ARGO PROPERTIES N.V.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2026

(UNAUDITED)

ARGO PROPERTIES N.V.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2026

(UNAUDITED)

IN THOUSANDS OF EUROS

Table of Contents

	Page
Auditors' Review Report to the Shareholders	2
The Financial Reports:	
Interim Condensed Consolidated Statements of Financial Position	3
Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income	4
Interim Condensed Consolidated Statements of Changes in Equity	5-7
Interim Condensed Consolidated Statements of Cash Flows	8 - 9
Notes to the Interim Condensed Consolidated Financial Statements	10 - 20

- - - - - - - - - - - -

Deloitte.

Independent Auditor's Review Report to the Shareholders of Argo Properties N.V.

Introduction

We have conducted a review of the accompanying financial information of **Argo Properties N.V.** and its subsidiaries (hereinafter – the Group), which comprises the condensed consolidated statement of financial position as of September 30, 2026 and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-months and three-months periods ending on that date. The Board of Directors and Management are responsible for preparing and presenting financial information for these interim periods in accordance with IAS 34, Interim Financial Reporting, and are responsible for preparing financial information for these interim periods in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express our conclusions with regard to the financial information for these interim periods, based on our review.

Scope of the Review

We conducted our review in accordance with Review Standard 2410 (Israel) of the Institute of Certified Public Accountants in Israel, "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, November 16, 2026

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

משרד ירושלים
קרית המדע 3
מגדל הר חוצבים
ירושלים, 914510
ת.ח. 45396
טלפון: 8888 501 (2) 972+
פקס: 4173 537 (2) 972+
info-jer@deloitte.co.il

משרד חיפה
מעלה השחרור 5
ת.ד. 5648
חיפה, 3105502
טלפון: 7333 860 (4) 972+
פקס: 2528 867 (2) 972+
info-haifa@deloitte.co.il

משרד אילת
מרכז העירוני
ת.ד. 538
אילת, 88104002
טלפון: 5676 637 (8) 972+
פקס: 1628 637 (2) 972+
info-eilat@deloitte.co.il

משרד נצרת
מרג' אבן עאמר 9
נצרת, 16100
טלפון: 4455 399 (73) 972+
פקס: 4455 637 (73) 972+
info-nazareth@deloitte.co.il

משרד בית שמש
יגאל אלון 1
בית שמש, 9906201

משרד רעננה - מתחם אינפיניטי
הפנינה 8,
רעננה

משרד ראשל"צ - מתחם מילנייה
שדרות ראשונים 23
ראשל"צ

ARGO PROPERTIES N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30,		December 31,
	2026	2025	2025
	(Unaudited)		(Audited)
	€ in thousands		
Current Assets			
Cash and cash equivalents	70,135	26,232	46,549
Restricted deposits and liquid investments	21,383	22,007	37,417
Apartments inventory for sale	12,081	8,723	9,580
Financial assets	12,029	956	2,524
Accounts receivable	7,228	6,526	7,281
	122,856	64,444	103,351
Non-Current Assets			
Investment property	1,042,406	849,706	883,076
Investment property – construction rights	50,458	30,581	38,583
			5,699
Accounts receivable and restricted deposits	10,475	4,353	
Deferred taxes	5,500	1,713	1,722
	1,108,839	886,353	929,080
	1,231,695	950,797	1,032,431
Current Liabilities			
Current maturities of loans from banks	44,388	31,604	29,538
Accounts payable	18,359	15,276	11,967
	62,747	46,880	41,505
Convertible bonds and loans from financial institutions (*)	134,244	-	54,631
	196,991	46,880	96,136
Non-Current Liabilities			
Loans from banks and financial institutions	381,290	396,597	411,021
Bonds	54,844	-	-
Deferred taxes	35,321	24,544	26,860
	471,455	421,141	437,881
Equity Attributable to Company Shareholders			
Share capital	236	218	218
Share premium	303,966	287,447	287,447
Statutory capital reserve	220,543	161,055	175,195
Share based payment capital reserve	3,072	5,280	5,279
Retained earnings	35,432	28,776	30,275
Total equity attributable to Company shareholders	563,249	482,776	498,414
	1,231,695	950,797	1,032,431

(*) Convertible bonds (maturing in December 2030, provided that the option to convert into Company shares is not exercised and loans from financial institutions (maturing in 2039) are presented as current liabilities due to the Company share conversion option available to the holders.

ARGO PROPERTIES N.V.

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

Date of approval of the financial statements	Gal Tennenbaum 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.

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	€ in thousands				
Revenues from rental of properties	23,827	20,703	8,298	7,102	28,077
Revenues from property management and others	10,412	8,045	3,145	3,215	10,636
Property management expenses	(10,412)	(8,045)	(3,145)	(3,215)	(10,636)
Cost of maintenance of rental properties	(4,653)	(3,872)	(1,694)	(1,331)	(5,246)
Gross profit from rental of properties	19,174	16,831	6,604	5,771	22,831
Revenues from selling of apartments	22,076	8,252	6,887	2,649	11,450
Apartments cost of goods sold	(15,948)	(5,972)	(4,941)	(1,874)	(8,389)
Gross profit from selling of apartments	6,128	2,280	1,946	775	3,061
Total gross profit for the Company	25,302	19,111	8,550	6,546	25,892
General and administrative expenses	(4,943)	(4,254)	(1,377)	(1,261)	(5,584)
Operating income before changes in fair value of investment property, net	20,359	14,857	7,173	5,285	20,308
Changes in fair value of investment property, net	51,152	42,000	13,660	17,101	58,546
Operating income (loss)	71,511	56,857	20,833	22,386	78,854
Finance expenses, net	(11,700)	(8,251)	(3,780)	(2,660)	(11,777)
Change in fair value of financial assets and exchange rate differences, net	(3,558)	(562)	1,287	(1,332)	(1,255)
Update of differences due to conversion components	(1,015)	-	(294)	-	106
	(16,273)	(8,813)	(2,787)	(3,992)	(12,926)
Income (loss) before taxes on income	55,238	48,044	18,046	18,394	65,928
Taxes on income	(4,733)	3,641	(1,856)	8,393	1,396
Income (loss) for the period	50,505	51,685	16,190	26,787	67,324
Other comprehensive income (loss)	-	-	-	-	-
Total net and comprehensive income (loss) attributable to Company shareholders	50,505	51,685	16,190	26,787	67,324
Basic earnings (loss) per share	2.25	2.49	0.71	1.30	3.16
Diluted earnings (loss) per share	2.21	2.35	0.70	1.24	2.94

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

ARGO PROPERTIES N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Nine months ended September 30, 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:						
Expiry of share-based payment plan	-	2,273	-	(2,273)	-	-
Exercise of options	14	-	-	-	-	14
Conversion of loan into equity	4	14,246	-	-	-	14,250
Total net and comprehensive income	-	-	-	-	50,505	50,505
Classification in accordance with Dutch law	-	-	45,348		(45,348)	-
Cost of share-based payment	-	-	-	66	-	66
Balance as of September 30, 2026	236	303,966	220,543	3,072	35,432	563,249

	Nine months ended September 30, 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:						
Exercise of options	12	11,406	-	-	-	11,418
Total net and comprehensive income	-	-	-	-	51,685	51,685
Classification in accordance with Dutch law	-	-	46,281	-	(46,281)	-
Cost of share-based payment	-	-	-	256	-	256
Balance as of September 30, 2025	218	287,447	161,055	5,280	28,776	482,776

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

	Three months ended September 30, 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 July 1, 2026	227	289,720	208,540	3,072	31,245	532,804
Changes in equity during this period:						
Exercise of warrants	5	-	-	-	-	5
Conversion of loan into equity	4	14,246	-	-	-	14,250
Total net and comprehensive income	-	-	-	-	16,190	16,190
Classification in accordance with Dutch law	-	-	12,003	-	(12,003)	-
Balance as of September 30, 2026	236	303,966	220,543	3,072	35,432	563,249

	Three months ended September 30, 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 July 1, 2025	217	287,423	136,758	5,206	26,286	455,890
Changes in equity during this period:						
Exercise of options	1	24	-	-	-	25
Total net and comprehensive income	-	-	-	-	26,787	26,787
Classification in accordance with Dutch law	-	-	24,297	-	(24,297)	-
Cost of share-based payment	-	-	-	74	-	74
Balance as of September 30, 2025	218	287,447	161,055	5,280	28,776	482,776

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

	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.

ARGO PROPERTIES N.V.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	€ in thousands				
Cash flows from operating activities					
Income (loss) for the period	50,505	51,685	16,190	26,787	67,324
Adjustments required to present net cash from operating activities:					
Adjustments to profit or loss:					
Finance expenses, net	16,273	8,541	2,787	3,938	12,926
Changes in fair value of investment property, net	(51,152)	(42,000)	(13,660)	(17,101)	(58,546)
Cost of share-based payment	66	256	-	74	255
Deferred taxes, net	4,683	(3,683)	1,867	(8,408)	(1,376)
Cash flows from operating activities before changes in operating asset and liability items	20,375	14,799	7,184	5,290	20,583
Changes in operating asset and liability items:					
Cost of apartments sold	15,948	5,972	4,941	1,873	8,389
Other receivables	(1,301)	(1,726)	162	(993)	682
Increase in accounts payable	4,180	914	1,569	1,676	435
Net cash used in operating activities	39,202	19,959	13,856	7,846	30,089
Cash flows from investing activities					
Purchase of investment property	(119,886)	(63,351)	(36,627)	(24,301)	(86,519)
Capital investments (CAPEX) in investment property	(13,433)	(6,411)	(4,518)	(3,072)	(8,460)
Capital investments (CAPEX) in projects	(6,658)		(3,102)		(3,544)
Deposit restricted deposits and prepaid transaction costs, net	13,043	(5,122)	(3,365)	(7,245)	(23,850)
Net cash used in investing activities	(126,934)	(74,884)	(47,612)	(34,618)	(122,373)

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

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	€ in thousands				
Cash flows from financing activities:					
Interest paid	(7,762)	(5,161)	(2,997)	(1,510)	(10,527)
Receipt of long-term loans, net	29,647	55,055	(573)	(56)	62,188
Proceeds from issuance of convertible bonds	59,975		27,636		55,038
Proceeds from issuance of bonds	54,844		54,844		
Repayment of long-term loans and associated costs	(37,455)	(7,520)	(17,109)	(4,384)	(9,978)
Receipt of long-term loans under refinancing	45,205	-	9,700	-	3,500
Repayment of long-term loans under refinancing	(33,055)	-	(8,400)	-	-
Purchase of interest rate cap transactions (CAP)/exercise of currency derivatives	(2,719)		-	-	(250)
Exercise of warrants	14	11,418	5	25	11,418
Net cash generated from (used in) financing activities	108,694	53,792	63,106	(5,925)	111,389
Change in cash and cash equivalents	20,962	(1,133)	29,350	(32,697)	19,105
Effect of changes in exchange rates	2,624	(166)	(308)	340	(87)
Balance of cash and cash equivalents at the beginning of the period	46,549	27,531	41,093	58,589	27,531
Balance of cash and cash equivalents at the end of the period	70,135	26,232	70,135	26,232	46,549
(a) Non-cash transactions					
Purchase of real estate	1,114	405	799	79	-
Reclassification from investment property to inventory	18,451	13,509	5,013	4,776	16,782
Payables in respect of investing activities	(1,540)	(801)	(257)	619	1,507
Conversion of loan into equity	14,250	-	-	-	-

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 acquisition and value enhancement 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 September 30, 2026 and for the nine-months and three-months periods then ended (hereinafter – the Consolidated Interim Financial Statements). These statements should be read in conjunction with the annual financial statements as of December 31, 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.

c. International Financial Reporting Standard IFRS 18 "Presentation and Disclosure in Financial Statements":

On April 9, 2024, International Financial Reporting Standard IFRS 18 "Presentation and Disclosure in Financial Statements" (hereinafter: "IFRS 18" or the "New Standard") was published replacing the International Accounting Standard 1 "Presentation of Financial Statements" ("IAS 1"). The objective of the New Standard is to improve how entities communicate information to users of their financial statements.

The main changes in the New Standard focus on the following areas:

1. Structure of the statement of profit or loss - presentation of defined subtotals and classification into categories in the statement of profit or loss: operating category, investing category, financing category, income taxes category, and discontinued operations category.
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 ("MPMs") that are not based on accounting standards (NON-GAAP) in the notes to the financial statements.

Note 2: - Significant accounting policies (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 New Standard will be effective for annual reporting periods beginning on or after January 1, 2027. The New Standard will be applied retrospectively, with specific transition provisions. Early adoption is permitted; however, the Company has elected not to early adopt the New Standard.

Below are the main expected impacts resulting from the implementation of IFRS 18, including the impact of the consequential amendments to other standards:

1. Structure of the statement of profit or loss –

   As of the date of publication of the financial statements, in the Company's estimation, the implementation of IFRS 18 and its consequential amendments is not expected to materially change the Company's operating profit.

   In addition, the Company will add to the statement of profit or loss the subtotal "Profit before financing and income taxes", which primarily includes, in addition to operating profit, the results of investing activities (interest income in respect of cash and deposits).

2. Management-Defined Performance Measures (MPMs) –

   The Company estimates that it will be required to include disclosure regarding the following performance measures:
   - Operating profit before fair value adjustments
   - ROE - Net profit excluding deferred tax provision

   The Company is evaluating additional performance measures for which it may be required to provide disclosure.

3. Compliance with financial covenants and management compensation –

   The Company's deeds of trust and loan agreements maintain financial ratios in accordance with the accounting standards in effect on the date of signing the agreements and therefore, the presentation under IFRS 18 does not affect the Company's financial covenants. Furthermore, the implementation of IFRS 18 is not expected to impact the compensation of key management personnel and/or officers.

The impacts described above are in accordance with the assessment performed by the Company as of the date of publication of these financial statements and are based on professional publications issued to date. The assessment of the potential impacts of the implementation of IFRS 18 and its consequential amendments has not yet been fully completed, and accordingly, the final impacts may differ from those described above.

Note 3: - Investment Property

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

	September 30 2026	June 30 2026	September 30 2025	June 30 2025	December 31 2025
Income-generating residential property (real estate)					
Discount rate (%)	5.22%	5.20%	5.12%	5.12%	5.15%
Growth Rate for the first 10 years	1.86%	1.85%	1.55%	1.53%	1.57%
Long-term growth rate	1.66%	1.65%	1.83%	1.83%	1.84%
Long-term vacancy rate (%)	2.22%	2.21%	2.44%	2.26%	2.28%
Representative monthly rental fees per sq.m (in Euro)	13.00	12.89	12.21	12.02	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. The fair value of loans from banking corporations and financial institutions as of September 30, 2026, bearing a fixed interest rate, which are presented at amortized cost, is approximately EUR 8.5 million lower than their balance value in the financial statements. Furthermore, the fair value (Level 1) of the Company's Bonds as of September 30, 2026, is approximately EUR 8.9 million higher 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:

	Fair value		
	September 30		December 31
	2026	2025	2025
	(Unaudited)		(Audited)
	EUR in thousands		
Financial derivatives	12,029	956	2,524
Financial liabilities	-	-	-
The conversion component of Bonds Series 1	20,508	-	7,502
	32,537	956	10,026

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.

- The fair value of the conversion component as of September 30, 2026, was determined in accordance with the conversion terms, the market interest rate on bonds with similar ratings and duration, and the Black-Scholes model using a volatility of 36%.

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, 2025.

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 nine months ended September 30, 2026 (unaudited)					
Revenues from property rental	23,248	579			23,827
Revenues from property management and others	10,360	52			10,412
Property management expenses	(10,360)	(52)			(10,412)
Rental property maintenance expenses	(4,541)	(112)			(4,653)
Gross profit from property rental	18,707	467			19,174
Revenues from sales of apartments			22,076		22,076
Cost of apartments sold			(15,948)		(15,948)
Gross profit from sales of apartments			6,128		6,128
General and administrative expenses					(4,943)
Changes in fair value of investment property, net	51,298	(146)			51,152
Total finance expenses	(9,500)	(190)		(6,583)	(16,273)
Income before taxes on income					55,238

Note 5: - Operating Market Segments (cont.)

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 nine months ended September 30, 2025 (unaudited)					
Revenues from property rental	20,184	519			20,703
Revenues from property management and others	7,989	56			8,045
Property management expenses	(7,989)	(56)			(8,045)
Rental property maintenance expenses	(3,835)	(37)			(3,872)
Gross profit from property rental	16,349	482			16,831
Revenues from sales of apartments			8,252		8,252
Cost of apartments sold			(5,972)		(5,972)
Gross profit from sales of apartments			2,280		2,280
General and administrative expenses				(4,254)	(4,254)
Changes in fair value of investment property, net	42,241	(241)			42,000
Finance expenses, net	(6,054)	(247)		(2,512)	(8,813)
Income before taxes on income					48,044

Note 5: - Operating Market Segments (cont.)

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 September 30, 2026 (unaudited)					
Revenues from property rental	8,143	155			8,298
Revenues from property management and others	3,132	13			3,145
Property management expenses	(3,132)	(13)			(3,145)
Rental property maintenance expenses	(1,681)	(13)			(1,694)
Gross profit from property rental	6,462	142			6,604
Revenues from sales of apartments			6,887		6,887
Cost of apartments sold			(4,941)		(4,941)
Gross profit from sales of apartments			1,946		1,946
General and administrative expenses					(1,377)
Changes in fair value of investment property, net	13,747	(87)			13,660
Total finance expenses	(4,314)	(8)		(1,535)	(2,787)
Income before taxes on income					18,046

Note 5: - Operating Market Segments (cont.)

	Income-generating residential real estate	Other	Conversion and selling of apartments	Unallocated	Total
	Euros in thousands				
For the period of three months ended September 30, 2025 (unaudited)					
Revenues from property rental	6,925	177			7,102
Revenues from property management and others	3,199	16			3,215
Property management expenses	(3,199)	(16)			(3,215)
Rental property maintenance expenses	(1,319)	(12)			(1,331)
Gross profit from property rental	5,606	165			5,771
Revenues from sales of apartments			2,649		2,649
Cost of apartments sold			(1,874)		(1,874)
Gross profit from sales of apartments			775		775
General and administrative expenses				(1,261)	(1,261)
Changes in fair value of investment property, net	17,342	(241)			17,101
Finance expenses, net	(1,864)	(87)		(2,041)	(3,992)
Income before taxes on income					18,394

The accompanying notes are an integral part of the interim 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
Additional information					
General and administrative expenses				(5,584)	(5,584)
Total finance expenses	(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 2026 and up to the date of signing the report, the Company completed (via subsidiaries and sub-subsidiaries) and entered into agreements for the acquisition of 1,587 residential units in 146 assets located in the cities of Leipzig and Dresden. As of the report date, the acquisition of 727 residential units was completed for a total cost of approximately EUR 114.4 million.

b. During the months of January-October 2026, the Company entered into agreements (sales contracts and reservations) for 124 residential units for a total consideration of approximately EUR 30.3 million. In 2025, the Company entered into agreements (sales contracts and reservations) for 102 residential units for a total consideration of EUR 25.4 million, compared to 40 apartments in 2024.

During the period from January 1, 2026 and until September 30, 2026, 93 apartments were delivered to the buyers (a total of 139 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 95.0 million to refinance existing loans in a cumulative amount of approximately EUR 69.5 million. 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 report date, the drawdown (gross) of loans in a total amount of approximately EUR 46.2 million was completed to refinance loans at a total amount of EUR 33.1 million; most of the refinancing volume 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 for the purpose of acquisition of new assets**: During 2026, the Company entered through sub-subsidiaries, into agreements with German banking corporations for financing loans in cumulative amounts of EUR 109.3 million, to finance the acquisition of properties. The new loans will be granted for a 5-year period, at a fixed interest rate ranging between 3.83% and 4.55% (indicative). As of the report date, the drawdown of loans (gross) totaling approximately EUR 30.8 million was completed.

e. 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).

On July 20, 2026, the Company allocated 90,000,000 Bonds (Series 1) to classified investors (including Harel, Migdal, and The Phoenix, which are interested parties in the Company) for a consideration of 107 agorot per NIS 1 par value of Bond (Series 1), and for a total consideration of NIS 96,300,000. Following the execution of the aforementioned private placements and as of the date of publication of the report, the total amount of Bonds (Series 1) registered for trading amounts to a total of NIS 400,000,000 par value of Bonds (Series 1).

Note 6: - Material Events In The Reported Period And Thereafter (Cont.)

f. Bond Issuance - During September 2026, the Company issued to the public NIS 200,000,000 par value of Bonds (Series A) (which are non-convertible into the Company's shares) pursuant to a shelf offering report dated September 28, 2026. The Bonds are payable in three (3) annual installments on December 31 of each of the years 2030 through 2032 (inclusive), such that each of the first two (2) installments shall constitute 25% of the total par value of the Bonds and the third (final) installment shall constitute 50% of the total par value of the Bonds. The Bonds bear a fixed (unlinked) annual interest rate of 4% (subject to adjustments in the event of a change in the rating of the Bonds (Series A) and/or non-compliance with financial covenants as detailed in Sections 5.2 and 5.3 of the Trust Deed), which is payable semi-annually, on December 31 of each of the years 2026 through 2032 (inclusive) and on June 30 of each of the years 2027 through 2032 (inclusive), commencing on December 31, 2026. It should be noted that the unit price (which included NIS 1,000 par value of Bonds (Series A)) in the public tender for this issuance, which took place on September 29, 2026, was set at NIS 953 per unit. The gross proceeds received by the Company for the 200,000,000 Bonds (Series A) allocated on September 30, 2026, pursuant to Offering Report 9/26, amounted to NIS 190,600 thousand.

g. On August 31, 2026, the Company's Board of Directors approved a material private placement to More Provident Funds, which is an interested party in the Company, of 381,388 ordinary shares, each with a par value of EUR 0.01 (hereinafter: the "Allocated Shares"), as well as 312,500 unlisted warrants which are exercisable into 312,500 shares (hereinafter: the "Allocated Warrants"). The warrants are exercisable on any business day from their allocation date (subject to the provisions and regulations of the Tel Aviv Stock Exchange) until the end of 12 months thereafter (hereinafter: the "Warrant Exercise Period"), such that during the Warrant Exercise Period, each warrant shall be exercisable into one share of the Company, against a cash payment of an unlinked amount of NIS 160 (hereinafter: the "Exercise Price"), subject to adjustments.

On September 8, 2026 - following receipt of approval from the Tel Aviv Stock Exchange Ltd. for the listing for trading of the Allocated Shares and the shares resulting from the exercise of the Allocated Warrants, to the extent exercised - the Company allocated the Allocated Shares and the Allocated Warrants to More Provident Funds.
The consideration to the Company for the Allocated Shares, in the amount of NIS 50,000,000, was paid by way of a set-off against a loan granted by More Provident Funds to the Company (the outstanding principal balance of which stood at NIS 335 million prior to the private placement), as a partial early repayment of the loan, in accordance with its terms. The warrants were allocated to More Provident Funds for no consideration and as part of the private placement to More as aforementioned.

It should be noted that upon completion of the private placement, More Provident Funds granted the Company relief from certain restrictions set forth in the loan agreement regarding the Company's ability to obtain "Permitted Financing" (as defined therein) from a third party, as detailed below (by way of an amendment to the loan agreement): Net Debt to **CAP** (as defined therein), as shall be calculated at the date the Permitted Financing is provided (including the Permitted Financing), does not exceed 55% (instead of 50% as stipulated in the agreement). All other terms/restrictions regarding the "Permitted Financing" shall remain unchanged and without relief, and shall continue to apply in full.

h. On January 30, 2026, Mr. Ofir Rahamim (who served at the time as a joint CEO of the Company) notified the Company's Board of Directors of the termination of his tenure as a joint CEO of the Company, effective as of July 29, 2026, for personal reasons unrelated to the Company's business. On July 29, 2026, his tenure terminated as stated.