeting of Shareholders adopts the annual financial statements of the Company for 2023.

Item Five : Adoption of a decision regarding the financial result of the Company for 2023;

Draft resolution : The General Meeting of Shareholders adopts a resolution regarding the financial result of the Company for 2023 in accordance with the proposal contained in the agenda materials.

Point Six : Discharge of the members of the Board of Directors from liability for their activities during the period 01.01.2023 - 31.12.2023;

Draft resolution : The General Meeting of Shareholders releases from liability the members of the Board of Directors Velichko Stoychev Klingov, Tsvetelina Chavdarova Hristova and "AHELOY 2012" OOD, with UIC 202371390, for their activities during the period 01.01.2023 - 31.12.2023.

Item Seven : Selection of a registered auditor to review and certify the Company's annual financial statements for 2024;

Draft resolution : To verify and certify the annual financial statements of the Company for 2024, 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 resolution : The General Meeting of Shareholders adopts the report of the Investor Relations Director for 2023.

Item nine : Report of the management body on the implementation of the Remuneration Policy for the members of the Board of Directors of the Company for 2023;

Draft resolution : The General Meeting of Shareholders adopts the report of the Board of Directors on the implementation of the Remuneration Policy for the members of the Board of Directors of the Company for 2023.

Item Ten : Change of the Company's registered office address;

Draft resolution : The General Meeting of Shareholders adopts a resolution to change the address of the Company's management, as follows: 6 Dobrudzha Street, 1st floor.

Item Eleven : Adoption of amendments to the Articles of Association of the Company;

Draft resolution: The General Meeting of Shareholders adopts amendments to the Articles of Association of the Company in accordance with the proposal contained in the materials to the agenda;

Item Twelve : Adoption of changes in the composition of the Board of Directors;

Draft resolution : The General Meeting of Shareholders adopts changes in the composition of the Board of Directors according to the proposal contained in the materials to the agenda.

Item thirteen : Adoption of a decision to renew the mandate of the Audit Committee;

Draft resolution : The General Meeting of Shareholders re-elects the current members of the Audit Committee of the company Iva Chavdarova Chorapinova, Tsvetelina Chavdarova Hristova and Zhivka Dimitrova Stankova - Nikolova for a new 5-year term starting from the date of the General Meeting.

Item fourteen : Adoption of a decision to empower the Executive Director;

Draft resolution : The General Meeting of Shareholders assigns the Executive Director of the Company, personally or through duly authorized persons, to perform all legal and factual actions necessary to implement the adopted decisions, including, but not limited to, announcing the acts and decisions adopted by the General Meeting of Shareholders to the Commercial Register, the Financial Supervision Commission, the Bulgarian Stock Exchange and the public.

All points were adopted at the meeting .

On 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 EUR 6,000,000, distributed in 6,000 ordinary , non-preferred, registered, dematerialized, secured, interest-bearing, non-convertible, freely transferable bonds, with a nominal value of one bond of EUR 000. 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 for investment purposes in the Marina Cape resort. The characteristics of the bond loan are described in detail in the memorandum to it. The Board of Directors elected "TEXIM BANK" AD as the trustee of the issue, which was to be elected by the First General Meeting of Bondholders.

In 2024, the Company promptly disclosed internal information, including information on the notifications received for significant shareholdings under Article 145 of the Public Offering of Securities Act.

III. The main risks faced by the company are:

- **Choosing an inappropriate marketing strategy**

The future profits, as well as the market value of the Issuer, depend on the business strategy chosen by the company's senior management team. The Company seeks 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 the investor interest. Any inappropriate or delayed changes in the Company's strategy could have a serious adverse effect on its activities, measured in losses or lost profits 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 wrong investment decisions being made by the company's management, actions of the third party under Art. 27 of the Investment Property Management Act for servicing investment properties and the depositary bank. These risks could lead to losses for the Company, and hence a deterioration in the Issuer's liquidity. Other operational risks could be - possible technical errors in the unified information system; departure of key employees and inability to recruit personnel with the necessary qualities; risk of excessive increase in management and administration costs, leading to a decrease in the company's overall profitability.

Persons who would invest in the Company's securities expect the investment to be affected by the main risks associated with the activities of the Issuer. The actual occurrence of these risks during the period of ownership of the debt securities leads to a reduction 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 Company's inability to meet its counterparty obligations as they fall due gives rise to liquidity risk. Liquidity depends primarily on the availability of highly liquid assets, primarily cash or cash equivalents.

Effective liquidity risk management requires a conservative policy through constant maintenance of optimal liquid funds, flexible loans to finance the company's activities, adequate credit resources, daily verification of available liquid assets to cover upcoming maturities arising from the Company's liabilities.

Investments in real estate assets are generally illiquid - there is a possibility that a property may not be sold at a fair market price, at low cost and quickly, due to the long terms of the transfer, legal and factual complications associated with the transfer of ownership. This means that in order to avoid this type of risk, very careful monitoring and assessment of the Company's liquidity is required on an ongoing basis.

- **Risk of the company's inability to service the bond issue**

This risk for the Issuer is related to the probability of 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 due interest and principal on the bond on time or at all. Such a risk would also arise in the event of poor management of the company's cash flows, therefore the Issuer will manage this risk by maintaining sufficient liquid assets, assessing and controlling credit risk.

- **Credit Risk**

This type of risk arises when borrowed funds appear and the borrower is likely to fail to timely, partially or fully fulfill the commitments undertaken by him in the contract between him and the lender or when the company's clients are unable to pay partially or fully on schedule the foreseeable amounts owed by them, which will lead to losses for the company. To control this risk, the Company has created an organization for ongoing monitoring of collection and preparation of an analysis of the current status of its receivables from clients and other counterparties to it and uses this information to control credit risk. Also, the Issuer strictly monitors the emergence of new liabilities and their timely payment.

The Law on Special Purpose Companies and Securitization Companies (SPSCSC) provides a mechanism for limiting this risk by requiring that all real estate owned by the company be valued by independent experts with the necessary qualifications and experience.

- **Dependence on key personnel**

The development of new and innovative business, economic and financial models requires highly specific qualifications in the company's staff - 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 goals that the company sets itself 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 may 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, profit realization by economic entities, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changes in legislation and regulatory requirements, priorities of national governments, etc. Trends in the macroeconomic environment affect the market performance and the final results of the activities 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 state policies of the respective countries and in particular the regulations and decisions taken by the respective Central Banks regarding monetary and interest rate policy, exchange rates, taxes, GDP, inflation, budget deficit and external debt, unemployment rate and income structure.

The year 2023 was marked by the rise in the price of energy carriers around the world and 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 developed economies have reported an acceleration in consumer prices.

- **Risk related to dependence on the activities of third parties within the meaning of Art. 27, para. 3 of the Act on the Protection of Personal Data and Information Technology**

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 Investment and Resale Investment Act. In order to limit possible losses, Intercapital Property Development REIT has concluded written contracts with third parties, which clearly regulate the rights, obligations and responsibilities of the parties in case of breach of contracts.

- **Risk that the Issuer may fail to finance its planned capital expenditures and investments**

Real estate investments require substantial capital expenditures. In the event of adverse economic, financial or other negative events for the Company, it may be necessary to finance these expenses primarily from external sources. However, there is no certainty that external financing will be found and attracted on acceptable terms. As a result, it is likely that the Company will need to reduce capital expenditures and investments, which would adversely affect its operating results and financial condition. In order to minimize this risk, the Company strictly plans future investments and the need for financing in order to take timely actions to secure it, in order to avoid delays in operations and lost profits.

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

Special purpose vehicles are required to distribute a minimum of 90% of the converted profit for the year (in accordance with the provisions of Art. 29 of the Special Purpose Vehicles Act and Art. 247a of the Commercial Code) in the form of a dividend. The dividend should be paid within twelve months of the end of the relevant financial year. Therefore, the Board of Directors is responsible for the precise management of the incoming and outgoing cash flows 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 on acceptable terms. There is also a possibility that after the conversion of the financial result for the year, in accordance with the provisions of Art. 29, para. 3 of the Special Purpose Vehicles Act, there will be no distributable financial result.

- **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 undertakes to pay a certain interest rate regardless of market levels and the income it receives. Thus, there is an impossibility for the Issuer to benefit from a decrease in interest rates (as is the case with a floating interest rate) and to continue paying higher interest rates regardless of the dynamics of its income (which may be decreasing) and the prevailing market interest rates. On the other hand, the fixed interest

rate allows the Issuer to better plan its cash flows. Also, to a certain extent, the fixed interest rate protects an investor from a negative decline in interest rates.

- **Unethical and illegal behavior**

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

- **Risks related to the issuer's activities and structure**

As of the date of the Prospectus, Intercapital Property Development REIT does not have a majority shareholder and does not belong to a specific economic group. In the event of a possible need to finance the implementation of the Issuer's investment policy, this circumstance may pose a risk to 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.

- **Competition risks**

The real estate market is highly competitive and has many participants. The Company's main competitors are other special purpose investment companies securitizing real estate, and in particular those focused on offering tourist and vacation services.

The main part of the company's assets are real estate in the town of Aheloy (Marina Cape holiday complex), the other asset was in Borovets resort (unfinished construction). The holiday property market is highly competitive, and it is not possible to identify 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 holiday 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 at the Marina Cape holiday complex.

- **Risk of possible transactions between the Company and its related parties in non-market conditions**

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

- **Macroeconomic and microeconomic risk**

Macroeconomic risk is the risk of shocks that may affect economic growth, population income, supply and demand, profit realization by economic entities, etc. These shocks include global economic and business conditions, fluctuations in national currencies, political events, changes in legislation and regulatory requirements, priorities of national governments, etc. Trends in the

macroeconomic environment affect the market performance and the final results of the activities 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 state policies of the respective countries and in particular the regulations and decisions taken by the respective Central Banks regarding monetary and interest rate policy, exchange rates, taxes, GDP, inflation, budget deficit and external debt, unemployment rate and income structure.

The global macroeconomics and economic growth in the world were significantly affected and influenced in 2020 and 2021 by the scale and spread of the coronavirus (COVID-19) pandemic. This impact continues to the present.

The year 2022 was marked by the rise in the price of energy carriers around the world and 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 developed economies have reported an acceleration in consumer prices.

· **Country credit risk**

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

The country's credit risk is related to the ability of the state to repay its obligations regularly. In this regard, Bulgaria is constantly improving its positions 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 the improvement of the credit rating is the reduction of risk premiums on loans, which leads (other things being equal) to more favorable interest rates.

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

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

Factors that could lead to negative rating actions are: a significant delay in joining the eurozone, due to, for example, failure to meet the convergence criteria or adverse economic policy developments; a period of energy shortages 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 would significantly lower growth prospects compared to the rating agency's current expectations.

• Inflation risk

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

In general, inflation risk is the risk of an increase in the general price level, which leads to a decrease in the purchasing power of the population, a decrease 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 a Currency Board. The tendency is for such a policy to be maintained in the coming years, especially in view of achieving the goals of Bulgaria's accession to the Eurozone in the shortest possible time. The main risks associated with the inflation forecast relate to the dynamics of international prices and the rate of economic growth in Bulgaria. International prices of raw materials may increase more significantly as a result of political crises or increased demand. The limited supply of some agricultural goods, especially cereals, internationally in connection with adverse weather events may additionally cause higher inflation in the country. The risk of an increase in inflation is associated with a possible depreciation of assets denominated in leva and euro. The currency board system controls the money supply, but external factors (e.g., rising fuel prices - gas and oil) exert upward pressure on price levels.

According to data from the National Statistical Institute, as of December 2024, inflation and consumer price indices have the following levels:

In December 2024, monthly inflation, measured by **the consumer price index (CPI)**, is 0.4% compared to the previous month, and the annual inflation for December 2024 compared to December 2023 is 2.2%.

In December 2024, compared to the previous month, the largest price increase was in the groups: "Entertainment and culture" (+5.9%), "Transport" (+1.3%), "Restaurants and hotels" (+0.7%) and "Miscellaneous goods and services" (+0.6%). The largest decrease was registered in the groups: "Clothing and footwear" (-1.3%) and "Food products and non-alcoholic beverages" (-0.6%).

Monthly inflation, measured by **the harmonized index of consumer prices (HICP)**, is 0.3%, and annual inflation is 2.1%

Eastern : www.nsi.bg

□ Currency risk

This risk is related to the possibility of depreciation of the local currency. For Bulgaria specifically, this is the risk of premature withdrawal from the Currency Board arrangement with a fixed exchange rate of the national currency. On July 10, 2020, the European Central Bank announced that Bulgaria had officially been admitted to the ERM II exchange rate mechanism. The central rate of the Bulgarian lev is fixed at 1 euro = 1.95583 leva, and it was agreed that Bulgaria would join the exchange rate mechanism with its existing currency board arrangement, as a unilateral commitment and without additional requirements to the ECB.

Any significant depreciation of the leva could have a significant adverse effect on business entities in the country, including the Company. Risk also exists when the revenues and expenses of a given business entity are formed in different currencies. The exposure of business entities operating in Bulgaria to the US dollar, which is the main currency of a significant part of the world's raw materials and production markets, is particularly pronounced.

- **Risk of change in 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 lies in the possibility of changing the specified tax status of income from securities, 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 operations, including information on environmental and employee issues

The results in 2023 are due to the targeted efforts of the management to increase operating income, reduce costs, and optimize the collateral provided by the company.

This is also evident from the evolution of the following basic coefficients listed below:

	202 4	20 23
Price/earnings ratio	9,188	33.91
Earnings per share	0.074	0.0 21
Debt to equity	0.56	0.42

V. Significant events that occurred after the date on which the annual financial statements were prepared

None

VI. Likely future development

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

The future profits, as well as the market value of the Issuer, depend on the business strategy chosen by the company's senior management team. The Company seeks 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 the investor interest. Any inappropriate or delayed changes in the Company's strategy could have a serious adverse effect on its activities, measured in losses or lost profits in its financial and operational condition.

In 2025, the company expects an increase in the vacation property market and an increase in sales of apartments in the Marina Cape vacation complex.

In 2021, the company signed a contract with MKM OOD for the reconstruction and modernization of the so-called zone 4. It also provides for the reconstruction of the existing large and non-functional apartments to be made into small functional studios, for the purpose of easier and practical use for tourist purposes, as well as for the purpose of easier sale. Modern technologies for heating and ventilation, access control, video surveillance, etc. were introduced. The zone is intended to function in practice 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 certificate of commissioning were issued for the reconstruction in July 2023.

After the commissioning of Zone 4, the contract with Marina Cape Management EOOD is to be reviewed, in order to update the amount and parameters under which the company has provided its assets in the Marina Cape complex for management.

VII. Research and development activities

In 2024 . The company has not carried out any research and development activities.

VIII. Information on acquisition of own shares, required under Art. 187e of the Commerce Act

In 2024, 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 any branches in 2024.

X. Financial instruments used by the entity

Not applicable.

XI. Information under Annex No. 2 of Regulation No. 2 of the FSC of 9.11.2021 on initial and subsequent disclosure of information in public offering of securities and admission of securities to trading on a regulated market

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

1.1 The revenues reported in 2024 from the Company's activities are revenues from the sale of investment properties and revenues from services (revenue from the operation of the investment properties in the complex) from sales of properties - residential buildings for seasonal use in the Marina Cape holiday complex in the amount of BGN 313 thousand. The total area of the properties sold is 1 43 , 79 sq.m.

- 1.2 As a result of the 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 "BGI IMO" AD, by virtue of which it transferred to "BGI IMO" AD the right to acquire the right of ownership over leased objects under a Real Estate Finance Lease Agreement, under which the Company is the lessee. "BGI IMO" AD acquires the right for the amount of 8,069,527.13 BGN (eight million and sixty-nine thousand five hundred and twenty-seven BGN and thirteen stotinki)

Operating income (in thousands of BGN)	202 4	202 3
Net sales revenue of:		
1. Investment properties	313	8,308
2. Services	552	821
3. Others	7	11
Total:	872	9140

In 2024, Intercapital Property Development REIT reports revenues on a non-consolidated basis from the exploitation of investment properties in the complex (including commercial and residential properties). It is carried out by the servicing company Marina Cape Management EOOD, based on an agreement between MKM EOOD and IKPD REIT, regarding the management of properties in the Marina Cape complex. The subject of the agreement is the use and exploitation of all real estate owned by IKPD REIT, in the Marina Cape complex, with Marina Cape Management EOOD having the right to use and exploit the properties in accordance with their intended purpose, unless something is additionally agreed between the Parties, including having the right to sublet and/or exploit them in any other way, collecting income from this.

In 2024 , the Company reported revenues from sales of properties - residential buildings for seasonal use in the Marina Cape holiday complex in the amount of BGN 292 thousand. The total area of the properties sold is 143.79 sq.m.

2. **Information on revenues, distributed by individual categories of activities, domestic and foreign 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 on each individual seller or buyer/consumer, 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 for each person separately, on his share in sales or purchases and his relations with the issuer.**

The company operates only on the Bulgarian market.

The distribution of revenues in 2024 by activity categories and volume is shown in the previous point.

1.1. For the use and exploitation of the Properties, MKM EOOD undertakes to pay the Owner an annual remuneration in the amount of 75% (seventy-five percentage points) of the net amount of the annual positive financial result from the activities of the Manager on the territory of the entire Marina Cape Holiday Complex, town of Aheloy, for the respective year, before taxes, but not less than 420,000 (four hundred and twenty thousand) euros excluding VAT.

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

Last year, the Company generated operating income of BGN 872 thousand .

In 2024, the company generated income from revaluations worth BGN 2,641 thousand. Financial expenses amounted to BGN 765 thousand and mainly represented interest expenses and fees on loans.

At the end of 2024, 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 sites - residential and commercial areas in the Marina Cape holiday complex. As of 31.12.202 4 , their value was BGN 39,224 thousand. at 36 786 thousand BGN as of 31.12.202 3 years

3. Information about concluded significant transactions.

There are none.

4. Information on transactions concluded between the issuer and related parties during the reporting period, proposals to conclude such transactions, as well as transactions that are outside its usual business or significantly deviate from the market conditions to which the issuer or its subsidiary is a party, 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 2024, no proposals were received to conclude transactions with related parties, as well as transactions that are outside its usual business or significantly deviate from the market conditions to which the Company is a party.

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

In 2024, no unusual events or indicators occurred that would have a significant impact on the Company's operations and its revenues and expenses.

- 6. Information about 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 to the issuer and if the disclosure of this information is material to the assessment of the issuer's financial condition.**

In 2024, there were no transactions conducted off-balance sheet by the Company.

- 7. Information about the issuer's equity interests, 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 real estate owned is presented above in item 0.

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

As of December 31, 2024, Intercapital Property Development REIT has the following principal obligations under a bond loan:

Long-term liability, EUR	Interest	Due date
6,000,000	6%	17.09.2026

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

Collateral provided under a bond loan

Number of real estate properties as collateral	Area of real estate collateral	Carrying amount of collateral provided 000 BGN
60 residential properties	4 810.67 sq.m.	14,570,994 BGN
19 commercial/warehouse facilities	1 554.63 sq.m.	15,319,653 BGN
land	40,000 sq.m.	8,660,000 BGN

9. Information about loans granted by the issuer or its subsidiaries, provision of guarantees or assumption of obligations jointly to one person or its subsidiary, including related parties, indicating the names or business name and UIC of the person, the nature of the relationship between the issuer or its subsidiaries and the borrower, amount of the unpaid principal, interest rate, date of conclusion of the contract, repayment deadline, amount of the obligation assumed, specific conditions other than those specified in this provision, as well as the purpose for which they were granted, in case they were concluded as special-purpose.

In 2024, Intercapital Property Development REIT and/or its subsidiary did not enter into any loan agreements in their capacity as lenders, including providing guarantees of any kind, including to related parties.

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

In 2021, the Company issued a new bond issue, with ISIN BG2100010219, with the following parameters:

- 1) Amount of the concluded bond loan – 6,000,000 (six million) euros.
- 2) Number of bonds – 6,000 (six thousand) units.
- 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, dematerialized, registered, interest-bearing, fixed-term, secured, non-convertible, freely transferable, corporate.
- 6) Term and maturity of the issue – 5 (five) years (equal to 60 months) from the date of conclusion of the bond loan.
- 7) Date from which the term until the maturity of the bonds begins – 17.09.2021.
- 8) Principal repayment – payable in a single payment 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 basis for calculating the interest is: Actual number of days in the period over the actual number of days in the year (Actual /Actual). All interest payments are calculated as simple interest on the nominal value of the bond loan.
- 10) Interest payment frequency – once every 6 months; interest payment due dates – 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 payment date coincides with a non-working day, the payment is made on the first following working day.
- 11) Institution servicing interest and principal payments – Central Depository AD.
- 12) Trustee of the bondholders, proposed by the issuer - "TEXIM BANK" AD, UIC 040534040, address: Sofia, p.k. 1303, Vazrazhdane district, 117 Todor Aleksandrov

Blvd., www.teximbank.bg, who was elected by the First General Meeting of the bondholders.

- 13) Collateral – The Company undertakes to provide collateral for the issue in the form of first-rank mortgages on real estate properties, representing apartments and commercial properties, as well as on land (RLE) and facilities owned by the Issuer, established in favor of the trustee of the bondholders. The Issuer will initially establish second-rank mortgages, which will subsequently become first-rank mortgages, on the real estate properties, representing apartments and commercial properties, which currently secure with first-rank mortgages an existing bank loan in the amount of 3,447,000 (three million four hundred forty-seven thousand) euros, subject to refinancing with funds raised from this bond issue. As for the mortgages that will be established on the land (RLE) and facilities, they will be first-ranked upon their initial establishment.
- 14) Terms of offering – under the terms of a private (non-public) offering pursuant to Art. 205, para. 2 of the Commerce Act through invitations to investors in the Republic of Bulgaria (no more than 150 in number).
- 15) Secondary trading – After publishing the announcement in the Commercial Register at the Registry Agency pursuant to Art. 206, para. 6 of the Commercial Act, but no later than 6 months from the conclusion of the bond loan, the Company will submit an application for the issued bonds to be admitted 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 work and renovation 2 420 000 euros according to the purposes listed in the Proposal for subscription of the Issue of corporate bonds under the terms of a private offering.

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

The company does not publish forecast financial results.

12. Analysis and assessment of the policy on the management of financial resources, indicating the possibilities for servicing obligations, possible threats and measures that the issuer has taken or is about to take with a view to eliminating them.

The issuer's policy regarding the management of financial resources is focused on several main areas: increasing revenues from real estate sales and revenues from the management of real estate owned by the Company; restructuring the Company's liabilities; increasing the collection of the issuer's receivables. The purpose of all these measures is to improve the company's financial condition, including its liquidity position. In terms of increasing revenues from real estate sales, the company constantly makes efforts to find new markets and attract potential buyers, as well as to search for new forms of realizing revenues from sales related to the real estate owned by the Company.

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

The company has not implemented investment intentions in 2024

14. Information about changes that occurred during the reporting period in the basic management principles of the issuer and its economic group.

No such changes occurred during the reporting period.

15. 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 reporting and disclosure systems of the company. The rules describe in detail the different types of information created and disclosed by the company, the processes of the internal document flow, 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 financial statements and other regulated information that the Company is obliged to disclose in accordance with the legal provisions.

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

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

17. Information on the amount of remuneration, awards and/or benefits of 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 the issuer's expenses or resulted from the distribution of profits, including:

(a) amounts received and non-monetary remuneration;

(b) contingent or deferred remuneration incurred during the year, even if the remuneration is due at a later date;

(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 in accordance with the adopted Remuneration Policy.

The members of the Board of Directors receive a fixed monthly remuneration, determined by the General Meeting, which may not exceed 10 minimum monthly salaries. The General Meeting

has also adopted a decision that the remuneration of the Executive Director shall be up to 12 minimum monthly salaries.

By decision of the General Meeting of Shareholders, the members of the Board of Directors may receive bonuses 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 entire Board.

The Company does not owe any other amounts and/or benefits in kind, nor does it set aside or accrue 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 have not received any remuneration or compensation from subsidiaries of the issuer and the latter have not set aside or accrued amounts for the provision of pensions, benefits or other compensation upon retirement of the members of the Board of Directors in 2024.

For the reporting period, remuneration was paid as follows:

- Mr. Velichko Stoychev Klingov, in his capacity as executive member of the Board of Directors of the Company, was paid a remuneration in the amount of BGN 0 , including for previous years.
- AHELOY 2021 EOOD, in its capacity as a member of the Board of Directors of the Company, was paid remuneration in the amount of BGN 0;
- Ms. Tsvetelina Chavdarova Hristova, in her capacity as a member of the Board of Directors of the Company, was not paid any remuneration in 202 4 .

18. Information about the issuer's shares held by the members of the management and control bodies and the procurators, including the shares held 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 established, exercise price of the options, purchase price, if any, and term of the options

As of 31.12.2024, 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 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 held by current shareholders or bondholders in a future period.

The Management Body of the Company is not aware of any arrangements that may result in changes in the relative share of shares held by current shareholders in the future .

20. Information on pending legal, administrative or arbitration proceedings concerning the issuer's liabilities or receivables amounting to at least 10 percent of its equity; if the total value of the issuer's liabilities or receivables under all initiated proceedings exceeds 10 percent of its equity, information shall be provided for each proceeding separately.

Arbitration proceedings

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

Pending lawsuits

As of 31.12.2024, the company has no pending cases.

Other lawsuits with effect in the last 12 months

There are none.

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

21. Details of the investor relations director, including telephone number and correspondence address.

The Investor Relations Director of Intercapital Property Development REIT is: **Radostina Pantaleeva** , with correspondence address: Sofia, 6 Dobrudzha Str., 4th floor, tel: 02 / 980 12 51, 02 / 921 05 16.

22. Changes in the company's share prices

The Company's shares have been traded on the Bulgarian Stock Exchange Sofia - AD since December 5, 2005.

As of December 31 , 2024 , the market price of shares on the Bulgarian Stock Exchange - Sofia is BGN 0.68 per share.

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 . 2024 , the last traded price of shares on the "NewConnect" market was PLN 1.42 per share.

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

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

1. Information regarding securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another Member State

The Company does not have securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member state.

2. Information regarding the direct and indirect ownership of 5 percent or more of the voting rights in the general meeting of the company, including data on the shareholders, the amount of their shareholding and the manner in which the shares are owned (as of 31.12.2024)

As of 31.12.2024, the shareholders directly and indirectly holding 5 percent or more of the voting rights in the general meeting of the company are:

Shareholder	Number of shares held	% of capital	Mode of ownership (direct/indirect)
UNIVERSAL PENSION FUND-FUTURE	1,900,000	6.84%	directly
EXCHANGE TRADED FUND EF PRINCIPAL ETF	2,684,483	9.67%	directly
DF "EF RAPID"	1,815,000	6.54%	directly
EXCHANGE TRADED FUND ASSET BALANCED ETF	1,400,000	5.04%	directly
MKP Ltd.	3 3 42 262	12.04%	directly
EUROINS ROMANIA ASIGURARE-REASIGURARE S.	1 731 110	6 , 23 %	directly
DF ASSETS HIGH	1,848,818	6.66%	directly

YIELD FUND			
------------	--	--	--

3. Data on shareholders with special control rights and description of these 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 result in restrictions on the transfer of shares or voting rights.

5. Material contracts of the company that give rise to effect, are amended or terminated due to a change in control of the company in the implementation of a mandatory tender offer, and the consequences thereof, except in cases where the disclosure of such information may cause serious harm 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 would become effective, be amended or terminated due to a change in control of the Company upon the implementation of a mandatory tender offer. The Company has not been the subject of a tender offer.

6. An electronic reference to the location on the public company's website where the inside information under Article 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 Commission Directives 2003/124/EC , 2003/125/EC and 2004/72/EC (OJ L 173/1 of 12 June 2014) (Regulation (EU) No 596/2014) concerning the circumstances that occurred during the past year has been published, or an electronic reference to the information agency or other media chosen by the issuer through which the company publicly discloses the inside information

Intercapital Property Development REIT discloses inside information to the Financial Supervision Commission, the Bulgarian Stock Exchange AD and the public through the electronic information provision systems e-Register and X3 News, as well as on the Company's website - <http://www.icpd.bg/>. The e-Register system is of the Financial Supervision Commission and the information published through it can be found on the website 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 on the company's profile in X 3 news : <http://www.x3news.com/>.

XIII. Non-financial declaration under Article 41 of the Accountancy Act

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

XIV. Information under Article 247, paragraph 2 of the Commercial Act

Information regarding the total remuneration received during the year by the members of the boards:

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

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

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

	31.12.202 4	31.12.202 3
	'000 BGN	'000 BGN
Remuneration to individuals	52	42
Reward for Aheloy 2012 /Petya Yordanova	-	-
Total	52	42

Information regarding the company's shares and bonds acquired, owned and transferred by the board members during the year :

As of 31.12.202 4 , 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 remaining members of the Board of Directors do not own shares in the Company's capital.

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

The Company's Articles of Association do not provide for any special rights of the members of the Board of Directors when acquiring 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 by owning more than 25 percent of their capital:

Name of legal entity	UIC	Headquarters and address	Participation
"NUTRITIONAPHARMA" LTD.	206458992	Sofia, Sredets district, 6 Dobrudzha Street	partner owning 50% of the capital
"D.STOYANOV 94" Ltd.	204792776	Aheloy town, Marina Cape No. 13, fl. 1, apt. A2 (identical to 22_1)	Partner owning 50% of the capital

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

Name of legal entity	UIC	Headquarters and address	Function
FOUNDATION " NOVO BG"	130982466	city Sofia , Sredets district, Dobrudzha Str . No. 6, floor 3	Member of the Board of Trustees and Executive Director
" NEW TIMES " FOUNDATION	175004387	city Sofia , Sredets district, Dobrudzha Str . No. 6, floor 3	Member of the Management Board and Executive Director
"NOVOTO VREME" Nature Reserve	131287649	city Sofia , Sredets district, Dobrudzha Str . No. 6, floor 3	Deputy Chairman of the Board of Directors
"MARINA CAPE REAL ESTATE" LTD.	203701631	city Aheloy, st. Marina Cape No. 13, fl. 1, app. A2 / 22_1	manager
"D.STOYANOV 94 " Ltd.	204792776	Aheloy town, Marina Cape No. 13, fl. 1, apt. A2 (identical to 22_1)	manager
"TRAKIETZ LAND DEVELOPMENT"	203619312	Sofia, 3 6 Dobrudzha Str., 1st floor	manager
"NUTRITIONAPHARMA"	206458992	Sofia, 6 Dobrudzha	manager

Ltd.		Street	
"AHELOY AGRO" EOOD	203176048	Sofia, 6 Dobrudzha Street, 1st floor	manager

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

Name of legal entity	UIC	Headquarters and address	Participation
" Neti Accounting" Ltd.	204845531	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	Sole owner of capital
"BALKAN IMO" EOOD	175236293	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	Sole owner of capital
"Smart Trading Bulgaria" EOOD	206224046	Village of Bistritsa, 67 Stefan Stambolov Street	Sole owner of capital

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

Name of legal entity	UIC	Headquarters and address	Function
" Neti Accounting" Ltd.	204845531	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	manager
"BALKAN IMO" Ltd.	175236293	Sofia, Sredets district, 6 Dobrudzha Str., 3rd floor	manager
"Smart Trading Bulgaria" EOOD	206224046	Village of Bistritsa, 67 Stefan Stambolov Street	manager

"Aheloy 2012" Ltd. is not an unlimited liability partner and does not own more than 25

percent of the capital of a commercial company.

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

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

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

Information regarding contracts under Art. 240b of the Commercial Code, concluded during the year :

In 2024, there were no contracts concluded between the Company and the members of the Board of Directors or persons related to them under Article 240b of the Commercial Code.

Planned business policy for the next year, including expected investments and personnel development, expected income from investments and development of the company, as well as upcoming transactions of significant importance for the company's activities:

The information is available in the "Likely Future Developments" section.

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

1. Relative share of assets leased for use against payment, compared to the total amount of investments in real estate.

As of 31.12.2024 , the Company has leased real estate worth BGN 39,224 thousand for management to Marina Cape Management EOOD (third party under Art. 27, para. 4 of the Real Estate Investment Act), which represents 100 % of the total amount of investments in real estate.

2. Information on the sale or purchase of a new asset with a value exceeding 5 percent of the total value of real estate investments, as well as on such transactions carried out after the date of preparation of the annual financial statement.

No such deals have been concluded.

3. Real estate construction, repairs and improvements carried out.

During the reporting period, repair works and activities to eliminate irregularities were carried out in order to prepare the Marina Cape holiday complex for the summer season of the year. The repair activities were carried out by Marina Cape Management EOOD - a third party

under Art. 27, para. 4 of the Act on the Management of the Complex. The modernization and reconstruction of zone 4 in the Complex was also completed.

4. Relative share of unpaid rents, leasing and rental payments to the total value of receivables arising from all rental, leasing and rental agreements concluded by the company.

As of 31.12.2024 , the value of the Company's receivables arising from the Management and Maintenance Contracts, including advances provided, concluded with Marina Cape Management EOOD, amounted to BGN 1,957 thousand.

The Company has not entered into any other rental, leasing, management and maintenance contracts.

5. Information about real estate on the territory of another Member State, by country.

The company does not have real estate in the territory of another member state.

6. Information on what share of the company's assets is a result of its main activity under Art. 5, para. 1, item 2 of the LDSICDS.

As of 31.12.2024 , over 100% of the assets of "Intercapital Property Development" REIT are a result of its main activity under Art. 5, para. 1, item 2 of the Act on Investment and Real Estate Investments.

7. Information on what share of the company's gross revenues for the current financial year is a result of its main activity under Art. 5, para. 1, item 2 of the LDSIC.

As of 31.12.2024 , the gross revenues of "Intercapital Property Development" REIT are a result of its main activity under Art. 5, para. 1, item 2 of the REIT Act.

8. Information about collateral provided or loans to third parties.

During the reporting period, Intercapital Property Development REIT did not secure third-party liabilities and did not provide loans to third parties.

9. Information about issued debt securities admitted to trading on a 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, distributed in 6,000 ordinary, non-preferred, registered, dematerialized, secured, interest-bearing, non-convertible, freely transferable bonds with a nominal value of one bond of EUR 1,000. The nominal annual interest rate is fixed at 6.00% and interest payments are made every 6 months, the term of the bond issue is 60 months.

During the reporting period, Intercapital Property Development REIT did not issue debt securities admitted to trading on a regulated market.

10. Term, amount and purpose (acquisition and commissioning of the acquired property) of a bank loan received by the company.

During the reporting period, Intercapital Property Development REIT did not receive any bank loans.

11. Information on the amount of investment in securities issued or guaranteed by a Member State and in bank deposits in banks authorized to operate in the territory of a Member State.

As of 31.12.2024 , Intercapital Property Development REIT did not invest in securities issued or guaranteed by a Member State and in bank deposits in banks that are entitled to operate on the territory of a Member State.

12. Information on the size of the investment in mortgage bonds admitted to trading on a trading venue in a Member State, compared to the total assets of the company.

As of 31.12.2024 , Intercapital Property Development REIT has not invested in mortgage bonds admitted to trading on a trading venue in a Member State.

13. Information on the size of the investment in other special purpose vehicles investing in real estate, compared to the total size of the company's assets.

As of 31.12.2024 , Intercapital Property Development REIT has not invested in other special purpose vehicles investing in real estate.

14. Information on the amount of the investment in a specialized company under Article 28 of the Investment Company Act, compared to the total amount of the company's assets.

As of 31.12.2024 , Intercapital Property Development REIT does not own a shareholding in a specialized company under Article 28 of the Act on Investment and Retirement Investment Companies.

15. Information on the size of the investment in third parties within the meaning of Art. 27, para. 4 of the Investment and Investment in Third Parties Act, compared to the size of the company's assets.

As of 31.12.2024 , Intercapital Property Development REIT did not own any equity interests in third parties within the meaning of the Investment and Retirement Investment Act .

March 31, 2025

Signature:

/Velichko Klingov – Executive Director/

