ARGO PROPERTIES NV

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2026

(UNAUDITED)

IN THOUSANDS OF EUROS

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Auditor Review Report to the Shareholders of Argo Properties NV

Introduction

We have conducted a review of the accompanying financial information of Argo Properties NV and its subsidiaries (hereinafter – the Group), which comprises the condensed consolidated statement of financial position as of March 31, 2026 and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-months period ending on that date. The Board of Directors and Management are responsible for preparing and presenting financial information for this interim period in accordance with IAS 34, Interim Financial Reporting, and are responsible for preparing financial information for this interim period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express our conclusions with regard to the financial information for this interim period, based on our review.

Scope of the Review

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

Conclusion

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

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

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

Tel Aviv, May 18, 2026

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31,		December 31,
	2026	2025	2025
	(Unaudited)		(Audited)
	€ in thousands		
Current Assets			
Cash and cash equivalents	48,682	11,155	46,549
Restricted deposits and liquidated investments	33,583	12,983	37,417
Apartments inventory for sale	10,254	173	9,580
Financial assets	5,338	-	2,524
Accounts receivable	6,496	4,657	7,281
	104,353	28,968	103,351
Non-Current Assets			
Investment property	923,794	791,612	883,076
Investment property – construction rights	39,583	28,378	38,583
Accounts receivable and restricted deposits	6,839	3,388	5,699
Deferred taxes	3,114	1,201	1,722
	973,330	824,579	929,080
	1,077,683	853,547	1,032,431

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31,		December 31,
	2026	2025	2025
	(Unaudited)		(Audited)
	€ in thousands		
Current Liabilities			
Current maturities of loans from banks	73,994	43,974	29,538
Financial liabilities	-	790	-
Accounts payable	14,964	12,776	11,967
	88,981	57,530	41,505
Convertible bonds (*)	56,739	-	54,631
	145,270	57,530	96,136
Non-Current Liabilities			
Loans from banks and financial institutions	387,062	331,837	411,021
Deferred taxes	30,172	30,408	26,860
	417,234	362,245	437,881
Equity Attributable to Company Shareholders			
Share capital	223	206	218
Share premium	287,447	276,041	287,447
Statutory capital reserve	188,872	127,262	175,195
Share based payment capital reserve	5,315	5,157	5,279
Retained earnings	32,895	25,096	30,275
Total equity attributable to Company shareholders	514,752	433,762	498,414
	1,077,683	853,547	1,032,431

May 18, 2026				
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 interim consolidated financial statements.

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

	Three months ended March 31,		Year ended December 31,
	2026	2025	2025
	(Unaudited)		(Audited)
	€ in thousands		
Revenues from rental of properties	7,655	6,728	28,077
Revenues from property management and others	3,852	2,309	10,636
Property management expenses	(3,852)	(2,309)	(10,636)
Cost of maintenance of rental properties	(1,459)	(1,183)	(5,246)
Gross profit from rental of properties	6,196	5,545	22,831
Revenues from selling of apartments	9,026	3,375	11,450
Apartments cost of goods sold	(6,503)	(2,586)	(8,389)
Gross profit from selling of apartments	2,523	789	3,061
Total gross profit for the Company	8,719	6,334	25,832
General and administrative expenses	(1,961)	(1,705)	(5,584)
Operating income before changes in fair value of investment property, net	6,758	4,629	20,308
Changes in fair value of investment property, net	16,398	13,521	58,546
Operating income (loss)	23,156	18,150	78,854
Finance expenses, net	(3,987)	(2,544)	(11,777)
Change in fair value of financial assets and exchange rate differences	(476)	1,300	(1,255)
	(4,463)	(1,244)	(13,032)
Income (loss) before taxes on income	18,693	16,906	65,822
Taxes on income	(1,972)	(2,694)	1,396
Net income (loss)	16,721	14,212	67,218
Update to conversion component differences in Bonds Series 1	(424)	-	106
Net income (loss)	16,297	14,212	67,324
Other comprehensive income (loss)	-	-	-
Total net and comprehensive income (loss) attributable to Company shareholders	16,297	14,212	67,324
Basic earnings (loss) per share	0.74	0.69	3.16
Diluted earnings (loss) per share	0.72	0.65	2.94

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Three months ended March 31, 2026 (unaudited)					
	Equity Attributable to Company Shareholders					
	€ in thousands					
	Share capital	**Share premium**	**Statutory capital reserve (1)**	**Share based payment capital reserve**	**Retained earnings**	**Total equity attributable to Company Shareholders**
Balance as of January 1, 2026	218	287,447	175,195	5,279	30,275	498,414
Changes in equity during this period:						
Exercise of warrants	5	-				
Total net and comprehensive income	-	-	-	-	16,297	16,297
Classification in accordance with Dutch law	-	-	13,677		(13,677)	-
Cost of share based payment	-	-	-	36	-	36
Balance as of March 31, 2026 (unaudited)	223	287,447	188,872	5,315	32,895	514,752

	Three months ended March 31, 2025 (unaudited)					
	Equity Attributable to Company Shareholders					
	€ in thousands					
	Share capital	**Share premium**	**Statutory capital reserve (1)**	**Share based payment capital reserve**	**Retained earnings**	**Total equity attributable to Company shareholders**
Balance as of January 1, 2025	206	276,041	114,774	5,024	23,372	419,417
Changes in equity during this period:						
Total net and comprehensive income	-	-	-	-	14,212	14,212
Classification in accordance with Dutch law	-	-	12,488	-	(12,488)	-
Cost of share based payment	-	-	-	133	-	133
Balance as of March 31, 2025 (unaudited)	206	276,041	127,262	5,157	25,096	433,762

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Cont.)

	Year ended December 31, 2025 (Audited)					
	Equity Attributable to Company Shareholders					
	€ in thousands					
	Share capital	**Share premium**	**Statutory capital reserve (1)**	**Share based payment capital reserve**	**Retained earnings**	**Total equity attributable to Company shareholders**
Balance as of January 1, 2025	216	276,041	114,774	5,024	23,372	419,417
Exercise of warrants	12	11,406	-	-	-	11,418
Total net and comprehensive income	-	-	-	-	67,324	67,324
Classification in accordance with Dutch law	-	-	60,421	-	(60,421)	-
Cost of share based payment	-	-	-	255	-	255
Balance as of December 31, 2025	218	287,447	175,195	5,279	30,275	498,414

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2026	2025	2025
	(Unaudited)		(Audited)
	€ in thousands		
Cash flows from operating activities:			
Net income (loss)	16,297	14,212	67,324
Adjustments required to present net cash from operating activities:			
Adjustments to profit or loss:			
Finance expenses, net	4,887	1,190	12,887
Changes in fair value of investment property, net	(16,398)	(13,521)	(58,546)
Update to conversion component differences in Bonds Series 1	424	-	(106)
Cost of share based payment	36	133	255
Deferred taxes, net	1,920	2693	(1,376)
Cash flows from operating activities before changes in operating asset and liability items	7,166	4,707	20,438
Changes in operating asset and liability items:			
Changes in apartments inventory	6,503	2,586	8,389
Other receivables	(800)	(204)	682
Increase in accounts payable	2,276	(490)	435
Net cash derived from operating activities	15,145	6,599	29,944
Cash flows from investing activities:			
Purchase of investment property	(27,530)	(23,479)	(86,519)
Capital investments (CAPEX) in investment property	(4,428)	(1,534)	(8,460)
Capital investments (CAPEX) for planning and execution of building rights	(1,391)	(147)	(3,544)
Depositing restricted deposits and prepaid transaction costs, net	4,281	5,042	(23,850)
Net cash used in investing activities	(29,068)	(20,118)	(122,373)

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont.)

	Three months ended March 31,		Year ended December 31,
	2026	2025	2025
	(Unaudited)		(Audited)
	€ in thousands		
Cash flows from financing activities:			
Interest paid, net	(2,077)	(1,356)	(10,527)
Receipt of long-term loans and convertible securities, net	16,799	-	117,226
Repayment of long-term loans and associated costs	(9,276)	(1,392)	(9,978)
Purchase of interest rate cap transactions (CAP)/exercise of currency derivatives	(469)		(250)
Exercise of warrants	5		11,418
Receipt of long-term loans under refinancing	32,355	-	3,500
Repayment of long-term loans under refinancing (*)	(22,679)	-	-
Net cash derived from (used for) financing activities	14,658	(2,748)	111,389
Change in cash and cash equivalents	735	(16,267)	18,960
Effect of changes in exchange rates	1,398	(109)	58
Balance of cash and cash equivalents at the beginning of the period	46,549	27,531	27,531
Balance of cash and cash equivalents at the end of the period	48,682	11,155	46,549
(a) Non-cash activities			
Purchase of real estate	-	205	-
Classification from investment property to inventory	7,178	1,573	16,782
Payables in respect of investing activities	(272)	(45)	1,507

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

NOTES TO THE INTERIM CONDENSED 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.

These financial statements have been prepared in a condensed format as of March 31, 2026 and for the three-months period then ended (hereinafter – the Consolidated Interim Financial Statements). These statements should be read in conjunction with the annual financial statements as of December 31, 2025 and for the year then ended and the accompanying notes (hereinafter – the Consolidated Annual Financial Statements).

Note 2: - Significant accounting policies

a. Preparation format of the Interim Consolidated Financial Statements

The Consolidated Interim Financial Statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with the provisions of disclosure pursuant to Chapter D of the Securities (Immediate and Periodic Reports) Regulations, 1970.

b. The significant accounting policies implemented in preparing the Interim Consolidated Financial Statements are consistent with those implemented in preparing the Consolidated Annual Financial Statements.

Note 3: - Investment Property

The following table presents significant assumptions (based on weighted averages) that were used in the valuation estimates of investment property:

	March 31, 2026	March 31, 2025	December 31, 2025
Income-generating residential property (real estate)			
Discount rate (%)	5.18%	5.11%	5.15%
Growth Rate for the first 10 years	1.86%	1.50%	1.57%
Long-term growth rate	1.63%	1.83%	1.84%
Long-term vacancy rate (%)	2.21%	2.20%	2.28%
Representative monthly rental fees per sq.m (in Euro)	12.74	11.97	12.42

Note 4: - Financial instruments

a. Financial instruments not measured at fair value:

The Company's management has estimated that the balance of cash, short term deposits, accounts (trade) receivable(s), accounts (trade) payable(s), overdrafts, bank loans bearing a variable interest rate and other current liabilities presented at amortized cost approximates their fair value. As of the reporting date, the fair value of fixed-rate financial liabilities as of March 31, 2026, that bear a fixed interest rate and are presented at amortized cost, is lower by approximately EUR 17 million than their balance value in the financial statements.

b. Financial instruments measured at fair value

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

	Book value			Fair value		
	March 31		December 31	March 31		December 31
	2026	2025	2025	2026	2025	2025
	(Unaudited)		(Audited)	(Unaudited)		(Audited)
	EUR in thousands					
Financial derivatives	-	403	-	-	403	-
Financial liabilities	5,338	(1,193)	2,524	5,338	(1,193)	2,524
	5,338	(790)	2,524	5,338	(790)	2,524

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. Valuation techniques specific to financial instruments include:

- The fair value of interest cap fixing transactions (CAP), interest rate swap transactions (SWAP) and future transactions for currency exchange (FORWARD) is based on a calculation of the present value of the estimated future cash flows using observable return curves of Euribor.

Note 5: - Operating Market Segments

a. General

For the description of the Company's operating market segments see note 16 of the consolidated financial statements as of December 31, 2024.

b. Operating segments revenue and results analysis:

	Income-generating residential real estate	Other	Conversion and selling of apartments	Unallocated	Total
	Euros in thousands				
For the period of three months ended March 31, 2026 (unaudited)					
Revenues from property rental	7,466	189			7,655
Revenues from property management and others	3,835	17			3,852
Property management expenses	(3,835)	(17)			(3,852)
Rental property maintenance expenses	(1,408)	(51)			(1,459)
Gross profit from property rental	6,058	138			6,196
Revenues from sales of apartments			9,026		9,026
Cost of apartments sold			(6,503)		(6,503)
Gross profit from sales of apartments			2,523		2,523
General and administrative expenses					(1,961)
Changes in fair value of investment property, net	16,457	(59)			16,398
Financial expenses, net	(2,742)	(97)	-	(1,624)	(4,463)
Income before taxes on income					18,693

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 5: - Operating Market Segments (cont.)

	Income-generating residential real estate	Other	Conversion and selling of apartments	Unallocated	Total
	Euros in thousands				
Year ended December 31, 2025					
Revenues from property rental	27,362	715			28,077
Revenues from property management and others	10,564	72			10,636
Property management expenses	(10,564)	(72)			(10,636)
Rental property maintenance expenses	(5,124)	(122)			(5,246)
Gross profit from property rental	22,238	593			22,831
Revenues from sales of apartments			11,450		11,450
Cost of apartments sold			(8,389)		(8,389)
Gross profit from sales of apartments			3,061		3,061
Changes in fair value of investment property, net	47,633	10,913			58,546
General and administrative expenses					(5,584)
Financial expenses, net	(8,373)	(320)		(4,339)	(13,032)
Income before taxes on income					65,822

Note 6: - Material Events In The Reported Period And Thereafter

a. During the period, the Company completed (via subsidiaries and sub-subsidiaries) the purchase of 160 apartments in 14 properties, and for a total consideration of approximately EUR 26,099 thousand.

In addition, the Company engaged in further transactions (including agreements after the report date) for the purchase of 748 apartments for a total consideration of approximately EUR 122,177 thousand, of which the Company completed after the report date, the purchase of 66 apartments for a total consideration of approximately EUR 8.8 million.

b. During the period, from January and until April 2026, 49 apartments were sold (including registrations through non-legally binding LOIs) for a total consideration of EUR 11.9 and at an average price of EUR 4,377 per square meter, compared to 102 and 40 flats respectively and 4,230 and 4,171 EUR psm in 2025 and 2024, respectively.

During the period from January 1, 2025 and until March 31, 2026, 39 apartments were delivered to the buyers (a total of 85 apartments since the date of commencement of this activity).

c. **Refinancing**: During 2026, the Company, via sub-subsidiaries, engaged with German banking corporations in loan agreements in a total cumulative amount of EUR 76.7 million to refinance existing loans in a cumulative amount of approximately EUR 57 million. This refinancing is made possible thanks to the value enahncement of the assets serving as collateral for these loans. The new loans will be granted for periods of 5 to 7 years, some at variable interest rates and others at fixed rates, with margins ranging between 1.25% and 1.6%. As of the reporting date, the drawdown of loans in a total amount of approximately EUR 32.5 million was completed to refinance loans a total amount of EUR 22.7 million; this financing was executed with the same financing entity.

In addition, the Company is in advanced negotiations with local banking corporations regarding the refinancing of loans whose original maturity date was set for the coming year, so that due to the entire balance presented as current maturities in the Company's consolidated financial statements as of the reporting date, the Company has engagements in various stages of refinancing.

d. **Financing of new acquisition**: as of March 31, 2026 the company, via subsidiaries, engaged with German bank for loan in volume of EUR 21m, t finance the acquisition of assets with total acquisition cost of EUR 35m. The loans will be grant for 5 years with fix interest between 3.83%-3.9555%. draw down of EUR 16.9m was done during February, and the remaining amount is expected upon completion of the acquisition of assets with value of EUR 14.6m during 2026.

e. **Financing for the purpose of acquisition of new assets**: In November 2025, a loan agreement was signed between sub-subsidiaries of the Company and a German banking corporation, for a total amount of approximately EUR 21.0 million, in order to finance the acquisition of new assets with an expected total cost of approximately EUR 41.3 million. The loans were granted for a 5-year term and bear a fixed interest rate of 3.955%. A drawdown of EUR 16.9 million was executed in February 2026, and the drawdown of the remaining balance is expected upon the completion of asset acquisitions totaling approximately EUR 6.8 million, anticipated during the second quarter of 2026.

f. Expansion of Convertible Bonds Series 1 –On April 27, 2026, the Company allocated 110,000,000 Bonds (Series 1) to classified investors (including Harel, Migdal, and The Phoenix, which are interested parties in the Company), and this was performed in consideration for 105 Agorot per NIS 1 par value of Bond (Series 1), and for a total consideration of NIS 115,500,000.

Following the execution of the said private placements and as of the report date, the total amount of Bonds (Series 1) registered for trading amounts to NIS 310,000,000 par value of Bonds (Series 1).