



Presentation for Bondholders' Meeting
November 8, 2022



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Agenda for the meeting



- **Company's activity in 2022 and general update**
- **Expected cash flow of the Company and proposed amounts to be distributed to the bondholders**
- **Discussion on the next steps in Casa Radio Project**



Company's activity in 2022



Results for the six months ended 30 June 2022:

- Reduction in total assets by €1.2 million to €8.6 million mainly as a result of the decrease in equity accounted investees, administrative expenses and costs of operations.
- Consolidated cash position decreased by circa €1.5 million to app. €3.2 million (December 31, 2021: €4.7 million) as a result of administrative expenses and arbitration costs.
- €1.3 million loss recorded at an operating level (June 30, 2021: €1.5 million loss) mainly due to share in results of equity accounted investees and administrative expenses.
- Recorded loss of €6.3 million (June 30, 2021: €9 million), mainly due to finance expenses on bonds.

Material events during the period and till Bondholders' Meeting:

Sale agreement of plot in Bangalore, India

On September 1, 2022 the transaction for the sale of Elbit Plaza India Real Estate Holdings Limited (a subsidiary held equally by the Company (47.5%) and Elbit Imaging Ltd. (47.5%)) ("EPI") whole rights in the SPV which holds the site in Bangalore, India (the "Asset") was completed for a total of INR 117 crores (approximately EUR 14.3 million) and that EPI received the full consideration as mentioned. The Company received from the transaction EUR 7.02 million and includes the Company's share of the advances that the Purchaser has transferred in the recent months.

Following the sale, EPI is expecting to recognize accounting capital gain of approximately EUR 5.5 million.



Projected Cash Flows



In € millions	10-12/2022	2023-2025 (estimated timing for Arbitration)
Cash - Opening Balance	10,10	7,85
Debentures - principal	-	-
Debentures - interest ⁽²⁾	2,00	-
Other operational costs ⁽³⁾	-	4,50
G&A expenses (including property maintenance) ⁽⁴⁾	0,25	3,00
Total Uses	2,25	7,50
Cash - Closing Balance	7,85	0,35

- 1) The above cash flow is subject to the approval of the bondholders of both series to postpone the repayment of the remaining balance of the bonds which is due on January 1, 2023.
- 2) Payments of interests is subject to the approval of the bondholders of both series. Considering projected legal costs and G&A expenses till end of 2025, the Company's recommendation is to pay €2.0 million as payment of interests.
- 3) The cost includes a provision for arbitrations / legal costs based on existing budget for the arbitration process. Following the progress of the arbitration, the budget regarding to the legal proceeding of Casa Radio Project will be updated. Additionally, the remaining balance of escrow account that is not included in the above Projected Cash Flows (as of October 1, 2022 - €0.58 million) will cover future legal payments relating to the arbitration proceeding.
- 4) Total general and administrative expenses includes both costs of the Company and of all the subsidiaries.



Arbitration proceedings – Casa Radio Project



Current status

- On November 2, 2020, the Company, Dambovită NL and AFI Europe N.V. ("AFI", and together with the Company, the "Parties") entered into an addendum to the pre-sale pursuant to which the Parties agreed to extend the Long Stop Date, which is the date on which the parties will execute a share purchase agreement, subject to the satisfaction of conditions precedent, until December 31, 2022.
- Despite many notifications sent to the Romanian Authorities expressing a wish to renegotiate the existing PPP agreement, no major breakthrough could be achieved.
- In light of the above the Company is exploring all its options in order to obtain progress, including among others its legal options. Accordingly, as of May 16, 2022 the Company has submitted with International Centre for Settlement of Investment Disputes (the "Centre") a Request for Arbitration (the "Request") against Romania. The Request was registered by the Centre on June 3, 2022. Further to the Centre's registration of the Request and pursuant to Rule 2(1)(a) of the Rules of Procedure for Arbitration Proceedings (the "Arbitration Rules"), the Company set out Romania proposal with respect to the number of arbitrators and the method for their appointment in these proceedings. Following of the above, the strike-and-rank process has resulted in the selection of the President of the Tribunal and at the current stage, the Company and Romania are now seeking for acceptance of this appointment.
- As of today, the Company is financing the arbitration using the Company's own sources. The Company is still exploring potential funding in order to pursue litigation.

Expected arbitration proceedings

- After acceptance of the nomination of the President of the Tribunal the proceedings are deemed to have begun and the tribunal will be sent the request for arbitration
- Following the tribunal's constitution, the parties will liaise to agree an appropriate timetable going forward
- 60 days from the constitution of the tribunal (unless the parties agree otherwise), there will be the first session of the tribunal in which the above procedural issues will be discussed and any areas of disagreement between the parties will be ruled upon by the tribunal; and
- Once this stage is complete, we will move to the written stage where we will file our first memorial followed by Romania who will then submit theirs.



THE END

