

ARGO PROPERTIES NV
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2021

UNAUDITED

IN THOUSANDS OF EUROS

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Auditor Review Report to the Shareholders of Argo Properties NV

Introduction

We have reviewed the accompanying financial information of Argo Properties NV and its subsidiaries (hereinafter – the Group), which includes the condensed consolidated statement of financial position as of June 30, 2021 and the condensed consolidated statements of profit or loss and other comprehensive income, changes of equity and cash flows for the six-month and three-month periods ending that date. The Board of Directors and Management are responsible for preparing and presenting financial information for these interim periods in accordance with IAS 34, Interim Financial Reporting, and are responsible for preparing financial information for these interim periods in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express our conclusions with regard to the financial information for these interim periods, based on our review.

Scope of the Review

We conducted our review in accordance with Review Standard 2410 (Israel) of the Institute of Certified Public Accountants in Israel regarding "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial information for interim periods consists of inquiries, mainly from people responsible for finances and accounting, and of the application of analytical and other reviewing procedures. A review is significantly limited in scope relative to an audit conducted according to generally accepted Israeli auditing standards, and therefore does not allow us to achieve assurance that we have been made aware of all material issues that might have been identified in an audit. Accordingly, we are not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the above financial information has not been prepared, in all material aspects, in accordance with IAS 34.

In addition to the previous paragraph, based on our review, nothing has come to our attention that causes us to believe that the above financial information does not comply, in all material respects, with disclosure provisions according to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

בריטמן אלמגור זהר ושות'

רואי חשבון

A Firm in the Deloitte Global Network

Tel Aviv, August 5, 2021

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u>		<u>December 31,</u>
	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>(Unaudited)</u>		<u>(Audited)</u>
	<u>€ in thousands</u>		
<u>Current Assets</u>			
Cash and cash equivalents	73,058	30,672	36,291
Financial assets	1,706	1,197	853
Accounts receivable	4,059	2,900	5,685
	<u>78,823</u>	<u>34,769</u>	<u>42,829</u>
<u>Non-Current Assets</u>			
Investment property	400,478	236,464	302,076
Deferred taxes	1,346	1,586	889
	<u>401,824</u>	<u>238,050</u>	<u>302,965</u>
	<u>480,647</u>	<u>272,819</u>	<u>345,794</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u>		<u>December 31,</u>
	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>(Unaudited)</u>		<u>(Audited)</u>
	<u>€ in thousands</u>		
<u>Current Liabilities</u>			
Current maturities of loans from banks	3,728	2,058	2,777
Accounts payable	7,455	1,873	2,522
	<u>11,183</u>	<u>3,931</u>	<u>5,299</u>
<u>Non-Current Liabilities</u>			
Loans from banks	137,064	79,526	96,618
Other financial liabilities	34	50	46
Deferred taxes	17,790	10,247	11,991
	<u>154,888</u>	<u>89,823</u>	<u>108,655</u>
<u>Equity Attributable to Company Shareholders</u>			
Share capital	181	122	151
Premium on shares	221,012	129,114	171,076
Share based payment reserve	649	131	263
Statutory capital reserve	83,604	47,382	55,602
Retained earnings	9,130	2,316	4,748
Total equity attributable to Company shareholders	<u>314,576</u>	<u>179,065</u>	<u>231,840</u>
<u>Total equity</u>	<u>314,576</u>	<u>179,065</u>	<u>231,840</u>
	<u>480,647</u>	<u>272,819</u>	<u>345,794</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

August 5, 2021

Date of approval of
the financial statements

Ofir Rahamim
Joint CEO

Guy Priel
CFO

Ron Senator
Chairman of the Board
of Directors

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended June 30,		Three months ended June 30		Year ended December 31
	2021	2020	2021	2020	2020
	Unaudited				Audited
Revenues from rental of properties	5,046	3,279	2,681	1,712	7,258
Revenues from property management and others	1,830	1,316	938	599	2,486
Property management expenses	(1,830)	(1,316)	(938)	(599)	(2,486)
Cost of maintenance of rental properties	(826)	(457)	(445)	(226)	(1,168)
Profit from property rental	4,220	2,822	2,236	1,486	6,090
General and administrative expenses	(1,327)	(929)	(887)	(380)	(1,960)
Operating profit before gain from appreciation of investment property, net	2,893	1,893	1,349	1,106	4,130
Total gain from appreciation of investment property, net	33,202	13,464	28,815	10,026	25,366
Operating profit	36,095	15,357	30,164	11,132	29,496
Financial expenses	(897)	(539)	(510)	(260)	(1,252)
Change in fair value of financial assets and exchange rate differences	2,508	(972)	1,587	(287)	(1,388)
	1,611	(1,511)	1,077	(547)	(2,640)
Income before taxes on income	37,706	13,846	31,241	10,585	26,856
Taxes on income	(5,322)	(1,836)	(4,240)	(1,594)	(4,194)
Net income	32,384	12,010	27,001	8,991	22,662
Other comprehensive income	-	-	-	-	-
Total net and comprehensive income attributable to equity holders of the Company	32,384	12,010	27,001	8,991	22,662
Basic earnings per share	2.04	0.99	1.68	0.74	1.70
Diluted earnings per share	1.96	0.99	1.61	0.74	1.70

(*) see Note 5h.

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Six months ended June 30, 2021 (unaudited)					
	Equity Attributable to Company Shareholders					
	Share capital	Share premium	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
	Euros in thousands					
<u>Balance as of January 1, 2021</u>	151	171,076	55,602	263	4,748	231,840
Issuance of share capital	30	49,936	-	-	-	49,966
Total net and comprehensive income	-	-	-	-	32,384	32,384
Classification in accordance with Dutch law	-	-	28,002	-	(28,002)	-
Cost of share based payment	-	-	-	386	-	386
<u>Balance as of June 30, 2021 (unaudited)</u>	<u>181</u>	<u>221,012</u>	<u>83,604</u>	<u>649</u>	<u>9,130</u>	<u>314,576</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Six months ended June 30, 2020 (unaudited)					
	Equity Attributable to Company Shareholders					
	Share capital	Share premium	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
	Euros in thousands					
<u>Balance as of January 1, 2020</u>	12,064	116,672	35,808	-	1,880	166,424
Capital reduction	(11,992)	11,992	-	-	-	-
Issuance of share capital	50	450	-	-	-	500
Total net and comprehensive income	-	-	-	-	12,010	12,010
Classification in accordance with Dutch law	-	-	11,574	-	(11,574)	-
Cost of share based payment	-	-	-	131	-	131
<u>Balance as of June 30, 2020 (unaudited)</u>	<u>122</u>	<u>129,114</u>	<u>47,382</u>	<u>131</u>	<u>2,316</u>	<u>179,065</u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Three months ended June 30, 2021 (unaudited)					
	Equity Attributable to Company Shareholders					
	Share capital	Share premium	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
	Euros in thousands					
<u>Balance as of April 1, 2021</u>	151	171,076	59,295	328	6,438	237,288
Issuance of share capital	30	49,936	-	-	-	49,966
Total net and comprehensive income	-	-	-	-	27,001	27,001
Classification in accordance with Dutch law	-	-	24,309	-	(24,309)	-
Cost of share based payment	-	-	-	321	-	321
<u>Balance as of June 30, 2021 (unaudited)</u>	<u>181</u>	<u>221,012</u>	<u>83,604</u>	<u>649</u>	<u>9,130</u>	<u>314,576</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Three months ended June 30, 2020 (unaudited)					
	Equity Attributable to Company Shareholders					
	Share capital	Share premium	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
Euros in thousands						
<u>Balance as of April 1, 2020</u>	12,114	117,122	39,207	65	1,500	170,008
Capital reduction	(11,992)	11,992	-	-	-	-
Total net and comprehensive income	-	-	-	-	8,991	8,991
Classification in accordance with Dutch law	-	-	8,175	-	(8,175)	-
Cost of share based payment	-	-	-	66	-	66
<u>Balance as of June 30, 2020 (unaudited)</u>	<u>122</u>	<u>129,114</u>	<u>47,382</u>	<u>131</u>	<u>2,316</u>	<u>179,065</u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2020 (Audited)
Equity Attributable to Company Shareholders

	<u>Share Capital</u>	<u>Share premium</u>	<u>Statutory capital reserve (1)</u>	<u>Share based payment reserve</u>	<u>Retained earnings</u>	<u>Total equity attributable to Company shareholders</u>
<u>Balance as of January 1, 2020</u>	12,064	116,672	35,808	-	1,880	166,424
Conversion of equity to premium	(11,992)	11,992	-	-	-	-
Issuance of share capital	79	42,412	-	-	-	42,491
Total net and comprehensive income	-	-	-	-	22,662	22,662
Classification in accordance with Dutch law	-	-	19,794	-	(19,794)	-
Cost of share based payment	-	-	-	263	-	263
<u>Balance as of December 31, 2020</u>	<u>151</u>	<u>171,076</u>	<u>55,602</u>	<u>263</u>	<u>4,748</u>	<u>231,840</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				Audited
	€ in thousands				
<u>Cash flows from operating activities:</u>					
Net income	32,384	12,010	27,001	8,991	22,662
Adjustments required to present net cash provided by operating activities:					
<u>Adjustments to profit or loss:</u>					
Finance expenses (income), net	(1,611)	1,511	(1,077)	518	2,712
Profit from appreciation of investment property, net	(33,202)	(13,464)	(28,815)	(10,026)	(25,366)
Cost of share based payment	386	131	321	66	263
Deferred taxes, net	5,342	1,805	4,254	1,580	4,246
Cash flows from operating activities before changes in asset and liability items	3,299	1,993	1,684	1,129	4,517
<u>Changes in assets and liabilities items:</u>					
Decrease (increase) in restricted deposits and other receivables	385	268	102	41	327
Increase in accounts payable	(700)	(32)	(333)	(274)	149
Net cash flows provided by operating activities	2,984	2,229	1,453	896	4,993
<u>Cash flows from investing activities:</u>					
Purchase of investment property	(59,273)	(28,748)	(29,671)	(15,922)	(80,752)
Additions in respect of investment property	(1,224)	(653)	(674)	(287)	(1,971)
Loans to employees	366	(350)	366	-	(350)
Placement of restricted deposits and prepaid transaction costs, net	874	(928)	5	(2)	(3,758)
Net cash used in investing activities	(59,257)	(30,679)	(29,974)	(16,211)	(86,831)

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				Audited
	€ in thousands				
<u>Cash flows from financing activities:</u>					
Interest paid	(750)	(495)	(418)	(224)	(1,210)
Receipt of long-term loans, net	42,857	36,938	31,687	(10,443)	55,910
Repayment of long-term loans	(1,607)	(926)	(857)	(554)	(2,167)
Increase in accounts payable	905	-	905	-	-
Issuance of shares, net	49,966	500	49,966	-	42,491
Net cash provided by financing activities	91,371	36,017	81,283	9,665	95,024
Change in cash and cash equivalents	35,098	7,567	52,762	(5,650)	13,186
Effect of changes in exchange rates on cash balances held in foreign currency	1,669	-	1,669	-	-
Balance of cash and cash equivalents at the beginning of the period	36,291	23,105	18,627	36,322	23,105
Balance of cash and cash equivalents at the end of the period	73,058	30,672	73,058	30,672	36,291
 (a) <u>Non cash transactions</u>					
Transaction costs for purchasing investment property	3,387	753	2,516	(97)	1,153
Purchase of real estate (*)	-	-	-	-	3,000

* see Note 6 to the financial statements as of December 31, 2020.

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: - General

ARGO PROPERTIES N.V (the Company) was incorporated in January 2018 and commenced its operations in July 2018. The Company is a Dutch resident company engaging, through investees, in the purchase and management of investment property in Germany in the income generating commercial real estate and income generating residential real estate. On May 10, 2021, the Company published a shelf prospectus and a supplementary prospectus dated May 11, 2021, and on May 11, 2021, the Company published a supplementary notice [(collectively - "the prospectus"). The securities that are the subject of the prospectus were offered by way of issuance made by the Company to institutional investors as defined in the Securities Regulations (Manner of Offering Securities to the Public), 2007 ("the Offering Regulations"), by way of non-uniform offering, according to Regulation 11(a)(1) of the Offering Regulations. On May 18, 2021, the Company's shares began trading for the first time on the Tel Aviv Stock Exchange Ltd.

These Financial Statements have been prepared in a condensed format as of June 30, 2021 and for the six-month and three-month periods then ended (hereinafter – the Consolidated Interim Financial Statements). These Statements should be read in conjunction with the annual financial statements as of December 31, 2020 and for the year then ended and the accompanying notes (the consolidated annual financial statements).

Note 2: - Significant accounting policies**a. Preparation format of the Interim Consolidated Financial Statements**

The Consolidated Interim Financial Statements are prepared in accordance with acceptable accounting principles for preparing financial statements for interim periods as stated in International Accounting Standard 34 Interim Financial Reporting and in accordance with the provisions of disclosure pursuant to Chapter D of the Securities (Immediate and Periodic Reports) Regulations, 1970.

- b. The significant accounting policies and calculation methods implemented in preparing the Interim Consolidated Financial Statements are consistent with those implemented in preparing the consolidated annual Financial Statements other than section c below.

Note 3: - Financial instruments**a. Financial instruments not measured at fair value**

Management has estimated that the balance of cash, short term deposits, trade receivables, trade payables, overdrafts and other current liabilities and bank loans presented at amortized cost approximates their fair value.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 3: - Financial instruments (Cont.)

b. Financial instruments measured at fair value

The table below presents the financial assets and the financial liabilities of the group according to fair value:

	Carrying value			Fair value		
	June 30		December 31	June 30		December 31
	2021	2020	2020	2021	2020	2020
	EUR in thousands					
Financial derivatives	1,706	1,197	853	1,706	1,197	853
Financial liabilities	(34)	(50)	(46)	(34)	(50)	(46)
	<u>1,672</u>	<u>1,147</u>	<u>807</u>	<u>1,672</u>	<u>1,147</u>	<u>807</u>

The fair value of financial instruments not traded in active market is determined using a valuation technique. Valuation techniques specific to financial instruments include:

- The fair value of interest swap contracts and SWAP agreements is based on calculating the present value of the estimated future cash flows using observable return curves.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 4: - Operating Segments

a. General

For description of the Company's operating segments see note 16 of the consolidated financial statements as of December 31, 2020. For details regarding acquisitions and obtaining loans in the income generating residential real estate sector, see Note 5E – 5I below.

b. Revenue and results analysis by operating segment:

	Income- generating residential real estate	Income- generating commercial real estate	Total
	Euros in thousands		
For the period of six months ended June 30, 2021 (unaudited)			
Revenues from property rental	4,712	334	5,046
Revenues from property management and others	1,790	40	1,830
Property management expenses	(1,790)	(40)	(1,830)
Rental property maintenance expenses	(760)	(66)	(826)
Gross profit	<u>3,952</u>	<u>268</u>	<u>4,220</u>
General and administrative expenses			(1,327)
Appreciation of investment property, net	33,862	(660)	33,202
Financial income, net			<u>1,611</u>
Income before taxes on income			<u><u>37,706</u></u>
	Income- generating residential real estate	Income- generating commercial real estate	Total
	Euros in thousands		
For the period of six months ended June 30, 2020 (unaudited)			
Revenues from property rental	2,923	346	3,279
Revenues from property management and others	1,277	39	1,316
Property management expenses	(1,277)	(39)	(1,316)
Rental property maintenance expenses	(423)	(34)	(457)
Gross profit	<u>2,510</u>	<u>312</u>	<u>2,822</u>
General and administrative expenses			(929)
Appreciation of investment property, net	13,587	(123)	13,464
Financial expenses, net			<u>(1,511)</u>
Income before taxes on income			<u><u>13,846</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 4: - Operating Segments (Cont.)

- b. Revenue and results analysis by operating segment: (Cont.)

	Income- generating residential real estate	Income- generating development real estate	Total
Euros in thousands			
For the period of three months ended June 30, 2021 (unaudited)			
Revenues from property rental	2,520	161	2,681
Revenues from property management and others	918	20	938
Property management expenses	(918)	(20)	(938)
Rental property maintenance expenses	(413)	(32)	(445)
Gross profit	2,107	129	2,236
General and administrative expenses			(887)
Appreciation of investment property, net	29,398	(583)	28,815
Financial income, net			1,077
Income before taxes on income			<u>31,241</u>

	Income- generating residential real estate	Income- generating development real estate	Total
Euros in thousands			
For the period of three months ended June 30, 2020 (unaudited)			
Revenues from property rental	1,530	172	1,712
Revenues from property management and others	579	20	599
Property management expenses	(579)	(20)	(599)
Rental property maintenance expenses	(209)	(17)	(226)
Gross profit	1,331	155	1,486
General and administrative expenses			(380)
Appreciation of investment property, net	10,053	(27)	10,026
Financial expenses, net			(547)
Income before taxes on income			<u>10,585</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 4: - Operating Segments (Cont.)

- b. Revenue and results analysis by operating segment: (Cont.)

	Income- generating residential real estate	Income- generating commercial real estate	Total
	Euros in thousands		
For the year ended December 31, 2020 (audited)			
Revenues from property rental	6,564	694	7,258
Revenues from property management and others	2,406	80	2,486
Property management expenses	(2,406)	(80)	(2,406)
Rental property maintenance expenses	(1,056)	(112)	(1,168)
Gross profit	5,508	582	6,090
General and administrative expenses			(1,960)
Appreciation of investment property, net			25,366
Financial expenses, net			(2,640)
Income before taxes on income			<u>26,856</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 5: MATERIAL EVENTS IN THE REPORTED PERIOD AND THEREAFTER

- a. In the period, the Company completed (via subsidiaries and sub-subsidiaries) the purchase of 438 apartments in 41 assets in 28 different transactions for a total consideration of EUR 56,016 thousand. In addition, the Company entered into additional transactions (including agreements after the report date) for the purchase of 283 apartments in a total consideration of EUR 47.7 million, of which the Company completed after the report date, the purchase of 109 apartments in a total consideration of EUR 14.7 million.
- b. In November 2020, the Company entered into two non-recourse loan agreements with another German bank for a total amount of approximately EUR 10.25 million, the final repayment date of which is November 2025. The loans bear fixed interest of 0.79% per annum. In 2020, the Company drew down EUR 7.3 million of such loans and the balance of the loans was drawn down in the first quarter of 2021.
- c. In December 2020, the Company entered into two additional non-recourse loan agreements with another German bank for a total amount of approximately EUR 8.3 million, the final repayment date of which is December 2025. The loans bear a fixed interest rate of 1.19% per annum. In the first quarter of 2021, the Company drew down the entire loans' balance.
- d. In December 2020, the Company entered into two additional non-recourse loan agreements with another German bank for a total amount of approximately EUR 9.7 million, the final repayment date of which is February 2026. The loans bear a fixed interest rate of 1.29% per annum. On April 1, 2021, the Company drew down the entire loans' balance.
- e. During the first quarter of 2021, the Company entered into an additional non-recourse loan agreement with a German bank, totaling EUR 10.3 million the final repayment date of which in April 2028. The loans bear a fixed interest rate of 0.99% per annum. The balance of the loan was fully drawn down during the second quarter of 2021.
- f. In the second quarter of 2021, the Company entered into two additional non-recourse loan agreements with a German bank for a total amount of approximately EUR 11.6 million, the final repayment date of which is May 2026. The loans bear a fixed interest rate of 1.19% per annum. The loan was drawn down in the second quarter of 2021.
- g. During the third quarter of 2021, the Company entered into three non-recourse loan agreements with a German bank, totaling EUR 10.1 million, the final repayment date of which is September 2026. The loans bear a fixed interest rate of 0.86% per annum. Financing is expected to be completed during the third quarter of 2021.

Under this agreement, the Company refinances an existing loan in the amount of approximately EUR 1,705 thousand bearing a fixed interest rate of 1.25% per annum, which the Company took for purchasing shares of a sub-subsidiary in 2018, with a new loan of EUR 2,700 thousand bearing fixed interest at an annual rate of 0.9% per annum.
- h. In July 2021, the Company commenced negotiating with a German bank for a non-recourse loan for 5 years totaling EUR 11 – 11.5 million and obtained an indication of fixed interest of 1.29%. Financing completion is expected in the third quarter.
- i. In July 2021, the Company commenced negotiating with another German bank for a non-recourse loan for 5 years totaling EUR 2.5 million and obtained an indication of fixed interest of 1.26%. Financing completion is expected in the third quarter.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 5: MATERIAL EVENTS IN THE REPORTED PERIOD AND THEREAFTER (Cont.)

- j. On May 10, 2021, the Company published a shelf prospectus and a supplementary prospectus dated May 11, 2021 and on May 11, 2021, the Company published a supplementary notice (above and below collectively - "the prospectus"). The securities that are the subject of the prospectus were offered by way of issuance by the Company to institutional investors, as defined in the Securities Regulations (Manner of Offering Securities to the Public), 2007 ("the Offering Regulations"), by way of non-uniform offering, according to regulation 11(a)(1) of the Offering Regulations.
- k. According to the prospectus, institutional investors were offered, by way of a non-uniform offering 3,082,000 registered ordinary shares of EUR 0.01 par value each of the Company, at a uniform price per share in the amount of NIS 70.09, divided into 30,820 units of 100 shares each (price of each unit NIS 7,009) (the "Offering"). As part of the offering, orders were submitted to the Company for the purchase of 83,077 units, in a total amount of approx. NIS 582,287 thousand, by way of managing a book building procedure out of the orders submitted as aforesaid, the Company accepted orders from institutional investors to purchase 30,820 units, including 3,082,000 shares for a total consideration of approximately NIS 216,017 thousand. On May 18, 2021, the Company's shares began trading for the first time on the Tel Aviv Stock Exchange Ltd.
- l. Pursuant to the Company's Founders Agreement, on May 10, 2021, the Company's Board of Directors approved the allocation of 895,301 non-marketable options (ESOP1) exercisable to the Company's 895,301 shares, to the Company's employees And the fair value of the options was assessed by an external appraiser amounting to EUR 3,702 thousand for the entire vesting period, and was based on the following assumptions: the value of the Company according to the last capital issuance made or about the option grant, standard deviation of 25%, risk free interest of 0.21% and a dividend yield of 0%. The Company expects to recognize over the next few years salary expenses against a capital reserve in respect of this engagement. For further details, see Note 11C to the Company's consolidated financial statements as of December 31, 2020.
- m. Further to Note 11D to the consolidated financial statements as of December 31, 2020 (the "Note"), the Company's Board of Directors approved as the allocation of 2,069,785 non-marketable options (Initial Investors' Option Warrants) exercisable to 2,069,785 shares of the Company to the Company's founders and other investors in the Company's first fundraising round in accordance with the conditions set forth in the founders' agreement of the Company as of the Company's establishment date, as stated in the note. The Company treats the grant of such options as a share-based payment for services of the Company's founders.