ARGO Properties N.V.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024

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IN THOUSANDS OF EUROS

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These financial statements are a translation from Hebrew of the original financial statements; in any case of difference between the two versions, the Hebrew version shall govern

Auditors' Report to the shareholders of ARGO Properties N.V.

We have audited the accompanying consolidated statements of financial position of ARGO Properties N.V. (hereafter - "the Company") as of December 31, 2024 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Generally Accepted Auditing Standards in Israel, including standards prescribed by the Auditors' Regulations (Auditor's Mode of Performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the board of directors and management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated companies as of December 31,2024 and 2023, and the results of their operations, changes in equity and their cash flows for each of the three years in the period ended in December 31, 2024, in conformity with International Financial Reporting Standards (IFRS) and with the provisions of the Securities Regulations (Annual Financial Statements) – 2010.

Key Audit Matters:

Key audit matters communicated below are those matters that were communicated or required to be communicated to the company's board of directors and that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters include, among others, any matter that: (1) relates, or may relate, to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. The communication of those matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the key audit matter below, providing a separate opinion on the key audit matter or on the accounts or disclosures to which it relates.

Below are matters that we determined as key matters in the audit of the company's consolidated financial statements for 2024.

Fair value of investment property:
As mentioned in notes 2B, 2H and 5, to the consolidated financial statements, as of December 31, 2024, the company has investment properties ,which are presented at their fair values for that date following the accounting policy described in Note 2.

The fair value of all the investment property of the company (including investment property - development rights) as of December 31, 2024, amounts to a total of 782,713 thousand euros. In 2024 the company recorded an increase in fair value in the amount of 41,820 thousand euros.

As mentioned in note 2B to the consolidated financial statements, the determination of the fair value of investment property is a critical estimate, involving uncertainties and based on valuations, which include assumptions, some of which are subjective considering the circumstances and the best information as of December 31, 2024, and which were conducted with the assistance of external real estate appraisers. These assumptions mainly include the most appropriate rate of return, the projected net operating income (NOI) of the assets and market prices for relevant comparison units. These basic assumptions, as well as the determination of the fair value estimate as a whole of the company's investment property, including the selection of the most appropriate valuation approach, are the result of subjective conclusions in an environment of uncertainty, sometimes particularly significant, and changes in the aforementioned basic assumptions may bring about changes in the fair value of the investment property, sometimes substantially, and therefore also affect the company's financial position as of December 31, 2024 and the results of its operations for that year, as detailed in Note 5. It should be emphasized that these assumptions are based on observations regarding purchase or rental transactions of real estate assets in the activity environment in which the company operates and the real estate appraiser's familiarity with the market.

Due to the above, and in particular that the fair value of investment property is a critical estimate, involving uncertainties and based on valuations, which include assumptions, some of which are subjective, we determined, according to our professional judgment, that the examination of the fair value of Investment property, with an emphasis on
the reasonableness of the rates of return used in its estimation, is a key matter in the audit.

The audit procedures that were performed in response to the key audit matter:
In response to the uncertainties involved in determining the fair value of the company's investment property, we mainly performed the following procedures, with an emphasis on examining the reasonableness of the rates of return determined in the valuations of the assets: 1. Understanding the internal control environment regarding the determination of the fair value of the investment property; 2. Examination and analysis of fair value presentations, mainly valuations, conducted by the company and appraisers on its behalf, based on models that incorporate quantitative and qualitative considerations; 3. Examining the base assumptions applied in the valuations, selected on a sample basis, with an emphasis on examining the rates of return, as well as predicted NOI, market prices/comparison prices per square meter rental unit/land unit and the valuation approach taken; 4. Reviewing valuations, on a sample basis , by an expert appraiser on our behalf with an emphasis on rates of return; 5. Communication with the appraisers on behalf of the company; 6. Involvement of the senior staff of the engagement team, and holding consultations;

Brightman Almagor Zohar &Co

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, March 20, 2025

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31, 2024 Euros in thousands	December 31, 2023 Euros in thousands
CURRENT ASSETS:			
Cash and cash equivalents	3	27,531	11,562
Restricted deposits and liquidated investments	4	17,558	11,622
Apartments inventory for sale	13a	1,186	
Financial assets	12a	979	1,219
Accounts receivable	4	4,405	2,455
		51,659	26,858
NON-CURRENT ASSETS:			
Investment property	5	757,275	666,410
Investment property – construction rights	5	25,438	13,116
Accounts receivable		4,061	403
Deferred taxes	9	938	513
		787,712	680,442
		839,371	707,300
CURRENT LIABILITIES:			
Current maturities of loans from banks	7	35,234	6,618
Accounts payable	6	12,300	8,856
		47,534	15,474
NON-CURRENT LIABILITIES:			
Loans from banks and financial institutions	7	344,968	341,909
Deferred taxes	9	27,452	19,674
		372,420	361,583
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY:			
Share capital	11	206	181
Share premium		276,041	225,628
Statutory capital reserve	11e	114,774	83,400
Share based payment capital reserve	11c	5,024	1,472
Retained earnings		23,372	19,562
Total equity attributable to shareholders of the Company		419,417	330,243
		839,371	707,300

March 20, 2025				
Date of approval of the financial statements	Ofir Rahamim Joint CEO	Gal Tennenbaum Joint CEO	Guy Priel CFO	Ron Tira Chairman of the Board of Directors

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Year ended December 31, 2024 Euros in thousands	Year ended December 31, 2023 Euros in thousands	Year ended December 31 2022 Euros in thousands
Revenues from rental of properties		25,034	21,386	16,600
Revenues from property management and others		9,192	7,998	6,095
Property management expenses		(9,192)	(7,998)	(6,095)
Cost of maintenance of rental properties		(3,930)	(3,793)	(3,261)
Gross profit from property rental		21,104	17,593	13,339
Revenues from selling of apartments	13a	3,521	-	-
Apartments cost of goods sold		(2,509)	-	-
Gross profit from selling of apartments		1,012	-	-
General and administrative expenses	13b	(8,700)	(6,437)	(5,653)
Operating income before changes in fair value of investment property, net		13,416	11,156	7,686
Changes in fair value of investment property, net		41,820	(45,352)	27,022
Changes in fair value of investment property due to one time update in the Real estate Transfer TAX	5	-	(11,471)	-
Operating (loss) income		55,236	(45,667)	34,708
Finance expenses, net	13c	(9,888)	(7,636)	(5,523)
Change in fair value of financial assets and exchange rate differences		(2,604)	2,400	3,215
(Loss) income before taxes on income		42,744	(50,903)	32,400
Taxes on income	9	(7,560)	7,408	(5,125)
Total net and comprehensive (loss) income attributable to shareholders of the Company		35,184	(43,495)	27,275
Basic (loss) earnings per share	17	1.87	(2.40)	1.51
Diluted (loss) earnings per share		1.75	(2.40)	1.47

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Year ended December 31, 2024					
	Equity attributable to equity holders of the Company					
	Share capital	Share premium	Statutory capital reserve (1)	Share based payment capital reserve	Retained earnings	Total attributable equity shareholders of the Company
	Euros in thousands					
Balance as of January 1, 2024	181	225,628	83,400	1,472	19,562	330,243
Issuance of share capital, net(*)	25	50,413	-	-	-	50,438
Total net and comprehensive income	-	-	-	-	35,184	35,184
Classification in accordance with Dutch law	-	-	31,374	-	(31,374)	-
Cost of share based payment	-	-	-	3,552	-	3,552
Balance as of December 31, 2024	206	276,041	114,774	5,024	23,372	419,417

(*) See Note 11(f)

	Year ended December 31, 2023					
	Equity attributable to equity holders of the Company					
	Share capital	Share premium	Statutory capital reserve	Share based payment capital reserve	Retained earnings	Total equity attributable to shareholders of the Company
	Euros in thousands					
Balance as of January 1, 2023	181	221,012	131,727	3,637	14,730	371,287
Expiration of options deriving from share based payment	-	4,616	-	(4,616)	-	-
Total net and comprehensive income (loss)	-	-	-	-	(43,495)	(43,495)
Classification in accordance with Dutch law	-	-	(48,327)	-	48,327	-
Cost of share based payment	-	-	-	2,451	-	2,451
Balance as of December 31, 2023	181	25,628	83,400	1,472	19,562	330,243

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Cont.)

	Year ended December 31, 2022					
	Equity attributable to shareholders of the Company					
	Share capital	Share premium	Statutory capital reserve	Share based payment capital reserve	Retained earnings	Total equity attributable to shareholders of the Company
	Euros in thousands					
Balance as of January 1, 2022	181	221,012	110,652	1,650	8,530	342,025
Total net and comprehensive income	-	-	-	-	27,275	27,275
Classification in accordance with Dutch law	-	-	21,075	-	(21,075)	-
Cost of share based payment	-	-	-	1,987	-	1,987
Balance as of December 31, 2022	181	221,012	131,727	3,637	14,730	371,287

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31 2022
	Euros in thousands	Euros in thousands	Euros in thousands
Cash flows from operating activities:			
Net (loss) income	35,184	(43,495)	27,275
Adjustments required to present net cash from operating activities:			
Adjustments to profit or loss:			
Finance expenses, net	11,859	5,392	2,308
Changes in fair value of investment property, net	(41,820)	56,823	(27,022)
Cost of share based payment	3,552	2,451	1,987
Deferred taxes, net	7,353	(7,547)	5,146
Cash flows from operating activities before changes in asset and liability items	16,128	13,624	9,694
Changes in operating asset and liability items:			
Changes in apartments inventory	2,509		
Other receivables	(1,934)	(288)	(1,098)
Increase in accounts payable	1,719	(436)	246
Net cash derived from operating activities	18,422	12,900	8,842
Cash flows from investing activities:			
Purchase of investment property	(56,025)	(64,329)	(143,371)
Capital investments (CAPEX) in investment property (including planning costs)	(7,253)	(5,350)	(3,714)
Realization of financial assets	-	-	1,850
Depositing restricted deposits and prepaid transaction costs, net	(9,611)	3,716	(10,234)
Net cash used in investing activities	(72,889)	(65,936)	(155,469)
Cash flows from financing activities:			
Interest paid	(9,211)	(7,111)	(4,762)
Receipt of long-term loans, net	5,370	33,877	130,657
Repayment of long-term loans	(7,932)	(6,633)	(4,871)
Receipt of long-term loans under refinancing	38,266	24,250	45,000
Repayment of long-term loans under refinancing	(7,772)	(6,682)	(25,001)
Purchase of interest cap fixing transactions (CAP)	-	(485)	(1,728)
Issuance of shares, net	50,438	-	-
Net cash derived from financing activities	69,159	37,216	139,295

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont.)

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31 2022
	Euros in thousands	Euros in thousands	Euros in thousands
Change in cash and cash equivalents	14,692	(15,847)	(7,332)
Effect of changes in exchange rates	1,277	57	(392)
Balance of cash and cash equivalents at the beginning of the year	11,562	27,352	35,076
Balance of cash and cash equivalents at the end of the year	27,531	11,562	27,352

(a) Non cash activities

Purchase of real estate	1,263	876	362
Classification from investment property to inventory	3,695		
Payables in respect of investing activities	(1,784)	(2,474)	(3,902)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

General description of the Company and its activity

ARGO Properties N.V. (hereinafter: "the Company") and its subsidiaries (hereinafter: "the Group") was incorporated in January 2018 and commenced its operations in July 2018 and is a Dutch-based real estate company engaging via subsidiaries in value enhancement and acquisition of investment properties in Germany, in the conversion of apartments for sale and selling these apartments (R2C) and in the area of income-generating residential real estate.

Regarding the Company's operating segments, see Note 17.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation of the financial statements:

1. Basis of measurement

The Company has elected to present its statement of comprehensive income according to the operations attribute method.

2. Statement regarding the implementation of international financial accounting reporting standards (**IFRS® Accounting Standards**) and preparation format of the financial statements:

The consolidated financial statements of the Group have been compiled in accordance with International Financial Reporting Standards (hereinafter: "IFRS") and interpretations thereof issued by the International Accounting Standards Board (IASB®). The main principles of the accounting policies which are detailed below have been applied consistently in regards to all reporting periods presented in these consolidated financial statements, except for changes in the accounting policies that derived from the application of standards, amendments to standards and interpretations which have been effective as of the reporting date of the financial statements as specified in Note 3 below.

In addition, the financial statements are prepared in accordance with the provisions of the Securities Regulations (Annual Financial Statements) – 2010.

b. Significant accounting judgments, estimates and assumptions used in the preparation of the financial statements:

Estimates and assumptions:

During the preparation of the financial statements, the management is required to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. These estimates and underlying assumptions are reviewed regularly. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial statements concerning uncertainties at the end of the reporting period and the critical estimates calculated by the Group that may result in a material adjustment to the carrying amounts of assets and liabilities within the next consecutive financial year are discussed below.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Significant accounting judgments, estimates and assumptions used in the preparation of the financial statements (Cont.):

Investment property:

Investment property that can be reliably measured is presented at fair value at the end of the reporting period. Changes in their fair value are recognized in profit or loss. Fair value is determined by independent valuation experts using economic valuations that involve valuation techniques and assumptions as to estimates of projected future cash flows from the property and estimate of the suitable discount rate for these cash flows.

The fair value measurement of investment property requires external appraisers to use certain assumptions regarding rates of return on the Group's assets, future lease prices, occupancy rates, contract renewal terms, the probability of leasing vacant areas, asset operating expenses, the tenants' financial stability and the implications of any investments made for future development purposes in order to assess the future expected cash flows from the assets. In determining the fair value of lands and potential rights, are taken into account, inter alia and if relevant, the duration of establishing the project, the required establishment costs and the developer’s profit. Any change in the assumptions used to measure the investment property may affect the fair value.
The process of the estimate of the fair value of investment property includes also subjective elements, which its source inter alia is based on the past experience of the external appraisers, with whom the Company engaged, and their understanding regarding what is expected to occur in the investment property market at the time the estimate of the fair value was determined. It should be noted that these assumptions are based on observations regarding acquisition transactions or lease transactions of real estate properties in the activity areas where the Company operates and from the appraisers’ acknowledgement of the market. In view of this, and in view of the above mentioned in the previous paragraph, the determining of the fair value of the Company’s investment property requires discretion. Changes in the assumptions used for determining of the fair value may affect materially the Company’s state and the results of its activities.
See note 5d for sensitivity tests.

c. Consolidated financial statements:

The consolidated financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing whether an entity has control. The Company legally holds of specific entities at a rate of 89.9% and earns a yield imputation of 100% in accordance with the essence and the mechanism that was defined in the profit sharing agreement (see Note 10(b)(1)).

d. Functional currency and presentation currency:

The presentation currency of the financial statements is the Euro.

The Group determines the functional currency of each Group entity. The vast majority of the group companies operate in Euro.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e. Cash equivalents:

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of acquisition or with a maturity of more than three months, but which are redeemable on demand without penalty and which form part of the Group's cash management.

f. The operating cycle:

The operating cycle is one year.

g. Financial instruments:

Financial liabilities at amortized cost:

The financial liabilities that are not measured at fair value through profit or loss are initially recognized at fair value after reduction of transaction costs. After initial recognition date, these financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and the allocation of interest expense over the relevant credit period. The effective interest rate is the rate that accurately discounts the forecasted flow cash flows over the expected life of the financial liability to book value, or where appropriate, for a shorter period.

Derecognition of financial liabilities:

The Group derecognizes a financial liability when and only when the financial liability is repaid, canceled or expires. The difference between the carrying amount of the financial liability settled and the consideration paid is recognized in profit or loss.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

h. Investment property:

An investment property is property (land or a building or both) held by the owner (lessor under an operating lease) or by the lessee under a finance lease to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services, for administrative purposes or for sale in the ordinary course of business.

Investment property is measured initially at cost, including costs directly attributable to the acquisition. After initial recognition, investment property is measured at fair value which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment property are included in profit or loss when incurred. Investment property is not systematically depreciated.

Investment property is derecognized on disposal or when the investment property ceases to be used and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset in the financial statements is recognized in profit or loss in the period of the disposal.

The Group determines the fair value of investment property on the basis of valuations by independent appraisers who hold recognized and relevant professional qualifications and the necessary knowledge and experience.

Transition from investment property into inventory:
The Company classifies apartment properties from real estate investment properties into inventory and this is when a change in use of the buildings of the apartments occurs, which is supported by evidence in regards to the rezoning of the property and its turning into inventory.

The evidence includes 3 cumulative conditions as hereafter: (1) the property has undergone a conversion process (hereinafter: R2C) which includes significant development processes mainly in regulatory and legal aspects which enable, inter alia, to sell each apartment separately and/or if the sold apartment has undergone a significant renovation process (2) the apartment in the property has been vacated/is vacant of tenants and/or rented has undergone a process of new rental (3) the apartment is held for the purpose of sale.

As of the date of the aforesaid transition process, the inventory cost of the transitioned apartment is the fair value of that transitioned apartment according to the last valuation that was received prior to the date of the transition from real estate investment property into inventory.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

i. Taxes on income:

Current or deferred taxes are recognized in the statement of profit or loss except to the extent that the tax arises from items which are recognized in other comprehensive income or in equity.

1. Current taxes:

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period as well as adjustments required in connection with the tax liability in respect of previous years.

2. Deferred taxes:

Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

The Group does not create deferred taxes for temporary differences arising from initial recognition of the asset or liability in a non-business combination transaction, when, at the date of the transaction, the initial recognition of the asset or liability does not affect accounting income and taxable income (loss for tax purposes), see Note 9.

Deferred taxes are measured at the tax rates that are expected to apply to the period when the taxes are reversed in profit or loss, comprehensive income or equity, based on tax laws that have been enacted or substantively enacted by the end of the reporting period.

The calculation of deferred taxes does not take into account the taxes that would apply in the event of the realization of investments in investees. In addition, deferred taxes were not taken into account for the distribution of profits by subsidiaries as dividends, since the realization of investments in investee companies and dividend distribution does not involve additional tax liability.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

j. Revenue recognition:

Revenue from contracts with customers according to the fair value of the consideration that was received or the consideration that the Group is entitled to receive in regards with revenue from rendering of services in the normal course of business. Revenue is measured according to the fair value of the consideration that was received or the consideration that the Group is entitled to receive in regards with revenue from rendering of services in the normal course of business.

The specific criteria for revenue recognition for the following types of revenues are:

Revenues from the rendering of services (including asset management fees):

Revenue from rendering of services is recognized over time, during the period the customer simultaneously receives and consumes the benefits provided by the Company's performance. Revenues are recognized according to reporting periods in which the services were provided.

Rental income:

Rental income is recognized on a straight-line basis over the lease term. Where there is a fixed increase in rent over the term of the contract, the aggregate amount of the increase is recognized as revenues on a straight-line basis over the lease period.

k. Reporting revenues using gross basis or net basis:

In cases where the Group acts as an agent or as a broker without being exposed to the risks and rewards associated with the transaction, its revenues are presented on a net basis. However, in cases where the Company controls the transaction and bears the to risks and rewards associated with the transaction, its revenues are presented on a gross basis.

According to the Group's activity, it bears the risks stemming from revenues from property management and therefore, the Company recognizes its revenues on a gross basis.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

l. Fair value measurement:

Fair value of investment property is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of investment property is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Best use is met when it is physically possible, legally allowed and financially feasible.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

m. Classification of interest and dividends paid/received in the statement of cash flows:

The Group classifies cash flows for interest and dividends received as cash flows from investing activities, as well as cash flows for interest paid as cash flows used in financing activity. Cash flows for income taxes are generally classified as cash flows used in current operations, except those that are easily identifiable with cash flows used in investing or financing activities. Dividends paid by the Group are classified as cash flows for financing activities.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

n. Amendments to accounting and financial reporting standards:

a. New standards, interpretations and amendments to standards having an effect on the current period and/or on previous reporting periods:

(1) Amendment to IAS 1 "Presentation of Financial Statements" (regarding the classification of liabilities as current or non-current):

In 2020, the IASB issued an amendment to IAS 1regarding the classification of liabilities as current or non-current (hereinafter: Amendment 2020). The amendment clarifies that the classification of liabilities as current or non-current is based on the rights that exist for an entity at the end of the reporting period and is not affected by the entity's expectation of exercising these rights.

The amendment removed the reference to the existence of an "unconditional right" to defer settlement (extinguishment) of a liability for at least 12 months after the reporting period and clarified that if the right to defer settlement as aforesaid is conditional upon compliance with financial criteria (covenants), the right exists if the entity meets the criteria set as of the end of the reporting period, even if the assessment of compliance with the criteria is performed by the lender at a later date.

In addition, as part of the amendment, a definition was added to the term "extinguishment" in order to clarify that extinguishment may be the transfer of cash, goods and services or equity instruments of the entity itself to the counter party. In this regard, it was clarified that if under the terms of the liability, the counter party has an option to demand extinguishment of the entity's equity instruments, this condition does not affect the classification of the liability as current or non-current if the option is classified as a separate equity component in accordance with IAS 32 "Financial Instruments: Presentation".

The amendment only affects the classification of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of those liabilities or the associated income and expenses.

In October 2022, another amendment was published regarding the classification of liabilities with financial covenants (hereinafter: Amendment 2022) which clarified that only financial covenants which the entity is required to meet at the end of the reporting period or before it, affect the entity's right to postpone the settlement of a liability for at least 12 months after a period of the report, even if compliance with them is actually examined after the reporting period. In contrast, financial criteria that an entity is required to meet at a date later than the end of the reporting period do not affect the existence of the aforementioned right as of the end of the reporting period.

In addition, Amendment 2022 states that if the entity's right to defer settlement of the liability for at least 12 months after the reporting period is subject to the entity meeting financial criteria within 12 months after the reporting period, the entity is required to provide disclosure that will enable the users of the financial statements to understand the risk inherent therein.

The new standard has no effect upon the Company.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

a. New standards, interpretations and amendments to standards having an effect on the current period and/or on previous reporting periods (Cont.):

(2) The IFRS IC decision on Disclosure of Revenue and Expenses for Reportable Segments in July 2024, the IASB approved the International Financial Reporting Interpretations Committee (IFRS IC) decision on Disclosure of Revenue and Expenses for Reportable Segments (hereinafter: the Decision).

The Decision discussed the manner of the application of the disclosure requirements set out in Section 23 of IFRS 8 "Operating Segments" and clarified that disclosure is required for "material items of income and expense" if they are included in the measure of profit or loss reviewed by the chief operating decision maker (CODM), even if they are not provided to him separately. It was also clarified that "material items of income and expense" are not limited to exceptional or non-recurring (one-time) items.

In addition, the Decision clarified that judgment is required in determining the extent of disclosure to be included in segment reporting, taking into account the entity's specific facts and circumstances, the core principle of IFRS 8, and the materiality principles set out in IAS 1 "Presentation of Financial Statements."

The Decision was implemented by the Company in these financial statements by way of retrospective application. As a result, the Company added information regarding financing expenses in the segment disclosures, see Note 16.

b. New standards, new interpretations and amendments to standards that were issued and are invalid, and were not adopted by the Group by early adoption, which are expected to have an effect or may have an effect on future periods:

- International Financial Reporting Standard 18 "Presentation and Disclosure in Financial Statements" ("IFRS 18"):

  On April 9, 2024, IFRS 18 was issued which replaces the International Accounting Standard 1 "Presentation of Financial Statements" ("IAS 1"). The purpose of the IFRS 18 standard is to improve the manner of conveying the information by entities to users in their financial statements.

  The standard focuses on the following areas:

  1. The structure of the profit or loss statement- presentation of defined subtotals and subdivision to categories in the profit or loss statement.
  2. Requirements regarding the improvement of the aggregation and disaggregation of information in the financial statements and in the notes.
  3. Presentation of information regarding management-defined performance measures ("MPM") that are not based on accounting standards (NON-GAAP) in the notes to the financial statements.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

n. Amendments to accounting and financial reporting standards (Cont.):

b. New standards, new interpretations and amendments to standards that were issued and are invalid, and were not adopted by the Group by early adoption, which are expected to have an effect or may have an effect on future periods (Cont.):

In addition, at the time of applying IFRS 18 additional amendments to IFRS standards shall be effective, inter alia to the IFRS 7 "Statement of Cash flows" which are designated to improve the comparison between entities. The changes include mainly: using a subtotal of the operating profit as a single starting point in applying the indirect method for reporting on cash flows from operating activities as well as canceling the alternatives for choosing an accounting policy regarding the presentation of interest and dividends. In light of this, except in certain cases, interest and dividends received will be included as part of cash flows from investing activities and on the other hand paid interest and paid dividends will be included as part of financing activities.

The IFRS 18 standard shall be effective for annual reporting periods starting from January 1, 2027 onwards. The standard is applied retrospectively, with specific transitional provisions. Early adoption is possible, however, in accordance with the decision of the Securities Authority, early adoption will only be possible starting from the period beginning on January 1, 2025 (financial statements for the first quarter of 2025).

The Company is examining the effect of IFRS 18, including the effect of amendments to additional IFRS standards as a result of its application, upon the financial statements.

NOTE 3:- CASH AND CASH EQUIVALENTS

Composition:

	December 31, 2024	December 31, 2023
	Euros in thousands	Euros in thousands
Cash on hand	5,811	5,345
Short-term deposits (1)	21,720	6,217
	27,531	11,562

(1) As of December 31, 2024, includes deposits of approximately € 21,105 thousand bearing an annual average weighted interest of approximately 2.88% and a deposit of € 412 thousand denominated in NIS bearing an annual weighted interest rate of approximately 4.3% .

NOTE 4:- RESTRICTED DEPOSITS, LIQUIDATED INVESTMENTS AND ACCOUNTS RECEIVABLE

Composition:

	December 31, 2024	December 31, 2023
	Euros in thousands	Euros in thousands
Restricted deposits (*)	12,132	9,124
Liquidated investments	5,426	2,358
Tenants, net	1,599	755
Prepaid expenses	1,928	1,459
Accounts receivable and other receivables	878	301
	21,963	14,177

(*) Mainly in regards with bank loans. In addition, the Company has restricted deposits in the amount of € 2,500 thousand, which are presented under accounts receivable and other receivables for long-term.

NOTE 5:- INVESTMENT PROPERTY

a. Composition and movement:

	Year ended December 31, 2024	2023
	Euros in thousands	Euros in thousands
Income generating residential real estate - level 3:		
Balance at the beginning of the year	657,826	634,680
Purchases and additions during the year	64,255	71,800
Inventory classification	(3,695)	-
Increase in fair value	46,623	7,356
Decrease in fair value	(8,296)	(56,010)
Balance at the end of the year (*)	756,713	657,826
Income generating commercial real estate - level 3:		
Balance at the beginning of the year	21,700	28,900
Purchases and additions during the year	286	349
Increase in fair value	4,014	-
Decrease in fair value	-	(7,549)
Balance at the end of the year	26,000	21,700
	782,713	679,526

(*) As of December 31, 2024, the Company has construction rights in the amount of € 25,348 thousand. A total of € 21,040 thousand is included as part of the income-generating residential real estate for 11,496 square meters of construction rights, which reflect an average value of € 1,830 per meter. A total of € 4,308 thousand is included as part of the income-generating commercial real estate for a land division with an area of approximately 6,500 square meters.

b. Presentation in the statement of financial position:

Investment property is stated at fair value, as determined in valuations generally performed by independent outside appraisers who hold recognized and relevant professional qualifications and who have extensive experience in the location and category of the property being valued. The fair value was determined based on estimated future cash flows from the property. In estimating cash flows, their inherent risks and limitations of rental fees are taken into account where they are capitalized at a rate of return that reflects the risks embodied in the cash flows, which is determined taking into account the market rate of return, whilst adapting it to the specific characteristics of the property and the level of risk of the revenues expected from it.

NOTE 5:- INVESTMENT PROPERTY (Cont.)

c. Significant assumptions (based on weighted averages) that were used in valuation estimates are as follows:

	December 31, 2024	December 31, 2023
Income-generating residential real estate:		
Discount rate (%) (*)	5.09%	4.78%
Growth rate for the first 10 years	1.46%	1.78%
Long-term growth rate (*)	1.84%	1.21%
Long-term vacancy rate (%)	2.28%	1.58%
Representative monthly rental fees per sq. m. (in Euros)	11.72	10.77

(*) It should be noted that according to the methodology applied in the valuations, the estimated cash flow for the first 10 years are capitalized based on the Discount Rate basis, and effective from the eleventh year onwards, estimated cash flows are capitalized based on the Cap Rate basis (which deducts the long term growth rate from the Discount Rate).

NOTE 5:- INVESTMENT PROPERTY (Cont.)

d. The following table presents the sensitivity of the valuation to the changes in the most material assumptions underlying the valuation of investment property:

	December 31,	
	2024	2023
	Euros in thousands	Euros in thousands
Increase of 25 basis points at the discount rate of investment property relating to income-generating residential real estate	(33,911)	(29,540)
Decrease of 25 basis points at the discount rate of investment property relating to income-generating residential real estate	37,383	31,615
Increase of 5% in representative rental fees per square meter	36,516	31,339
Decrease of 5% in representative rental fees per square meter	(36,516)	(31,339)

e. Regarding charges: see Note 10.

f. Income from future minimal rental fees:

The Company owns income generating residential real estate where all of its lease agreements are shorter than one year.
As of December 31, 2024, the Company has lease agreements in the residential segment reflecting, based on the current occupancy rate, an annual rental income at the amount of approximately EUR 29.7 million.

In addition, the Company owns income generating commercial real estate consisting of assets leased to third parties generating annual rental income at the amount of approximately EUR 0.7 million.

The future minimum rental fees receivable from existing tenants in the income generating commercial real estate are as follows:

	December 31,	
	2024	2023
	Euros in thousands	Euros in thousands
First year	693	704
Second year	624	662
Third year	472	624
Fourth year	259	396
Fifth year	257	258
Sixth year and thereafter	696	959
	3,001	3,603

NOTE 5:- INVESTMENT PROPERTY (Cont.)

g. Purchases of investment property and entering into financing agreements during 2023:

(1) During 2023, the Company completed (via subsidiaries and sub-subsidiaries) the purchase of 457 apartments in 43 buildings for a total consideration of approximately EUR 63,449 thousand. In addition, the Company engaged in further transactions (including agreements after the report date) for the purchase of 55 apartments in a total consideration of approximately EUR 8,679 thousand.

(2) Financing of new acquisitions:

- During December 2022, the Company's sub- subsidiaries entered into two non-recourse loan agreements with a German banking corporation, for a period of 5 years in a total amount of EUR 20 million, bearing a variable interest rate based on a 3 months Euribor rate. The drawing down of the loans was carried out at the end of March 2023.

- During April 2023, a Company's sub-subsidiary entered into a non-recourse loan agreement with a German banking corporation for a period of 3 years in a total amount of EUR 1.8 million, bearing a fixed interest rate of 4.15%. The drawing down of the loan was carried out during the third quarter of 2023.

- During the second quarter of 2023, the Company's sub-subsidiaries entered into non-recourse loan agreements with a German banking corporation for a period of 5 years in a total amount of EUR 13 million, bearing a fixed interest rate of 4.18%. The drawing down of the loan was carried out during the third quarter of 2023.

(3) Refinancing as a result of property value enhancement:

- During April 2023, the Company's sub-subsidiaries entered into an additional loan agreement with a German banking corporation which increases the remaining balance of the current loans, that these sub-subsidiaries have taken in the past from a total amount of approximately EUR 19.1 million to a total amount of approximately EUR 21.6 million. The abovementioned increase of the total amount of loans is to be repaid on April 30, 2026 and bears a fixed interest rate of 4.61%. The drawing down of the loan was carried out during the second quarter of 2023.

- During the third quarter of 2023, the Company's sub-subsidiaries entered into an LOI with a German banking corporation and on February 5, 2024, a loan agreement was signed with a German financial institution (hereinafter: the "Bank") for refinancing at the total amount of approximately EUR 39 million (hereinafter: the "New Loan"). Out of the amount of the new loan, an amount of approximately EUR 34 million was drawn down on February 19, 2024 and the remaining balance at the amount of approximately EUR 5 million for drawing down which was drawn down on May 31, 2024. The new loan replaces 3 loans of which their remaining balance is at an amount of approximately EUR 26.6 million.

NOTE 5:- INVESTMENT PROPERTY (Cont.)

g. Purchases of investment property and entering into financing agreements during 2023 (Cont.):

(3) Refinancing as a result of property value enhancement (Cont.):

The New Loan:

Is for a period of 5 years (until January 31,2029) and bears a variable interest rate with an additional margin of 1.3% above the interest rate of 3 months Euribor rate . The loan principal is to be repaid in a one-time payment at the at the end of the loan period ("bullet"). The Company is entitled to hedge the interest rate. The new loan is secured by first-ranking liens on the full rights of the asset companies in the said properties.

The free cash flow that derived from the refinancing subject of the new loan summed up (after deducting expenses) at the amount of approximately EUR 11.9 million and is used by the Company for financing new acquisitions and for its operating activities.

The current loans:

An amount of EUR 6.5 million out of the current loans which is at a variable interest rate was drawn down at the time of executing the refinancing. The remaining balance of the current loans at the amount of approximately EUR 20 million bears a fixed interest rate of between 0.94% to 1.1% and is to be repaid in the months of July and December 2026. The Company, via sub-subsidiaries, reached a commercial understanding/engaged with the bank that granted the current loans, that (subject to the approval of credit committee and signing legal documents as the case may be) the remaining balance of the current loans bearing a fixed interest rate and their terms would be maintained, with the loans secured against a pledged deposit (hereinafter: the "Pledged Deposit") at a ratio of 1:1 until they shall be used for the purpose of refinancing the acquisition of new properties and providing financing in a manner of refinancing. In April 2024, the Company entered, via sub-subsidiaries into non-recourse loan agreements at a total amount of EUR 17.5 million which was drawn down from the Pledged Deposit during the months of May and June 2024, whereas out of this amount that was drawn:

(a) an amount of EUR 1.8 million was drawn for the purpose of a loan repayment from another German banking corporation at an amount of EUR 1.3 million.

(b) an amount of EUR 12.5 million and EUR 2.5 million were used for the purpose of financing the acquisition of new properties in the years 2024 and 2025, respectively.

(c) an amount of EUR 3.2 million was used for the purpose of increasing the financing on existing properties (TOP UP).

The combination of the free cash flow that derived to the Company from the combination of the refinancing subject to the New Loan (a total amount of EUR 11.9 million) and the free cash flow that derived to the Company from increasing the refinancing on the existing properties (TOP UP at the amount of EUR 3.2 million and EUR 0.5 million, net refinance of another loan) amounted to a total of EUR 15.6 million.

NOTE 5:- INVESTMENT PROPERTY (Cont.)

h. Purchases of investment property and entering into financing agreements during 2024:

(1) During 2024, the Company completed (via subsidiaries and sub-subsidiaries) the purchase of 320 apartments in 31 assets for a total consideration of approximately EUR 52,411 thousand. In addition, the Company engaged in further transactions (including agreements after the report date) for the purchase of 258 apartments in a total consideration of approximately EUR 34,816 thousand which are expected to be completed during the first half of 2025.

(2) Financing of new acquisitions:

On April 17, 2024, the Company entered into an LOI with a German banking corporation to engage in a non-recourse loan agreement at a total amount of EUR 5 million for the purpose of financing the acquisition of new assets whose cost amounted to a total of approximately EUR 10.8 million. The loan agreement at a total amount of EUR 3.86 million between the Company's sub-subsidiary and the banking corporation was signed in June 2024 for a period of five years, the loan bears a fixed interest rate of 4.16% per annum, the remaining balance of the loan was drawn down during the third quarter of 2024. A loan agreement for a total amount of EUR 1.15 million was signed on October 28, 2024 for a period of 5 years, this loan bears a fixed interest rate of 3. 6% per annum, the drawing down of the loan was carried out in the fourth quarter of 2024.

On January 13th ,2025, the Company entered into LOIs with a German banking corporation to engage in non-recourse loan agreements at a total amount of EUR 24.9 million for the purpose of financing the acquisition of new assets whose cost expected to amount to a total of approximately EUR 45.7 million, out of which transactions at a scope of approximately EUR 20.2 million were completed as of the signing report date, where the completion of the remainder of the transactions is expected until the date of drawing down the loans. The loans agreements and the drawing down of the loans is expected in the beginning of the second quarter of 2025 for a period of 5 years, where the interest rate is expected to be based on a margin of 1.29% above the interest rate for this period.

NOTE 6:- ACCOUNTS PAYABLE

Composition:

	December 31, 2024	December 31, 2023
	Euros in thousands	Euros in thousands
Expenses payable and others	5,093	3,823
Agreement with a partner (*)	369	333
Interest payable	88	115
Trade payables	2,386	436
Deposits from tenants	3,220	3,076
Provision for vacation and sick leave	1,144	1,073
	12,300	8,856

(*) see Note 10b(1).

NOTE 7:- LOANS FROM BANKS

a. Composition:

	Weighted interest rate (*) as of December 31, 2024	December 31, 2024	December 31, 2023
	%	Euros in thousands	Euros in thousands
Non-current loans from banks and others:			
Variable interest rate based on 3 or 6 months Euribor rate (*)	3.68%	94,655	63,250
Fixed interest rate (**)	1.89%	230,986	233,972
Fixed interest rate from institutional entity denominated in NIS (***)	3.84%	56,632	53,594
Deferred finance costs		(2,071)	(2,289)
Total loans from banks and others, net of deferred finance costs		380,202	348,527
Less - current maturities		(35,234)	(6,618)
		344,968	341,909
Maturity dates (excluding the deduction of deferred finance costs):			
First year		35,234	6,618
Second year		85,638	35,647
Third year		119,204	85,328
Fourth year		98,445	128,816
Fifth year and beyond		43,752	95,407
		382,273	351,876

(*) The weighted interest rate is taking into account the interest rate cap in accordance with agreements to fix the Euribor rate cap (CAP) the companies entered into.
For further details see Note 12(f).

(**) The values of the loans at variable interest rate do not include a loan the balance of which as of December 31, 2024 amounted to EUR 7,350 thousand that was fixed by SWAP agreement and is presented by weighing the SWAP agreement under loans bearing fixed interest rate.

(***) For further details - see Note 5(g)(c).

NOTE 7:- LOANS FROM BANKS (Cont.)

b. Additional information on loans from banks:

All the remaining balance of the loans from banking corporations, except for a loan from an institutional entity, are loans taken out by sub-subsidiaries and are without a right of recourse to the Company (Non-Recourse). Under the loan agreements (of the non-recourse type) which their remaining balance as of December 31, 2024 is EUR 170,861 thousand, the Company's subsidiaries have committed to meet a number of financial covenants as customary in the market, in some cases quarterly reviews and in others annual or multi-year reviews. Among other things were set debt coverage ratios of 1.2, minimum rental fees, debt yield and LTV. The balance of the bank loans does not include a commitment to meet financial covenants.

As part of a loan from an institutional entity which was granted to the Company and its remaining balance as of December 31, 2024 is EUR 56,632 thousand, the Company is required to meet the requirement of maximum net debt to CAP of 75% and a maximum exposure to a single asset of 5%.

As of December 31, 2024, the Group meets all covenants that were set.

(1) For information regarding liens, see Note 10.

(2) For additional information on loans taken during the reported period, see Note 5(g)(h).

NOTE 8:- OTHER FINANCIAL LIABILITIES

Financial liabilities in regards of interest SWAP transactions as of December 31, 2024 and 2023 are in the amount of approximately EUR 0 thousand and approximately EUR 0 thousand, respectively (level 2).

As of December 31, 2024 and 2023, the fixed interest rates (without margin) were set at 2.72% and 0.17%, respectively. (See also Note 12f).

Subsidiaries in Germany that own investment properties took loans and signed interest rate SWAP agreements. In these agreements, the subsidiary hedges its exposure to future changes in variable interest rates on cash flows, by swapping it for a fixed interest rate. As of December 31, 2023, the loan balance amounted to EUR 7,350 thousand. The Company did not treat these transactions as accounting hedging. The change in the fair value of the instrument was recognized in profit or loss statements.

NOTE 9:- TAXES ON INCOME

a. Tax laws applicable to the Group companies:

(1) The Company has revenues from real estate investments in Germany. In accordance with the tax treaty between Germany and the Netherlands, real estate revenues are only taxed at the location of the real estate.

(2) The following are tax rates applicable to the Company and its key subsidiaries:

State	%
The Netherlands	25
Germany	15.825

(3) Earnings from the sale of the shares of a Dutch company and earnings in a German company whose shares are sold by a Dutch company are tax-exempt in the Netherlands subject to meeting the terms of exemption from participation set forth in Dutch law; In case the sold company holds real estate in Germany, 5% of the profit incurred effective from December 31, 2018 is taxable at 15.825% in Germany. It should be noted that the Company recognizes a provision for deferred taxes for all temporary differences arising from a notional sale of assets.

Some of the Company's subsidiaries are German companies, which are generally also subject to local business tax rates ranging from 14% to 17%. The tax law provides for exceptions and exemptions that are relevant to the Company's operations in these companies.

b. Tax assessments

Final tax assessments

The Company and some of the companies held by the have final tax assessments until 2019, some of the companies held by the Company have not yet had tax assessments issued/formed since their incorporation date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9:- TAXES ON INCOME (Cont.)

c. Losses carried forward for tax purposes and other temporary differences:

The Group has business losses for tax purposes carried forward for tax purposes on the coming years and temporary differences that do not derive from investment property, amounting as of December 31, 2024 to approximately EUR 38,005 thousand, that in regards thereof deferred tax assets have been recognized in the financial statements in the amount of approximately EUR 6,324 thousand.

In addition, the Group has business losses, which were accumulated in asset companies the Company acquired during the period prior to the acquisition of the companies, for tax purposes carried forward to future years, amounting as of December 31, 2024 to approximately EUR 304 thousand, for which no deferred tax assets were recognized.

In addition, the Group has temporary differences, which were created at the time of acquisition of asset companies in non-business combinations and that at the time of the transaction did not affect the accounting profit or the taxable income, between the tax base of real estate for tax purposes and the cost of its acquisition which amounted as of December 31, 2024 and 2023 to approximately EUR 21,413 thousand, for which no deferred tax liabilities were recognized.

NOTE 9:- TAXES ON INCOME (Cont.)

d. Deferred taxes:

(1) Composition:

	December 31,	
	2024	2023
	Euros in thousands	Euros in thousands
Deferred tax liabilities		
Investment property	(32,838)	(23,349)
Deferred tax assets		
Losses carried forward for tax purposes and other temporary differences	6,324	4,188
Deferred tax liabilities, net	(26,514)	(19,161)
Deferred taxes are presented in the statement of financial position as follows:		
Non-current assets	938	513
Non-current liabilities	(27,452)	(19,674)
	(26,514)	(19,161)

(2) Movement in profit or loss:

	Year ended December 31,		
	2024	2023	2022
	Euros in thousands	Euros in thousands	Euros in thousands
Balance at the beginning of the year	(19,161)	(26,708)	(21,562)
Investment property	(9,489)	5,473	(4,693)
Revaluation of financial derivatives		-	-
Creation (utilization) of losses carried forward for tax purposes	2,136	2,074	(453)
Balance at the end of the year	(26,514)	(19,161)	(26,708)

(*) The deferred taxes are computed at an average tax rate of 15.825% based on the tax rates expected to apply upon asset realization in the Company's sub-subsidiaries. Deferred taxes in regards of carryforward tax losses in the Netherlands are calculated at a tax rate (25%) the Company expects that these losses will be utilized.

NOTE 9:- TAXES ON INCOME (Cont.)

e. Taxes on income included in the statements of profit or loss:

	Year ended December 31,		
	2024	2023	2022
	Euros in thousands	Euros in thousands	Euros in thousands
Deferred taxes	(7,353)	7,547	(5,146)
Current taxes and taxes in regards of previous years	(207)	(139)	21
Tax expenses	(7,560)	7,408	(5,125)

f. Theoretical tax:

The following is the reconciliation between the tax expense, assuming that all revenues and expenses, profits and losses in the statement of profit or loss had been taxed at the statutory tax rate in the Netherlands and the amount of taxes on income charged in the statement of profit or loss:

	Year ended December 31,		
	2024	2023	2022
	Euros in thousands	Euros in thousands	Euros in thousands
(Loss) income before taxes on income	42,744	(50,903)	32,400
Statutory tax rate in the Netherlands	25%	25%	25%
Tax calculated using statutory tax rate	(10,686)	11,417	(8,100)
Deferred tax assets created in other tax rate (see section a. above)	3,126	(4,009)	2,975
Taxes on income	(7,560)	7,408	(5,125)

NOTE 10:- COMMITMENTS AND CHARGES

a. Charges:

(1) To secure loans from banking corporations, that Company's subsidairies had taken, that have no right of recourse to the borrower (Non-Recourse), charges have been recorded on investment property as well as on bank accounts where rents are received, rights in respect of insurance policies, charge on shares of the Company the owner of the property, etc. Each property is owned by a subsidiary (SPV). For some of the properties, there is a cross guarantee to secure credit facilities taken to finance the acquisition of the properties.

Some of the loan agreements contain "negative lien" provisions stipulating that the borrowers were prohibited from creating additional charges on the charged properties and income, without an explicit approval of the lender.

(2) The balance of the secured liabilities is as follows:

	December 31,	
	2024	2023
	Euros in thousands	Euros in thousands
Non-current liabilities (including current maturities), see Note 7	380,202	348,527

b. Commitments

(1) The Company has entered into an agreement with a partner holding 10.1% in a number of subsidiaries, according to which the Company has provided the partner with loans of approximately EUR 3,035 thousand. The loans are without a right of recourse to the borrower (non-recourse) secured by the shares of the subsidiaries, bearing interest at a rate of 10% and repayable in 2029. The partner assigned to the Company rights for any payment to be paid by the subsidiaries until the full repayment of the loan.

In addition, the Company has an option to acquire the partner's rights in the subsidiaries after 10 years from the agreement date in exchange for an amount equal to the partner's share in the net assets of the subsidiaries less certain reductions in accordance with the mechanism defined in the agreement.

Under said loan agreement, an annual amount for the above option to which the partner is entitled under the option agreement as well as additional amounts to which the partner is entitled for a dividend from the subsidiaries will be deducted against the annual interest amounts in respect of the loans granted to the partner as mentioned above. For further details see Note 6.

(2) Regarding commitments for the purchase of real estate purchase - see Note 5g above.

NOTE 11:- EQUITY

a. Composition of share capital:

	December 31, 2024		December 31, 2023	
	Registered	Issued and outstanding	Registered	Issued and outstanding
Ordinary shares of EUR Cent 1 par value each (1)	30,000,000	20,559,634	30,000,000	18,101,534

b. Capital management in the company:

The Company works to ensure a capital structure that will enable the Company to support its business and to maximize value for its shareholders. The Company manages its capital structure and makes changes according to changes in the environment in which the Company operates.

NOTE 11:- EQUITY (Cont.)

c. Employee stock options:

The new plans:

During 2023, the Company's Board of Directors approved plans for the allocation of options to employees and officers in the Company and the remuneration committee, the Company's Board of Directors and the general meeting of the Company's shareholders (respectively and as the case may be) approved the allocation of options in virtue of the said plans for the joint CEOs as well as for additional senior officers. Below are the main terms of the said plans:

	ESOP 2	ESOP1A in regards to the joint CEOs	ESOP1A in regards to the officers who are not CEOs
Date of the approval of allocations (name of the approving organ)	**In regards of the joint CEOs** - January 19, 2023 (the remuneration committee and the Company's Board of directors) and March 9, 2023 (the general meeting of the Company's shareholders); **In regards of other senior officers** - August 23, 2023 (the audit committee and the Company's Board of Directors);	August 31, 2023 (the remuneration committee); September 7, 2023 (the Company's Board of Directors); September 16, 2023 (the general meeting of the Company's shareholders);	
Number of allocated options	2,048,904	1,331,277	839,283
Date of actual allocation	1,309,169 options were allocated on July 2, 2023 to the joint CEOs; 739,735 options were allocated to other senior officers on October 5, 2023.	October 16, 2023	
Exercise price (NIS)	77.13	65	59.33
The method of the options exercise	Cashless only with accordance to the average share price in the period of 30 days prior to the exercise notice (*)		
Vesting periods and dates	3 vesting periods of one, two and three years, starting from July 1, 2023	One vesting date on December 31, 2024	
Final date for exercise	June 30, 2027	June 30, 2026	
Fair value of the total amount of granted options as determined by an external independent appraiser	NIS 12,492 thousand	NIS 4,964 thousand	NIS 4,582 thousand
Main parameters that were used for the valuation of the options			
Valuation Model	Black and Scholes	Black and Scholes and Monte Carlo	Black and Sholes
Closing price of the share (NIS) on the date of valuation	54.03 and 50.95, with accordance to the date the options were granted respectively: March 9, 2023 with regards to 1,309,169 options and August 23, 2023 with regards to 737,735 options.	47.51, with accordance to the date the options were granted on October 16, 2023	
Annual standard deviation	29%-31%	31%	
Option expected term (based on "Simplified method")	Between 3.2. and 2.9 years, with accordance to the date the options were granted.	Two years, with accordance to the date the options were granted.	
Risk-free interest rate	3.96%-4.26%	3.89%	
Maximum dilution factor	Up to 6%	Up to 7%	

* With regards to 636,286 options which were granted to Mr. Tenenbaum (joint CEO), it was determined as for the net exercise mechanism, that in spite of the calculation based only on the average closing prices, the calculation will be determined by the lower of: (i) average closing share prices; and (ii) the NTA (equity plus deferred tax reserve for investment property) per share value (in NIS currency according to the exchange rate on the date of exercising the options).

NOTE 11:- EQUITY (Cont.)

d. Options to investors:

In accordance with the Company's founders agreement, if the Company's shares are issued in the stock exchange the investors included in the founders' agreement of July 2018 will be entitled to options for additional 20% of shares than they had on the founders' agreement signing date (fully diluted) at a price higher by 25% than the price per share of the shares to be issued in the stock exchange (if issued) subject to 4 year vesting period from the IPO date.

In accordance with the foregoing, on May 10, 2021, the Company's board of the directors approved 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 according to the terms specified in the founders' agreement as of the Company's establishment date.

The Company accounts for such grant of options as a share based payment for services rendered by the Company's founders.

e. Classifications in accordance with Dutch law - Statutory Capital Reserve:

In accordance with the provisions of the Dutch law applicable to the Company, the Company's profits from adjustments to fair value that have not been realized cannot be distributed as dividends, consequently changes in the fair value of investment property that have not been realized, with a deduction of deferred taxes, are included under a statutory capital reserve.

In addition, profits of subsidiaries are not distributable as dividends unless distributed by the subsidiaries themselves.

However, in accordance with Dutch law, these profits can only be distributed after being converted into share capital and the reduction of capital as a result of the dividend distribution.

In the reported year, the Company classified the distributable earnings from the statutory capital reserve.

Accordingly, the balance of distributable earnings as of December 31, 2024 is approximately EUR 23,372 thousand.

f. Issuance of shares to the public:

On September 18, 2024, the Company published a shelf offering report by virtue of the Company's shelf prospectus which was published on May 20, 2024, bearing the date of May 21, 2024. In the offering report, 2,945,500 ordinary shares of the Company, with a nominal value of 0.01 Euro each, were offered to the public (hereinafter: "the Shares" or "the Offered Shares"). The shares were offered to the public in 29,455 units (hereinafter: " the Units"), in a manner of uniform offering, in a tender for the price of the unit, when the minimum price of the unit (which includes 100 shares) was NIS 8,950. Of the units offered to the public in the tender, in regards to 24,273 units (which constitute approximately 82.4% of the units offered in the public offering according to the offering report) a prior commitment was given to purchase them from classified investors whose names were listed in the offering report. In the tender held on September 19, 2024, 45 applications (requests) were received to purchase 27,620 units (including 17 applications from classified investors to purchase 24,273 units as mentioned above). The price of the unit determined in the tender is NIS 8,970. In accordance with the results of the tender, on September 22, 2024, the Company issued 2,458,100 shares for a total consideration (gross) of approximately NIS 220,492 thousand.

NOTE 12:- FINANCIAL INSTRUMENTS

a. Classification of financial assets and financial liabilities

	December 31, 2024	December 31, 2023
	Euros in thousands	Euros in thousands
Cash, loans and receivables at amortized cost:		
Cash and cash equivalents	27,531	11,562
Restricted deposits and liquidated investments	17,558	11,622
Financial assets	979	1,219
Accounts receivable	2,477	1,056
	48,545	25,459
Other financial liabilities at amortized cost:		
Credit from banks and others	380,202	348,527
Other accounts payable	7,936	4,707
	388,138	353,324

b. Market risk:

Interest rate risk:

The Group is exposed to risk resulting from changes in cash flows of loans bearing variable interest rates because of changes in interest rates.

The Company hedges most of its financial liabilities by taking loans at fixed interest rate or by entering into interest SWAP agreements or CAP agreements.

The interest swap contract conditions are suited to the base loans. As of the report date, 97% of the Company's loans are at fixed interest or hedged. See Note 7 regarding the Company's loans at fixed and variable interest.

Exchange rate risk:

The Group, whose operating currency is EURO, is exposed to risk due to changes in exchange rates for a loan from an institutional body that it took out in NIS the balance of which as of December 31, 2024 amounted to EUR 56,632 thousand. For more details regarding this engagement, see note 5(g)(c).

The Company is considering hedging its exposure to exchange rates, through forward transactions and natural hedging (by holding cash in NIS), mainly in light of market conditions, financial flexibility and liquidity considerations.

As of December 31, 2024 - part of the exposure to changes in exchange rates is hedged via hedging transactions on principal and cash held in NIS at the amount of EUR 25.4 million, as of the report signing date the Company has an engagement in a hedging transaction on principal and cash at the amount of approximately EUR 36 million.

NOTE 12:- FINANCIAL INSTRUMENTS (Cont.)

b. Market risk - exchange rate risk (Cont.)

The table below specifies the sensitivity for an increase or decrease of 5%-10% in the relevant exchange rates. This index represents the management's estimates regarding the reasonable possible change in the exchange rates. The sensitivity test includes existing balances of financial items denominated in foreign currency and adjusts its translation at the end of the period to a change at a rate of 5%-10% in the foreign currency exchange rates.

The sensitivity test includes external loans as well as loans for external activities in the Group denominated in a different currency than the currency of the lender or the borrower. A positive number in the table indicates an increase in the profit or loss or an increase in equity when the Euro currency strengthens compared to the relevant currency, or a decrease in the profit or loss or a decrease in equity when the Euro currency weakens compared to the relevant currency.

Under the assumption that the other parameters stay permanent (unchanged), the effect of an increase/ decrease of 5%-10% in the Euro currency compared to the other currencies before tax is applied would be as follows:

	As of December 31, 2024		As of December 31, 2024	
	Increase of 5%	Decrease of 5%	Increase of 10%	Decrease of 10%
	Euros in thousands	Euros in thousands	NIS in thousands	NIS in thousands
Profit or loss	1,606	(1,606)	3,212	(3,212)

NOTE 12:- FINANCIAL INSTRUMENTS (Cont.)

c. Credit risk:

Credit risk could arise from cash and cash equivalents, derivatives and deposits with banking corporations and financial institutions, as well as from receivables, including tenants' debit balances.

Management has a credit policy and exposure to credit risk is examined on a regular basis. In principle, the Company does not provide credit to tenants. In cases in which tenants request credit, the Company carries out a credit assessment for those customers. The Group holds all or part of the tenants' deposits that are refundable until the tenants will settle their payments or in other cases of breach of contract.

The Company estimates the need for making an allowance for doubtful accounts according to the management's estimate of the balance's nature based on the cumulative experience in managing the asset.

Credit risk could also arise from an engagement by a number of financial instruments with a single entity. The Company holds cash and cash equivalents, short-term investments and other financial instruments in various financial institutions with high credit ratings. The Company's policy is to spread its investments among the various institutions.

As of the report date, there were no significant concentrations of credit risk. According to management estimate, the balance in the financial statements of each of the financial assets represents the maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will have difficulty meeting obligations in respect of financial liabilities. Financial liabilities to banking corporations regarding interest payments are guaranteed through rental payments regularly deposited in designated accounts/collection accounts.

The Group's goal is to maintain a balance between the receipt of financing and the flexibility in the use of bank loans.

As of December 31, 2024 - 1.9% of the Group's debt to banks and others will be redeemed within under a year (See also Note 7).

NOTE 12:- FINANCIAL INSTRUMENTS (Cont.)

d. Liquidity risk (Cont.):

The following table sets out the maturity dates of the Group's financial liabilities in accordance with the contractual conditions in non-discounted sums (including interest payments):

December 31, 2024

	First year	Second year	Third year	Forth year	Fifth year onwards	Total
	Euros in thousands					
Accounts payable	7,936	-	-	-	-	7,936
Loans from banking corporations (1)	45,155	94,843	126,456	107,044	44,102	417,600
	53,091	94,843	126,456	107,044	44,102	425,536

(1) The balance of loans from banking corporations include interest payments and other financial liabilities.

NOTE 12:- FINANCIAL INSTRUMENTS (Cont.)

e. Fair value:

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

The value of loans from banks as of December 31, 2024 that bear a fixed interest rate and are presented at amortized cost is lower by approximately EUR 13.6 million than their balance in the financial statements.

The fair value of financial instruments that are not quoted on an active market is determined using valuation techniques. Valuation tools specific to financial instruments include:

- The fair value of interest swap agreements (SWAP) or agreement to fix interest rate cap (CAP) or a future agreement for exchange of currencies (FORWARD) is based on a calculation of the present value of an estimate of future cash flows, using observable return curves.

The following describes unobservable material data that are used in valuation:

	Valuation technique	**unobservable material datal**	**Range weighted) (average**	**Fair value sensitivity to change in data which shall effect the profit or loss**
Interest swap transactions (**SWAP**)	DCF	Payment curve	Euribor curve for transaction period	2% increase/decrease in Euribor curve will result in increase/decrease in fair value up to € 0.6 million

A decrease in fair value of the interest rate cap agreements (CAP) is limited to the positive value of the assets (EUR 457 thousand as of the date of the report).

f. Derivatives and hedging:

As of December 31, 2024, the Group has interest rate swap agreements (SWAP) in the sum of € 7,350 thousand according to which the Group pays a fixed interest rate of 2.72% and receives a variable interest rate at a rate equal to three months Euribor rate.

As of December 31, 2024, the Group has CAP agreements on the 3 and 6 months Euribor rate on reserves in a total amount of EUR 45,659 thousand to fix caps of the Euribor rates at a range between 1.5% to 2.5%.

NOTE 12:- FINANCIAL INSTRUMENTS (Cont.)

g. Sensitivity tests relating to changes in market factors:

	December 31,	
	2024	2023
	Euros in thousands	Euros in thousands
Sensitivity test to changes in interest rates:		
Effect on profit or loss:		
For loans (*)		
Interest increase of 200 basis points	(5,112)	(6,586)
Interest decrease of 200 basis points	5,112	6,586
For SWAP transactions		
Interest increase of 200 basis points	680	588
Interest decrease of 200 basis points	(680)	(588)
For CAP transactions (*)		
Interest increase of 200 basis points		
Interest decrease of 200 basis points	4,380	3,761
	(1,151)	(457)
For FORWARD transactions		
Increase of 2% in the EUR/NIS exchange rate	-	(500)
Decrease of 2% in the EUR/NIS exchange rate	-	500

(*) sensitivity analysis is presented according to projected cash flows from agreements according to their terms in nominal values.

The fluctuations chosen in the relevant risk variables were set in accordance with acceptable practice in regards to options for SWAP transactions. The results of the change are presented only in the expected effect on the internal value of the option.

The Company has performed sensitivity tests of principal market risk factors that are liable to affect its reported operating results or financial position. The sensitivity tests present the profit or loss and/or the comprehensive income with respect to each financial instrument for the relevant risk variable chosen for that instrument as of each reporting date. The test of risk factors was determined based on the materiality of the exposure of the operating results or financial condition of each risk with reference to the functional currency and assuming that all the other variables are constant.

In long-term loans at fixed interest ,the Group is not exposed to changes in profit/loss due to interest risk. In non-current variable-interest loans, the sensitivity test for interest rate risk was only performed on the variable component of interest.

NOTE 13:- SUPPLEMENTARY INFORMATION TO ITEMS OF STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

a. Revenues from selling of apartments:

During 2024 the Company (via subsidiaries) sold 40 apartments (notarized agreements and exclusivity agreements) for a total amount of approximately EUR 8.3 million and at an average price of approximately EUR 4,171 per square meter. During 2025 till March 15, 2025, the Company engaged (via subsidiaries) in notarized agreements and exclusivity agreements for the selling of another 15 apartments for a total amount of approximately EUR 5.3 million and at an average price of approximately EUR 4,216 per square meter.

As of December 31, 2024 16 apartments were handed over.

	Year ended December 31,		
	2024	2023	2022
	Euros in thousands	Euros in thousands	Euros in thousands
b. General and administrative expenses:			
Property management, salary expenses and others	(1,284)	(1,481)	(1,518)
Legal and other professional services	(2,287)	(1,718)	(1,253)
Cost of share based payment	(3,552)	(2,451)	(1,987)
Travel expenses, rent and office maintenance and others	(1,577)	(787)	(895)
	(8,700)	(6,437)	(5,653)
c. Financial expenses:			
Interest, bank charges and others			
Interest income	810	689	32
Interest expenses on loans	(9,931)	(7,688)	(4,833)
Amortization of finance costs, bank charges, and others	(767)	(637)	(722)
	(9,888)	(7,636)	(5,523)

NOTE 14:- BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES

a. Benefits for key management personnel (who are not directors):

Year ended December 31, 2024

	No. of people	Amount - Euros in thousands
Short-term employee benefits (*)	6	5,266
Cost of share based payment (**)	6	3,552

Year ended December 31, 2023

	No. of people	Amount - Euros in thousands
Short-term employee benefits	6	1,797
Cost of share based payment (**)	6	2,450

Year ended December 31, 2022

	No. of people	Amount - Euros in thousands
Short-term employee benefits	6	2,065
Cost of share based payment (**)	6	1,987

(*) The amount of short term employees benefit for this period does not include EUR 92 thousand for provision for vacation and sick leave.
(**) The cost of share based payment in 2022 and an amount of EUR 978 thousand from the cost of share based payment in 2023 were recognized due to ESOP1 option plan that was expired valueless on September 30, 2023.

NOTE 14:- BALANCES AND TRANSACTIONS WITH INTERESTED AND RELATED PARTIES (Cont.)

b. Compensation and benefits granted to interested parties and related parties:

	Year ended December 31,		
	2024	2023	2022
	Euros in thousands	Euros in thousands	Euros in thousands
Salary and related expenses to interested parties employed by the Company (joint CEOs)	2,708	2,341	2,164
The number of people to whom the benefit relates	2	2	2
Compensation for directors not employed in the Company	317	365	267
The number of people to whom the benefit relates	5	5	5

The monthly employment cost of each of the joint CEOs until May 31, 2021 was EUR 12 thousand per month. Effective this date the cost was updated to NIS 90 thousand per months and from December 2022 was updated to NIS 110 thousand per month. The employment cost includes his salary, car maintenance and social security contributions as customary. In addition, the Company provides to him a mobile phone, laptop and bears their maintenance expenses and pays for fuel expenses and other expenses as well (flights, hotels, office expenses) that he spends for the purpose of fulfilling his position. Their employment period is not limited in time and each party may announce its termination with prior written notice of 6 months in advance. In addition, the joint CEOs are entitled to retirement grant upon termination of their employment in the amount of 6 monthly salaries or 12 monthly salaries (employer's cost) if employed by the Company for a period exceeding 5 or 10 years, respectively. As to share-based compensation, see Note 11C above. In addition, each of the joint CEOs is entitled to an annual bonus for the previous calendar year according to the following formula: One monthly salary (employer cost) for each 1% return on equity (ROE) above an annual return on equity of 8% and no more than 6 salaries; For the purpose of calculating the bonus, the return on equity will be calculated as follows: Net profit to the shareholders at the end of a calendar year divided by the shareholders' equity at the beginning of that calendar year; If, in a particular year, the return on equity did not exceed 8% or was negative, any excess return above 8% in the following year will first be taken against the return in the shortfall (below 8%) in the previous year for the purpose of calculating the bonus (High Water Mark); for this purpose, at the end of every 3 years, the following examination will be conducted: 1) The total return on equity during the aforementioned 3 years (the return on equity in the first year plus the return on equity in the second year plus the return on equity in the third year); 2) The total excess return (the total return on equity during the three years minus 24%); 3) The number of annual salaries paid as a bonus during those three years. If the number of salaries paid as a bonus during the three-year period exceeds the total excess return, the difference will be deducted from the future bonus payments (Claw Back) to which each of the joint CEOs is entitled by the Company (and in any case, no amount exceeding the total bonus payments paid by the Company to each of the joint CEOs during the same three-year period will be deducted). At the end of every 3 years, the High Water Mark account is reset and a new calculation will be made for the next 3 years. For the year 2024, the joint CEOs are not entitled to a bonus. Total payroll and related costs in regards of the joint CEOs for 2024 does not include provision for vacation and sick leave.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15:- CHANGES IN LIABILITIES DERIVING FROM FINANCING ACTIVITIES

The table below lists the changes in the Group's liabilities arising from financing activities, including both changes arising from cash flows and non - cash changes. Liabilities arising from financing activities are liabilities in respect of which cash flows have been classified, or future cash flows will be classified in the statement of cash flows as cash flows from financing activities.

	Balance as of January 1, 2024	Cash flows from financing activities, net (a)	Cash flows used in investing activities	Amortization of financing costs	Exchange rates differences	Balance as of December 31, 2024
	Euros in thousands	Euros in thousands	Euros in thousands	Euros in thousands	Euros in thousands	Euros in thousands
Loans from banks and others	348,257	27,932	-	705	3,308	380,202

	Balance as of January 1, 2023	Cash flows from financing activities, Net (a)	Cash flows used in investing activities	Amortization of financing costs	Exchange rates differences	Balance as of December 31, 2023
	Euros in thousands	Euros in thousands	Euros in thousands	Euros in thousands	Euros in thousands	Euros in thousands
Loans from banks and others	306,742	44,812	-	584	(3,881)	348,257

(a) Cash flows from financing activities include the net cash flows presented in the consolidated statements of cash flows as cash flows arising from financing activities.

NOTE 16:- OPERATING SEGMENTS

a. General

The Company's Board of Directors functions as the chief operational decisions maker of the Group. Operating segments have been determined based on information reviewed by the Chief Operational Decision Maker (CODM) for the purpose of making decisions with regard to resource allocation and performance assessment. Accordingly, for management purposes, the Group consists of operating segments of business units and has two operating segments, as follows:

Income-generating residential real estate - Value enhancement and leasing of residential real estate.

Conversion and selling of apartments - Conversion and selling of apartments. Since April 1, 2024, the Company has expanded the reporting of its operating segments and also includes the segment of conversion and selling of residential apartments.

The operating segments data are based on the Company's accounting policy.

Segment revenues include rental revenues and revenues from property management.

The segment results reported to the operational decision maker include items that relate directly to the segment. Items not allocated include mainly general and administrative expenses, financing costs, financing income, adjustment to fair value of financial instruments and taxes on income, which are managed on a Group basis.

In each of the areas of activity, the Company's joint CEOs review the data for each project on its own and each project is defined as operating segment. For each of the above areas of activity, the Company grouped for financial reporting all projects to one reportable operating segment such that the Company has two reportable operating segments in the financial statements according to its areas of activity.

The following are the management's considerations when grouping operating segments:

The Company's management examined each of its reported segments that all segments that were grouped are in a similar economic environment, since all segments are in Germany and the functional currency of all of them is in Euro and that long-term economic performance is similar in each of the operating segments. Also, all segments in each area of activity are similar in all of the following characteristics:

- The nature of investments - all investments in the segment are similar.
- The nature of customers - All customers in the segment have similar characteristics.
- The nature of the supervisory environment - all assets in the segment have a similar supervisory environment.

Based on the considerations outlined above, the Group's management believes that the grouping to segments is in accordance with IFRS 8.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16:- OPERATING SEGMENTS (Cont.)

b. Operating segment revenue and results analysis:

	Income-generating residential real estate	Other	Conversion and selling of apartments	Unallocated	Total
	Euros in thousands				
Year ended December 31, 2024					
Revenues from property rental	24,324	710	-		25,034
Revenues from property management and others	9,113	79	-		9,192
Property management expenses	(9,113)	(79)	-		(9,192)
Rental property maintenance expenses	(3,741)	(189)	-		(3,930)
Gross profit from property rental	20,583	521			21,104
Gross profit from apartments selling			1,012		1,012
Changes in fair value of investment property, net	37,806	4,014	-		41,820
Additional information					
General and administrative expenses					(8,700)
Financial expenses, net	(7,480)	(357)		(4,655)	(12,492)
Income before taxes on income					42,744

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16:- OPERATING SEGMENTS (Cont.)

b. Operating segment revenue and results analysis (Cont.):

	Income-generating residential real estate	Other	Unallocated	Total
	Euros in thousands			
Year ended December 31, 2023				
Revenues from property rental	20,689	697		21,386
Revenues from property management and others	7,920	78		7,998
Property management expenses	(7,920)	(78)		(7,998)
Rental property maintenance expenses	(3,679)	(114)		(3,793)
Profit from property rental	17,010	583		17,593
General and administrative expenses				(6,437)
Changes in fair value of investment property, net	(49,274)	(7,549)		(56,823)
Financial expenses, net	(5,538)	(112)	414	(5,236)
(Loss) before taxes on income				(50,903)

	Income-generating residential real estate	Other	Unallocated	Total
	Euros in thousands			
Year ended December 31, 2022				
Revenues from property rental	15,919	681		16,600
Revenues from property management and others	6,013	82		6,095
Property management expenses	(6,013)	(82)		(6,095)
Rental property maintenance expenses	(3,163)	(98)		(3,261)
Profit from property rental	12,756	583		13,339
General and administrative expenses				(5,653)
Changes in fair value of investment property, net	31,489	(4,467)		27,022
Financial expenses, net	(3,218)	(163)	1,073	(2,308)
Income before taxes on income				32,400

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16:- OPERATING SEGMENTS (Cont.)

c. Operating segment assets and liabilities

Year ended December 31, 2024

	Income-generating residential real estate	Other	Total
	Euros in thousands		
Capital investments and acquisitions (*)	62,992	286	63,278

* of which an amount of approximately EUR 7 million were invested in renovation of the Company's assets in the income-generating residential real estate segment.

	Income-generating residential real estate	Other	Conversion and selling of apartments	Total
	Euros in thousands			
As of December 31, 2024				
Segment assets	756,713	26,000	1,186	783,899
Unallocated assets				55,472
Segment liabilities	318,291	7,350	-	325,641
Unallocated liabilities				94,313

NOTE 16:- OPERATING SEGMENTS (Cont.)

c. Operating segment assets and liabilities (Cont.):

Year ended December 31, 2023

	Income-generating residential real estate	Other	Total
	Euros in thousands		
Capital investments and acquisitions (*)	71,804	349	72,153

* of which an amount of approximately EUR 5 million were invested in 2023 in renovation of the Company's assets in the income-generating residential real estate segment.

	Income-generating residential real estate	Other	Total
As of December 31, 2023			
Segment assets	657,826	21,700	679,526
Unallocated assets			27,774
Segment liabilities	(289,772)	(7,500)	(279,222)
Unallocated liabilities			(87,335)

NOTE 17:- EARNINGS PER SHARE

a. Basic (loss) per share:

	Year ended December 31,		
	2024	2023	2022
	Euros in thousands	Euros in thousands	Euros in thousands
(Loss) income for the year attributed to the holders of the parent company	35,184	(43,495)	27,275
(Loss) income used for calculating basic earnings per share	35,184	(43,495)	27,275
Weighted average number of ordinary shares used to calculate basic earnings per share	18,773,146	18,101,534	18,101,534

b. Diluted (loss) per share:

	Year ended December 31,		
	2024	2023	2022
	Euros in thousands	Euros in thousands	Euros in thousands
(Loss) income used for calculating basic earnings per share	35,184	(43,495)	27,275
(Loss) income used for calculating diluted earnings per share	35,184	(43,495)	27,275
Weighted average number of ordinary shares used to calculate basic earnings per share	18,773,146	18,101,534	18,101,534
Adjustments			
Warrants issued as part of the founders agreement (*)	256,446	-	-
Warrants to employees issued as part of share based payment arrangements	1,106,690	194,224	500,960
Weighted average number of ordinary shares used to calculate diluted earnings per share	20,136,282	18,295,758	18,602,494

(*) In the years 2022-2023 warrants issued as part of the founders agreement were not included in the calculation of diluted earnings per share since their effect is anti-dilutive.

NOTE 18:- OTHER EVENTS IN THE REPORTED PERIOD AND THEREAFTER

Regarding events after the report date see Note 5(h).

ARGO Properties N.V.

Appendix to the Consolidated Financial Statements - List of subsidiaries

Investments in held corporations:

Name of entity	Country of incorporation	December 31, 2024 % in equity
ARGO Properties N.V.	The Netherlands	100%
GRT B.V.	The Netherlands	100%
GRT Finco B.V.	The Netherlands	100%
ARGO Residential GmbH & Co. KG	Germany	100%
Dresden Zinshaus B.V.	The Netherlands	100%
Leipzig Zinshaus B.V.	The Netherlands	100%
Dresden Zinshaus II B.V.	The Netherlands	100%
Leipzig Zinshaus II B.V.	The Netherlands	100%
Dresden Zinshaus III B.V.	The Netherlands	100%
Leipzig Zinshaus III B.V.	The Netherlands	100%
Hannover Zinshaus B.V	The Netherlands	100%
ART Leipzig GmbH	Germany	100%
DGRA B.V.	The Netherlands	100%
ARGO Residential Management GmbH	Germany	100%
Gama A.G.A.F Consulting Ltd.	Israel	100%
Crown Residential GmbH	Germany	(*) 89.9%
Crown Black Estate GmbH	Germany	(*) 89.9%
Crown Blue Estate GmbH	Germany	(*) 89.9%
Crown CapitalInvest Dresden I GmbH	Germany	(*) 89.9%
Crown Donathstr. 7-13 GmbH	Germany	(*) 89.9%
Crown Green Estate GmbH	Germany	(*) 89.9%
Crown Magenta Estate GmbH	Germany	(*) 89.9%
Crown Orange Estate GmbH	Germany	(*) 89.9%
Crown Pink Estate GmbH	Germany	(*) 89.9%
Crown Purple Estate GmbH	Germany	(*) 89.9%
Crown Red Estate GmbH	Germany	(*) 89.9%
Crown Silver Estate GmbH	Germany	(*) 89.9%
Crown Grey Estate GmbH	Germany	(*) 89.9%
Crown Capitalinvest Dresden II GmbH	Germany	(*) 89.9%
Eldenaer Holding B.V.	The Netherlands	100%
Eldenaer Investment GmbH	Germany	(*) 89.9%
Schönow Investment GmbH	Germany	(*) 89.9%
Ladius Investment GmbH	Germany	100%

(*) The rights of the Company and the partner for profit sharing are in accordance with the mechanism set out in the founders agreements of the subsidiaries, see Note 10b(1).