

**Inside information pursuant to Appendix No 9
to Art. 33a¹, p. 3 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 01.01.2019 – 31.12.2019

“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.

During the reporting period no such circumstance has occurred.

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

During the reporting period 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.

During the reporting period no such circumstance has occurred.

1.11. Announcement of the profit of the company.

As of 31.03.2020 the net financial result of the Company on non-consolidated basis is loss in the amount of BGN 224 thousand.

1.12. Material losses and the reasons thereof.

During the reporting period the Company has not realized material losses due to extraordinary or unforeseeable circumstances.

The loss generated by the company as of 31.03.2020 in the amount of BGN 224 thousand is mainly attributable to the financial expenses incurred during the reporting period and, in particular, to interest expenses.

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 reporting period 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.

The audited report of the registered audit company NIBOS EOOD, with UIC 200635432, represented by the manager and sole proprietor of the capital - Nikolay Mihaylov Polinchev - registered auditor with Dipl. 0684 with the ICPA, which verified and certified the annual non-consolidated financial statement of the company for 2019, contains the following qualified opinions:

“Basis for qualified opinion

The Statement of account of the Company as of 31 December 2019 presents trade and other receivables in the amount of BGN 5 039 thous. as disclosed in Notes 10. Trade receivables, 12. Other receivables and 33. Receivables from Related parties. The Company has over 79% overdue, unimpaired receivables of over one year. In our opinion, concerning receivables standing at BGN 3 035 thousands, the value of receivables exceeds the value of the net assets of the debtors, which gives rise to uncertainty whether the Company will be able to collect the full amount of its receivables.

As a result, we did not succeed in obtaining sufficient assurance that the carrying amount of the receivables presented in the Statement of account as of 31 December 2019 does not exceed their recoverable value. For this reason, we are not in a position to determine whether there are and what are the effects of the receivables presented like that, on the net assets of the Company as of 31 December 2019.

We have performed our audit in conformity with the International Standards on Auditing (ISA). Our responsibilities according to these standards are described in the section of our Report - Auditor's Responsibility for the Audit of the Financial Statements.

We are independent from Intercapital Property Development Special Purpose Investment Company in compliance with the Code of Ethics for professional accountants of the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements, applicable to our audit of the Financial Statements in the Republic of Bulgaria, and we have fulfilled our other ethical responsibilities in conformity with the requirements of the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.“

And

The Statement of account of the Company as of 31 December 2019 presents trade and other receivables in the amount of BGN 5 128 thousands as disclosed in Notes 10. Trade receivables. The Company has over 90% overdue, unimpaired receivables of over one year. In our opinion, concerning receivables standing at BGN 4 586 thousands, the value of receivables exceeds the value of the net assets of the debtors, which gives rise to uncertainty whether the Company will be able to collect the full amount of its receivables.

As a result, we did not succeed in obtaining sufficient assurance that the carrying amount of the receivables presented in the Statement of account as of 31 December 2019 does not exceed their recoverable value. For this reason, we are not in a position to determine whether there are and what are the effects of the receivables presented like that, on the net assets of the Company as of 31 December 2019.

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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 reporting period.

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

There has not been such a decision during the reporting period.

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

During the reporting period no essential receivable has arisen for the company.

1.18. Liquidity problems and measures for financial support.

There have not been such circumstances during the reporting period.

1.19. Increase or reduction of the share capital

There have not been such circumstances during the reporting period.

1.20. Confirmation of negotiations for acquisition of the company.

There hasn't been such a circumstance during the reporting period.

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

During the reporting period 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 reporting period 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 reporting period 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 reporting period.

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

During the reporting period 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 reporting period.

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.

There hasn't been such a circumstance.

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.

The disruption of normal economic activity in the Republic of Bulgaria as a result of Covid-19 may adversely affect the operations of Intercapital Property Development REIT, in particular the revenue and the management of holiday properties. The management of the company has taken timely measures in order to deal with the global situation, including in Bulgaria, a force majeure.

15.04.2020

Sofia

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/Velichko Klingov – Executive Director/

