

**Inside information pursuant to Appendix No 9
to Art. 28, para 2 and Art. 41, para 2, p. 2 of ORDINANCE No. 2 as of 17.09.2003 on the
prospectuses to be published when securities are offered to the public or admitted to trading
on a regulated market and on disclosure of information by the public companies and the other
issuers of securities**

for the period 01.01.2016 – 30.06.2016

“Intercapital Property Development” ADSIC

1. For the issuer

1.1. Change of the persons, exercising control over the company

Since the establishment of the company up to present there haven't been persons exercising control over it.

1.2. Change in the members of the management and the control bodies of the company and reasons for the change; changes in the way of representation; appointment or discharge of procurator.

In the first six months of 2016 no such circumstance has occurred.

1.3. Amendments and/or supplements to the company's By-laws.

In the first six months of 2016 no such circumstance has occurred.

1.4. Decision for transformation of the company and implementation of the transformation; structural changes in the company.

No decisions for transformation of the company and implementation of transformations have been taken; there have not been any structural changes in the company.

1.5. Initiation of a liquidation procedure and all main stages, related to such procedure.

No liquidation procedure has been initiated for the company.

1.6. Initiation of a bankruptcy procedure for the company or its subsidiary and all substantial stages, connected with the procedure.

No bankruptcy procedure has been initiated for the company or its subsidiary.

1.7. Acquisition, granting for use or disposition of assets of big value according Art. 114 para 1 item 1 of LPOS.

Such a circumstance has not occurred.

1.8. Decision for conclusion, termination and rescission of a contract for a joint enterprise.

There has not been taken any decision for conclusion, termination and rescission of a contract for a joint enterprise.

1.9. Decision of the Financial Supervision Commission for delisting the company of the registry for the public companies and the other issuers of securities under art. 30, para 1, point 3 of the Law on the Financial Supervision Commission

There has not been such a decision of the commission for delisting the company of the registry for the public companies and the other issuers of securities under art. 30, para 1, point 3 of the Law on the Financial Supervision Commission.

1.10. Change of the auditors of the company and reasons for the change.

In the first six months of 2016 no such circumstance has occurred.

1.11. Announcement of the profit of the company.

As of 30.06.2016 the net financial result of the Company on non-consolidated basis is BGN is loss in the amount of BGN 143 thousand.

1.12. Material losses and the reasons thereof.

During the first six months of 2016 the Company has not realized material losses due to extraordinary or unforeseeable circumstances.

1.13. Unforeseeable or unforeseen circumstance of extraordinary nature, as a result of which the company or its subsidiary has suffered damages, amounting to three or more percent of the company's equity.

During the first six months of 2016 there have not been any circumstances of extraordinary nature that have caused such damages for the Company.

1.14. Public disclosure of a modified auditor's report.

Such a circumstance has not occurred.

1.15. Decision of the general meeting about the dividend's type and amount, as well as on the conditions and the order for its payment.

There has not been such a decision during the first six months of 2016.

1.16. Occurrence of liability, which is essential for the company or for its subsidiary, including each non fulfillment or increase of the liability.

As of 30.06.2016 the most essential liabilities of the Company are the obligations toward financial institutions. Their total value (incl. accrued interest, principal and bank fees) is as follows:

30.06.2016	31.12.2015
BGN '000	BGN '000

Bank loans

Long-term part	-	-
Short-term part	22 925	22 440
Total	22 925	22 440

In the table below the principal obligations of the received bank loans from financial institutions is presented with distribution of the obligations as of 30.06.2016 depending on the maturity date.

Creditor' name	Short-term obligation, EUR	Long-term obligation, EUR	Maturity date
Piraeus Bank Bulgaria AD	3 131 180,38	-	30.10.2015
Piraeus Bank Bulgaria AD	2 562 680.06	-	30.01.2014
Piraeus Bank Bulgaria AD	2 535 185.23	-	30.01.2014
Teximbank AD	82 500.00	-	20.12.2016

On 24.09.2015 "Intercapital Property Development" ADSIC has been notified about initiation of an enforcement case No. 671/2015 based on the records of private bailiff Stanimira Nikolova with reg. No. 805 from the Chamber of the private bailiffs.

The case has been instituted for collection of overdue receivables under Investment loan agreement with "Piraeus Bank Bulgaria" AD, entered in the Commercial Register to the Registry Agency with UIC 831633691.

The funds claimed under the case amount to a total of BGN 1 099 020.63. This sum includes principal, interest and costs related to the issuance of the writ.

In the first quarter of 2016 the Company was informed about new cases against it, the more important of which are:

- № 1501/2016, TO, 6-11, Sofia city court, opened at the request of Piraeus Bank Bulgaria AD. The claim is regarding failure to comply with obligations arising from a contract for investment credit No: 1236/2007 and its annexes. The claim is for 250 000 EUR, a part of the total claim of 3 799 150.91 EUR

- № 777/2016, TO, 6-11 Sofia city court, opened at the request of Piraeus Bank Bulgaria AD. The claim is regarding failure to comply with obligations arising from a contract for investment credit No: 736/2008 and its annexes. The claim is for 300 000 EUR, a part of the total claim of 3 673 027.05 EUR

In addition, the Company was informed by the Arbitration Court for commercial claims in Burgas that a ruling against it has been made in relation to Arbitration case No: 10/2015 to pay the amount of 525 075 to the plaintiff Midia AD which includes a principal of 100 000 BGN, interest, indemnity for delay and arbitrary tax and expenses.

1.17. Arising of receivable, which is essential for the company, with indication of its due date.

During the first six months of the year 2016 no essential receivable has arisen for the company.

During the first six months of 2016 the Company has realized extraordinary revenues in the amount of BGN 550 thousand due to write-off of liabilities to one of the Company's creditor – i.e. Grand Borovets 2013 EOOD.

In the second quarter of 2016 the Company realized other revenues from writing off of debts to one of its contractors in the amount of BGN 347 thousand. The liabilities were written off in

connection with the failure of meeting arrangements by customers/counterparties of the Company and execution of contracts with them.

1.18. Liquidity problems and measures for financial support.

Due to the fact that ICPD did not manage till 10.02.2016 to make the interest and principal payment on its bond loan pursuant to the repayment scheme, adopted by the General Meeting of the bondholders, held on 11.02.2015 and in compliance with the decisions of that General Meeting, the interest rate that has been applied over the outstanding bond loan for the next three-month period started on 15.02.2016, has remained in the amount of 5.75% annually.

On 11.03.2016 "Intercapital Property Development" ADSIC paid interest in the amount of EUR 39 747 and principal in the amount of EUR 62 500 that were due on 14.02.2016. Due to the delay in making the amortization payment the Company paid to its bondholders an interest for the delay for the period 15.02.2016-11.03.2016 in the amount of BGN 499,31 (or BGN 0,0998624 per bond).

Due to the fact that ICPD did not manage to pay within 12.05.2016 the due interest and principal payment of the bond loan, under the repayment plan, adopted by the General Meeting of Bondholders, held on 02.11.2015, and in accordance with the Decisions of the bondholders of the meeting, the interest rate applicable on the remainder of the bond issue for the next three months, starting on 05.15.2016, remained in the amount of 5.75% annually.

On 09.06.2016, the Company paid interest in the amount of EUR 37 999 and principal in the amount of EUR 62 500 that were due on 14.05.2016. Due to the delay in making the amortization payment the Company paid to its bondholders an interest for the delay for the period 15.05.2016 - 09.06.2016, in the amount of BGN 499.30 (or BGN 0,09986 per bond).

1.19. Increase or reduction of the share capital

There have not been such circumstances during the first six months of 2016.

1.20. Confirmation of negotiations for acquisition of the company.

There hasn't been such a circumstance during the first six months of 2016.

1.21. Conclusion or fulfillment of significant contracts, which are not related to the company's usual activity.

During the first six months of 2016 no significant contracts which are not related to the company's usual activity have been concluded or fulfilled.

1.22. Position of the management body in connection with the tender offer made.

During the first six months of 2016 no tender offer has been made to the Company's shareholders, respectively there has not been any position of the Board of Directors of the company related to that.

1.23. Termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years.

During the first six months of 2016 there has not been any termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years.

1.24. Introduction of new products and developments on the market

No new products and developments have been introduced on the market during the first six months of 2016.

1.25. Big orders (amounting to over 10 percent of the average revenues of the company for the last three years).

During the first six months of 2016 there have not been orders amounting to over 10 percent of the average revenues of the company.

1.26. Development and/or change in the amount of the orders and the use of the production capacity.

There hasn't been such a circumstance.

1.27. Termination of the sales of a given product, forming significant part of the revenues of the company.

There hasn't been such a circumstance.

1.28. Purchase of patent

There hasn't been such a circumstance.

1.29. Obtaining, suspension of the use, withdrawal of authorization to pursue business (license).

There has not been obtaining, suspension of the use, withdrawal of authorization to pursue business (license) during the first six months of 2016.

1.30. Initiation or termination of legal or arbitration proceedings, relating to liabilities or receivables of the company or its subsidiary, with price of the claim at least 10 percent of the company's equity.

On 24.09.2015, "Intercapital Property Development" ADSIC was notified for instituted against the Company enforcement case № 671/2015 on the inventory of private bailiff Stanimira Nikolova reg. № 805 of the CPEA.

Enforcement proceedings have been instituted on the basis of a writ of execution issued in favor of "PIRAEUS BANK BULGARIA" AD for BGN 1 099 020.63. The proceeding in the enforcement case is pending at the time.

ICPD ADSIC has filed within a term an objection against the issued writ of execution. In this regard, "PIRAEUS BANK BULGARIA" AD has filed a declaration under Art. 422 of the CPC against the company, with which it wishes to establish the due sum of BGN 1 099 020.63, on which the enforcement proceedings has been initiated. Currently the case is pending.

ICPD ADSIC has been notified of an enforcement case of two new writs of execution each for an amount of EUR 500,000 principal. The writs of executions were issued on the basis of the order proceedings ch.gr.d. № 9110/2016, and the ch.gr.d. № 9111/2016 on the inventory of Sofia Regional Court. "Intercapital Property Development" ADSIC has filed, within the term, objections

to the two new writs of execution.

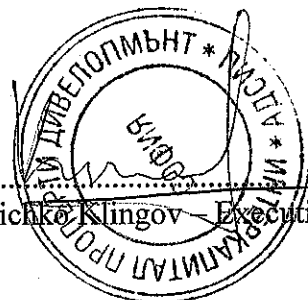
1.31. Other circumstances, which the company considers could be of importance for the investors at taking a decision to acquire, to sell or continue to own publicly offered securities.

On 01.02.2016 the Company signed an Annex to the Contract with VEI Project AD dated 30.12.2011, according to which the parties have agreed that the term within which ICPD shall pay to VEI Project AD the remainder of the sale price of the properties, subject to the Contract, which as of 01.02.2016 amounts to EUR 841 989.39 incl. VAT, shall be extended till 30.09.2021 and the parameters of the deferred payment change as follows:

- Interest: 6.5% annually for the extended term of the contract, which shall be accrued as of 01.02.2016 onwards.
- Term: 30.09.2021
- Interest payments: monthly on the last day of each month.
- Payment of the remainder of the sale price: in 9 equal monthly installments from 30 January 2021 to 30 September 2021.

On 30.06.2016, the Annual General Meeting of Shareholders was held, during which the individual and consolidated financial statements of "ICPD" ADSIC for 2015, the report of the Board of Directors, the Director of Investor Relations and draft decisions on the items included in the agenda of the meeting were approved.

29.07.2016
Sofia


/Velichko Klingov – Executive Director/