

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Shareholders of**  
**INTERCAPITAL PROPERTY DEVELOPMENT REIT**  
**Sofia**

### Report on the Financial Statements

#### Qualified Opinion

We have audited the financial statements of INTERCAPITAL PROPERTY DEVELOPMENT REIT (the Company), comprising the statement of financial position as of December 31, 2025 and the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year ended on that date, as well as the notes to the financial statements containing significant information on accounting policies and other explanatory information.

In our opinion, except for the effect of the matters described in the section of our report titled "Basis for Qualified Opinion," the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and its financial performance and cash flows for the year ended on that date, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

#### Basis for Qualified Opinion

To conduct its business, the Company has entered into an agreement dated April 1, 2019, for the management of its own investment properties. Pursuant to Section 3.1 of the agreement for the use and operation of the properties, the Manager owes the Owner an annual fee of no less than EUR 420,000 excluding VAT, or BGN 821,000. In 2025, the Company did not recognize revenue under this agreement. As a result, the financial result for the current year 2025, as well as the Company's net assets as of December 31, 2025, are understated by BGN 821,000.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the section of our report titled "The Auditor's Responsibilities for the Audit of the Financial Statements." We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards on Independence) of the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements of the Independent Financial Audit and Sustainability Assurance Act (IFASAA), applicable to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IFASAA and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the current period. These matters were addressed as part of our audit of the financial statements as a whole and the formation of our opinion thereon; we do not provide a separate opinion on these matters.

*Investment properties and assets under construction—valuation.* See Note 7 to the financial statements.

| Key audit matter   | How this key audit matter was addressed in our audit   |
|--|--|
| <p>The Company owns investment properties with a carrying amount of BGN 41,567,000, representing 80% of the Company’s assets. After initial recognition, investment properties are measured at fair value. To determine fair value, management engages an external independent licensed appraiser.</p> | <p><i>In this area, our audit procedures included:</i></p> <ul style="list-style-type: none"> <li>✓ Assessing whether the appraiser possesses competence, capability, and objectivity;</li> <li>✓ Reviewing whether the appraiser is qualified to appraise real estate of the relevant type;</li> <li>✓ Verifying that the appraiser has at least 3 years of professional experience in the valuation of investment properties;</li> <li>✓ Reviewing whether the appraiser’s legal capacity complies with the requirements of the Real Estate Appraisal Act;</li> <li>✓ Review of the selected valuation method and assessment of its adequacy;</li> <li>✓ Review of the accounting operations performed and verification of compliance with the external valuation.</li> <li>✓ Review of the completeness and adequacy of disclosures.</li> </ul> <p>The disclosures are included in the Company’s 2025 financial statements.</p> |

**Material uncertainty related to the going concern assumption**

We draw attention to the disclosure in item 2.b. of the Notes to the financial statements regarding the validity of the going concern principle.

The Company is experiencing temporary difficulties in servicing its current liabilities as of December 31, 2025. The bond loan, which matures in September 2026, will either be repaid in full or the Company will make efforts to restructure it. However, current assets exceed current liabilities as of December 31, 2025.

The Company’s management is confident that it will continue to operate normally and will improve its liquidity in the coming periods. Management has no plans or intentions that would entail a significant reduction in the scope of operations and/or a transformation of the company in the foreseeable future, at least for a period of one year.

Our opinion is not modified in respect of this matter.

### **Other information, other than the financial statements and the auditor's report thereon**

Management is responsible for the other information. The other information we received prior to the date of our audit report consists of a management report, including a corporate governance statement and a report on the implementation of the remuneration policy, prepared by management in accordance with Chapter Seven of the Accounting Act, but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion regarding it, unless expressly stated in our report and to the extent so stated.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, assess whether this other information is materially inconsistent with the financial statements or with our knowledge obtained during the audit, or otherwise appears to contain a material misstatement. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report this fact.

We have nothing to report in this regard

### **Additional Reporting Requirements Under the Accounting Act and the Public Offering of Securities Act**

In addition to our responsibilities and reporting under ISAs, with respect to the management report, the corporate governance statement, the report on payments to governments, and the report on the implementation of the remuneration policy, we have also performed the procedures added to those required by ISA, in accordance with the "Guidelines on New and Expanded Audit Reports and Communication by the Auditor" of the professional organization of registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA)." These procedures involve checks on the existence, as well as checks on the form and content of this other information, to assist us in forming an opinion as to whether the other information includes the disclosures and reports provided for in Chapter Seven of the Accounting Act and in the Public Offering of Securities Act (Article 100n, paragraph 10 of the Public Offering of Securities Act in conjunction with Article 100n, paragraph 8, items 3 and 4 of the Public Offering of Securities Act, as well as Article 100n, paragraph 15 of the Public Offering of Securities Act in conjunction with Article 116c, paragraph 1 of the Public Offering of Securities Act), applicable in Bulgaria.

#### *Opinion regarding Article 37, Paragraph 6 of the Accounting Act*

Based on the procedures performed, our opinion is that:

- a) The information included in the management report for the financial year for which the financial statements were prepared is consistent with the financial statements on which we have expressed a qualified opinion.
- b) The management report has been prepared in accordance with the requirements of Chapter Seven of the Accounting Act and Article 100(n), paragraph 7 of the Public Offering of Securities Act.
- c) The corporate governance statement for the financial year for which the financial statements were prepared presents the information required under Chapter Seven of the Accounting Act and Article 100(n), paragraph 8 of the Public Offering of Securities Act.

- d) The report on the implementation of the remuneration policy for the financial year for which the financial statements were prepared has been provided and complies with the requirements set forth in the regulation under Article 116c, paragraph 1 of the Public Offering of Securities Act.

*Opinion regarding Article 100(n), paragraph 10, in conjunction with Article 100(n), paragraph 8, items 3 and 4 of the Public Offering of Securities Act*

Based on the procedures performed and the knowledge and understanding gained regarding the entity's operations and the environment in which it operates, in our opinion, the description of the main characteristics of the company's internal control and risk management systems in relation to the financial reporting process, which is part of the management report (as an element of the corporate governance statement), and the information under Article 10, paragraph 1, items (c), (d), (e), (h), and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, do not contain any instances of material misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS as adopted by the EU and for such a system of internal control which management determines is necessary to ensure the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters related to the going concern assumption and using the accounting basis based on the going concern assumption, unless management intends to liquidate the Company or cease its operations, or if management has no practical alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when one exists. Misstatements can arise from fraud or error and are considered material if it could reasonably be expected that they, individually or in the aggregate, could influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a

material misstatement resulting from fraud is higher than the risk of a material misstatement resulting from error, as fraud may involve collusion, fabrication, intentional omissions, misrepresentations to the auditor, as well as the disregard or circumvention of internal controls.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- form a conclusion regarding the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, as to whether there is material uncertainty related to events or conditions that could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to operate as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings from the audit, including significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with applicable ethical requirements regarding independence and that we will communicate to them all relationships and other matters that could reasonably be considered relevant to our independence, and, where applicable, the actions taken to eliminate threats or the safeguards applied.

Among the matters communicated to those charged with governance, we identify those that were of most significance in the audit of the financial statements for the current period and that are therefore key audit matters. We describe these matters in our auditor's report, except in cases where law or regulation precludes public disclosure of information regarding the matter or when, in extremely rare cases, we determine that a matter should not be communicated in our report because it could reasonably be expected that the adverse consequences of such communication would outweigh the benefits to the public interest of such communication.

## **Report in Connection with Other Legal and Regulatory Requirements**

### ***Supplementary reporting on the audit of the financial statements pursuant to Article 100(n), paragraph 4, item 3 of the Public Offering of Securities Act***

*Statement in connection with Article 100(n), paragraph 4, item 3, subitem "b" of the Public Offering of Securities Act*

Information regarding related-party transactions is disclosed in Note 28 to the financial statements. Based on the audit procedures we performed on related-party transactions as part of our audit of the financial statements as a whole, no facts, circumstances, or other information have come to our attention on the basis

of which we would conclude that the related-party transactions have not been disclosed in the accompanying financial statements for the year ended December 31, 2025, in all material respects, in accordance with the requirements of IAS 24 "Related Party Disclosures." The results of our audit procedures regarding related-party transactions have been considered by us in the context of forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on related-party transactions.

*Statement in connection with Article 100(n), Paragraph 4, Item 3, Subitem "c" of the Public Offering of Securities Act*

Our responsibilities for the audit of the financial statements as a whole, described in the section of our report titled "The Auditor's Responsibilities for the Audit of the Financial Statements," include evaluating whether the financial statements present the material transactions and events in a manner that achieves fair presentation. Based on the audit procedures we performed on the material transactions underlying the financial statements for the year ended December 31, 2025, no facts, circumstances, or other information that would lead us to conclude that there are instances of material misstatement and non-disclosure in accordance with the applicable requirements of IFRS accounting standards adopted by the EU. The results of our audit procedures regarding the Company's transactions and events material to the financial statements have been considered by us in the context of forming our opinion on the financial statements as a whole, rather than for the purpose of expressing a separate opinion on these material transactions.

***Report on the compliance of the electronic format of the individual financial report [financial report] included in the annual individual financial report on operations pursuant to Article 100n, paragraph 4 of the Public Offering of Securities Act with the requirements of the EEF Regulation***

In addition to our responsibilities and reporting under ISAs, described above in the section "Auditor's Responsibilities for the Audit of the Financial Statements," we performed procedures in accordance with the "Guidance on the Expression of an Auditor's Opinion in Relation to the Application of the Single European Electronic Format (EEEF) for the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)" issued by the professional organization of registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA). These procedures involve verifying the format and whether the human-readable portion of this electronic format corresponds to the audited financial statements, and expressing an opinion regarding the compliance of the electronic format of the financial statements of INTERCAPITAL PROPERTY DEVELOPMENT REIT for the ending on December 31, 2025, attached in the electronic file 25490027CZAZKV10Y612-20251231-BG-SEP.zip, with the requirements of Commission Delegated Regulation (EU) 2019/815 of the Commission of December 17, 2018, supplementing Directive 2004/109/EC of the European Parliament and of the Council by means of regulatory technical standards for the determination of the single electronic reporting format ("EEF Regulation"). Based on these requirements, the electronic format of the financial report included in the annual individual activity report pursuant to Article 100n, paragraph 4 of the Public Offering of Securities Act must be presented in XHTML format.

The Company's management is responsible for applying the requirements of the EEF Regulation when preparing the electronic format of the financial report in XHTML.



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Our opinion pertains solely to the electronic format of the financial report attached in the electronic file 25490027CZAZKV10Y612-20251231-BG-SEP.zip and does not cover the other information included in the annual financial report on activities pursuant to Article 100n, paragraph 4 of the Public Offering of Securities Act.

Based on the procedures performed, it is our opinion that the electronic format of the Company's financial statements for the year ended December 31, 2025, contained in the attached electronic file 25490027CZAZKV10Y612-20251231-BG-SEP.zip, has been prepared in all material respects in accordance with the requirements of the EEF Regulation.

***Reporting pursuant to Article 10 of Regulation (EU) No. 537/2014 in connection with the requirements of Article 59 of the Independent Financial Audit Act and expression of assurance on sustainability***

Registered auditor Katerina Krasimirova Shopova, through "Oditon" Ltd., has been appointed as the statutory auditor of the financial statements for the year ending December 31, 2025, of INTERCAPITAL PROPERTY DEVELOPMENT REIT by the general meeting of shareholders held on July 18, 2025, for a period of one year.

The audit of the Company's financial statements for the year ended December 31, 2025, represents our second full, uninterrupted engagement to perform a statutory audit of this entity.

We confirm that the audit opinion we have expressed is in accordance with the supplementary report submitted to the Company's Audit Committee, in accordance with the requirements of Article 60 of the Independent Financial Audit and Sustainability Assurance Act.

We confirm that we have not provided any non-audit services prohibited under Article 64 of the Independent Financial Audit and Sustainability Assurance Act.

We confirm that we maintained our independence from the Company during the audit.

For the period covered by the statutory audit we performed, other than the audit, we have not provided any other services to the Company that are not disclosed in the Company's management report or financial statements.

March 31, 2026

**Katerina Shopova**  
Statutory auditor, No. 0864  
Manager of Oditon Ltd.