

ARGO PROPERTIES NV
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

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, 2022 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 this interim period 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, "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 11, 2022

תל אביב - משרד ראשי

מרכז עזריאלי 1 תל אביב, 6701101, ת.ד. 16593 תל אביב 6116402 | טלפון: 03-6085555 | info@deloitte.co.il

משרד נצרת
מרגי אבן עאמר 9
נצרת, 16100

טלפון: 073-3994455
פקס: 073-3994455

info-nazareth@deloitte.co.il

משרד אילת
המרכז העירוני
ת.ד. 583
אילת, 8810402

טלפון: 08-6375676
פקס: 08-6371628

info-eilat@deloitte.co.il

משרד חיפה
מעלה השחרור 5
ת.ד. 5648
חיפה, 3105502

טלפון: 04-8607333
פקס: 04-8672528

info-haifa@deloitte.co.il

משרד ירושלים
קרית המדע 3
מגדל הר חוצבים
ירושלים, 914510,
ת.ח. 45396

טלפון: 02-5018888
פקס: 02-5374173

info-jer@deloitte.co.il

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u>		<u>December 31,</u>
	<u>2022</u>	<u>2021</u>	<u>2021</u>
	<u>(Unaudited)</u>		<u>(Audited)</u>
	<u>€ in thousands</u>		
<u>Current Assets</u>			
Cash and cash equivalents	52,825	73,058	35,076
Financial assets	-	1,706	-
Accounts receivable	7,070	4,059	7,043
	<u>59,895</u>	<u>78,823</u>	<u>42,119</u>
<u>Non-Current Assets</u>			
Investment property	607,807	400,478	493,291
Deferred taxes	665	1,346	819
	<u>608,472</u>	<u>401,824</u>	<u>494,110</u>
	<u>668,367</u>	<u>480,647</u>	<u>536,229</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>2022</u>	<u>2021</u>	<u>2021</u>
	<u>(Unaudited)</u>		<u>(Audited)</u>
	<u>€ in thousands</u>		
<u>Current Liabilities</u>			
Current maturities of loans from banks	4,852	3,728	4,142
Accounts payable	10,961	7,455	9,911
	<u>15,813</u>	<u>11,183</u>	<u>14,053</u>
<u>Non-Current Liabilities</u>			
Loans from banks and financial institutions	256,034	137,064	157,746
Other financial liabilities	471	34	24
Deferred taxes	27,507	17,790	22,381
	<u>284,012</u>	<u>154,888</u>	<u>180,151</u>
<u>Equity Attributable to Company Shareholders</u>			
Share capital	181	181	181
Premium on shares	221,012	221,012	221,012
Statutory capital reserve	135,544	649	110,652
Share based payment reserve	2,635	83,604	1,650
Retained earnings	9,170	9,130	8,530
Total equity attributable to Company shareholders	<u>368,542</u>	<u>314,576</u>	<u>342,025</u>
<u>Total equity</u>	<u>368,542</u>	<u>314,576</u>	<u>342,025</u>
	<u>668,367</u>	<u>480,647</u>	<u>536,229</u>

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

<u>August 11, 2022</u>			
Date of approval of the financial statements	Ofir Rahamim Joint CEO	Guy Priel CFO	Nir Ilani Director

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
	2022	2021	2022	2021	2021
	Unaudited				Audited
	€ in thousands				
Revenues from rental of properties	7,626	5,046	4,000	2,681	11,328
Revenues from property management and others	3,013	1,830	1,120	938	3,596
Property management expenses	(3,013)	(1,830)	(1,120)	(938)	(3,596)
Cost of maintenance of rental properties	(1,599)	(826)	(913)	(445)	(2,041)
Revenues from property rental and management, net	6,027	4,220	3,087	2,236	9,287
General and administrative expenses	(2,734)	(1,327)	(1,420)	(887)	(4,209)
Operating profit before changes in fair value of investment property, net	3,293	2,893	1,667	1,349	5,078
Changes in fair value of investment property, net	29,572	33,202	12,006	28,815	63,744
Operating profit	32,865	36,095	13,673	30,164	68,811
Financial expenses	(2,469)	(897)	(1,351)	(510)	(2,080)
Change in fair value of financial assets and exchange rate differences, net	337	2,508	325	1,587	2,335
	(2,132)	1,611	(1,026)	1,077	(255)
Income before taxes on income	30,733	37,706	12,647	31,241	69,077
Taxes on income	(5,201)	(5,322)	(2,201)	(4,240)	(10,245)
Net income	25,532	32,384	10,446	27,001	58,832
Other comprehensive income	-	-	-	-	-
Total net and comprehensive income attributable to equity holders of the Company	25,532	32,384	10,446	27,001	58,832
Basic earnings per share	1.41	2.04	0.58	1.68	3.46
Diluted earnings per share	1.34	1.96	0.57	1.61	3.15

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, 2022 (unaudited)					
	Equity Attributable to Company Shareholders					
	Share Capital	Premium on shares	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
<u>Balance as of January 1, 2022</u>	181	221,012	110,652	1,650	8,530	342,025
Total net and comprehensive income	-	-	-	-	25,532	25,532
Classification in accordance with Dutch law	-	-	24,892	-	(24,892)	-
Cost of share based payment	-	-	-	985	-	985
<u>Balance as of June 30, 2022 (unaudited)</u>	<u>181</u>	<u>221,012</u>	<u>135,544</u>	<u>2,635</u>	<u>9,170</u>	<u>368,542</u>
	Six months ended June 30, 2021 (unaudited)					
	Equity Attributable to Company Shareholders					
	Share Capital	Premium on shares	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
<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

Three months ended June 30, 2022 (unaudited)

Equity Attributable to Company Shareholders

	Share Capital	Premium on shares	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
<u>Balance as of April 1, 2022</u>	181	221,012	125,438	2,140	8,830	357,601
Total net and comprehensive income	-	-	-	-	10,446	10,446
Classification in accordance with Dutch law	-	-	10,106	-	(10,106)	-
Cost of share based payment	-	-	-	495	-	495
<u>Balance as of June 30, 2022 (unaudited)</u>	<u>181</u>	<u>221,012</u>	<u>135,544</u>	<u>2,635</u>	<u>9,170</u>	<u>368,542</u>

Six months ended June 30, 2021 (unaudited)

Equity Attributable to Company Shareholders

	Share Capital	Premium on shares	Statutory capital reserve (1)	Share based payment reserve	Retained earnings	Total equity attributable to Company shareholders
<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

	Year ended December 31, 2021 (Audited)					
	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
<u>Balance as of January 1, 2021</u>	151	171,076	55,602	263	4,748	231,840
Issuance of shares, net	30	49,936	-	-	-	49,966
Total net and comprehensive income	-	-	-	-	58,832	58,832
Classification in accordance with Dutch law	-	-	55,050	-	(55,050)	-
Cost of share based payment	-	-	-	1,387	-	1,387
<u>Balance as of December 31, 2021</u>	<u>181</u>	<u>221,012</u>	<u>110,652</u>	<u>1,650</u>	<u>8,530</u>	<u>342,025</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
	2022	2021	2022	2021	2021
	Unaudited				Audited
	€ in thousands				
<u>Cash flows from operating activities:</u>					
Net income	25,532	32,384	10,446	27,001	58,832
Adjustments required to present net cash provided by operating activities:					
<u>Adjustments to profit or loss:</u>					
Finance expenses, net	2,108	(1,611)	1,026	(1,077)	(265)
Changes in fair value of investment property, net	(29,572)	(33,202)	(12,006)	(28,815)	(63,744)
Cost of share based payment	985	386	495	321	1,387
Deferred taxes, net	5,280	5,342	2,295	4,254	10,460
Cash flows from operating activities before changes in asset and liability items	4,333	3,299	2,256	1,684	6,670
<u>Changes in assets and liabilities items:</u>					
Other receivables	(542)	385	37	102	910
Increase in accounts payable	(360)	(700)	(340)	(333)	(133)
Net cash flows provided by operating activities	3,431	2,984	1,953	1,453	7,447
<u>Cash flows from investing activities:</u>					
Purchase of investment property	(82,939)	(59,273)	(22,755)	(29,671)	(117,591)
Additions in respect of investment property	(1,751)	(1,224)	(827)	(674)	(2,991)
Loans to employees	-	366	-	366	366
Realization of financial assets	1,850	-	-	-	1,640
Placement of restricted deposits and prepaid transaction costs, net	629	874	(2,950)	5	(3,112)
Net cash used in investing activities	(82,211)	(59,257)	(26,532)	(29,974)	(121,688)

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended		Three months ended		Year ended
	June 30,		June 30		December 31
	2022	2021	2022	2021	2021
	Unaudited				Audited
	€ in thousands				
<u>Cash flows from financing activities:</u>					
Interest paid	(1,316)	(750)	(682)	(418)	(1,762)
Receipt of long-term loans, net	125,851	42,857	19,136	31,687	67,375
Repayment of long-term loans and related costs	(27,359)	(1,607)	(1,234)	(857)	(5,228)
Increase in accounts payable	-	905	-	905	-
Issuance of shares, net	-	49,966	-	49,966	50,871
Net cash provided by financing activities	97,176	91,371	17,220	81,283	111,256
Change in cash and cash equivalents					
Effect of changes in exchange rates	18,396	35,098	(7,359)	52,762	(2,985)
	(647)	1,669	(504)	1,669	1,770
Balance of cash and cash equivalents at the beginning of the period	35,076	36,291	60,688	18,627	36,291
Balance of cash and cash equivalents at the end of the period	52,825	73,058	52,825	73,058	35,076
 (a) <u>Non cash transactions</u>					
Purchase of real estate	446	3,387		2,516	(1,690)
Payables in respect of investing activities	101	-		-	4,369

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 and is a Dutch-based real estate company engaging via investees in the acquisition and management of investment properties in Germany in the area of income generating real estate under development and income-generating residential real estate. In May 2021, the Company issued shares under an IPO in Israel.

These financial statements have been prepared in a condensed format as of June 30, 2022 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, 2021 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 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 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**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.

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
	2022	2021	2021	2022	2021	2021
	EUR in thousands					
Financial derivatives	0	1,706	-	0	1,706	-
	(471)	(34)	-	(471)	(34)	24
Financial liabilities	(471)	1,672	-	(471)	1,672	24

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 (SWAP) and currency transactions (FORWARD) is based on calculating the present value of the estimated future cash flows using Euribor observable return curves.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Note 4: - Operating Segments

For description of the Company's operating segments see note 16 of the consolidated financial statements as of December 31, 2021.

	Income- generating residential real estate	Income- generating real estate for development	Total
Euros in thousands			
For the period of six months ended June 30, 2022 (unaudited)			
Revenues from property rental	7,289	337	7,626
Revenues from property management and others	2,972	41	3,013
Property management expenses	(2,972)	(41)	(3,013)
Rental property maintenance expenses	(1,536)	(63)	(1,599)
Gross profit	<u>5,753</u>	<u>274</u>	<u>6,027</u>
General and administrative expenses			(2,734)
Changes in fair value of investment property, net	<u>29,666</u>	<u>(94)</u>	<u>29,572</u>
Financial expenses, net			<u>(2,132)</u>
Income before taxes on income			<u><u>30,733</u></u>

	Income- generating residential real estate	Income- generating real estate for development	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	<u>33,862</u>	<u>(660)</u>	<u>33,202</u>
Financial expenses, net			<u>1,611</u>
Income before taxes on income			<u><u>37,706</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Note 4: - Operating Segments (Cont.)

	Income- generating residential real estate	Income- generating real estate for development	Total
	Euros in thousands		
For the period of three months ended June 30, 2022 (unaudited)			
Revenues from property rental	3,824	176	4,000
Revenues from property management and others	1,099	21	1,120
Property management expenses	(1,099)	(21)	(1,120)
Rental property maintenance expenses	(880)	(33)	(913)
Gross profit	<u>2,944</u>	<u>143</u>	<u>3,087</u>
General and administrative expenses			(1,420)
Changes in fair value of investment property, net	<u>12,054</u>	<u>(48)</u>	12,006
Financial expenses, net			<u>(1,026)</u>
Income before taxes on income			<u><u>12,647</u></u>

	Income- generating residential real estate	Income- generating real estate for development	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	<u>2,107</u>	<u>129</u>	<u>2,236</u>
General and administrative expenses			(887)
Appreciation of investment property, net	<u>29,398</u>	<u>(583)</u>	28,815
Financial income, net			<u>1,077</u>
Income before taxes on income			<u><u>31,241</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**Note 4: - Operating Segments (Cont.)**

	Income- generating residential real estate	Income- generating real estate for development	Total
	Euros in thousands		
Year ended December 31, 2021			
Revenues from property rental	10,672	656	11,328
Revenues from property management and others	3,518	78	3,596
Property management expenses	(3,518)	(78)	(3,596)
Rental property maintenance expenses	(1,916)	(125)	(2,041)
Profit from property rental	<u>8,756</u>	<u>531</u>	9,287
General and administrative expenses			(4,209)
Changes in fair value of investment property, net	<u>66,167</u>	<u>(2,423)</u>	63,744
Financial expenses, net			<u>255</u>
Income before taxes on income			<u>69,077</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 5: MATERIAL EVENTS IN THE REPORTED PERIOD AND THEREAFTER

- a. During the period, the Company completed (via subsidiaries and sub-subsidiaries) the purchase of 448 apartments in 43 assets for a total consideration of EUR 82,531 thousand. In addition, the Company entered into additional transactions (including agreements after the report date) for the purchase of 356 apartments in a total consideration of EUR 60,967 thousands, of which the Company completed after the report date, the purchase of 93 apartments in a total consideration of EUR 17,308 thousands.
- b. In the fourth quarter of 2021, the Company entered into three non-recourse loan agreements with a German bank for five years for a total amount of approximately EUR 7.5 million. The loans bear a fixed interest rate of 0.97% per annum. The loans were drawn down fully in February 2022.
- c. In the fourth quarter of 2021, the Company entered into a framework agreement with a German banking corporation (the "Banking Corporation") to draw down loans totaling up to EUR 30 million (the "Framework") to be provided to sub-subsidiaries of the Company (the "Asset Companies") for the purpose of financing the acquisition of new properties in Leipzig and Dresden, Germany. The loans to be drawn down from the framework (as long as they continue) will not be subject to the approval of the Bank's Credit Committee. Such loans will be subject to due diligence and preparation of loan documents to the satisfaction of the banking corporation. For further details, see Note 5(g)(2) to the Company's annual financial statements. Out of the framework, as of the report signing date, the Company entered into 5 non-recourse loan agreements: 1. 2 loan agreements in the amount of EUR 4 million and EUR 4.7 million. The loans bear fixed interest rate of 1.55% and 1.6% per annum, respectively, and their final repayment date was set to March 2027. The loans were drawn down fully on April 29, 2022. 2. A loan agreement amounting to EUR 10 million, bearing variable interest on the basis of 6-month Euribor plus 1.3% per annum subject to an interest rate ceiling of 2.8% per annum. The Euribor rate is subject to interest floor rate of 0%. The loan was drawn down during August 2022. 3. 2 loan agreements amounting to EUR 10.5 million, bearing variable interest on the basis of 3-month Euribor plus 1.29% per annum. The Euribor is subject to an interest floor rate of 0%. The loan is expected to be drawn down during the third quarter of 2023.
- d. In the fourth quarter of 2021, the Company entered into an MOU following which a loan agreement was signed in January 2022 and on February 15, 2022 completed a refinancing process for fixed-rate loans taken as part of the acquisition of a portfolio of residential properties which includes 404 residential units in 39 buildings in Leipzig, Dresden and Magdeburg purchased in various transactions in 2018 and 2019, and as part of the refinancing, the Company replaced a loans in the amount of EUR 23.9 million with a new loan in the amount of EUR 40 million (an increase of 42%) for a period of 5 years. The loans are of non-recourse type bearing fixed interest rate of 2.09% per annum. The loan is subject to meeting the following financial covenants: maximum LTV ratio of 75% (as of the date of drawing down the loan this ratio was 56%) and the return on debt ratio (80% of the total annual rental income divided by the loan amount) is above 3.5% (as of the date of drawing down the loan, this ratio is approximately 4.6%).
- e. In the first quarter of 2022, the Company entered into two non-recourse loan agreements with a German bank, for a period of 5 years totaling EUR 10.5 million, the loans are bearing fixed interest rate of 1.29% per annum. The loans were drawn down fully during April 2022.
- f. On January 18, 2022, the Company entered into a loan agreement denominated in NIS with a third party, which is an Israeli institutional entity at a total amount of EUR 60 million for a period of 18 years. The loan principal is due in one installment at the end of the loan period (Bullet). The Company may carry out early repayment of the loan at no additional cost, on December 31, 2028, 2031, 2034 and 2037.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

The loan bears:

1. Fixed annual interest rate of 3.69% per annum ("the basic interest rate"). The basic interest rate will be added 1% per annum if the loan is not repaid on December 31, 2028, and 0.5% per annum at each additional exit if the loan is not repaid in full by that date.
2. Additional interest so that at the end of each interest period the interest rate will increase by 50% of Company's equity increase rate ("additional interest").
3. Additional payment, in addition to the basic interest rate and the additional interest rate, if the cumulative equity increase (in percent) on the final repayment date is 100% or more, an additional one-time payment equal to EUR 6.3 million will be paid to the lender on the final repayment date.

The loan is subject to the following financial covenants: net debt ratio to CPA net (as defined in the loan agreement) is lower than 75% (34% as of the report date) and the value of a single asset is lower than 15% of the value of the Company's real estate assets in the consolidated (5% as of the report signing date). The loan is secured by a negative lien on its assets (other than real estate), a change of control stipulation, various powers and structure. In addition, interest rate adjustment mechanisms and grounds for early repayment have been established as acceptable in such loans. The loan was drawn down fully on January 20, 2022.

- g. During June 2022, the Company began negotiations with a German bank regarding entering into two non-recourse loan agreements, for a period of 5 years in a total amount of EUR 9 million, bearing a variable interest rate based on 3-month Euribor rate plus a margin of 1.2 % per year. As part of taking out the loan, the Company is expected to enter into a CAP type agreement to set a maximum interest ceiling at the rate of 2.5% per year and it is determined that the Euribor rate is subject to an interest floor rate of 0%. The loan agreements are expected to be signed during August and drawing down the loans is expected in September.
- h. During June 2022, the Company began negotiations with a German bank regarding entering into three non-recourse loan agreements, for a period of 5 years in a total amount of EUR 20 million, bearing a variable interest rate based on 3-month Euribor plus a margin of 0.99% per year in relation to EUR 17 million of the loan amount and a margin of 1.25% per year in relation to 3 EUR million of the loan amount. As part of taking out the loans, the Company is expected to enter into a CAP type agreement to set a maximum interest ceiling at a rate of 0.8%-0.74% per year, and it is determined that the Euribor rate is subject to an interest floor rate of 0%. The loan agreements are expected to be signed during August and drawing down the loans is expected in September.