

**Interim report on the activities of  
Intercapital Property Development REIT  
for the first six months of 2024**

**20/07/2024**

## ICPD H1 2024

### 1. General information

#### 1.1. Financial results

In the first six months of 2024 , the Company realized net revenues in the amount of BGN 43 thousand.

The overall result of the activity, including the financial costs, is described below.

<i>(thousand BGN except data per share)</i>	30/06/2024	30/06/2023
Sales revenue	43	8 199
Other income from the activity	-	10
Financial income	-	-
Extraordinary income	-	-
Result of main activity	-237	-195
Net result of the activity	-237	-195
Net result per share	-0.007	-0.007
Amount of assets	45,341	42,007
Land	8,467	8,316
Investment property	36,874	28,769
Work in progress	-	-
Net assets	29,770	36,220
Share capital	27,766	27,766
Number of shares	27,766,476	27,766,476

#### 1.2. Stock trading

As of 30.06.2024 , the market price of shares on the Bulgarian Stock Exchange - Sofia is BGN 0.70 per share.

In August 2010, "Intercapital Property Development" REIT became the first Bulgarian company whose shares are traded on a capital market outside Bulgaria, as well as the first Bulgarian company whose shares are accepted for trading on a market organized by the Warsaw Stock Exchange. 11.08.2010 was the first date of quotation of the Company's shares on the alternative trading system for new companies "NewConnect", organized by the Warsaw Stock Exchange.

As of June 30, 2024 - the price of the Warsaw Stock Exchange is 1.74 Polish zlotys.

### 2. Marina Cape

In the first six months of 2024, activities were carried out to eliminate irregularities that occurred during the operation and repair works of the complex in order to prepare it for the summer season of the year. Repair activities are carried out by the subsidiary and service company "Marina Cape Management" EOOD.

The holiday complex is operated all year round. During the 2023-2024 winter season, 2 of the 4 restaurants were operational, as well as the bowling alley, spa, gym and squash courts. A minimum of 100 apartments are maintained for renting out to tourists - occasional and organized visitors.

Currently, during the summer season of 2024, the complex is operating at about 85-90% occupancy (for the apartments that are owned by the Company and those that are not owned by it, but are managed by the company "Marina Cape Management" EOOD ).

Conference-type events are regularly held in the complex, and the company actively strives to develop this type of tourism.

### **2.1 Sales**

Over the past several years, the Company's sales efforts have focused on reaching new geographic markets. The company continues with business relations with partners from China for the properties it offers.

### **2.2 Funding and information on new material receivables and/or liabilities for the reporting period**

In the period 01.01.2024-30.06.2024, no new significant receivables and/or liabilities arose for the "Intercapital Property Development" REIT group.

### **3. Main risks and uncertainties facing Intercapital Property Development REIT during the remainder of the financial year**

The main risks and uncertainties that "Intercapital Property Development" REIT may encounter in 2024 are :

- market risk – risk of a decrease in the market prices of the real estate that the company sells as a result of reduced demand for vacation properties, as well as the risk of low tourist flow in 2024 as a result of the slow recovery after the recent global financial crisis.
- risk of inability to service bank loans taken and the issued bond issue – in the event that the company fails to generate sufficient income to cover the costs of interest and principal repayment.

An event with an extremely negative impact is the outbreak of the military conflict between Russia and Ukraine. The company has no direct exposures in financial instruments issued by issuers in Russia and Ukraine and relations with Russian banks.

The indirect effects for the Company are expected to be expressed in the increase of uncertainty and the significant deterioration of the investment environment in 2024. The Company considers that it is possible to deteriorate the solvency of its customers as a result of inflation, increased energy prices and job losses . Due to the unpredictability of the military conflict, at this stage it is practically impossible to make a definite forecast about the impact on the Company's financial situation.

**4 . Information about concluded large deals with related and/or interested parties**

During the considered period, "Intercapital Property Development" REIT did not enter into large transactions with related and/or interested parties.

On 28.06.2024, a regular annual General Meeting of the Company's shareholders was held, at which 17,809,365 shares representing 64.14% of the Company's capital were presented.

The general meeting of shareholders adopted the company's annual financial report for 2023, as well as the report of the management body on the Company's activities, the annual report of the Audit Committee, the report of the elected registered auditor on the Company's annual financial statements, the report of the director of liaison with investors and a report of the Board of Directors on the implementation of the remuneration policy. The general meeting of shareholders adopted a decision regarding the financial result of the Company. The shareholders elected a registered auditor for 2024 and discharged the members of the Board of Directors from liability for their activities in 2023.

Next, a decision was made to change the composition of the Board of Directors - "AHELOY 2012" EOOD was released as a member of the Board of Directors, and Petya Yordanova was elected in her place. The General Meeting of Shareholders adopted a decision to renew the mandate of the Audit Committee, as well as change the address of management and accordingly amend the Company's Articles of Association.

**5. Information on important events that occurred after the reporting period**

There are none.

**6. Information regarding the opinion of the governing body regarding the possibilities of realization of published forecasts**

The company has not published forecasts for the results of the current financial year.



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Velichko Klingov

CEO