

**Inside information pursuant to Appendix No 9
to Art. 33, para.1, point 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 01.01.2020 – 31.12.2020

**“Intercapital Property Development” ADSIC
(on consolidated basis)**

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.

No amendments to the Articles of Association of the company have 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 31.12.2020 the net financial result of the Company on consolidated basis is loss in the amount of BGN 1 352 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 31.12.2020 in the amount of BGN 1 352 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.

In the audit reports of the registered audit company "NIBOS" EOOD, with UIC 200635432, represented by the manager and sole owner of the capital - Nikolay Mihailov Polinchev - registered auditor with Diploma No. 0684 in ICPA, verified and certified the annual individual and annual consolidated financial statements of the company for 2019 contain the following qualified opinions: "In the statement of the financial condition of the company as of December 31, 2019 are presented trade and other receivables in the amount of BGN 5,039 thousand, as disclosed in notes 12. Trade receivables, 14. Other receivables and 33. Receivables from related parties. The company has over 79% overdue, impaired receivables over one year. In our opinion, for the receivables in the amount of BGN 3,035 thousand, the value of the receivables exceeds the value of the net assets of the debtors, which creates uncertainty that the company will be able to collect its receivables in full.

As a result, we were unable to obtain sufficient assurance that the carrying amount of the receivables presented in the statement of financial position as at 31 December 2019 did not exceed their recoverable amount. For this reason, we are not able to determine whether and what are the effects of the receivables presented in this way on the net assets of the company as of December 31, 2019.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the section of our report Auditor's Responsibilities for the Audit of the Financial Statements.

We are independent of Intercapital Property Development REIT in accordance with the Code of Ethics of Professional Accountants of the International Accounting Standards for Accountants (CMSA Code) together with the ethical requirements applicable to our audit of the financial statements in the Republic of Bulgaria. we have also fulfilled our other ethical responsibilities in accordance with these requirements and the CMSA Code.

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

and

“In the statement of financial position of the Group as of December 31, 2019 are presented trade and other receivables in the amount of BGN 5,128 thousand, as disclosed in Notes 11.1. Trade and Other receivables. The Group has over 90% overdue, impaired receivables over one year. In our opinion, for receivables in the amount of BGN 4,586 thousand, the value of receivables exceeds the value of net assets of debtors, which creates uncertainty that the Group will be able to collect its receivables in full.

As a result, we were unable to obtain sufficient assurance that the carrying amount of the receivables presented in the statement of financial position as at 31 December 2019 did not exceed their recoverable amount. Therefore, we are not able to determine whether there are and what are the effects of the receivables presented in this way on the net assets of the Group as of December 31, 2019.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the section of our report Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants of the Council of International Standards of Ethics for Accountants (IAASB Code) together with the ethical requirements applicable to our audit of the consolidated financial statements in the Republic of Bulgaria. our other ethical responsibilities in accordance with these requirements and the CMSA Code.

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

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.

No such events occurred.

1.19. Increase or reduction of the share capital

The company has increased its share capital, thanks to the successful increase of the share capital through the subscription of rights which were converted into 21,755 thousand shares, from 6,011 thousand to 27,766 thousand shares.

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 revenues and management of holiday properties. The management of the company has taken timely measures in order to deal with the force majeure situation, which has occurred on a global scale, including in Bulgaria.

On 30.07.2020 the FSC confirmed the prospectus for public offering of shares

On 06.08.2020 the announcement for public offering of securities of the company under art. 92a of the POSA (as amended by SG No. 28 of 2020) is published on www.x3news.com, on the issuer's website (www.icpd.bg) and on the authorized investment intermediary (www.intercapitalmarkets.com).

- Start date for trading and transfer of the rights on the stock exchange, as well as start date for subscription of shares from the increase: 24.08.2020;
- Closing date for trading the rights on the stock exchange: 03.09.2020;
- Final date for transfer of rights: 08.09.2020;
- Date of the auction under Art. 112b, para. 7 of LPOS: 15.09.2020;
- Deadline for subscription of shares from the increase: 01.10.2020;

On 13.10.2020, according to entry № 20201013143520 in the electronic file of the Company, a change in the amount of the capital was entered in the Commercial Register, which was increased as a result of a successfully completed subscription under the conditions of public offering of shares with 21,755,000 new ordinary, registered dematerialized shares, each with the right to one vote, nominal value BGN 1 and issue value BGN 1.

On 14.10.2020 the Central Depository entered in its register the issue from the capital increase.

On 20.10.2020 the issue was entered in the register of the FSC under Art. 30, para. 1, item 3 of the FSCA;

On 23.10.2020 the issue was introduced for trading on the BSE.

With funds from the capital increase the company has repaid its liabilities in the amount of BGN 20,260,000 thousand.

26.02.2021

Sofia

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/Velichko Klingov – Executive Director/