**31 August 2023**

**PLAZA CENTERS N.V.**

**RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

Plaza Centers N.V. (“Plaza” / “Company” / “Group”) today announces its results for the six months ended 30 June 2023. The financial information for the half year ended 30 June 2023 and 30 June 2022 has neither been audited nor reviewed by the auditors.

**Financial highlights:**

- Reduction in total assets by €1.7 million to €6.6 million mainly as a result of general and legal expenses.
- Consolidated cash position as of June 30, 2023 decreased by circa €1.4 million to app. €6.4 million (December 31, 2022: €7.8 million) as a result of general and legal expenses.
- €0.9 million loss recorded at an operating level (June 30, 2022: €1.3 million loss) mainly due to general and legal expenses.
- Recorded loss of €0.6 million (June 30, 2022: €6.3 million), mainly due to finance results on bonds, general and legal expenses.
- Basic and diluted loss per share of €0.09 (30 June 2022: loss per share of €0.92).

**Material events during the period:**

***Tax authority investigation:***

On March 27, 2023 the Company announced that the Tax Authority of the state of India initiated certain actions at the office of Elbit Plaza India Management Services Private Limited (which is a private company wholly owned by Elbit Plaza India Real Estate Holdings Limited) (hereinafter: "EPM") including a search and seizer of certain documents relating to EPM's activities/transactions in India in recent years. At this stage it is not yet clear what the purpose of the investigation is, including whether EPM is the purpose of the investigation or whether the investigation is related to any third party.

***Update regarding a change in Elbit Imaging Ltd holdings:***

Since announcement dated January 13, 2022 and up to last announcement dated July 13, 2023 Elbit Imaging sold about 48,6 thousand shares of the Company for a total consideration of approximately NIS 76 thousand, thus, Elbit Imaging holdings in the Company have diminished to 19.85% of the Company's issued and paid-up capital.

***Deferral of payment of Debentures and partial interests’ payment:***

Refer to the below in Liquidity & Financing.

***Dutch statutory auditor:***

Refer to Note 7(c) in the interim condensed consolidated financial statements as of June 30, 2023.

***Update regarding submission of a request for arbitration against Romania with respect to the "Casa Radio" project:***

On April 11, 2023 the Company announced, that having on May 16, 2022 issued a Request for Arbitration against Romania with respect to the “Casa Radio” project (the “Project”), on April 6, 2023 the Company filed its Memorial and supporting evidence at the International Centre for the Settlement of Investment Disputes, setting out its claims against Romania. The Company seeks full compensation for its losses with respect to the Project, currently estimated to be up to EUR 367,700,000 as at 31 March, 2023.

Further, on May 18, 2023 the Company submitted its objection to Romania’s Request for Bifurcation into separate phases on jurisdiction and the merits. Romania’s application has been rejected and it has now been determined that the Arbitration will not be bifurcated. Romania is now required to file its defence to the Company’s claims.

On July 12, 2023, Plaza and Dambovita Center SRL (a subsidiary of Plaza and the Project Company in charge of the Casa Radio Project) received a notice of default from the Ministry of Finance under the public-private partnership contract governing the Casa Radio Project. The Company denies all claims formulated by the Ministry of Finance, including any made in the ongoing ICSID arbitration with Romania.

***Update regarding a lawsuit against entities involved in the sale of U.S.A shopping centers in 2011:***

On June 19, 2023 the Company announced, further to its announcements, regarding the filing of a lawsuit by the Company and Elbit Imaging Ltd. ("Elbit") against certain parties (certain officers of the Company and Elbit, a portion of the heirs of the late Mr. Motti Zisser (the Company’s and Elbit's former controlling shareholder) and other parties) (the "Respondents") who were involved in a transaction of the Company and Elbit for the sale of real estate properties in the U.S.A. in 2011 and for which funds (brokerage fees) were allegedly illegally transferred to private companies controlled by the late Mr. Motti Zisser (the "Lawsuit"); and further to the Company’s announcement dated August 10, 2021 and to the details provided in Note 16(b)(5) in the Company's annual consolidated financial statements for the year 2022 regarding the approval by the District Court of an application submitted by one of the respondents, Mr. Philip Meyer, for the dismissal in limine of the Lawsuit and the appeal submitted by the Company and Elbit to the Supreme Court on November 14, 2021; and further to the Company’s announcement dated May 31, 2023 regarding the fact that the Company's and Elbit's appeal was accepted by the Supreme Court; the Company hereby announces that a settlement agreement has been reached between the plaintiffs and two of the Respondents. The court approved the settlement agreement and gave it the effect of a judgment and imposed a publication ban on its details. According to the provisions of the settlement agreement, the Company's portion after deducting expenses is a few hundred thousand euros and should be received over a period of several months, and the Company and Elbit will continue to handle the legal proceeding in the District Court while each party shall maintain all of its claims in the main proceeding.

**Key highlights since the period end:**

***Annual General Meeting:***

On July 20, 2023 the Company announced, that Annual General Meeting of the Company's shareholders ("AGM") scheduled to take place on August 9, 2023 is postponed to take place on November 6, 2023 at the offices of the Company.

**Commenting on the results, executive director Ron Hadassi said:**

"The Company is continuing to take all necessary steps with Casa Radio Project. The Company has submitted with the International Centre for Settlement of Investment Disputes ("ICSID") a Request for Arbitration (the "Request") against Romania for compensation of losses incurred due to failure of the Romanian authorities to cooperate, negotiate and adjust the PPP agreement."

***For further details, please contact:***

**Plaza**
Ron Hadassi, Executive Director 972-526-076-236

**Notes to Editors**

Plaza Centers N.V. (www.plazacenters.com) is listed on the Main Board of the London Stock Exchange, as of 19 October 2007, on the Warsaw Stock Exchange (LSE: "PLAZ", WSE: "PLZ/PLAZACNTR") and, on the Tel Aviv Stock Exchange.

**Forward-looking statements**

This press release may contain forward-looking statements with respect to Plaza Centers N.V. future (financial) performance and position. Such statements are based on current expectations, estimates and projections of Plaza Centers N.V. and information currently available to the company. Plaza Centers N.V. cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and position to differ materially from these statements.

**MANAGEMENT STATEMENT**

During first half of 2023 the Company also continued cost reductions in administrative expenses and costs of operations. In connection with Casa Radio Project, as stated above, the Company issued a Notice of Dispute and Acceptance of Offer and Consent to Arbitrate to Romania with respect to the Project and we hope this will help us to unblock the current status of the Project. In addition, on December 13, 2022 the Company and AFI Europe N.V. ("AFI Europe") 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 (the "SPA"), until December 31, 2023.

Due to the board and management estimation that the Company is unable to serve its entire debt according to the current redemption date (January 1, 2024) in its current liquidity position, the Company intends to request from the bondholders of both series (Series A and Series B) postponement of the repayment of the remaining balance of the bonds.

**Results**

During the first half of the year, Plaza recorded a €0.6 million loss attributable to the shareholders of the Company (30 June 2022: €6.3 million). Total result of operations excluding finance income and finance cost was a loss of €0.9 million in 2023 compared to reported loss of €1.3 million in the first half of 2022. The losses were mainly due to administrative expenses and arbitration costs.

**Liquidity & Financing**

Plaza ended the period with a consolidated cash position of circa €6.4 million, compared to €7.8 million at the end of 2022.
As of June 30, 2023, the Group's outstanding obligation to bondholders (including accrued interests) are app. €127.6 million.

As disclosed in Note 7(d) below the Company was not able to meet its final redemption obligation to its (Series A and Series B) bondholders, due on July 1, 2023, and the bondholders approved to postpone the final redemption date to January 1, 2024.

Due to the board and management estimation that the Company is unable to serve its entire debt according to the current bond's repayment schedule in its current liquidity position, the Company intends to request the bondholders of both series to postpone the repayment of the remaining balance of the bonds. However, there is an uncertainty if the bondholders will approve the request. In the case that the bondholders would declare their remaining claims to become immediately due and payable, the Company would not be in a position to settle those claims and would need to enter into an additional debt restructuring or might cease to be a going concern.

**Strategy and Outlook**

The Company's priorities are focused on efforts to sign definitive sale agreement of Casa Radio project. The Company also intends to seek for bondholders' approval for postponement of the repayment of the bonds. In addition, the Company intends to continue the cost-cutting of its operational cost.

## OPERATIONAL REVIEW

The Company's current assets are summarised in the table below (as of balance sheet date):

| **Asset/ Project** | **Location** | **Nature of asset** | **Size sqm (GLA)** | **Plaza's effective ownership %** | **Status** |
|---|---|---|---|---|---|
| Casa Radio | Bucharest, Romania | Mixed-use retail, hotel and leisure plus office scheme | 467,000 (GBA including parking spaces) | 75 | Pre-sale agreement signed |

## FINANCIAL REVIEW

### Results

In 2023, the administrative expenses amounted to €0.9 million, an increase comparing to €0.6 million in the first half of 2022. The increase was a result of additional expenses for legal services in respect to initiated by the Company of an arbitration process in Romania as states above in connection with Casa Radio Project.

Net finance incomes changed from €4.9 million loss in the first 6 months of 2022 to €0.3 million gain in the first 6 months of 2023. The main components of net finance incomes were foreign currency gain on bonds (including inflation) and interests' expenses accrued on the debentures which includes also penalty interest calculated on the deferred principal.

As a result, the loss for the period amounted to circa €0.6 million in the first 6 months of 2023, representing a basic and diluted loss per share for the period of €0.09 (H1 2022: €0.92 loss).

### Balance sheet and cash flow

The balance sheet as of 30 June 2023 showed total assets of €6.6 million compared to total assets of €8.3 million at the end of 2022, mainly as a result of administrative expenses and costs of operations.

The consolidated cash position (cash on standalone basis as well as fully owned subsidiaries) as of 30 June 2023 decreased to €6.4 million (31 December 2022: €7.8 million).

As of 30 June 2023, the Company has a balance sheet liability of €94.5 million from issuing bonds on the Tel Aviv Stock Exchange. Additionally, the Company recorded provision for interests on bonds as of June 30, 2023, in an amount of €33.1 million (31 December 2022: €29.9 million).

**Disclosure in accordance with Regulation 10(B)14 of the Israeli Securities Regulations (periodic and immediate reports), 5730-1970**

## 1. General Background

According to the abovementioned regulation, upon existence of warning signs as defined in the regulation, the Company is obliged to attach its report's projected cash flow for a period of two years, commencing with the date of approval of the reports ("Projected Cash Flow").

The material uncertainty related to going concern was included in Note 1(b). In light of the material uncertainty that the SPA between the Company and AFI Europe N.V. will eventually be executed and/or that the transaction will be consummated as presented above or at all (refer to Note 5), the board and management estimates that the Company is unable to serve its entire debt according to the due date the bondholders approved to postpone the final redemption date. Accordingly, it is expected that the Company will not be able to meet its entire contractual obligations in the following 12 months.

With such warning signs, the Company is providing projected cash flow for the period of 24 months following for the coming two years.

## 2. Projected cash flow

The Company has implemented the restructuring plan that was approved by the Dutch court on July 9, 2014 (the "Restructuring Plan"). Under the Restructuring Plan, principal payments under the bonds issued by the Company and originally due in the years 2013 to 2015 were deferred for a period of four and a half years, and principal payments originally due in 2016 and 2017 were deferred for a period of one year. During first three months of 2017, the Company paid to its bondholders a total amount of NIS 191.7 million (EUR 49.2 million) as an early redemption. Upon such payments, the Company complied with the Early Prepayment Term (early redemption at the total sum of at least NIS 382 million) and thus obtained a deferral of one year for the remaining contractual obligations of the bonds.

In January 2018, a settlement agreement was signed by and among the Company and the two Israeli Series of Bonds.

On November 22, 2018 the Company announced based on its current forecasts, that the Company expected to pay the accrued interest on Series A and Series B Bonds on December 31, 2018, in accordance with the repayment schedule determined in the Company's Restructuring Plan and Settlement Agreement with Series A and Series B Bondholders from 11 January 2018 (the "Settlement Agreement"). The Company noted that it will not meet its principal repayment due on December 31, 2018 as provided for in the Settlement Agreement. On February 18, 2019 the Company paid principal of circa EUR 250,000 and Penalty interest on arrears of EUR 150,000 following the bondholder's approval to defer principal repayment to July 1, 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% ("deferred interest amount") of the sum of interest (consisting of the total interest accrued for the outstanding balance of the principal, including interest for part of the principal payment which was deferred as of February 18, 2019, plus interest arrears for part of the principal which was fixed on February 18, 2019 and was not paid by the Company and all in accordance with the provisions of the trust deed; "the full amount of interest"), the effective date of which is June 19, 2019, and the payment date was fixed as of July 1, 2019. The company paid on the said date a total amount of circa EUR 1.17 million, which is only 42% of the full amount of interest.

On July 11, 2019, the Company announced that its Romanian subsidiary had signed a binding agreement to sell land in Romania (refer to Note 5(3)(f) of the consolidated financial statements as of December 31, 2020), 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 the bondholders (Series A) and (Series B) issued by the Company. 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.

On November 17, 2019, the bondholders of Series A and Series B approved a deferral of all the scheduled Principal payment and app. 87% of deferral of the scheduled Interest payment, both, as of December 31, 2019 to July 1, 2020.

On May 4, 2020, the bondholders of Series A and Series B approved: (i) to postpone the final redemption date to January 1, 2021 of all the scheduled Principal; (ii) that on July 1, 2020 the Company will pay to its bondholders a partial interest payment in the total amount of EUR 250,000 and to deferral all other unpaid scheduled Interest payment.

Following receiving the Settlement Amount related to the final price adjustment of the sale of Belgrade Plaza and in light of the potential negative impact of the Covid-19 on the possibility to receive future proceeds from the Company's plots in India, the Company decided to increase the amount to be paid to the bondholders on July 1, 2020, from EUR 250,000 to EUR 500,000. The amount reflected 6.74% of accrued interest as of that date.

On November 12, 2020, the bondholders of Series A and Series B approved: (i) to postpone the final redemption date to July 1, 2021 of all the scheduled Principal; that on January 1, 2021 the Company will pay to its bondholders a partial interest payment in the total amount of EUR 200,000 and to deferral all other unpaid interest. The amount reflected 1.84% of accrued interest as of that date.

On April 12, 2021, the bondholders of Series A and Series B approved: (i) to postpone the final redemption date to January 1, 2022; (ii) that on July 1, 2021 the Company will pay to its bondholders a partial interest payment in the total amount of EUR 125,000 and to deferral all other unpaid interest. The amount reflected 0.84% of accrued interest as of that date.

On November 25, 2021, the bondholders of Series A and Series B approved: (i) to postpone the final redemption date to July 1, 2022; (ii) that on January 1, 2022 the Company will pay to its bondholders a partial interest payment in the total amount of EUR 125,000 and to deferral all other unpaid interest. The amount reflected 0.92% of accrued interest as of that date.

On June 16, 2022, the bondholders of Series A and Series B approved to postpone the final redemption date to January 1, 2023.

On November 8, 2022, the bondholders of Series A and Series B approved: (i) to postpone the final redemption date to July 1, 2023; (ii) that on January 1, 2023 the Company will pay to its bondholders a partial interest payment in the total amount of EUR 2,000,000 and to deferral all other unpaid interest. The amount reflected 6.08% of accrued interest as of that date.

Further, in 2023 the bondholders of Series A and Series B approved: (i) to postpone the final redemption date to January 1, 2024; (ii) that on July 1, 2023 the Company will pay to its bondholders a partial interest payment in the total amount of EUR 750,000 and to deferral all other unpaid interest. The amount reflected 6.08% of accrued interest as of that date.

The materialisation, occurrence consummation and execution of the events and transactions and of the assumptions on which the projected cash flow is based, including with respect to the proceeds and timing thereof, although probable, are not certain and are subject to factors beyond the Company's control as well as to the consents and approvals of third parties and certain risks factors. Therefore, delays in the realisation of the Company's assets and investments or realisation at a lower price than expected by the Company, as well as any other deviation from the Company's assumptions (such as additional expenses due to suspension of trading, delay in submitting the statutory reports etc.), could have an adverse effect on the Company's cash flow and the Company's ability to service its indebtedness in a timely manner.

| **In € millions** | **7-12/2023** | **2024** |
|---|---|---|
| **Cash - Opening Balance** (2) | **6.40** | **5.35** |
| Proceeds from other income (3) | 0.15 | - |
| **Total Sources** | **6.55** | **5.35** |
| Debentures - principal | - | - |
| Debentures - interest (4) | - | - |
| Other operational costs (5) | 0.8 | 1.0 |
| G&A expenses (including property maintenance) (6) | 0.4 | 0.8 |
| **Total Uses** | **1.2** | **1.8** |
| **Cash - Closing Balance** (2) | **5.35** | **3.55** |

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, 2024.
2. Total cash on standalone basis as well as fully owned subsidiaries.
3. The Company did not include any proceeds from pre-sale agreement signed with AFI, due to the uncertainty as to the fulfilment of the conditions set out in the preliminary agreement as mentioned in Note 5 of the interim condensed consolidated financial statements as of June 30, 2023, thus there can be no certainty an the SPA will eventually be executed and/or that the Transaction will be completed.
4. Payments of interests are subject to the approval of the bondholders of both series.
5. The cost includes a provision for arbitrations / legal costs based on projection of arbitration process.
6. Total general and administrative expenses includes both costs of the Company and of all the subsidiaries.

**Ron Hadassi**
**Executive Director**
**31 August 2023**

**PLAZA CENTERS N.V.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2023**

**NOT AUDITED AND NOT REVIEWED**

**IN ‘000 EUR**

**CONTENTS**



- - - - - - - - - - -

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | June 30, 2023<br>EUR '000<br>Not audited<br>Not reviewed | December 31, 2022<br>EUR '000<br>Audited |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | 6,373 | 7,769 |
| Restricted bank deposits | - | 422 |
| Prepayments and other receivables | 235 | 48 |
| **Total current assets** | 6,608 | 8,239 |
| Equity accounted investees | - | 63 |
| **Total non-current assets** | - | 63 |
| **Total assets** | **6,608** | **8,302** |

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

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| | EUR '000 Not audited Not reviewed | EUR '000 Audited |
| LIABILITIES AND EQUITY | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Bonds | 94,482 | 98,738 |
| Accrued interests on bonds | 33,149 | 29,893 |
| Trade payables | 63 | 28 |
| Other liabilities | 327 | 431 |
| **Total current liabilities** | 128,021 | 129,090 |
| Share capital | 6,856 | 6,856 |
| Translation reserve | (30,766) | (30,742) |
| Other reserves | (19,983) | (19,983) |
| Share based payment reserve | 35,376 | 35,376 |
| Share premium | 282,596 | 282,596 |
| Retained losses | (395,492) | (394,891) |
| **Total equity** | (121,413) | (120,788) |
| **Total equity and liabilities** | **6,608** | **8,302** |

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

| August 31, 2023 | | |
|---|---|---|
| **Date of approval of the financial statements** | **Ron Hadassi**<br>**Executive Director** | **David Dekel**<br>**Chairman of the Board of Directors** |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|---|---|---|
| | EUR '000 *(except per share data)* Not audited Not reviewed | EUR '000 *(except per share data)* Not audited Not reviewed |
| **Gains and other** | | |
| Other income | 180 | 146 |
| **Total gains** | 180 | 146 |
| **Total revenues and gains** | 180 | 146 |
| **Expenses and losses** | | |
| Cost of operations | (62) | (47) |
| Share in results of equity-accounted investees | (39) | (823) |
| Administrative expenses | (959) | (623) |
| Other expenses | - | - |
| Expenses and losses | 1,060 | 1,493 |
| Finance income | 6,259 | 884 |
| Finance costs | (5,980) | (5,813) |
| Finance income (costs), expenses and losses | (781) | (6,422) |
| **Loss before income tax** | (601) | (6,276) |
| Income tax expense | - | - |
| **Loss for the period** | (601) | (6,276) |
| **Earnings per share** | | |
| Basic and diluted loss per share (in EURO) | (0.09) | (0.92) |

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

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Six months ended June 30, | |
|---|---|---|
| | **2023** | **2022** |
| | **EUR '000** | **EUR '000** |
| | *(except per share data)* | *(except per share data)* |
| | **Not audited Not reviewed** | **Not audited Not reviewed** |
| **Loss for the period** | (601) | (6,276) |
| **Other comprehensive income (loss)** | | |
| **Items that are or may be reclassified to profit or loss:** | | |
| Foreign currency translation differences - foreign operations (Equity accounted investees) | (24) | 91 |
| Other comprehensive gain (loss) for the period | (24) | 91 |
| Total comprehensive loss for the period | (625) | (6,185) |

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

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Share capital | Share Premium | Share based payment reserves | Translation Reserve | Other reserves | Retained losses | Total |
|---|---|---|---|---|---|---|---|
| **Balance on January 1, 2023** | 6,856 | 282,596 | 35,376 | (30,742) | (19,983) | (394,891) | (120,788) |
| **Comprehensive loss for the period** | | | | | | | |
| Net loss for the period | - | - | - | - | - | (601) | (601) |
| Foreign currency translation differences | - | - | - | (24) | - | - | (24) |
| **Total comprehensive loss for the period** | - | - | - | (24) | - | (601) | (625) |
| **Balance on June 30, 2023** (Not audited, not reviewed) | 6,856 | 282,596 | 35,376 | (30,766) | (19,983) | (395,492) | (121,413) |

| | Share capital | Share Premium | Share based payment reserves | Translation Reserve | Other reserves | Retained losses | Total |
|---|---|---|---|---|---|---|---|
| **Balance on January 1, 2022** | 6,856 | 282,596 | 35,376 | (30,838) | (19,983) | (386,394) | (112,387) |
| **Comprehensive loss for the period** | | | | | | | |
| Net loss for the period | - | - | - | - | - | (6,276) | (6,276) |
| Foreign currency translation differences | - | - | - | 91 | - | - | 91 |
| **Total comprehensive loss for the period** | - | - | - | 91 | - | (6,276) | (6,185) |
| **Balance on June 30, 2022** (Not audited, not reviewed) | 6,856 | 282,596 | 35,376 | (30,747) | (19,983) | (392,670) | (118,572) |

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

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Six months ended June 30, | |
|---|---|---|
| | **2023** | **2022** |
| | **EUR '000 Not audited Not reviewed** | **EUR '000 Not audited Not reviewed** |
| Cash flows from operating activities: | | |
| Loss for the period | (601) | (6,276) |
| Adjustments necessary to reflect cash flows used in operating activities | | |
| Net finance costs (incomes) | (279) | 4,929 |
| Share of loss of equity-accounted investees | 39 | 823 |
| | (841) | (524) |
| Changes in: | | |
| Trade receivables | 6 | (19) |
| Other receivables | (193) | (46) |
| Change in restricted cash | - | (834) |
| Trade payables | 35 | 107 |
| Other liabilities, related parties' liabilities and provisions | (104) | (91) |
| | (256) | (883) |
| Interest paid | (750) | - |
| **Net cash used in operating activities** | (1,847) | (1,407) |
| **Cash from investing activities** | | |
| Distribution received from equity accounted investees | - | (88) |
| Investment in restricted deposit | 422 | - |
| **Net cash provided by investing activities** | 422 | (88) |

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

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Six months ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | EUR '000<br>Not audited<br>Not reviewed | EUR '000<br>Not audited<br>Not reviewed |
| **Cash from financing activities** | | |
| **Net cash used in financing activities** | - | - |
| **Effect of exchange fluctuations on cash held** | 29 | (3) |
| **Decrease in cash and cash equivalents during the period** | (1,425) | (1,498) |
| **Cash and cash equivalents as of January 1st** | 7,769 | 4,688 |
| **Cash and cash equivalents as of June 30** | 6,373 | 3,190 |

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

## NOTE 1: - CORPORATE INFORMATION

a. Plaza Centers N.V. ("the Company" and together with its subsidiaries, "the Group") was incorporated and is registered in the Netherlands. The Company's registered office is at Pietersbergweg 283, 1105 BM, Amsterdam, the Netherlands. In the past the Company conducted its activities in the field of establishing, operating and selling of shopping and entertainment centres, as well as other mixed-use projects (retail, office, residential) in Central and Eastern Europe (starting 1996) and India (from 2006). Following debt restructuring plan approved in 2014 the Group's main focus is to reduce corporate debt by early repayments following sale of assets and to continue with efficiency measures and cost reduction where possible.

The condensed interim consolidated financial statements for each of the periods presented comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in jointly controlled entities.

The Company is listed on the premium segment of the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange ("LSE"), the Warsaw Stock Exchange ("WSE") and on the Tel Aviv Stock Exchange ("TASE").

Until December 19, 2018 the Company's immediate parent company was Elbit Ultrasound (Luxemburg) B.V./ s.a.r.l ("EUL"), which held 44.9% of the Company's shares. At that date EUL informed the Company that it had signed a trust agreement according to which EUL will deposit all of its outstanding investment with a trustee and no longer consider itself to be the controlling shareholder of the Company. As of June 30, 2023 EUL holds 19.85% of the Company's shares (please refer to note 7(a)).

b. Going concern and liquidity position of the Company:

As of June 30, 2023, the Company's outstanding obligations to bondholders (including accrued interests) are app. EUR 127.6 million due date of which was postponed to January 1, 2024 (the "**Current Due date**") (please refer to Note 7(d)).

Due to the above the Company's primary need is for liquidity. The Company's current and future resources include the following:

1. Cash and cash equivalents (including the cash of fully owned subsidiaries) of approximately EUR 6.4 million.

2. The Company and AFI Europe N.V. ("AFI Europe") entered into an addendum to the pre-sale agreement entered into between the Parties in connection with the sale of its subsidiary (the "SPV") which holds 75% in the Casa Radio Project (the "Project") (the "Addendum" and the "Agreement", respectively) 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 (the "SPA"), until December 31, 2023. 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.

3. In addition, as detailed in note 5(2) of the annual financial statements as of December 31, 2022, the Company has submitted with the International Centre for Settlement of Investment Disputes ("ICSID") a Request for Arbitration (the "Request") against Romania for compensation of losses incurred due to failure of the Romanian authorities to cooperate, negotiate and adjust the PPP agreement as described in the note 5(1)(c) of the annual financial statements as of December 31, 2022 which

**NOTE 1: - CORPORATE INFORMATION (Cont.)**

include the Company's investment in the Project SPV, loss of potential profit, and costs and expenses of the arbitration.
At this early stage there is no certainty about the result of the dispute, hence no resources are expected to be available in the foreseeable future.

As of June 30, 2023, the Company is not in compliance with the main Covenants as defined in the restructuring plan (for more details refer also to Note 8 of the annual financial statements as of December 31, 2022), hence under defaulted which could also trigger early repayment clause by the bondholders.

Due to the abovementioned and due to the board and management estimation that the Company is unable to serve its entire debt on the Current Due Date, the Company intends to request the bondholders of both series an additional postponement of the repayment of the remaining balance of the bonds. However, there is an uncertainty if the bondholders will approve the request. In the case that the bondholders would declare their remaining claims to become immediately due and payable, the Company would not be in a position to settle those claims and would need to enter to an additional debt restructuring or might cease to be a going concern basis.

Due to the abovementioned conditions a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

The interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet the mandatory repayment obligations of its bonds and other working capital requirements.

**NOTE 2: - BASIS OF PREPARATION**

a. Basis of preparation of the interim condensed consolidated financial data:

The interim condensed consolidated financial data for the six months period ended June 30, 2023 have been prepared in accordance with the International Financial Reporting Standard IAS 34 ("Interim Financial Reporting") as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2022. These interim condensed consolidated financial statements as of June 30, 2023 have been neither audited nor reviewed by the Company's auditors.
The financial information for the half year ended 30 June 2022 has neither been audited nor reviewed by the auditors.

Selected explanatory notes are, however, included to explain events and transactions that are significant to understanding the changes in the Group's financial position and performance since the last annual consolidated financial statements as of and for the year ended December 31, 2022.

The interim condensed consolidated financial statements as of June 30, 2023 were authorized by the Board of Directors on 31 August 2023.

**NOTE 2: - BASIS OF PREPARATION (Cont.)**

b. New standards, interpretations and amendments adopted by the Group:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors":**

In February 2021, the IASB issued an amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors" ("the Amendment"), in which it introduces a new definition of "accounting estimates".

Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The Amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

The Amendment is to be applied prospectively for annual reporting periods beginning on or after January 1, 2023 and is applicable to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Early application is permitted.

The application of the Amendment did not have a material impact on the Company's interim financial statements.

**Amendment to IAS 12, "Income Taxes":**

In May 2021, the IASB issued an amendment to IAS 12, "Income Taxes" ("IAS 12"), which narrows the scope of the initial recognition exception under IAS 12.15 and IAS 12.24 ("the Amendment").

According to the recognition guidelines of deferred tax assets and liabilities, IAS 12 excludes recognition of deferred tax assets and liabilities in respect of certain temporary differences arising from the initial recognition of certain transactions. This exception is referred to as the "initial recognition exception". The Amendment narrows the scope of the initial recognition exception and clarifies that it does not apply to the recognition of deferred tax assets and liabilities arising from transactions that are not a business combination and that give rise to equal taxable and deductible temporary differences, even if they meet the other criteria of the initial recognition exception.

The Amendment applies for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. In relation to leases and decommissioning obligations, the Amendment is to be applied commencing from the earliest reporting period presented in the financial statements in which the Amendment is initially applied. The cumulative effect of the initial application of the Amendment should be recognized as an adjustment to the opening balance of retained earnings (or another component of equity, as appropriate) at that date.

**NOTE 2: - BASIS OF PREPARATION (Cont.)**

The application of the Amendment did not have a material impact on the Company's interim financial statements.

**Amendment to IAS 1 - Disclosure of Accounting Policies:**

In February 2021, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" ("the Amendment"), which replaces the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. One of the main reasons for the Amendment is the absence of a definition of the term 'significant' in IFRS whereas the term 'material' is defined in several standards and particularly in IAS 1.

The Amendment is applicable for annual periods beginning on or after January 1, 2023. Early application is permitted.

The application of the Amendment did not have a material impact on the Company's interim financial statements.

c. Disclosure of new standards in the period prior to their adoption:

**Amendment to IFRS 16, "Leases":**

In September 2022, the IASB issued an amendment to IFRS 16, "Leases" ("the Amendment"), which provides guidance on how a seller-lessee should measure the lease liability arising in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The seller-lessee has to choose between two accounting policies for measuring the lease liability on the inception date of the lease. The accounting policy chosen must be applied consistently.

The Amendment is applicable for annual periods beginning on or after January 1, 2024. Early application is permitted. The Amendment is to be applied retrospectively.

The Company is evaluating the effects of the Amendment on its financial statements.

**NOTE 3: - USE OF JUDGEMENT AND ESTIMATES**

In preparing this interim condensed consolidated financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were principally the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2022, save for the changes highlighted above. Refer also to Note 1(b) above for significant estimations performed.

**NOTE 4: - FINANCIAL INSTRUMENTS**

Carrying amounts and fair values

In respect to the Company's financial instruments assets not presented at fair value, being mostly short-term market interest bearing liquid balances, the Company believes that the carrying amount approximates its fair value. In respect of the Company's financial instruments liabilities:

Fair value of the quoted debentures is based on price quotations at the reporting date.

| | Carrying amount | | Fair value | |
|---|---|---|---|---|
| | June 30, 2023 | December 31, 2022 | June 30, 2023 | December 31 2022 |
| | Not audited Not reviewed | Audited | Not audited Not reviewed | Audited |
| | EUR '000 | EUR '000 | EUR '000 | EUR '000 |
| **Statement of financial position** | | | | |
| Debentures A – Israeli NIS bonds | 38,998 | 40,755 | 2,933 | 4,007 |
| Debentures B – Israeli NIS bonds | 55,484 | 57,983 | 4,656 | 6,154 |

The total contractual liability of the Debentures was EUR 127.6 million as of June 30, 2023.

**NOTE 5: - CASA RADIO**

a. Following Note 5(1)(c) to the annual financial statements relating the discussions with the Romanian authorities, there have been no significant events since the publication of the annual financial statements as of December 31, 2022.

b. Following Note 5(1)(e) to the annual consolidated financial statements as of December 31, 2022 which discloses that the The Company and AFI Europe N.V. ("AFI Europe") entered into an addendum to the pre-sale agreement entered into between the Parties in connection with the sale of its subsidiary (the "SPV") which holds 75% in the Casa Radio Project (the "Project") (the "Addendum" and the "Agreement", respectively) 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 (the "SPA"), until December 31, 2023.

   Following the above, the Parties continue their attempts to receive the authority's approval in order to be able to execute the SPA, still there has been no progress since the pre-sale has been signed. In light of the above the Company is exploring all its options in order to obtain progress, including among others its legal options. For details regarding the issuance of a notice of dispute and acceptance of offer and consent to arbitrate to Romania with respect to the "Casa Radio" project refer to Note 5(2). Accordingly, on April 6, 2023 the Company filed its Memorial and supporting evidence at the International Centre for the Settlement of Investment Disputes, setting out its claims against Romania. Further, on May 18, 2023 the Company submitted its objection to Romania's Request for Bifurcation into separate phases on jurisdiction and the merits. The Company announces that Romania's application has been rejected and it has now been determined that the Arbitration will not be bifurcated. Romania is now required to file its defence to the Company's claims.

   Due to the above, there can be no certainty that the SPA will eventually be executed and/or that the transaction will be completed.

**NOTE 5: - CASA RADIO (Cont.)**

c. Write-down of trading properties:

As detailed in the annual consolidated financial statements, the value of the trading property of the Project was fully reduced (for more details refer to Note 5(2) to the annual consolidated financial statements as of December 31, 2022).

Still, the Company believes that despite this reduction there is no change in the value of the Company's rights under the PPP Agreement. In addition, management, believes that in case they will decide to pursue it material economic damage, the Company has a good case to claim compensation for such damages.

**NOTE 7:- MATERIAL EVENTS DURING THE REPORTING PERIOD**

a. Update regarding a change in Elbit Imaging Ltd holdings

Since announcement dated January 13, 2022 and up to last announcement dated July 13, 2023 Elbit Imaging sold about 48,6 thousand shares of the Company for a total consideration of approximately NIS 76 thousand, thus, Elbit Imaging holdings in the Company have diminished to 19.85% of the Company's issued and paid-up capital.

b. Tax authority investigation:

On March 27, 2023 the Company announced that the Tax Authority of the state of India initiated certain actions at the office of Elbit Plaza India Management Services Private Limited (which is a private company wholly owned by Elbit Plaza India Real Estate Holdings Limited) (hereinafter: "EPM") including a search and seizer of certain documents relating to EPM's activities/transactions in India in recent years. At this stage it is not yet clear what the purpose of the investigation is, including whether EPM is the purpose of the investigation or whether the investigation is related to any third party.

c. Dutch statutory auditor

Following Note 16(b)(6) to the annual consolidated financial statements as of December 31, 2022, which discloses statutory filing requirements, the Company submitted the annual consolidated financial statements as of December 31, 2022 which were filed to the London Stock Exchange, the Warsaw Stock Exchange and the Tel Aviv Stock Exchange, to the Authority for the Financial Markets and to other relevant Dutch authorities.

d. Deferral of payment of Debentures and partial interests' payment

As previously disclosed by the Company in Note 8(c) to its annual consolidated financial statements as of December 31, 2022, the Company was not able to meet its final redemption obligation to its (Series A and Series B) bondholders, due on July 1, 2023. In light of the above the bondholders approved to postpone the final redemption date to January 1, 2024.

e. Update regarding a lawsuit against entities involved in the sale of U.S.A shopping centers in 2011

On June 19, 2023 the Company announced, further to its announcements, regarding the filing of a lawsuit by the Company and Elbit Imaging Ltd. ("Elbit") against certain parties (certain officers of the Company and Elbit, a portion of the heirs of the late Mr. Motti Zisser (the Company's and Elbit's former controlling shareholder) and other parties) (the

**NOTE 7:- MATERIAL EVENTS DURING THE REPORTING PERIOD (cont.)**

"Respondents") who were involved in a transaction of the Company and Elbit for the sale of real estate properties in the U.S.A. in 2011 and for which funds (brokerage fees) were allegedly illegally transferred to private companies controlled by the late Mr. Motti Zisser (the "Lawsuit"); and further to the Company's announcement dated August 10, 2021 and to the details provided in Note 16(b)(5) in the Company's annual consolidated financial statements for the year 2022 regarding the approval by the District Court of an application submitted by one of the respondents, Mr. Philip Meyer, for the dismissal in limine of the Lawsuit and the appeal submitted by the Company and Elbit to the Supreme Court on November 14, 2021; and further to the Company's announcement dated May 31, 2023 regarding the fact that the Company's and Elbit's appeal was accepted by the Supreme Court; the Company hereby announces that a settlement agreement has been reached between the plaintiffs and two of the Respondents. The court approved the settlement agreement and gave it the effect of a judgment and imposed a publication ban on its details. According to the provisions of the settlement agreement, the Company's portion after deducting expenses is a few hundred thousand euros and should be received over a period of several months, and the Company and Elbit will continue to handle the legal proceeding in the District Court while each party shall maintain all of its claims in the main proceeding.

**NOTE 8: - SUBSEQUENT EVENTS**

a. Annual General Meeting

On July 20, 2023 the Company announced, that Annual General Meeting of the Company's shareholders ("AGM") scheduled to take place on August 9, 2023 is postponed to take place on November 6, 2023 at the offices of the Company.

b. Update regarding a change in Elbit Imaging Ltd holdings

For the details regarding please refer to the Note 7(a).

c. Update regarding submission of a request for arbitration against Romania with respect to the "Casa Radio" project

On July 12, 2023, Plaza and Dambovita Center SRL (a subsidiary of Plaza and the Project Company in charge of the Casa Radio Project) received a notice of default from the Ministry of Finance under the public-private partnership contract governing the Casa Radio Project. The Company denies all claims formulated by the Ministry of Finance, including any made in the ongoing ICSID arbitration with Romania.

\- - - - - - - - - -