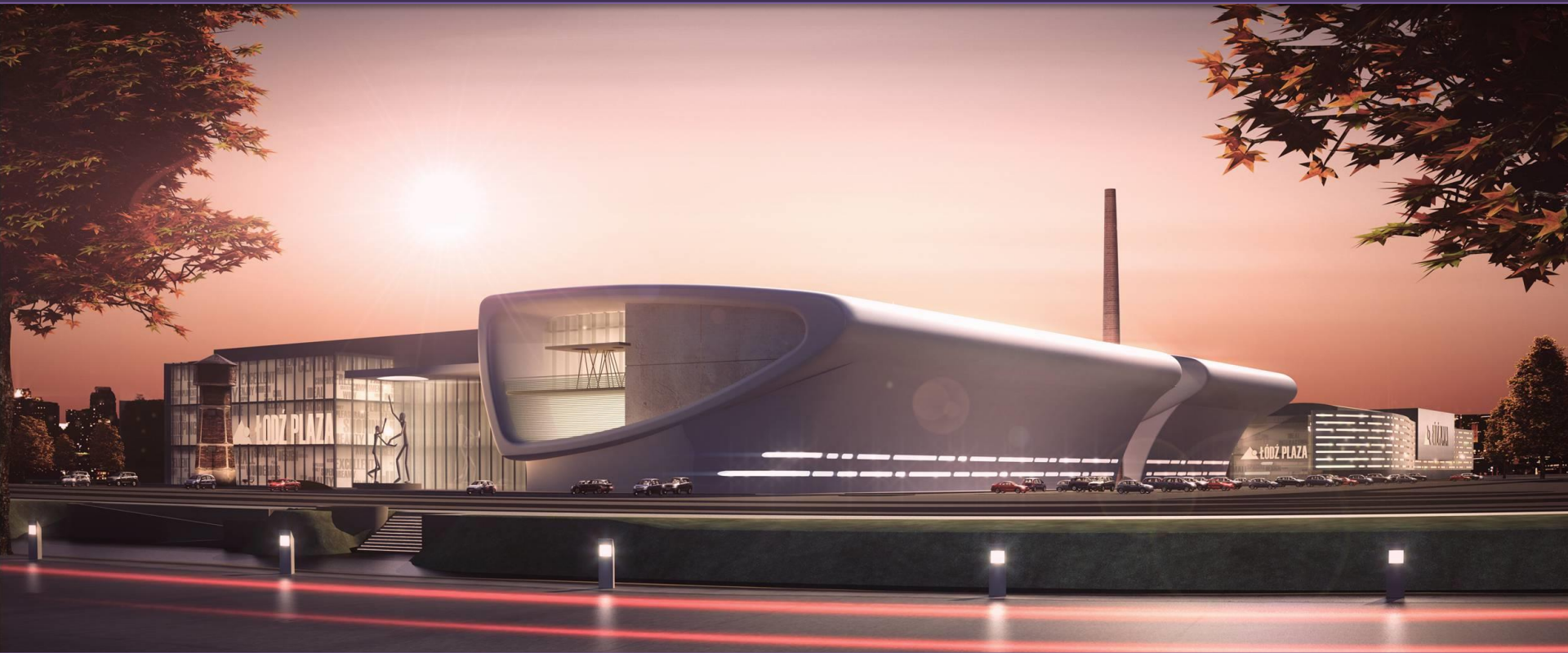




# Presentation for Bondholders' Meeting

October 4, 2019



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# Company Overview

## Portfolio Summary by Country as of October 4, 2019

Total of five assets in three countries

1\*

### Poland

\* Lodz Mall

2\*\*

\*\* Chennai  
Bangalore

\*\*\* Brasov Plot

\*\*\*\* Belgrade Plaza

- On September 3, 2019, conditional sale agreement has been signed for the sale of remaining part of the plot, the final sale agreement will be signed till October 10, 2019;
- In June 2019, share purchase agreement has been signed;
- The SPV which holds the site in Bangalore has initiated insolvency proceedings against the Purchaser of the Plot for recovery of EUR 45.4 million due under the SPA agreement.
- Pre-agreement for the sale of a land plot in Brasov, Romania.
- Price adjustment examination is expected in 2020; 108 TEUR paid in July 2019

2\*\*\*

### Romania



# Company's Activities in 2019

## Sale of assets and material events during the reporting period

### January 2019: Motion to reveal and review internal documents

In March 2018, a Shareholder of the Company has filed a motion with the Financial Department of the District Court in Tel-Aviv to reveal and review internal documents of the Company and of Elbit Imaging Ltd., with respect to events surrounding certain agreements executed in connection with the Casa Radio Project in Romania and the sale of the US commercial centers (the "Motion"). In July 2018, the Company filed its response to the relevant court. On January 13, 2019, a Court hearing was held following which the judge decided that the board of directors of each of the Company and Elbit Imaging Ltd. would examine the relevant facts and decide whether or not they should file a law suit against any of its officers. The Company and Elbit Imaging Ltd. are required to submit their conclusion to both the court and the plaintiff not later than October 3 (the parties intend to address the court and request further extension) and thereafter the plaintiff will notify the Court whether or not he wishes to continue with the Motion.

### February 2019: Pre-Agreement for the sale of a Plot of Land in Brasov, Romania

On February 5, 2019, the Company signed a Pre-Agreement for the sale of a plot in Brasov, Romania for a total gross amount of EUR 620,000 (the "Transaction"). The consummation of the Transaction (which will take place not later than January 15, 2020) is subject to the fulfilment of certain conditions, including, inter alia:

(i) the former financing bank of the Project did not exercise its right to purchase the Property until December 6, 2019; (ii) successful conclusion by the potential purchaser of its due diligence investigations; and (iii) the execution of definitive agreement. During the period commencing on the date of the execution of the Pre-Agreement and ending on the earlier of: (i) January 15, 2020, or (ii) the date of the termination of the Pre-Agreement, the Company and its representatives have undertaken to refrain from negotiating with any other third party other than the Purchaser (and other than the bank as mentioned above) for the purpose of selling its Plot of land.

As of the date hereof, there can be no certainty that a definitive agreement will be signed and/or that the Transaction will be consummated.



# Company's Activities in 2019

## Sale of assets and material events during the reporting period (Cont.)

### February 2019: Principal and interest payments

Following Note 8(c) to the annual consolidated financial statements the company announced it will not meet its principal repayment due on December 31, 2018 as provided for in the settlement agreement with Series A and Series B Bondholders from 11 January 2018 (the "Settlement Agreement"), the bondholders approved the deferral of payment to July 1, 2019 and the company paid principal of circa EUR 250,000 and Penalty interest on arrears of EUR 150,000 on February 2019.

In addition, during June 2019 the bondholders approved the deferral of the full payment of principal due on July 1, 2019 and of 58% of the sum of interest ("deferred interest amount"), and the payment date was fixed as of 1.7.2019. The company paid on the said date a total amount of circa EUR 1.17 million EUR of which is only 42% of the full amount of interest.

### March 2019: Disposal of land plot in Lodz, Poland

On June 13, 2017, the Company announced that it has signed a preliminary sale agreement for the disposal of a 13,770 sqm plot at its second land holding in Lodz, Poland, (representing 22% of this holding) to a retail developer, for EUR 1.15 million. As part of the agreement, the purchaser paid an immediate installment of EUR 0.035 million followed by an installment of EUR 0.073 million paid in 2018 after obtaining environmental permit for investing in the access road to the plot.

During February 2019, the Company has signed conditional sale agreement for which the remaining balance less 50% of the sum invested in the road (up to maximum amount of circa EUR 0.19 million) will be paid once the final agreement is signed after the municipality confirms that it will not exercise pre-emptive rights.

On March 26, 2019 the Company has signed definitive sale agreement, under terms of which the purchaser paid the rest of consideration (circa EUR 0.84 million) by April 2019.



# Company's Activities in 2019

## Sale of assets and material events following the reporting period

July 2019:

### Update on disposal of land plot in Miercurea Ciuc, Romania

Further to the Company's announcement dated October 17, 2018 regarding signing the pre-agreement for the sale of land plot in Mercuria Ciuc, Romania, the Company grant an option for the purchase of the Plot till mid-April 2019 for a total consideration of EUR 0.11 million which was paid in installments. In March 2019, following negotiations with the purchaser, the parties agreed that (i) the signing date of a definitive agreement will be postponed by 3 months to mid-July 2019, (ii) the receipt of non-refundable advance payments of EUR 250,000 in two tranches by the end of April 2019, and; (ii) the sale price will be increased by EUR 30,000.

On July 11, 2019, the Company has signed a definitive agreement for the sale (on an "as is" basis) of its plot, for a total amount of EUR 1.58 million (out of which EUR 0.36 million has already been received as non-refundable advance).

### Belgrade Plaza

On July 20, 2019, Big Shopping Centers ("BIG") paid EUR 0.11 million for the stands and signage at the Big Fashion mall in Belgrade (previously known as "Belgrade Plaza").

In addition, BIG further informed the Company that they intend to hold an additional EUR 1 million until an orderly engineering examination of the mall's technical conditions is completed as part of the final Price adjustment to be performed in May 2020. The Company is currently evaluating its options regarding BIG's intention to hold the EUR 1 million which was not recorded in the consolidated financial statements due to uncertainty related to receipt of such amount.

### Request to reveal documents - Romania

An indirect subsidiary of the Group in Romania (which holds plot of land outside Bucharest) received a request from Romanian authorities to reveal documents regarding the years in 2007-2011 as part of an ongoing investigation procedure. The company has submitted all relevant documents in respect of the said years. During 2019 another indirect subsidiary of the group (which was liquidated) was invited to a court hearing. A criminal investigation carried out regarding the commission of the money laundering and fiscal evasion offenses against legal representative (directors) of certain companies in which the company had indirect holdings through JV in the past. The prosecutor closed the case and the chief prosecutor denied the complaint of National Agency for Fiscal Administration as tardy. Against the prosecutor's disposition to close the case, the National Agency for Fiscal Administration filed a complaint in court. The court hearing has been postponed to October 31, 2019.



# Company's Activities in 2019

## Sale of assets and material events following the reporting period (Cont.)

July 2019:

### Interest Payment

On July 11, 2019, Company announced that its Romanian subsidiary had signed a binding agreement to sell land in Romania and that the Company would use part of the proceeds now received by it EUR 0.75 million (hereinafter: "the amount payable"), in order to make a partial interest payment to its bondholders (Series A) and (Series B). The payment required changes in the repayment schedule and amendments of the trust deeds which was approved unanimously by the Bondholders. The amount payable was paid on August 14, 2019 and reflects 30% of accrued interest as of that date.

### Dutch statutory auditor

The Company has not yet been in the position to engage a Dutch statutory auditor for the book year 2019, which is due to the fact that in the Netherlands, the choice of audit firms that are entitled to audit public interest entities (the Company qualifies as such an entity) is extremely limited. The Company has done all efforts to engage an auditor and has even sent a formal letter to the Dutch Ministry of Finance to get out of the deadlock situation. At this moment it is not yet clear what the outcome will be.

September 2019: **ROMANIAN AUTHORITIES CLOSES THE INVESTIGATION IN RELATION TO THE CASA RADIO PROJECT IN BUCHAREST, ROMANIA (THE "PROJECT")**

Plaza Centers announced, further to the disclosure in Note 5 (d) of the Company's annual financial statements 2018 regarding the internal examination performed by Plaza and its relevant employees in relation to the Project, and that its initial findings were submitted in March 2016 to the Romanian Authorities; that on September 23, 2019, the Romanian Prosecutor (the "Prosecutor") decided to close the investigation considering that there is no evidence to indicate that any bribery offense was committed in relation to the Project. The Prosecutor decided that no money laundry exists and that the evidence regarding a potential traffic of influence leads to the conclusion that this may be considered a matter for civil litigation and not a criminal offense.

The parties may file an appeal within 20 days from receiving the decision.



# Company's Activities in 2019

## Status of sale of assets in India

### Chennai, India:

In July 2018, Elbit Plaza India Real Estate Holdings Limited ("EPI"), has signed a term sheet with its local partner („Purchaser"), relating to the sale of EPI's Indian subsidiary ("SPV") that holds 74.7 acre plot in Chennai, India ("Term Sheet"). Under the terms of the Term sheet, the Purchaser shall have 60 (sixty) days to conduct due diligence only with respect to the SPV, following which definitive agreements, for the sale of the SPV in consideration of approximately EUR 13.2 million (INR 1,060 million, the Company's share approximately EUR 6.8 million), (subject to adjustment with respect to the previous deposit that was placed and the existing cash in the SPV level), shall be signed and closing shall take place on the same day. The closing of the transaction was expected in February 2019. As the transaction was not completed the Term Sheet was terminated by EPI.

In February 2019, the Chennai Project SPV issued notice to Pacifica terminating the Joint Development Agreement („JDA") due to its failure to obtain the access road. The said termination of JDA has been disputed by Pacifica. Therefore, the Chennai Project SPV has initiated arbitration proceeding against Pacifica in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, in accordance with the JDA Agreement to protect its rights.

In June 2019, the parties have signed a share purchase agreement ("SPA") according to which:

- The Purchaser has paid a deposit of INR 5 crores (approximately Euro 0.625 million) in order to provide the Purchaser with an additional six months to complete the closing, which may be extended by another month upon payment by the Purchaser of an additional deposit of INR of 5 crores. As of this date, the Purchaser has deposited a total of INR 15 crores (approximately Euro 1.875 million) (the "Deposits").
- If the Purchaser is unable to complete the closing within the aforesaid time periods, then the parties will mutually appoint an international real estate consulting firm for the purpose of identifying a third-party buyer within a period of six months.
- If the Purchaser is unable to complete the closing and no third-party buyer is found within the aforesaid time periods, both the JDA and SPA shall be terminated, subject to the Purchaser receiving the Deposits. However, the Purchaser will not be entitled to reimbursement of expenses incurred by it under the JDA.
- Any final price received from a third-party buyer above the Consideration will be shared 67% by the Purchaser and 33% by EPI. The Consideration is subject to adjustment with respect to the Deposits and the existing cash in the SPV.
- The Consideration will be remitted in Euro at the base rate already agreed upon by the parties. Foreign exchange loss arising due to change in conversion rate from INR to euro will be borne by the Purchaser and gain will be credited to the account of EPI.
- The parties withdraw the arbitration proceedings and other notices.

At this stage, there is no certainty that the SPA closing will occur.





# Company's Activities in 2019

## Status of sale of assets in India (Cont.)

### Bangalore, India

In March, 2008 Elbit Plaza India Real Estate Holdings Limited (a subsidiary held by the Company (50%) and Elbit Imaging Ltd.(50%)) ("EPI") entered into a share subscription and framework agreement (the "Agreement"), with a third-party local developer (the "Partner"), and a wholly owned Indian subsidiary of EPI which was designated for this purpose ("SPV"), to acquire together with the Partner, through the SPV, up to 440 acres of land in Bangalore, India (the "Project") in certain phases as set forth in the Agreement. As of June 30, 2019, the Partner has surrendered sale deeds to the SPV for approximately 54 acres (the "Plot"). In addition, under the Agreement the Partner has also been granted with 10% undivided interest in the Plot and have also signed a Joint Development Agreement with the SPV in respect of the Plot.

On December 2, 2015 EPI has signed an agreement to sell 100% of its interest in the SPV to the Partner (the "Sale Agreement"). The total consideration upon completion of the transaction was INR 321 crores (approximately EUR 40.2 million) which should have been paid no later than September 30, 2016 ("Long Stop Date"). On November 15, 2016, the Partner informed EPI that it will not be able to execute the advance payments.

As a result of the foregoing, the Company has received from the escrow agent the sale deeds in respect of additional 8.7 acres (the "Additional Property") which has been mortgaged by the Partner in favor of the SPV in order to secure the completion of the transaction on the Long Stop Date. The Additional Property has not yet been registered in favor of the SPV for cost-benefit reasons. In addition, as per the Sale Agreement, the Company took actions in order to get full separation from the Partner with respect to the Plot and specifically the execution of the sale deed with respect of the 10% undivided interest, all as agreed in the Sale Agreement.

As a result of the failure of the Partner to complete the transaction under the Sale Agreement and in accordance with the provisions thereto, EPI has 100% control over the SPV and the partner is no longer entitled to receive the 50% shareholding.

In light of the above, and after lengthy negotiations between the parties, new understandings were formulated and the parties signed a revised agreement that substantially altered the outline of the original transaction (and this agreement was amended several more times, the last of which in April 2019), and concluded that: (i) the closing date for the transaction will be extended to November 2019, and may be further extended to August 2020 (the "Closing Date"). It should be clarified that the postponement of the closing date to August 2020 is subject to receipt of payments due by November 2019 (approximately Eur 12 million) and subject to mutually agreed payment terms; and (ii) the consideration will be increased to INR 356 crores (approximately Eur 45.1 million) (Plaza part approximately Eur 22.6 million) (the "Consideration").



# Company's Activities in 2019

## Status of sale of assets in India (Cont.)

### Bangalore, India

On July 25, 2019, the Company announced that the Partner paid Eur 0.127 million (INR 1 crore) (Company part approximately EUR 0.063 million) and thereby having paid Euro 0.76 million (INR 6 crores) out of the approximately EUR 3.05 million (INR 24 crores) to be paid until the end of July 2019, and that the Partner seeks more time without committing to a schedule for payment of the remaining amount. During august 2019 the Partner paid ad additional INR 1 crore (EUR 0.125 million).

In September 2019, the SPV which holds the site in Bangalore, has initiated insolvency proceedings against the Purchaser of the Plot for recovery of €45.4 million (INR 356 crores) due under the Agreement (as defined below) upon default to EPI.

As previously disclosed, there is no clarity on payment of the remaining amount under the agreement signed by EPI, for the sale of a 100% interest in the SPV which holds the Plot to the Purchaser, and all necessary legal steps in order to protect its interests have been taken, including legal proceedings for dishonor of the cheques which were given as security for payment of certain installments.

As previously disclosed, Purchaser was required to pay INR 356 crores to EPI in tranches. However, as of the date hereof, the Purchaser paid to EPI approximately €11.2 million (INR 87 crores) (Plaza part approximately €5.6 million), which EPI is entitled to forfeit if the Purchaser does not close the transaction as per the Agreement. Further, the Purchaser has mortgaged approximately 8.7 acres of plots as security for completion of the transaction.

The company estimates that the procedures for separating from the Partner and canceling his 10% undivided interest in the Plot, will cost up to EUR 1 million and will required the time frame of one year to four years. (The difference in costs and the length of time associated with such separation process is depend on the legal proceedings that EPI will take as well as whether or not the Partner will seek to compromise during legal proceedings).

The Company will continue to take all measures warranted in the circumstances to protect its interest and will update regarding any new development.



# Company's Activities in 2019

## Status of CASA RADIO project

### Casa Radio:

On February 11, 2019 the Company signed a non-binding Letter of Intent ("LOI") with AFI Europe N.V. (the "Purchaser", and together with the Company, the "Parties"), for the sale of its entire indirect shareholdings (75%) in the Casa Radio Project, for a maximum consideration of EUR 60 million, subject to the fulfilment of certain conditions.

Following the execution of the LOI, the Purchaser shall have a period of 3 months to conduct due diligence investigations (with the aim of concluding the due diligence investigations before April 19, 2019), after which, if satisfactory, a pre-sale agreement will be executed within 30 days following the conclusion of the due diligence investigations. (the "Pre-Sale Agreement").

In the framework of the Pre-Sale Agreement, the Purchaser will pay the Company a non-refundable down payment. 15 months following the execution of the Pre-Sale Agreement, and subject to the satisfactory fulfillment of certain conditions precedent, the Parties will sign a sale agreement.

The consummation of the Transaction is subject to the fulfillment of certain conditions, including, inter alia: (i) certain confirmations and approvals of competent public authorities regarding the PPP agreement in place and acceptance of the Purchaser; (ii) the successful conclusion by the Purchaser of its due diligence investigations; (iii) obtaining the approval of the Romanian authorities for the updated structure of the Project and timetable; (iv) confirmation that the 49-year lease period under the PPP agreement (signed between the Romanian Authorities and the Company) will commence from 2012 at the earliest, although, should the said lease period commence earlier, the parties shall amicably negotiate a price adjustment mechanism to the Purchaser's satisfaction and approval; and (v) the execution of definitive agreements.

During the period commencing on the date of the execution of the LOI and ending on the earlier of: (i) 18 month, or (ii) the Purchaser informs the Company of his withdrawal from the Transaction, the Company and its representatives have undertaken to refrain from negotiating with any other third party other than the Purchaser for the purpose of selling its shareholdings in the Project.

On July 3, 2019 the Company signed a pre-sale agreement (the "Agreement") with the Purchaser, for the sale of its subsidiary (the "SPV") which holds 75% in the Project, for a maximum consideration of EUR 60 million, subject to the fulfilment of certain conditions (the "Transaction").



# Company's Activities in 2019

## Status of CASA RADIO project (Cont.)

### Casa Radio (Cont.):

Below are the principal changes made in the Agreement compared to the LOI:

- The Purchaser's due diligence review period was extended to no later than September 5, 2019, following which, subject to the satisfaction of the conditions' precedent, the Parties will have 15 months to execute a share purchase agreement (the "SPA").

The payment schedule was changed as follows:

- The payment schedule according to the LOI is expected to be set as follows:

Stage	Payment Amount	Comments
Down Payment (upon satisfactory completion of due diligence)	EUR 200,000	The down payment is refundable upon the occurrence of any of the following (i) cancellation of the PPP Agreement; (ii) initiation of SPV's dissolution due to negative equity requirements; or (iii) the existence of elements of criminal investigation against the SPV beyond the information disclosed to the Purchaser as of this date; or, if against the SPV's directors or employees, in case such elements would trigger a significant impact on the Project.
Execution of the SPA	EUR 20,000,000	
Issuance of Building Permit for Phase 1.	EUR 22,000,000	"Phase 1" was defined as the development of any of the elements of Component A under the PPP Agreement, <i>i.e.</i> , a shopping mall and/or an office park, excluding the development of the Public Authority building.
Obtaining of all permits required for the operation of any of the components (buildings) of Phase I, namely for the office building or for the shopping mall, including the fire permit and the operation permit.	The balance between the Purchase Price and the payments made by that time (see above).	The Purchase Price is defined in the Agreement as Euro 60 million <b>minus</b> 75% of the SPV's liabilities computed based on the closing accounts (as defined in the Agreement) and excluding the inter-company loan granted to the SPV; <b>plus</b> 75% of the SPV's available cash and other current assets as shown in the closing accounts (as defined in the Agreement) and <b>minus</b> , if applicable, the amount agreed upon by the Parties to be reduced from the Purchase Price if the 49-year lease period shall commence before 2012.

- The conditions precedent for the consummation of the Transaction were broadened to include also the receipt of the Company's shareholders' and bondholders' approval for the Transaction as well as no material adverse change, as defined in the Agreement.
- The Company undertook to indemnify the Purchaser against all losses, charges, costs and expenses (including reasonable attorney fees) which the Purchaser sustained or incurred by reason of breach of the warranties set forth in the Agreement.





# Company's Activities in 2019

## Status of CASA RADIO project (Cont.)

### Casa Radio (Cont.):

On July 30, 2019 at the bondholders' meeting of Bonds series A and Bonds Series B it was decided to authorize the company to enter into an agreement and execute the transaction contained therein, despite the Company's failure to comply with the minimum coverage ratio (as defined in the Trust Deed) and notwithstanding the provision of section 4.6 of the Trust Deed. In addition, an extraordinary general meeting of the Shareholders of the Company held on 29 August 2019 approved the transaction as detailed in the Notice of EGM.

On September 5 , 2019 Plaza Centers announced that in accordance with the Agreement, AFI has paid the down payment of EUR 200,000.

As previously disclosed, the Parties will now have 15 months to execute a share purchase agreement, subject to the satisfaction of conditions precedent (the "SPA"). There can be no certainty that the SPA will eventually be executed and/or that the Transaction will be consummated as presented above or at all.

**There can be no certainty that the SPA will eventually be executed and/or that the Transaction will be consummated as presented above or at all.**



# Financial Highlights (unreviewed)

## Summary

- Reduction in total asset value to EUR 60 million (31 December 2018: EUR 62 million) mainly due to payment of principal and interests for bonds in total amount of circa EUR 1.6 million in H1/2019, disposal of land plot in Poland resulting payment of circa EUR 0.84 million in March 2019, the receipt of advance payment of EUR 0.25 million for the plot in Miercurea Ciuc, administrative expenses and costs of operations which amounted to EUR 0.8 million for the 6 months of 2019.
- The value of the Company's trading properties decreased by 1% (EUR 0.5 million) over the period, primarily due to the sale of 22% of the land plot known as „Lodz Mall” in Poland and reversal of the value of the plot in Miercurea Ciuc, Romania by EUR 0.5 million.
- Loss in H1/2019 totaled EUR 10.9 million (in H1/2018: loss of EUR 9.8 million), mainly due to interest expense on bonds and foreign exchange rate losses on bonds. Basic and diluted loss per share decreased to EUR 1.59 (2018: loss per share of EUR 1.43).
- Consolidated cash position as at June 30, 2019 of EUR 0.75 million (31 December 2018: EUR 1.4 million) and cash position as of October 04, 2019 of circa EUR 1.17 million.



# Financial Highlights (unreviewed)

## Results (EUR 000)

Six months ended June 30		
	2019	2018
<b>Revenues and gains</b>		
Revenue from disposal of trading properties	930	210
Total Revenues	<b>930</b>	<b>210</b>
<b>Gains and other</b>		
Other income	48	237
Total Gains	<b>48</b>	<b>237</b>
<b>Total Revenues and Gains</b>	<b>978</b>	<b>447</b>



# Financial Highlights (unreviewed)

## Results (EUR 000)- cont.

Expenses and Losses	Six months ended June 30	
	2019	2018
Cost of trading properties disposed	(955)	-
Cost of operations	(160)	(128)
Share in results of equity accounted investees, net of tax	(107)	(397)
Write-down of Trading Properties	500	(3,401)
Administrative expenses	(669)	(1,485)
Other expenses	(23)	(520)
Finance income <sup>(1)</sup>	-	144
Finance costs <sup>(2)</sup>	(10,348)	(4,430)
<b>Total Expenses and Losses</b>	<b>(11,762)</b>	<b>(10,217)</b>
<b>Loss before income tax</b>	<b>(10,784)</b>	<b>(9,770)</b>
Income tax expense	(113)	(1)
<b>Loss for the period</b>	<b>(10,897)</b>	<b>(9,771)</b>





# Financial Highlights (unreviewed)

## Notes to the results

- (1) Finance income is nil the first 6 months of 2019 comparing to EUR 0.1 million for 6 monts ended June 30, 2018.
- (2) Finance costs increased considerably from EUR 4.4 million to EUR 10.4 million (30 June, 2018 and 30 June, 2019 respectively). The main components were:
  - Foreign exchange movements (NIS-EUR) – the effect on the debentures totalled EUR 5.5. million in expenses (30 June, 2018 – EUR 2.7 million expenses);
  - Interest expenses booked on all series of bonds totalled EUR 2.9 million (30 June, 2018 – EUR 3 million expenses recorded);
  - EUR 2.0 million expenses recorded associated with amortization of discount on debentures (30 June, 2018 – EUR 1.3 million income).



# Financial Highlights (unreviewed)

## Assets Book Value 30.06.2019

Project	Country	Type	Book Value June 30, 2019 (EUR M)
Casa Radio*	Romania	Plot	39.09
Ciuc**	Romania	Plot	1.50
Brasov	Romania	Plot	0.55
Lodz	Poland	Plot	1.01
<b>Total Trading Property</b>			<b>42.15</b>
Bangalore***	India	Plot	15.00
Chennai***	India	Plot	8.62
			<b>65.77</b>

\* 100% (due to material shareholder loans), net of PAB liability of EUR 14.1 million  
Company's share disregarding shareholder loan – 75% (value: EUR 29.32 million);

\*\* definitive sale agreement signed in July, 2019;

\*\*\* 50% (included in equity accounted investee); the valuations of the properties are based on the comparable method.



# Financial Highlights (unreviewed)

## Debt Structure of the Group

Debt Structure – June 30, 2019		EUR million
Debt	Debentures (Adjusted Par Value)	85.9
	<b>Total Debt</b>	<b>85.9</b>
Resources	Liquid balances - Consolidated	0.6
	<b>Total sources</b>	<b>0.6</b>
<b>Net Financial Debt</b>		<b>85.3</b>
Shareholders' equity (Non-revalued)		(40)
Total Net Debt to Balance Sheet		142%

Bonds as at June 30, 2019			
	Original currency (M ILS)	fx rate	liability (M EUR)
Bond A	144.0	4.06	35.46
Bond B	204.9	4.06	50.45
<b>Total</b>			<b>85.91</b>



## Outstanding balance as of October 2, 2019 (adjusted par value including interest)

**Series A Bonds: € 37.76 million (NIS 144.2 million)**

**Series B Bonds: € 53.77 million (NIS 205.4 million)**

**Total outstanding debt to Bondholders: circa € 91.53 million**  
(Excluding deferred interest -70%)

(\*) Exchange rate: 3.8198 as of October 04, 2019





## History of corporate debt raisings and bond repayments by the Company

	Series A Israeli Bonds	Series B Israeli Bonds
	NIS	
Bond raising (2007-2011)	401,850,451	1,483,126,346
Interest accrued and capitalised 31/12/2013	6,652,927	16,055,759
Directly purchased by Plaza - Removed from the cycle	<u>(8,253,378)</u>	<u>(108,993,111)</u>
Bond raising, net	400,249,999	1,390,188,994
Principal payments over the years (until 30/06/2019)	(317,372,825)	(1,324,539,618)
Interest payments (until 30/06/2019)	<u>(166,348,687)</u>	<u>(477,866,220)</u>
Total payments	(483,721,512)	(1,802,405,838)
Total payments over the years as percentage of total raising, net (%)	<b>120.85%</b>	<b>129.65%</b>



# Projected Cash Flows

## Projected Cash Flows (€ Millions)

		H2/2019	H1/2020	H2/2020
Source	Cash - Opening Balance – HQ	0.75	1.17	0.82
	Proceeds from selling trading properties*	2.67	0.85	6.50
	<b>Total Sources</b>	<b>3.42</b>	<b>2.02</b>	<b>7.32</b>
Use	Debentures – principal (**)	-	-	-
	Debentures - interest (**)	1.35	0.40	5.48
	Compensation to Bondholders	-	-	-
	General & Administrative	0.78	0.70	0.70
	Operational expenses	0.12	0.10	0.05
	<b>Total Uses</b>	<b>2.25</b>	<b>1.20</b>	<b>6.23</b>
<b>Cash - Closing Balance</b>		<b>1.17</b>	<b>0.82</b>	<b>1.09</b>

- (1) Casa Radio – please refer to Note 5 (4) in the Company's 2018 consolidated financial statements regarding certain issues in respect of the project and Note 6 to the unreviewed condensed consolidated financial statements as of June 30, 2019.
- (2) The board and management estimate that there are significant doubts regarding the Company's ability to serve its entire debt according to the current repayment schedule. Moreover, following the initiation of insolvency proceeding by the SPV against the purchaser of the plot in Bangalore, India and due to SPA signed for the sale of Chennai Project it is expected that the Company will not be able to meet its entire contractual obligations in the upcoming 12 months.
- (3) The company took a conservative approach regarding payment schedule of Bangalore Sale due to initiation of insolvency proceedings and therefore excluded payments in 2020 from projected cashflow.
- (4) Excluding interest on arrears from July 1, 2019 onwards.

\* Net amounts received by the company;

\*\* Payments of principal and interests are only estimation. The mandatory final principal payment is July 1, 2020.



# Projected Cash Flows

## Projected Cash Flows (€ Millions) - cont.

Proceeds from selling trading properties				
	<u>H2/2019</u>	<u>H1/2020</u>	<u>H2/2020</u>	<u>Sum (*)</u>
Final signed agreement	1.37	0.30	6.50	8.17
Preliminary agreement	1.30	0.55	-	1.65
Not signed yet	-	-	-	-
<b>Total</b>	<b>2.67</b>	<b>0.85</b>	<b>6.50</b>	<b>10.02</b>
Projects	H2 2019	H1 2020	H2 2020	Sum (*)
Bangalore	0.09	-	-	0.09
Chennai	-	-	6.50	6.50
Lodz Plaza	1.10	-	-	1.10
Belgrade Plaza	0.11	0.30	-	0.41
Miercurea Ciuc	1.17	-	-	1.17
Brasov	-	0.55	-	0.55
Casa Radio	0.20	-	-	0.20
<b>Total</b>	<b>2.67</b>	<b>0.85</b>	<b>6.50</b>	<b>10.02</b>

(\*) All numbers are rounded to the nearest million

Final signed agreement	Belgrade Plaza, Miercurea Ciuc ,Bangalore (initiated insolvency proceedings); Chennai (at this stage, there is no certainty that the SPA closing will occur).
Preliminary agreement	Brasov, Lodz Plaza, Casa Radio
Not signed yet	Not applicable





# THE END

