

**ANNUAL Managerial REPORT
of INTERCAPITAL PROPERTY
DEVELOPMENT “REIT
for 2021**

**IMPLEMENTATION REPORT
OF THE REMUNERATION POLICY
for 2021**

March 2022

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 the Sofia City Court with Decision No. 1 of 29.03.2005, part. № 92329, Volume 1204, Reg. I, p. 23 in the company file № 3624/2005

With decision № 702-FVC of 16.11.2005 of the Financial Supervision Commission, the Company received a license to operate as a special investment purpose company. The same decision also confirmed the Prospectus for public offering of 750,000 new shares of the Company, issued for the purpose of initial increase of 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 № 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 made with new 750,000 shares with a nominal value of BGN 1 each. According to Decision № 4 of 26.01.2006 of the Sofia City Court under file no. № 3624/2005 the increase of the capital up to the amount of **BGN 3,250,000 was registered.**
- In September 2006 a second increase in the capital of Intercapital Property Development REIT was made with new 1,625,000 shares with a nominal value of BGN 1 each. According to Decision № 6 of 18.09.2006 of the Sofia City Court under file no. № 3624/2005 the increase of the capital up to the amount of BGN 4,875,000 was registered.
- With Decision № 7 of 25.09.2006 of the Sofia City Court under file no. № 3624/2005 a clear factual error was eliminated in Decision № 6 of 18.09.2006 and the correct one was stated, namely that the capital of the Company was increased to **BGN 4,823,627** by issuing new 1,573,627 shares with a nominal value of BGN 1 each.
- On 23.08.2010, according to entry № 20100823172414 in the Commercial Register, an increase of the capital up to **BGN 6,011,476 was entered** , through the issuance of new 1,187,849 shares with a nominal value of BGN 1 each.
- On 13.10.2020, according to entry № 20201013143520, an increase in the capital up to BGN 27,766,476 was entered in the Commercial Register **through** the issuance of new 27,766,476 shares with a nominal value of BGN 1 each.

The company is not limited in time.

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

The shares of the company are traded on BSE AD, alternative market BaSE Market, with stock exchange code: ICPD.

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

II. Activity overview

The company has the following subject of activity according to the SPVPA: investing funds raised through the offer of securities in the purchase of real estate and limited real rights; development of own real estate by carrying out constructions and improvements; sale of real estate; rental or management of own real estate and any other activity related to real estate investing and permitted by law.

The Company may not perform activities other than those listed above and directly related to their implementation, unless permitted by the SPV Act.

At least 70 percent of the assets of the Company at the end of each quarter should be the result of activities under its subject.

Real estate investments

The main assets of Intercapital Property Development REIT are located in the town of Aheloy, Marina Cape. The assets are kept and managed by Marina Cape Management EOOD (third party within the meaning of Art. 27, para. 4 of the VAT Act). Marina Cape Management EOOD has two managers who can guarantee functioning and representativeness. The company has imposed measures to protect the staff, property and ensure the functioning of the complex in compliance with the orders of state and municipal authorities. Strict restrictions have been imposed on entering the complex. Security has been increased.

Currently there are all possibilities are normal life in the complex of property owners, as well as the possibility of accommodating tourists on the basis of their own kitchen.

The other big asset of Intercapital Property Development REIT is a building under construction in Borovets, which is only guarded.

The main buyers of the properties sold by the Company are concentrated in the following countries: Bulgaria, Poland and to a lesser extent the Czech Republic, Slovakia, Lithuania and others. former Russian republics.

In the last few years, the Company's sales efforts have focused on reaching new geographic markets. The company has started business relations with partners from China for the properties it offers.

In 2021, the company is counting on the activation of the holiday property market, especially in connection with the need for isolation due to the Kovid pandemic and the resumption of revenue from the sale of real estate. The company is working hard to restructure its liabilities in order to service them regularly and improve its liquidity.

Development of the investment projects of the Company

1. Marina Cape

The holiday complex was fully completed in August 2010, when on 12.08.2010 with certificates № 45 (26 s.) And № 48 (27 s.), Sectors 26 and 27 (Zone 4) were put into operation.

In 2021, activities were carried out to eliminate irregularities during the operation and repair work of the complex. The repair works are performed by Marina Cape Management EOOD. Also in 2021, based on an agreement between Intercapital Property Development REIT and Marina Cape Management EOOD, began the reconstruction of the 4th zone in the complex, which provides for the existing apartments in the area to be converted into studios in order to -effective use and tourism. For this purpose, a project has been approved and a construction permit has been issued for the reconstruction. According to the initial plan, the construction should be ready for the 2022 season. Despite the unfavorable international environment and the disrupted supply chains, the company hopes to be able to complete the project on time.

The holiday complex is operated all year round. During the winter season, there were 2 of the 4 restaurants, as well as a bowling alley, a spa, a gym and squash courts. At least 100 apartments were maintained for renting to tourists - casual and organized visitors.

During the summer season 2021, the complex operated at high occupancy (for apartments owned by the Company and those not owned by the Company, but managed by the subsidiary Marina Cape Management EOOD).

Despite the difficulties and limitations, the complex regularly hosts conference-type events, in compliance with all anti-epidemiological measures. The company actively strives to develop this type of tourism.

2. Grand Borovets

In May 2008 the Company received the construction permit and started the construction works on the project in the resort complex Borovets. The company Midia AD was chosen as the contractor of the building up to the stage of rough construction. The terrain on which the project is built has an area of 6,600 square meters. The site has a total built-up area of 10,000 square meters and includes residential area - 5,175 square meters, retail space - 3,140 square meters and underground garages - 1,685 sq. M.

In October 2008 the Company received Act 14 and Certificate for completed rough construction for the project in Borovets. To date, the remarks on the additional prescriptions of CEZ have been removed. Act 15 for the external power supply of the site and the signing of a contract for the purchase of the substation will be made after the completion of construction (Act 15) for the building. At the moment, all construction and installation works on the site are frozen for an indefinite period of time.

On December 17, 2013 the Company concluded a contract for financial leasing of real estate with Bulgaria Leasing EAD with a leasing object: the investment project Grand Borovets. The lease price to be paid was EUR 2,927,724.36 excluding VAT. Pursuant to the Intercapital Property Development Agreement, the REIT has notarized the ownership of the land property with identifier 65231.918.189, located in the town of Samokov, Samokov Municipality, Sofia District, and the building built in this property, representing the hotel apartment complex. with service facilities with identifier 65231.918.189.2, of the lessor Bulgaria Leasing EAD. As a result, under the terms of a reverse lease, Intercapital Property Development REIT received from the lessor the possession of the properties subject to the Financial Leasing Agreement.

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

With Annex of 10.2020 the interest rate under the leasing contract is reduced to 6% per annum. To date, all other clauses of the contract have remained unchanged.

Sales and operation of investment properties

In 2021 the Company reports revenues from sales of real estate - residential buildings for seasonal use in the holiday complex "Marina Cape" in the amount of BGN 5,114 thousand. The total area of the sold properties is 3,266.04 sq.m.

The main buyers of the properties sold by the Company are concentrated in the following countries: Bulgaria, Poland and to a lesser extent the Czech Republic, Slovakia, Lithuania and others. former Russian republics.

In the last few years, the Company's sales efforts have focused on reaching new geographic markets. The company has started business relations with partners from China for the properties it offers.

In 2021, the company is counting on the activation of the holiday property market, especially in connection with the need for isolation due to the Kovid pandemic and the resumption of revenue from the sale of real estate. The company is working hard to restructure its liabilities in order to service them regularly and improve its liquidity.

In 2021, Intercapital Property Development REIT reports revenues from the operation of investment properties in the complex (including commercial and residential properties). It is carried out by the third party Marina Cape Management EOOD, on the basis of a contract between MKM EOOD and ICPD REIT, regarding the management of the properties in the Marina Cape complex. The subject of the contract is the use and operation of all real estate owned by ICPD REIT, in the Marina Cape complex, as Marina Cape Management Ltd. has the right to use and operate the properties according to their purpose, unless otherwise agreed between the Parties, including has the right to sublet and / or exploit them in any other way, collecting income from it.

For the use and operation of the Properties MKM EOOD undertakes to pay to the Owner an annual remuneration of 75% (seventy-five percentage points) of the net amount of the annual positive financial result of the Manager's activities throughout the Marina Cape Holiday Complex , Aheloy, for the respective year, before taxes, but not less than 420,000 (four hundred and twenty thousand) euros without VAT.

The contract is from April 1, 2019, and the payments cover the period until April of each following year.

During the past year the Company realized revenues from operating activities in the amount of BGN 5,935 thousand.

In 2021 the company generated revenues from revaluations in the amount of BGN 9,627 thousand, of which 1,839 were reported in other comprehensive income. The financial expenses amount to BGN 958 thousand. and represent mainly interest expenses and loan fees.

At the end of 2021, in accordance with the requirements of the current legislation, an assessment was made of the investment property, land and assets owned by the Company under construction. The investment properties of the Company include all sites - residential and commercial areas in the holiday complex "Marina Cape", as well as unfinished construction in Borovets. As of 31.12.2021 their value is BGN 43,440 thousand. at BGN 39,790 thousand as of 31.12.2020

III. Important events that occurred in 2021

A meeting of the Board of Directors of ICPD REIT was held on 19.05.2021, at which a decision was made to convene a regular annual General Meeting of Shareholders for 2020, to be held on 28.06.2021 at 12:00 hours, in Sofia, 6 Dobrudja Str., 4th floor with the following agenda:

Item one : Reports of the management body on the activities of the Company in 2020;

Draft resolution : The General Meeting of Shareholders approves the report of the Board of Directors on the activities of the Company in 2020 and the consolidated report on the activities of the Company in 2020;

Item two : Annual report of the Audit Committee of the Company on the activities in 2020;

Draft resolution : The General Meeting of Shareholders approves the annual report of the Audit Committee of the Company on the activities in 2020;

Item three : Reports of the selected registered auditor on the annual financial statements of the Company for 2020;

Draft resolution : The General Meeting of Shareholders approves the report of the elected registered auditor on the annual financial statements of the Company for 2020 and on the annual consolidated financial statements of the Company for 2020;

Item four : Approval of the annual financial statements of the Company for 2020;

Draft resolution : The General Meeting of Shareholders approves the annual financial statements of the Company for 2020;

Item five : Approval of the consolidated annual financial statements of the Company for 2020;

Draft resolution : The General Meeting of Shareholders approves the consolidated annual financial statements of the Company for 2020;

Item six : Adoption of a decision on the financial result of the Company for 2020;

Draft resolution : The General Meeting of Shareholders accepts the proposal of the Board of Directors to report the reported profit from the activities of the Company for 2020 in the amount of BGN 505,830.82 (five hundred and five thousand eight hundred and thirty levs and eighty-two stotinki) used to cover losses from previous years.

Item seven : Discharge of the members of the Board of Directors for their activities during the period 01.01.2020 - 31.12.2020;

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 01.01.2020 - 31.12.2020. ;

Item eight : Selection of a registered auditor for inspection and certification of the annual financial statements of the Company for 2021;

Draft resolution : For verification and certification of the annual individual and consolidated financial statements for 2021. 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 agenda;

Item nine : Report of the Investor Relations Director;

Draft resolution : The General Meeting of Shareholders approves the report of the Investor Relations Director;

Item ten : Report of the management body on the implementation of the Remuneration Policy of the members of the Board of Directors of the Company for 2020;

Draft resolution : The General Meeting of Shareholders approves the report of the Board of Directors on the implementation of the Remuneration Policy of the members of the Board of Directors of the Company for 2020;

Item eleven : 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 Jivka Dimitrova Stankova - Nikolova for a new three-year term from the date of the General Meeting.

Point Twelve : Miscellaneous. ”

All points were accepted at the meeting .

On the 17th . 09 . 2021 The Company successfully places the second corporate bond issue under the terms of initial private offering. The bond loan has a total nominal and issue value of EUR 6,000,000, divided into 6,000 ordinary , unprivileged, registered, dematerialized, secured, interest-bearing, non-convertible, freely transferable bonds, with a nominal value of one bond - 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 resort. Marina Cape. The characteristics of the debenture loan are described in detail in the memorandum to it. The Board of Directors elected TEXIM BANK AD as a trustee of the issue, which should be elected by the First General Meeting of Bondholders.

At 11 .10. 2021 d . The First General Meeting of Bondholders was held with the following points:

"Point one : Introducing the bondholders to the chosen trustee of the bondholders and confirming his choice;

Draft resolution : The General Meeting of Bondholders confirms the election of TEXIM BANK AD, with UIC 040534040, within the meaning of Art. 205, para. 4 of the CA and Art. 100a, para. 1 and 3 of LPOS for trustee of the bondholders in the issue of corporate bonds with ISIN code BG2100010219, issued by INTERCAPITAL PROPERTY DEVELOPMENT REIT;

Item two : Approval of the content of the draft contract for the performance of the function "Trustee of the bondholders" after acquainting the bondholders with the rights and obligations of the trustee of the bondholders according to the draft contract;

Draft resolution : The General Meeting of Bondholders after getting acquainted with the draft contract and the rights and obligations of the bondholders' trustee described in the draft contract, approves the conclusion of a contract with the selected bank TEXIM BANK AD, UIC 040534040 to perform the function of Trustee by issue of bonds with ISIN code BG2100010219;

"Point three : Miscellaneous;

Draft resolution : The General Meeting of Bondholders authorizes the Board of Directors and the Executive Director of the Company, personally or through third parties, to perform all necessary legal and factual actions in connection with the implementation of decisions adopted by bondholders on the agenda.

On December 29, 2021, pursuant to a contract for granting instead of execution dated December 27, 2017, Intercapital Property Development REIT transferred the ownership of all owned shares to its only subsidiary participating in the Issuer 's consolidation , and namely the shares of Marina Cape Management EOOD.

As of December 29, 2021, Intercapital Property Development REIT will not prepare consolidated financial statements, and the Company will prepare only separate financial statements. The last prepared audited annual consolidated financial statement of the Issuer is for 2020, and the last unaudited interim consolidated financial statement is as of 30.09.2021.

In 2021, the Company promptly disclosed inside information, including information on the notifications received for significant shares under Art. 145 of the Public Offering of Securities Act.

IV. The main risks facing the company are:

- **Choosing an inappropriate market strategy**

The future profits, as well as the market value of the Issuer depend on the business strategy chosen by the top management team of the company. The company strives to control the 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 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**

The operational risks are related to the management of the Company. This is the risk of unexpected losses or expenses related to the activities of the Company as a result of inadequate actions or non-functioning internal processes. The main risk is related to making wrong

investment decisions of the company's management, actions of the third party under Art. 27 of the SPVPA for investment property servicing and the depository bank. These risks could lead to losses for the Company, and hence deterioration of the Issuer's liquidity. Other operational risks could be - possible technical errors of the unified information system; leaving key employees and inability to hire staff with the necessary qualities; risk of excessive increase in management and administration costs, leading to a reduction in the overall profitability of the company.

The persons who would invest in the securities of the Company expect the investment to be affected by the main risks related to the activity of the company - Issuer. The actual occurrence of these risks during the period of holding the debt securities leads to a decrease in cash inflows for the Issuer, and hence to the possibility of generating profit for the Company and profitability for its shareholders.

- **Liquidity Risk**

The inability of the Company to cover its counterpart liabilities according to their maturity leads to liquidity risk. Liquidity depends mainly on the availability of highly liquid assets, mainly cash or their respective equivalents.

Effective liquidity risk management requires conservative policy by constantly maintaining optimal liquidity, flexible loans to finance the company's activities, adequate credit resources, daily inspection of available liquid assets to cover the upcoming maturities arising from the Company's liabilities.

Investments in real estate assets are generally low liquidity - it is likely that a property will not be sold at a fair market price, low cost and fast, due to the long deadlines for 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.

- **Risk of inability of the company 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 related to the possibility that the Issuer does not pay on time or does not pay interest and principal on the bond. Such a risk would also arise in case of poor management of the company's cash flows, therefore the Issuer will manage this risk by maintaining sufficient liquid assets, assessing and controlling the credit risk.

- **Credit Risk**

This type of risk arises from the occurrence of borrowed funds and the probability that the borrower will not fulfill in time, in part or in full its commitments in the contract between him and the lender or when the company's customers are unable to repay part or all on schedule due amounts, which will lead to losses for the company. To control this risk, the Company has established an organization for ongoing monitoring of collection and preparation of an analysis of the current status of its receivables from customers 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 Investment Purposes and Securitization Companies (SPVIC) provides a mechanism for limiting this risk by requiring all real estate owned by the company to be assessed by independent experts with the necessary qualifications and experience.

- **Dependence on key personnel**

Building new and innovative business, economic and financial models requires very specific qualifications in the company's staff - the lack of such specialists in the country due to high competition between employers in Bulgaria and European markets, leads to a serious shortage of their number. The success of the company's goals will depend, in part, on its ability to retain its managers. The inability to maintain sufficiently experienced and qualified staff in key positions for the company can have a significant adverse effect on its financial and operational condition. To date, the Company has not taken out key personnel insurance.

- **Risk related to the dependence on the activity of third parties within the meaning of Art. 27, para. 3 of the SPV Act**

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 SPV Act. In order to limit possible losses, Intercapital Property Development REIT has entered into written agreements with third parties that clearly regulate the rights, obligations and responsibilities of the parties in case of breach of contract.

- **Risk that the Issuer will not be able to finance its planned capital expenditures and investments**

Investing in real estate requires a solid capital expenditure. In case of unfavorable economic, financial or other negative events for the Company, it may be necessary to finance these costs mainly from external sources. However, there is no certainty that external funding can 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 carries out strict planning of future investments and the need for financing in order to take timely action to ensure it, in order to avoid delays and lost profits.

- **Risk of insufficient working capital for dividend payment**

Special investment purpose companies are obliged to distribute at least 90% of the converted profit for the year (according to the provisions of Article 29 of the SPV Act and Article 247a of the CA) in the form of dividends. The dividend must be paid within twelve months of the end of the financial year in question. Therefore, the Board of Directors is responsible for the precise management of the inflows and outflows of the Company so that it has sufficient funds to pay the dividend due. In the event of adverse economic and financial consequences, these costs may need to be financed mainly from external sources such as bank loans or other credit lines. However, there is no certainty that, if external funding is needed, it can be raised on acceptable terms. There is also a possibility after transformation of the financial result for the year, according to the provisions of art. 29, para. 3 of the SPV Act, no financial result to be distributed is available.

- **Risk related to the payment of a fixed interest rate on the bond issue**

At a fixed interest rate for the period of a given issue, the Issuer undertakes to pay a certain interest regardless of the market levels and the revenues it receives. Thus, it is impossible for the Issuer to benefit from a reduction in interest rates (as in the case of floating interest rates) and to continue to pay higher interest rates regardless of the dynamics of its income (which may be declining) and the prevailing market interest rates. levels. On the other hand, the fixed interest

rate allows the Issuer to better plan its cash flows. Also, to some 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 will suffer damages due to unethical behavior of persons with whom it is in contractual relations with it or with its non-subsidiary, incl. persons from the governing bodies of companies in the group. To avoid this risk, the Board of Directors intends to adhere to strict rules for transparency in decision-making and to avoid conflicts of interest. The risk of unethical and illegal behavior of external counterparties of the Company will be minimized through preliminary analysis of these partners and their reputation.

- **Risks related to the activity and structure of the issuer**

As of the date of the Intercapital Property Development Prospectus, REIT has no majority shareholder and does not belong to a specific economic group. In case of possible need to finance the implementation of the Issuer's investment policy, this circumstance may create a risk for the Issuer of lack of support of a majority shareholder in deciding 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 main competitors of the Company are the other companies with special investment purpose securitizing real estate and in particular those aimed at offering tourist and holiday services.

The main part of the company's assets are real estate in the town of Aheloy (Marina Cape holiday complex), the other asset is in the resort. Borovets (unfinished construction). The holiday property market is highly competitive, and it is not possible to name individuals who have a significant market share and can have an impact on the economic environment. The price of real estate owned by Intercapital Property Development REIT depends on the general state of the holiday property market.

There is no guarantee that Intercapital Property Development REIT will be able to achieve better returns than its competitors and / or 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 different than market conditions**

All transactions of the Issuer with related parties are concluded under market conditions. Although the Issuer's management expects that all future transactions or agreements will be concluded under conditions no worse for Intercapital Property Development REIT than those in which it may enter into transactions with unrelated parties, the possibility of a similar situation arises.

- **Inflation risk**

Inflation risk is the probability of an increase in the general level of prices in the economy, as a result of which the purchasing power of the local currency - the lev - decreases. Inflationary processes lead to a decrease in the real return that investors receive.

Investing in securities is considered to be the main instrument for hedging against inflation risk, as the increase in the general level of prices leads to an increase in the market value of real assets owned by the company, and hence to an increase in net assets per share.

- **Currency risk**

A change in the lev's exchange rate against another currency would change the return that investors expect to receive by comparing it with the return they would receive from an investment denominated in another currency. A possible devaluation of the lev in such a situation would lead to a decrease in the return on investment in the Company's securities. On the other hand, a reduction in profitability would lead to a decline in investor interest and, consequently, to a reduction in share prices. The Bulgarian lev is fixed by law to the euro, which largely eliminates the presence of currency risk and determines the movement of the lev against other international currencies, subject entirely to the behavior of the common European currency. Until the abolition of the currency board system in the country, the currency risk when investing in shares of the Company will be reduced to the risk of depreciation of the euro.

- **Risk of changing the tax regime of investments in securities**

The taxation of income 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 tax regime consists in the possibility to change 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.

V. Analysis of financial and non-financial key performance indicators relevant to the business, including information on environmental issues and staff

The results in 2021 are due to the purposeful efforts of the management to increase the operating revenues, reduce costs, optimize the collateral provided by the company. The main differences with 2020 are the significant growth in property sales and optimization of collateral for the company's liabilities - currently the company has provided less collateral compared to previous years while maintaining the level of indebtedness.

This is evident from the past of the following main coefficients listed below:

	2021	2020
Price / profit ratio	7 . 28	20 . 2
Earnings per share	0.14	0.05
Debt to share capital	0.79	0.95

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

On 18.03.2022 the Company disclosed inside information informing the public that in connection with interest payment in the amount of EUR 178 520.55 on a bond issue issued by the Company with ISIN code BG2100010219, due on 17.03.2022 to the bondholders who acquired securities from the issue as of March 14, 2022, the Company has made the payment of the interest on the principal to the Central Depository AD - the institution through which all amortization payments on the bond loan of the Company are paid.

On February 24, 2022, Russia started a war with Ukraine, which will probably have a negative impact on the company's core business. sale of real estate and tourist activity.

VII. Probably 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 own real estate through improvements, sale of real estate, leasing rental or management of 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 top management team of the company. The company strives to control the 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 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 2022, the company expects an increase in the holiday property market and intensification of sales of apartments in the holiday complex "Marina Cape".

In addition, in 2022 the management is considering continuing to improve its capital efficiency - refinancing liabilities and achieving better financial conditions - interest, deadlines, collateral.

In 2022, the company expects an increase in the holiday property market and intensification of sales of apartments in the holiday complex "Marina Cape".

The company has started and is implementing a modernization project and zone IV , which should be completed for the tourist season 2022. The funds are provided by the bond loan and the construction and installation activities have been advanced.

VIII. Actions in the field of research and development

In 2021 d . The company did not carry out research and development activities.

IX. Information for acquisition of own shares, required by the order of art. 187e of the Commercial Code

In 2021, Intercapital Property Development REIT did not acquire or transfer own shares.

X. The presence of branches of the enterprise

The company did not establish and register branches in 2021 .

XI. Financial instruments used by the enterprise

Not applicable.

XII. Information under Appendix № 2 of Ordinance № 2 of the FSC of 9.11.2021 for 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 quantity, on the main categories of goods, products and / or services provided, indicating their share in the issuer's sales revenue, in general and the changes that occurred during the reporting financial year

1.1 The revenues from the activity of the Company reported in 2022 are revenues from the sale of investment properties and revenues from services (revenues from the operation of investment properties in the complex) from sales of properties - residential buildings for seasonal use in the holiday complex "Marina Cape" in amount to BGN 5,114 thousand. The total area of the sold properties is 3 266.04 sq.m

Operating income (in thousands of BGN)	2021	2020
Net sales revenue of:		
1. Investment properties	5 114	393
2. Services	822	822
3. Others	93	
Total:	6 029	1 215

In 2021, Intercapital Property Development REIT for 2021 reports revenues on a non-consolidated basis from the operation of investment properties in the complex (including commercial and residential properties). It is carried out by the servicing company Marina Cape Management EOOD, on the basis of a contract between MKM EOOD and ICPD REIT, regarding the management of the properties in the Marina Cape complex. The subject of the contract is the use and operation of all real estate and property owned by ICPD REIT, in the Marina Cape complex, as Marina Cape Management Ltd. has the right to use and operate the property according to their purpose, unless otherwise agreed between the Parties, such as including the right to sublease and / or exploit them in any other way, collecting income from it.

In 2021 the Company reports revenues from sales of real estate - residential buildings for seasonal use in the holiday complex "Marina Cape" in the amount of BGN 5,114 thousand . The total area of the sold properties is 3,266.04 sq.m.

In 2021, Intercapital Property Development REIT for 2021 reports revenues on a non-consolidated basis from the operation of investment properties in the complex (including commercial and residential properties). It is carried out by Marina Cape Management EOOD, on the basis of a contract between MKM EOOD and ICPD REIT, regarding the management of the

properties in the Marina Cape complex. The subject of the contract is the use and operation of all real estate owned by ICPD REIT, in the Marina Cape complex, as Marina Cape Management Ltd. has the right to use and operate the properties according to their purpose, unless otherwise agreed between the Parties, including has the right to sublet and / or exploit them in any other way, collecting income from it.

The revenues in the amount of BGN 93 thousand are revenues from the sale of the shares of the subsidiary Marina Cape Management EOOD, which sale was finalized with the signing of a notarized contract on 29.12.2021.

2. Information on the revenue allocated to the different categories of activities, internal and external markets, as well as information on the sources of supply of materials needed to produce goods or provide services, reflecting the degree of dependence on each individual seller or buyer / consumer, and in case the relative share of any of them exceeds 10 per cent of the expenses or revenues from sales, information shall be provided for each person individually, for his share in the sales or purchases and his relations with the issuer.

The company operates only on the Bulgarian market.

The distribution in 2021 of revenues by categories of activities and volume is shown in the previous section.

1.1. For the use and operation of the Properties MKM EOOD undertakes to pay to the Owner an annual remuneration of 75% (seventy-five percentage points) of the net amount of the annual positive financial result of the Manager's activities throughout the Marina Cape Holiday Complex , Aheloy, for the respective year, before taxes, but not less than 420,000 (four hundred and twenty thousand) euros without VAT.

1.2. The contract is from April 1, 2019, and the payments cover the period until April of each following year.

During the past year the Company realized revenues from operating activities in the amount of BGN 5,935 thousand.

In 2021 the company generated revenues from revaluations in the amount of BGN 9,627 thousand, of which 1,839 were reported in other comprehensive income. The financial expenses amount to BGN 958 thousand. and represent mainly interest expenses and loan fees.

At the end of 2021, in accordance with the requirements of the current legislation, an assessment was made of the investment property, land and assets owned by the Company under construction. The investment properties of the Company include all sites - residential and commercial areas in the holiday complex "Marina Cape", as well as unfinished construction in Borovets. As of 31.12.2021 their value is BGN 43,440 thousand. at BGN 39,790 thousand as of 31.12.2020

3. Information on concluded significant transactions.

There are none.

4. Information on the transactions concluded between the issuer and related parties during the reporting period, proposals for concluding such transactions, as well as transactions that are outside its usual activity or significantly deviate from the market conditions to which

the issuer or its subsidiary is a party. indication of the value of the transactions, the nature of the connectivity and any information necessary to assess the impact on the issuer's financial condition

in thousand BGN	2021	2020
Sales / purchases of goods and services		
- Paid advances to Marina Cape Management EOOD from Intercapital Property Development REIT	0	1,000
- services provided by Intercapital Property Development REIT for Marina Cape Management EOOD	0	821

In 2021 there were no proposals for concluding transactions with related parties, as well as transactions that are outside its usual activity or significantly deviate from the market conditions to which the Company is a party.

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

In 2021 there were no events and indicators of unusual nature that would have a significant impact on the activities of the Company and its revenues and expenses.

6. Information on off-balance sheet transactions - nature and business purpose, indication of the financial impact of the transactions on the activity, if the risk and benefits of these transactions are significant for the issuer and if the disclosure of this information is essential for assessing the financial condition of the issuer.

In 2021 there are no transactions conducted off-balance sheet by the Company.

7. Information on the issuer's shareholdings, 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 sources / methods of financing.

On December 29, 2021, a contract was concluded for the transfer of company shares, pursuant to which Intercapital Property Development REIT transferred 100% of the capital of MARINA CAPE MANAGEMENT EOOD to a third party. As of 31.12.2021 the company has no shareholdings.

Information about the owned real estates is presented above in item II.

8. Information on the loan agreements concluded by the issuer, its subsidiary or the parent company, in their capacity as borrowers, indicating the terms thereof, including the deadlines for repayment, as well as information on guarantees provided and commitments

As of December 31, 2021, Intercapital Property Development REIT has the following obligations for principal on a debenture loan:

Long-term liability, EUR	Interest	Maturity
6,000,000	6%	17 .0 9 .2026

Collateral provided on real estate owned by Intercapital Property Development REIT for liabilities of the Company:

Provided collateral for a debenture loan

Number of real estate collateral	Area of real estate under collateral	Book value of the collateral provided 000 BGN
60 residential sites	4 810.67 sq.m.	6 932
19 commercial / warehouse sites	1,554.63 sq.m.	2 010
land	40,000 sq.m.	4 517

9. Information on loans granted by the issuer or its subsidiaries, guarantees or commitments in total to one person or its subsidiary, including related parties, indicating the name or title and UIC of the person, the nature of the relationship between the issuer or its subsidiaries and the borrower, the amount of outstanding principal, interest rate, date of conclusion of the contract, deadline for repayment, amount of commitment, specific conditions other than those specified in this provision, and the purpose for which they were granted, in in case they are concluded as targets.

In 2021, Intercapital Property Development REIT and / or its subsidiary did not enter into loan agreements in their capacity as lenders, including the provision of guarantees of any kind, including related parties.

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

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

- 1) Amount of the concluded debenture loan - EUR 6,000,000 (six million).
- 2) Number of bonds - 6000 (six thousand).
- 3) Nominal value of each bond - 1,000 (thousand) euros.
- 4) Issue value of each bond - 1,000 (thousand) euros.
- 5) Type of bonds - ordinary, dematerialized, registered, interest-bearing, term, secured, non-convertible, freely transferable, corporate.
- 6) Maturity and maturity of the issue - 5 (five) years (equal to 60 months) from the date of conclusion of the debenture loan.
- 7) Date from which the maturity of the bonds runs - September 17, 2021.
- 8) Repayment of the principal - payable once at the maturity of the debenture loan, together with the last tenth interest payment.
- 9) Interest - 6% (six percent) on an annual basis, fixed interest rate, which is payable every 6 (six) months. The basis for calculating the interest rate is: Actual number of days in the period on the actual number of days in the year (Actual / Actual). All interest payments are calculated as simple interest on the nominal value of the debenture loan.
- 10) Periodicity of interest payments - once every 6 months; dates of maturity of interest payments - 1) March 17, 2022; 2) September 17, 2022; 3) March 17, 2023; 4) September 17, 2023; 5) March 17, 2024; 6) September 17, 2024; 7) March 17, 2025; 8) September 17, 2025; 9) March 17, 2026; 10) 17.09.2026. In case the date of payment 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 Alexandrov Blvd., www.teximbank.bg, which should be elected by the First General Meeting of Bondholders.
- 13) Collateral - The Company undertakes to provide collateral for the issue in the form of first mortgages on real estate, apartments and commercial properties, as well as on land (RLE) and facilities owned by the Issuer, established in favor of the bondholders' trustee. The issuer will initially establish second mortgages, which will later become first mortgages, on real estate, apartments and commercial properties, which currently provide the first mortgage with an existing bank loan of 3,447,000 (three million four hundred and forty-seven thousand), subject to refinancing with funds raised from the current bond issue. Regarding the mortgages that will be established on the land (RLE) and the facilities, they will be the first in order from the very beginning.
- 14) Conditions of offering - under the conditions of private (non-public) offering by the order of art. 205, para. 2 of the Commercial Law through invitations to investors in the Republic of Bulgaria (not more than 150 in number).
- 15) Secondary trade - After the publication of the announcement in the Commercial Register at the Registry Agency under Art. 206, para. 6 of the Commercial Law, but not later than

6 months from the conclusion of the bond loan, the Company will submit an application for the issued bonds to be accepted for trading on the Bulgarian Stock Exchange and / or other regulated market in the EU.

The funds raised from the issue were used to repay:

a bank loan in the amount of EUR 3,580,000 ;

advance payment for finishing works and reconstruction EUR 2,420,000 in accordance with the objectives set out in the Proposal for subscription to the Corporate Bond Issue under the conditions of 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 estimated financial results.

12. Analysis and evaluation of the policy on the management of financial resources, indicating the possibilities for servicing the obligations, possible threats and measures that the issuer has taken or is about to take in order to eliminate them.

The issuer's policy regarding the management of financial resources is focused on several main areas: increasing the revenues from real estate sales and the revenues from real estate management owned by the Company; for restructuring the liabilities of the Company; to increase the collection of the issuer's receivables. The purpose of all these measures is to improve the financial condition of the company, incl. number and his liquid position. In terms of increasing revenues from real estate sales, the company is constantly striving to find new markets and attract potential buyers, as well as to seek new forms of sales revenue related to real estate, which the Company owns.

13. Assessment of the possibilities for realization of the investment intentions with indication of the amount of the available funds and reflection of the possible changes in the structure of financing of this activity.

Grand Borovets Investment Property is currently under construction (this procedure has been suspended for an unknown period of time) and has not been put into operation. Approximately 2,500,000 euros are needed to finalize the construction activities and put the investment property into operation.

In case the Company fails to sell the investment property in the short - medium term, the necessary funds for the completion of the property and its commissioning will be financed through loans or a new issue of securities. The same will be done in the long run, as the commissioning of Grand Borovets does not affect the Company's investment plans in the medium term.

During the historical financial periods under consideration, although the management of the Company had decided to sell the investment property "Grand Borovets" and the same was announced publicly, it did not actively seek a buyer. From the beginning of 2021, the management intensified its efforts to find an investor willing to buy the unfinished property, believing that in

the short to medium term (although at the date of the report such is not yet a fact), will be able to reach an agreement purchase and sale of investment property.

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

No such changes occurred during the reporting period.

15. Information on the main characteristics of the internal control system and risk management system applied by the issuer in the process of preparation of the financial statements.

Intercapital Property Development REIT has adopted and applies rules and procedures governing the effective operation of the company's reporting and disclosure systems. The rules describe in detail the different types of information created and disclosed by the company, the processes of internal document management, the different levels of access to the types of information of the responsible persons and the deadlines for processing and managing information flows. The established risk management system ensures the effective implementation of internal control in the creation and management of all company documents, incl. the financial statements and other regulated information that the Company is obliged to disclose in accordance with the legal provisions.

16. Information on 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, rewards and / or benefits of each of the members of the management and supervisory bodies for the 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 costs or arise 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 due from the issuer or its subsidiaries for the payment of pensions, retirement benefits or other similar benefits.

Development REIT is a public company that pays remuneration to the members of the Board of Directors in the 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 Assembly also decided that the remuneration of the Executive Director should be up to 12 minimum salaries.

By decision of the General Meeting of Shareholders, members of the Board of Directors may receive royalties of not more than 0.1% of the Company's profit before the distribution of dividends for each member of the Board of Directors, but not more than 0.5% of the total Advice.

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 compensations upon retirement of the members of the Board of Directors.

The members of the Board of Directors have not received remuneration or compensation from subsidiaries of the issuer and the latter have not set aside or accrues amounts for pensions, benefits or other compensations upon retirement of the members of the Board of Directors in 2021.

Remuneration was paid for the reporting period as follows:

- Mr. Velichko Stoychev Klingov, in his capacity as an executive member of the Board of Directors of the Company, was paid a remuneration in the amount of BGN 48,608, 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 paid remuneration in the amount of BGN 1,032 , including for previous years.

18. Information on the shares of the issuer 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 provided by the issuer on its securities - type and amount of the securities on which the options are based, the exercise price of the options, the purchase price, if any, and the term of the options .

As of 31.12.2021 the members of the Board of Directors hold shares of the Company as follows:

	Number of shares	% of capital
Velichko Klingov	5,305	0.02%

The issuer did not issue options on the equity securities.

19. Information on the arrangements known to the company (including after the end of the financial year), as a result of which in the future there may be changes in the relative share of shares or bonds held by current shareholders or bondholders.

The Management Board of the Company is not aware of any agreements, as a result of which changes in the relative share of shares held by current shareholders may occur in the future .

20. Information on pending court, administrative or arbitration proceedings concerning liabilities or receivables of the issuer in the amount of at least 10 percent of its equity; if the total value of the issuer's liabilities or receivables on all initiated proceedings exceeds 10 per cent of its own capital, information on each proceeding shall be provided separately

Arbitration proceedings

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

Pending lawsuits

Commercial case № 6/2015 on the list of the District Court - Burgas, TO, I panel, instituted by Maxim Viktorovich Goncharov against "INTERCAPITAL PROPERTY DEVELOPMENT" REIT for payment of amounts under preliminary contracts for sale of real estate, which contracts Goncharov considers spoiled

The case was instituted at the request of Maxim Viktorovich Goncharov with legal grounds Art. 55 of the CPA, which requires INTERCAPITAL PROPERTY DEVELOPMENT REIT to be ordered to return payments made by the plaintiff under four preliminary contracts for the sale of real estate - Apartments with № 37_11, № 37_12, № 37_13 and „37_13 and The price of the filed claims amounts to EUR 80,503.84, together with the legal interest on this amount due from the date of cancellation of the contracts until the full repayment of the obligation.

Due to an objection for local jurisdiction of INTERCAPITAL PROPERTY DEVELOPMENT REIT, the case was terminated and forwarded to the Sofia City Court, where it was instituted as gr.d. № 5304/2015 on the list of the Sofia City Court, CA 1-2 decision of 12 December 2016. The Sofia City Court upheld the claim up to the amount of EUR 70,503.84, together with the legal interest from January 7, 2015 until the date of final payment. appealed in time before the Court of Appeal of Sofia The decision of the Court of Appeal of Sofia upheld the first instance decision by a decision of 13 September 2017. The decision of the Court of Appeal of Sofia was appealed in time before the Supreme Court of Cassation.

The Supreme Court of Cassation overturned the decision of the Sofia Court of Appeals and returned the case for a new ruling. With a decision on v.gr.d. № 5364/2021 according to the list of the Court of Appeal Sofia, 8 s-v the decision of the Sofia City Court of 12.12.2016 was confirmed again, by which the claims were upheld up to the amount of EUR 70,503.84, together with the legal interest of 07.01 .2015 until the date of final payment. A cassation appeal was filed by INTERCAPITAL PROPERTY DEVELOPMENT REIT on time.

After signing a contract for giving instead of performing in 2022, this issue is settled and the company has no obligation to this client.

Other lawsuits with effect in the last 12 months

Enforcement cases

Civil case № 16919/2015 on the list of Sofia City Court, filed by Gennady Grishin against "INTERCAPITAL PROPERTY DEVELOPMENT" REIT for payment of amounts under a preliminary contract for purchase and sale of real estate, which contract Gennady Grishin considers

The price of the claim is in the amount of 105,312 euros, representing the paid sale price of the property - Apartment № 1_11, located in the holiday complex "Marina Cape", together with legal interest until the final payment of the debt.

With a decision of 09.07.2021 the filed claim in the amount of 105 312 euros, together with the legal interest of 29.12.2015 was fully respected. The decision came into force on March 23, 2021.

The enforcement case № 550/2021 according to the list of PEA Delyan Nikolov, with registration № 804 of the BCPEA, with area of action District Court - Burgas was initiated on the basis of a writ of execution issued in favor of Gennady Grishin for the amount of EUR 105 312 principal, representing the amount due in connection with the cancellation of the preliminary contract described above. In 2021, after signing an agreement, the company repaid its debts to this client by paying the principal on the debt and the enforcement case was terminated.

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

21. Details of the Investor Relations Director, including telephone and mailing address.

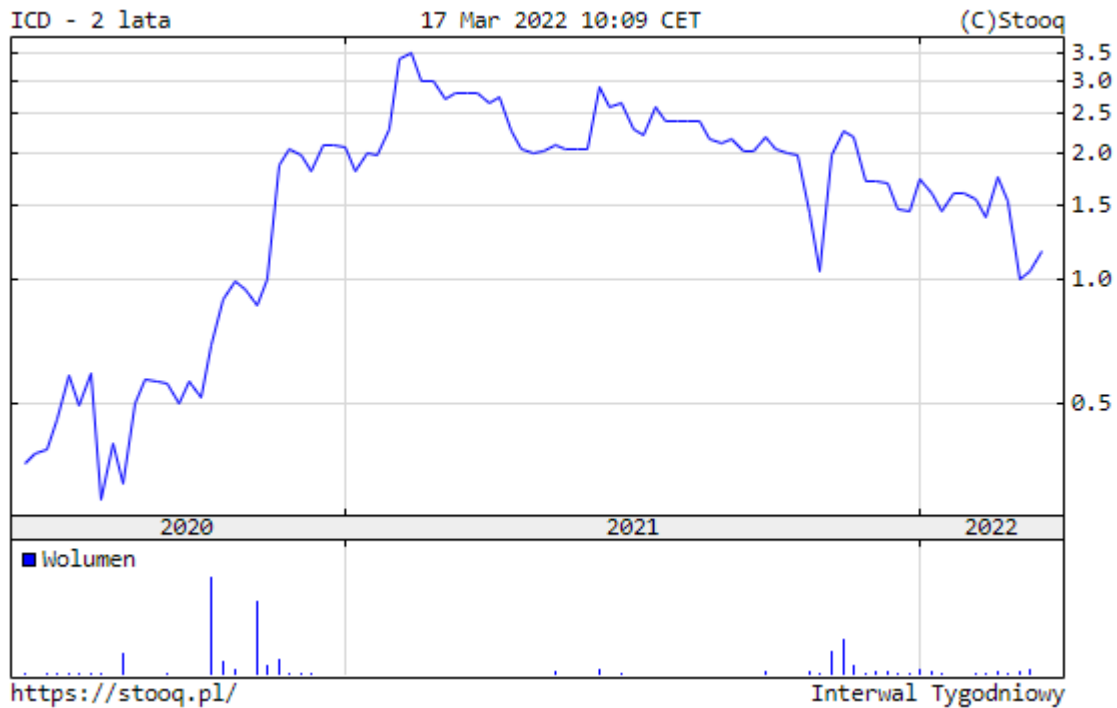
Investor Relations Director of Intercapital Property Development REIT is: **Radostina Pantaleeva**, with address for correspondence: Sofia, 6 Dobrudja Str., 4th floor, tel: 02/980 12 51, 02/921 05 16.

22. Changes in the share prices of the company



Source: www.infostock.bg

The shares of the Company have been traded on BSE Sofia - AD since December 5, 2005.



Source: <https://stooq.com>

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

XIII. Information under Appendix № 3 of Ordinance № 2 of the FSC of 9.11.2021 for initial and subsequent disclosure of information in public offering of securities and admission of securities to trading on a regulated market

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

The Company has no securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another member state.

2. Information on the direct and indirect holding of 5 per cent 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 held (as of 31.12.2021)

As of 31.12.2021 the shareholders holding directly and indirectly 5 per cent or more of the voting rights in the general meeting of the company are:

Shareholder	Number of shares held	% of capital	Manner of possession (direct / indirect)

UNIVERSAL PENSION FUND-FUTURE	1,824,483	6.84%	direct
STOCK EXCHANGED FUND F PRINCIPAL ETF	1,824,483	6.57%	direct
SF "EF RAPID	2,730,000	9.83%	direct
STOCK EXCHANGE FUND ASSETS BALANCED ETF	1,800,000	6.48%	direct
DF ASSETS HIGH INCOME FUND	1,730,818	6.23%	direct
MKP OOD	3 530 162	12.71 %	direct

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 known to the company which may lead to restrictions on the transfer of shares or voting rights

The Company is not aware of any agreements between shareholders that may lead to restrictions on the transfer of shares or voting rights.

5. Significant contracts of the company that give rise to, change or terminate due to a change in the control of the company in the implementation of mandatory bidding, and their consequences, except in cases where the disclosure of this information may cause serious harm to the company; the exception under the previous sentence shall not apply in the cases when the company is obliged to disclose the information by virtue of the law.

The Company has no significant contracts that give rise to, change or terminate due to a change in the control of the Company in the implementation of mandatory bidding. The company was not subject to tender.

6. Electronic link to the place on the website of the public company where the internal information under Art. 7 of Regulation (EU) № 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Regulation on market abuse) and repealing Directive 2003/6 / EC of the European Parliament and of the Council and Directive 2003 (124 / EC , 2003/125 / EC and 2004/72 / EC of the Commission (OJ L 173/1 of 12 June 2014) (Regulation (EU) № 596/2014) on the circumstances of the past year, or an electronic link

to the news agency or other media chosen by the issuer, through which the company publicly discloses inside information

Intercapital Property Development REIT discloses inside information to the Financial Supervision Commission, Bulgarian Stock Exchange AD and the public through the electronic information delivery systems e-Register and X3 News, as well as on the Company's website - <http://www.icpd.bg/>. The e-Register system belongs to the Financial Supervision Commission and the information published through it can be found on the website of FSC - <https://www.fsc.bg/bg/>. The inside information disclosed by the company can be found on the company's website (<http://www.icpd.bg/index.php?request=documents>) and in the company's profile at X3news : <http://www.x3news.com/>.

XIV. Non -financial declaration under Art. 41 of the Accounting Act

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

XV. Information on 247, para. 2 of the Commercial Law

Information on the remuneration received in total during the year by the members of the councils:

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

The executive members of the Board of Directors conclude a written contract with the Company for assignment of management, while the other members of the Board of Directors may conclude employment contracts or contracts for assignment of management.

The key management staff of the Company includes the members of the Board of Directors . The remuneration of key management personnel includes the following costs:

	12/31/2021	12/31/2020
	'000 BGN	'000 BGN
Remuneration to individuals	39	39
Remuneration for Aheloy 2012	-	-
Total	39	39

Information on the shares and bonds of the company acquired, held and transferred by the members of the boards during the year :

As of 31.12.2021 the members of the Board of Directors hold shares of the Company as follows:

	Number of shares	% of capital
Velichko Klingov	5 305	0.02%

The other members of the Board of Directors do not own shares in the capital of the Company.

Information on the rights of the members of the boards to acquire shares and bonds of the company :

The Articles of Association of the Company do not provide for special rights of the members of the Board of Directors in the acquisition of shares and bonds of the company.

Information on the participation of the members of the boards 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 such as procurators, managers or board members :

Velichko Klingov is not a general partner and does not own more than 25 percent of the company's capital.

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

Name of legal entity	UIC	Headquarters and address	Function
NOVO FOUNDATION BG	130982466	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	member of the Board of Trustees and Executive Director
NEW FOUNDATION TIME	175004387	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	member of the Management Board and executive director

CHAMKORIA SKI CLUB ASSOCIATION	13122016 6	Samokov, 56 Makedonia Street	Member of the Management Board
GREAT LUCK AD	20349422 5	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	member of the Board of Directors
PE "NEW TIME"	13128764 9	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	Deputy Chairman of the Management Board

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 EOOD	20484553 1	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	Sole owner of the capital
BOLKAN IMO EOOD	17523629 3	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	Sole owner of the capital
Smart Trading Bulgaria EOOD	20622404 6	S. Bistritsa, 67 Stefan Stambolov Street	Sole owner of the capital

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

Name of legal entity	UIC	Headquarters and address	Function
Neti Accounting EOOD	20484553 1	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	manager

BOLKAN IMO EOOD	17523629 3	Sofia, Sredets district, 6 Dobrudja Street, 3rd floor	manager
Smart Trading Bulgaria EOOD	20622404 6	S. 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 company.

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

Petya Georgieva Yordanova (a person appointed to represent AHELOY 2012 EOOD on the Board of Directors of the public company) is not a general partner and does not own more than 25 percent of the capital of a company.

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

Information regarding the contracts under Art. 240b of the CA concluded during the year :

In 2021 no contracts have been concluded between the Company and the members of the Board of Directors or persons related to them under Art. 240b of the CA.

Planned economic policy for the next year, including the expected investments and development of the staff, the expected income from investments and development of the company, as well as the forthcoming transactions essential for the activity of the company:

Information is available in the section "Likely future developments".

XVI. Information under Art. 31 of the SPVPA and Art. 20 of Ordinance № 2 of 9.11.2021 for initial and subsequent disclosure of information in public offering of securities and admission of securities to trading on a regulated market

1. Relative share of assets leased against payment in relation to the total amount of real estate investments.

As of 31 December 2021 the Company has leased to Marina Cape Management EOOD (third party under Art. 27, para. 4 of the SPVPA) real estate worth BGN 29,964 thousand, which represents 67.51% of the total amount of real estate investments.

2. Information on the sale or purchase of a new asset of a value exceeding by 5 per cent the total value of real estate investments, as well as on such transactions made after the date of preparation of the annual financial statements.

No such transactions have been concluded.

3. Completed constructions, repairs and improvements of real estate.

During the reporting period, repair works and activities to eliminate irregularities were carried out in order to prepare the holiday complex "Marina Cape" for the summer season of the year. The repair works were performed by Marina Cape Management EOOD - a third party under Art. 27, para. 4 of the SPV Act.

4. Relative share of unpaid rents, lease and rent installments in relation to the total value of receivables arising from all agreements concluded by the company for rent, lease, rent.

As of 31.12.2021 the value of the receivables of the Company, arising from the Management and Maintenance Contracts , including provided advances, concluded with Marina Cape Management EOOD amounts to BGN 7,036 thousand.

The company has not entered into other contracts for rent, lease, management and maintenance.

5. Information on immovable property in the territory of another Member State, by country.

The company has no real estate in the territory of another Member State.

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

As of December 31, 2021, over 70% of the assets of Intercapital Property Development REIT are the result of its main activity under Art. 5, para. 1, item 2 of the SPV Act.

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

As of 31.12.2021 over 40% of the gross revenues of Intercapital Property Development REIT are as a result of its main activity under Art. 5, para. 1, item 2 of the SPV Act.

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

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

9. Information on 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, divided into 6,000 ordinary, unprivileged, registered, dematerialized, secured, interest-bearing, non-convertible, freely transferable bonds with a nominal value of - 1000 Euro. 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.

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 bank loans.

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

As of December 31, 2021, Intercapital Property Development REIT has not invested in securities issued or guaranteed by a Member State and in bank deposits with banks that are entitled to operate in the territory of a Member State.

12. Information on the amount of investment in mortgage bonds admitted to trading on a trading venue in a Member State, relative to the total amount of the company's assets.

As of December 31, 2021, Intercapital Property Development REIT has not invested in mortgage bonds admitted to trading on the spot for trading in a Member State.

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

As of December 31, 2021, Intercapital Property Development REIT has not invested in other special purpose vehicles investing in real estate.

14. Information about the amount of the investment in a specialized company under Art. 28 of the SPV Act from the SPV Act, in relation to the total amount of the company's assets.

As of December 31, 2021, Intercapital Property Development REIT does not have a share in a specialized company under Art. 28 of the SPVPA.

15. Information on the amount of the investment in third parties within the meaning of Art. 27, para. 4 of the SPVPA, in relation to the amount of the company's assets.

As of December 29, 2021, Intercapital Property Development REIT held a shareholding in third parties within the meaning of the SPVPA in the amount of BGN 5,000, namely in MARINA CAPE MANAGEMENT EOOD.

On December 29, 2021, a contract was concluded for the transfer of company shares, pursuant to which Intercapital Property Development REIT transferred 100% of the capital of MARINA CAPE MANAGEMENT EOOD to a third party.

XVII. Information on the impact of COVID-19

In connection with the spread of the coronavirus (COVID-19) economic activity in Bulgaria and abroad has suffered a serious shock. The introduction of strict measures by national authorities to curb the spread of the virus has disrupted investment activity.

The management of the Company carefully analyzes the potential effects of the pandemic and the restrictions imposed by the national authorities. It is assumed that the reduction of economic activity and liquidity in the country's economy will continue, which may affect the activities of the Company. The effects on the activity of the Company as a result of the occurred events may include: extraordinary expenses, reduction of the incomes, delay of the planned investments, etc.

The management of the Company continues to apply all necessary precautionary measures to preserve the health and life of persons working under contract for it, as well as its partners and shareholders.

March 26, 2022

Signature:

/ Velichko Klingov - Ex. Director /