31 August 2021

PLAZA CENTERS N.V.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

Plaza Centers N.V. (“Plaza” / “Company” / “Group”) today announces its results for the six months ended 30 June 2021. The financial information for the half year ended 30 June 2021 and 30 June 2020 has neither been audited nor reviewed by the auditors.

Financial highlights:

- Reduction in total assets by €1.5 million to €11 million mainly as a result of the decrease in Equity accounted investees as detailed below, administrative expenses and costs of operations.
- Consolidated cash position as of June 30, 2021 decreased by circa €0.7 million to app. €1 million (December 31, 2020: €1.7 million) and current cash position of circa €5.16 million.
- €1.5 million loss recorded at an operating level (June 30, 2020: €1.8 million loss) mainly due to share in results of equity accounted investees and administrative expenses.
- General & Administrative Expenses reduced to €0.4 million in 2021 due to cost cutting of professional services and manpower (June 30, 2020: €0.5 million).
- Recorded loss of €9 million (June 30, 2020: €7.3 million), mainly due to finance expenses on bonds.
- Basic and diluted loss per share of €1.31 (30 June 2020: loss per share of €1.07).

Impact of the Covid-19

The Covid-19 global health and economic crisis affected Company’s operational activity during the year 2020 and the first half of 2021. The impact of the effect of the COVID 19 included a write off of one of its assets (refer to Note 6(1)). In addition, the COVID 19 effect caused Elbit Plaza India Real Estate Holdings Limited (a subsidiary held by the Company (50%) and Elbit Imaging Ltd. (50%)) ("EPI") to postpone the closing of the sale of 100% stake in the SPV which owns 74.7 acre plot in Chennai (subsidiary of EPI) (refer to Note 6(2)). The COVID 19 also partly delayed the legal procedures against the purchaser of the SPV which owns the plot in Bangalore India (refer to Note 6(1)).

Other than the above mentioned, at this stage, the Company is not able to estimate the full future impact of COVID 19. However, the Company believes that the pandemic will still continue effecting real estate market for quite some time. The Company assumes the demand of interested buyers is expected to be smaller, which can have a material impact on the ability of the Company to complete the sale of the plots it owns.

Material events during the period:

Sale agreement of plot in Bangalore, India:

Regarding the criminal cases filed for dishonour of the cheques which were given as security for payment of certain instalments refer to Note 6 (1) in the interim condensed consolidated financial statements as of June 30, 2021.

Until the approval of the financial statements the Purchaser paid to EPI approximately INR 87.00 crores (EUR 11.2 million) (Company part INR 43.5 crores (approximately EUR 5.6 million)) out of a total consideration of INR 356 crores (approximately EUR 42 million) (Plaza part INR 178 crores (approximately EUR 21 million) the SPV should have been received as of the said date as per the Agreement.

At this stage, there is no clarity on payment of the remaining amount based on the Agreement.
Accordingly, the Company is taking necessary steps to protect its interest, including submitting an appeal before the National Company Law Appellate Tribunal, Chennai, India against the decision of the National Company Law Tribunal, Bengaluru, India, which dismissed the insolvency proceedings initiated against the Purchaser for the recovery of the amounts due, and filing a motion with court in order to collect checks given by the Partner to secure payments under the transaction, but were dishonoured.

Sale agreement of plot in Chennai, India:

Following Note 6(b)(2) to the annual consolidated financial statements as of December 31, 2020 regarding the agreement (the “SPA”) between Elbit Plaza India Real Estate Holdings Limited (a subsidiary held by the Company (50%) and Elbit Imaging ltd.(50%)) ("EPI") and the purchaser (the “Purchaser”) for the sale of 100% stake in the SPV (subsidiary of EPI) which owns 74.7 acre plot in Chennai, India, for a total consideration of INR 96.5 crores (approximately EUR 11.2 million), the Purchaser completed the transaction and paid a consideration of INR 94.7 crores (approximately EUR 10.6 million). The change in the consideration is due to the Purchaser’s consent to take some additional liabilities in connection with the SPV (which were not included in the original agreement with the Purchaser).

As stated above, Plaza is entitled to receive 50% of the transaction's compensation. Accordingly, so far Plaza received, in practice, advanced payments in a total consideration of EUR 1.05 million, following which, upon completion of the transaction, the company received an additional consideration of approximately EUR 4.25 million. Furthermore, Plaza and Elbit Imaging Ltd granted the Purchaser an indemnification, jointly and severally, for some of EPI's presentations, which are presentations customary in such transactions.

Update regarding a change in Elbit Imaging Ltd holdings

In the period since January 11, 2021 and up to August 4, 2021, the Company announced that since August 5, 2020 and up to the last announcement, Elbit Imaging Ltd. ("Elbit Imaging") sold about 1,469 thousand shares of the Company, which are held in escrow account, for a total consideration of approximately NIS

1,233 thousand, thus, Elbit Imaging holdings in the Company have diminished from 44.9% to 23,5% 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(d) in the interim condensed consolidated financial statements as of June 30, 2021.

Annual General Meeting:

Annual general meeting of the Shareholders of the Company was held on June 30, 2021, all the proposed resolutions were passed.

Key highlights since the period end:

Information regarding proposals from G.C. Hevron Capital Ltd, L.I.A Pure Capital Ltd and Zero One Capital Ltd:

In the period since July 9, 2021 till August 10, 2021, the Company received proposals from G.C. Hevron Capital Ltd ("Hevron Capital"). According to revised proposal received on August 10, 2021 the Company's assets will be transferred to a trustee and/or will be managed exclusively for the benefit of the bondholders, in order to create a mechanism according to which the bondholders will exclusively benefit from any expected income from the existing assets.

On July 21, 2021 the Company received additional proposal from L.I.A. Pure Capital Ltd. to purchase shares of the Company, as a publicly-traded shell company.

On July 30, 2021 the Company received additional proposal from Zero One Capital Ltd to preserve the Company's existing assets in favor of the Company's bondholders and other interested persons and simultaneously to enable to flow new activity.
All proposals were discussed on bondholders meeting which was held on August 1, 2021. Following this bondholders meeting, an additional bondholders meeting was held on August 11, 2021, in which the bondholders decided to approve that the Company's Board of Directors can conduct a negotiation with G.C. Hevron Capital Ltd regarding the sale of the Company's public structure and to grant a no shop for a period of 60 days during which due diligence will be carried out by G.C. Hevron Capital Ltd and its advisors.

Commenting on the results, executive director Ron Hadassi said:

"Our active focus has continued to centre on asset disposals, accordingly we have managed to execute the sale of our project in Chennai, India following which the company received an amount of approximately EUR 4.25 million, in addition the Company is continuing its efforts to realize the transaction in Bangalore, India; in connection with Casa Radio Project, we are still trying to renegotiate the PPP Agreement with the Public Authority. Subsequent to this renegotiation process, a Government Ordinance is needed in order to confirm the transfer of the shares to AFI Europe N.V. as well as amendment of the PPP Agreement in line with the agreement signed with AFI Europe N.V.

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 2021 the management's focus has been on executing of cash proceeds on signed SPA for the sale of Chennai project in India. In the Bangalore project the Company together with Elbit continued to protect its interest in the project, including by filling an appeal before the National Company Law Appellate Tribunal, Chennai, India against the decision of the National Company Law Tribunal, Bengaluru, India, which dismissed the insolvency proceedings initiated against the Purchaser for the recovery of the amounts due (refer also to Note 6(1)). The Company also continued the disposals of plots of land in CEE and cost reductions and partial repayments to its bondholders.

In addition, Following Note 5(3)(f) to the annual consolidated financial statements as of December 31, 2020 which discloses that 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, 2021.The addendum was approved by the bondholders meeting held on November 12, 2020. 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.
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, 2022) 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 €9 million loss attributable to the shareholders of the Company (30 June 2020: €7.3 million). The losses were mainly from the Finance costs which were increased to €7.5 million in 2021, from €5.5 million in 2020 mainly due to interests' expenses accrued on the debentures (partly due to penalty interest calculated on the deferred principal).
Total result of operations excluding finance costs was loss of €1.5 million in 2021 compared to reported loss of €1.8 million in the first half of 2020, mainly due share in result of equity accounted investees and administrative expenses.
The consolidated cash position (cash on standalone basis as well as fully owned subsidiaries) as of 30 June 2021 was €0.95 million (31 December 2020: €1.7 million) and current cash position of circa €5.16 million.

Liquidity & Financing

Plaza ended the period with a consolidated cash position of circa €0.95 million, compared to €1.7 million at the end of 2020.
As of June 30, 2021, the Group's outstanding obligation to bondholders (including accrued interests) are app. €105.1 million.
As disclosed Note 7(e) below the Company was not able to meet its final redemption obligation to its (Series A and Series B) bondholders, due on July 1, 2021, and on April 12, 2021, the bondholders 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 scheduled Interest payment.
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 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.

Strategy and Outlook

The Company's priorities are focused on efforts to sign definitive sale agreement of Casa Radio project, getting further proceeds for Bangalore. 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

Over the course of the year to date, Plaza has continued to make progress against its operational and strategic objectives. 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
Bangalore	Bangalore, India	Residential Scheme	218,500	50	Amended revised agreement in place

FINANCIAL REVIEW

Results

In 2021, the administrative expenses amounted to €0.42 million, a decrease compare to €0.45 million in the first half of 2020. The decrease was a result of a further scale down of the Company's activities, mainly in respect of salaries and related expenses and professional services.

The 2020 write down of trading properties amounted to €2.4 million relates to write down of Casa Radio property value.

Finance income of €0.6 million in the first 6 months of 2020 was mainly due to foreign exchange movements on the debentures, which did not occur in the period of 6 months ended June 30, 2021.

Finance costs increased from €6.1 million to €7.5 million (30 June 2020 and 30 June 2021, respectively). The main components were:

- Foreign exchange movements (NIS-EUR) – €3 million for 6 months of 2021 (30 June 2020 – income on foreign exchange movements).
- Interest expenses booked on all series of bonds totalled €4.4 million (30 June 2020 - € 3.6 million expenses recorded).
- No expenses recorded associated with amortization of discount on debentures for 6 months of 2020 (30 June 2020 - €2.5 million expenses recorded).

In 2020 and 2021 there were no tax benefit or expenses.

As a result, the loss for the period amounted to circa €9 million in 6 months of 2021, representing a basic and diluted loss per share for the period of €1.31 (H1 2020: €1.07 loss).

Balance sheet and cash flow

The balance sheet as of 30 June 2021 showed total assets of €11 million compared to total assets of €12.5 million at the end of 2020, mainly as a result of administrative expenses and costs of operations and decrease in Equity accounted investees.

The consolidated cash position (cash on standalone basis as well as fully owned subsidiaries) as of 30 June 2021 decreased to €0.95 million (31 December 2020: €1.7 million).

The value of the Company's trading properties remained nil as of 30 June 2021 comparing to the value as of 31 December 2020 as a result of full reduction of the value of the Casa Radio project, Romania in 2020.

Investments in equity accounted investee companies has decreased by €0.95 million to circa €9.8 million (31 December 2020: €10.7 million) mainly as a result of write down in trading properties.

As of 30 June 2021, Plaza has a balance sheet liability of €89.95 million from issuing bonds on the Tel Aviv Stock Exchange. Additionally, Plaza recorded provision for interests on bonds as of June 30, 2021, in an amount of €15.17 million (31 December 2020: €10.7 million).

As detailed above, due to the decrease of the full value of Casa Radio project (Bucharest Romania), the provision created with respect to the obligation connected to Casa Radio project (for the construction of the Public Authority Building) was reversed in the amount of €15.8 million as of 31 December, 2020.

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) as well as the default of purchaser of Bangalore project to meet payments schedule according to the signed amendment agreement (refer to Note 6 (1)), the board and management estimates that the Company is unable to serve its entire debt according to the due date the bond holders 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 (refer to Note 16(b)(9) of the consolidated financial statements as of December 31, 2020), 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.

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

	7-12/2021	2022
Cash - Opening Balance [(2)]	**0.95**	**2.73**
Proceeds from sales transactions, price adjustments [(3)]	0.2	-
Cashflow from equity companies in India [(4)]	4.18	-
Total Sources	**5.33**	**2.73**
Debentures - principal	-	-
Debentures - interest [(5)]	-	-
Other operational costs [(6)]	2	1
Operating costs [(7)]	-	0.28
G&A expenses [(8)]	0.6	1.1
Total Uses	**2.6**	**2.38**
Cash - Closing Balance [(2)]	**2.73**	**0.35**

1. The above cash flow is subject to the approval of the bondholders of both series to postponement of the repayment of the remaining balance of the bonds which are due on January 1, 2022.
2. Total cash balances as of June 30, 2021 on standalone basis as well as fully owned subsidiaries.
3. Proceeds in the amount of EUR 0.20 million from for the sale of receivables to a third party, regarding an advanced payment for the purchase of a Czech project company which Plaza Centers Czech Republic s.r.o, a wholly owned subsidiary of the Company, paid in the past.
4. The proceeds detailed in 2021 includes the net amounts the company received following the execution of the plot in Chennai, India (refer to Note 6(2)).
5. Due to the uncertainty relating the Uses of the Company, the Company didn't include any payment to the bond holders in the cash flow.
6. The cost includes a provision for arbitrations / legal costs.
7. Includes property maintenance (taxes, security, energy and other).
8. Total general and administrative includes both cost of the Company and of all the subsidiaries.
9. Following Note 5(3)(f) to the annual consolidated financial statements as of December 31, 2020 which discloses that 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, 2021.The addendum was approved by the bondholders meeting held on November 12, 2020.
   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.
   Due to the above, the Company didn't include any proceeds from the above mentioned SPA as there can be no certainty that the SPA will eventually be executed and/or that the transaction will be completed
10. The Company didn't include any proceeds from its holding in an indirect subsidiary (50%) which holds a property in Bangalore, India due to the recent default of purchaser of Bangalore project to meet payments schedule according to the signed amendment agreement (as detailed in Note 6(1)) as there can be no certainty that the agreement will be completed, hence no resources are expected to be available in forceable future at this time.

Ron Hadassi
Executive Director
31 August 2021

PLAZA CENTERS N.V.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2021

NOT AUDITED AND NOT REVIEWED

IN '000 EUR

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2021 EUR '000 Not audited Not reviewed	December 31, 2020 EUR '000 Audited
ASSETS		
Cash and cash equivalents	952	1,709
Prepayments and other receivables	300	90
Total current assets	1,252	1,799
Trading properties	-	-
Equity accounted investees	9,785	10,737
Total non-current assets	9,785	10,737
Total assets	11,037	12,536

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2021	December 31, 2020
	EUR '000 Not audited Not reviewed	EUR '000 Audited
LIABILITIES AND EQUITY		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bonds	89,952	87,137
Accrued interests on bonds	15,173	10,684
Trade payables	44	58
Other liabilities	347	409
Total current liabilities	105,516	98,288
Provisions	-	-
Total non-current liabilities	-	-
Share capital	6,856	6,856
Translation reserve	(31,068)	(31,292)
Other reserves	(19,983)	(19,983)
Share based payment reserve	35,376	35,376
Share premium	282,596	282,596
Retained losses	(368,256)	(359,305)
Total equity	(94,479)	(85,752)
Total equity and liabilities	11,037	12,536

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

August 31, 2021		
Date of approval of the financial statements	**Ron Hadassi** **Executive Director**	**David Dekel** **Chairman of the Board of Directors**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended June 30, 2021 EUR '000 *(except per share data)* Not audited Not reviewed	Six months ended June 30, 2020 EUR '000 *(except per share data)* Not audited Not reviewed
Revenues and gains		
Revenue from disposal of trading properties	-	1,452
Total revenues	-	1,452
Gains and other		
Other income	125	20
Total gains	125	20
Total revenues and gains	125	1,472
Expenses and losses		
Cost of trading properties disposed	-	(580)
Cost of operations	(37)	(44)
Write-down of trading properties	-	(2,400)
Share in results of equity-accounted investees	(1,142)	161
Administrative expenses	(403)	(437)
Other expenses	(10)	(17)
Finance income	-	626
Finance costs	(7,484)	(6,130)
Total expenses and losses	(9,076)	(8,821)
Loss before income tax	(8,951)	(7,349)
Income tax expense	-	-
Loss for the period	(8,951)	(7,349)
Earnings per share		
Basic and diluted loss per share (in EURO)	(1.31)	(1.07)

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,	
	2021	**2020**
	EUR '000 *(except per share data)* **Not audited Not reviewed**	**EUR '000** *(except per share data)* **Not audited Not reviewed**
Loss for the period	(8,951)	(7,349)
Other comprehensive income		
Items that are or may be reclassified to profit or loss:		
Foreign currency translation differences - foreign operations (Equity accounted investees)	224	(799)
Other comprehensive gain (loss) for the period	244	(799)
Total comprehensive loss for the period	(8,727)	(8,148)

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, 2021	6,856	282,596	35,376	(31,292)	(19,983)	(359,305)	(85,752)
Comprehensive loss for the period							
Net loss for the period	-	-	-	-	-	(8,951)	(8,951)
Foreign currency translation differences	-	-	-	224	-		224
Total comprehensive loss for the period	-	-	-	224	-	(8,951)	(8,727)
Balance on June 30, 2021 (Not audited, not reviewed)	6,856	282,596	35,376	(31,068)	(19,983)	(368,256)	(94,479)

	Share capital	Share Premium	Share based payment reserves	Translation Reserve	Other reserves	Retained losses	Total
Balance on January 1, 2020	6,856	282,596	35,376	(29,677)	(19,983)	(325,815)	(50,647)
Comprehensive loss for the period							
Net loss for the period	-	-	-	-	-	(7,349)	(7,349)
Foreign currency translation differences	-	-	-	(799)	-	-	(799
Total comprehensive loss for the period	-	-	-	(799)	-	(7,349)	(8,148)
Balance on June 30, 2020 (Not audited, not reviewed)	6,856	282,596	35,376	(30,476)	(19,983)	(333,164)	(58,795

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, 2021	Six months ended June 30, 2020
	EUR '000 Not audited Not reviewed	EUR '000 Not audited Not reviewed
Cash flows from operating activities:		
Loss for the period	(8,951)	(7,349)
Adjustments necessary to reflect cash flows used in operating activities		
Net finance costs	7,484	5,504
Share of loss of equity-accounted investees	1,142	(161)
	(325)	(2,006)
Changes in:		
Trade receivables	(14)	2
Other receivables	(196)	51
Trading properties	-	2,950
Trade payables	(14)	70
Other liabilities, related parties' liabilities and provisions	(62)	(227)
	(286)	2,846
Interest paid	(125)	(499)
Net cash used in operating activities	(736)	341
Cash from investing activities		
Distribution received from equity accounted investees	34	1,145
Net cash provided by investing activities	34	1,145

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,	
	2021	**2020**
	EUR '000 Not audited Not reviewed	**EUR '000 Not audited Not reviewed**
Cash from financing activities		
Repayment of debentures	-	-
Net cash used in financing activities	-	-
Effect of exchange fluctuations on cash held	(55)	-
Decrease in cash and cash equivalents during the period	(757)	1,486
Cash and cash equivalents as of January 1st	1,709	1,126
Cash and cash equivalents as of June 30	952	2,612

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 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").

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, till December 19, 2018 when EUL informed that it has signed a trust agreement according to which EUL will deposit its shares of the Company with a trustee and no longer considers itself to be the controlling shareholder of the Company (please refer to Note 7(a) regarding the sale of 21.4% of the Company's shares held by EUL).

b. Going concern and liquidity position of the Company:

As of June 30, 2021, the Company's outstanding obligations to bondholders (including accrued interests) are app. EUR 105.1 million due date of which was postponed to January 1, 2022 (the "**Current Due date**") (please refer to Note 7(e)).

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

i. Cash and cash equivalents (including the cash of fully owned subsidiaries) as of the date of approval of these condensed interim consolidated financial statements the Company of approximately EUR 5.16 million (as of June 30, 2021 approximately EUR 0.9 million).

ii. 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, 2021. The addendum was approved by the bondholders meeting held on November 12, 2020. 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.

iii. Following the default of purchaser of Bangalore project to meet payments schedule according to the signed amendment agreement (refer to Note 6(1)) there can be no certainty that the agreement will be completed, hence at this time no resources are expected to be available in forceable future.

NOTE 1: - CORPORATE INFORMATION (Cont.)

As of June 30, 2021, 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 statement as of December 31, 2020), 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.

c. Impact of the Covid-19

The Covid-19 global health and economic crisis affected Company’s operational activity during the year 2020 and the first half of 2021. The impact of the effect of the COVID 19 included a write off of its assets (refer to Note 6(1)). In addition, the COVID 19 effect COVID 19 also partly delayed the legal procedures against the purchaser of the SPV which owns the plot in Bangalore India (refer to Note 6(1)).
Other than the above mentioned, at this stage, the Company is not able to estimate the full future impact of COVID 19. However, the Company believes that the pandemic will still continue effecting real estate market for quite some time. The Company assumes the demand of interested buyers is expected to be smaller, which can have a material impact on the ability of the Company to complete the sale of the plots it owns.

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, 2021 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 2020. These interim condensed consolidated financial statements as of June 30, 2021 have been neither audited nor reviewed by the Company's auditors.
The financial information for the half year ended 30 June 2020 has neither been audited nor reviewed by the auditors.

Selected explanatory notes are, however, included to explain events and transactions that

NOTE 2: - BASIS OF PREPARATION (Cont.)

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, 2020.

The interim condensed consolidated financial statements as of June 30, 2021 were authorized by the Board of Directors on 31 August 2021.

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 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 9, IFRS 7, IFRS 16, IFRS 4 and IAS 39:

In August 2020, the IASB issued amendments to IFRS 9, "Financial Instruments", IFRS 7, "Financial Instruments: Disclosures", IAS 39, "Financial Instruments: Recognition and Measurement", IFRS 4, "Insurance Contracts", and IFRS 16, "Leases" ("the Amendments").

The Amendments provide practical expedients when accounting for the effects of the replacement of benchmark InterBank Offered Rates (IBORs) by alternative Risk Free Interest Rates (RFRs).

Pursuant to one of the practical expedients, an entity will treat contractual changes or changes to cash flows that are directly required by the IBOR reform as changes to a floating interest rate. That is, an entity recognizes the changes in interest rates as an adjustment of the effective interest rate without adjusting the carrying amount of the financial instrument. The use of this practical expedient is subject to the condition that the transition from IBOR to RFR takes place on an economically equivalent basis.
In addition, the Amendments permit changes required by the IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued, provided certain conditions are met. The Amendments also provide temporary relief from having to meet the "separately identifiable" requirement according to which a risk component must also be separately identifiable to be eligible for hedge accounting.

The Amendments include new disclosure requirements in connection with the expected effect of the IBOR reform on an entity's financial statements, such as how the entity is managing the process to transition to the IBOR reform, the risks to which it is exposed due to the IBOR reform and quantitative information about IBOR-referenced financial instruments that are expected to change.

The Amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2021. Restatement of comparative data for prior periods is not required.

The above Amendments are not expected to have a material impact on the Company's interim financial statements.

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

NOTE 2: - BASIS OF PREPARATION (Cont.)

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. Earlier application is permitted.

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, 2020, 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 and is classified as Level 1 in the fair value hierarchy.

	Carrying amount		Fair value	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31 2020
	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	37,128	35,996	6,473	5,887
Debentures B – Israeli NIS bonds	52,824	51,171	9,809	7,086

The total contractual liability of the Debentures was EUR 105.1 million as of June 30, 2021.

NOTE 5: - CASA RADIO

a. Following Note 5(3)(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, 2020.

b. Following Note 5(3)(f) to the annual consolidated financial statements as of December 31, 2020 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, 2021.The addendum was approved by the bondholders meeting held on November 12, 2020.

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.

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

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(4) to the annual consolidated financial statements as of December 31, 2020).

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.

On the other hand, if the Company comes to an understanding with the Romanian authorities, it will measure the Casa Radio NRV to reflect its updated financial projections.

NOTE 6:- EQUITY ACCOUNTED INVESTEES

Material events and updates during the reporting period:

(1) Bangalore:

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 a result of the failure of the Partner to complete the transaction under the 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.

NOTE 6:- EQUITY ACCOUNTED INVESTEES (Cont.)

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 36.3 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 aforesaid payment.

As a result of the foregoing, the SPV 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.

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 November 2019 and August 2020 was subject to receipt of payments as agreed in the Sale Agreement and subject to mutually agreed payment terms; and (ii) the consideration was increased to INR 356 crores (approximately EUR 40.2 million) (Plaza part approximately EUR 20.1 million) (the "Consideration").

After August 2019, the Partner was unable to pay any further amounts nor was able to give firm commitment on payment of the remaining amount. In the absence of clarity on payment of the remaining amount and failure of the Partner to give full separation with respect to the Plot, on January 10, 2020, the Company announced that a notice has been issued to the Partner to file its response in the insolvency proceedings initiated for the recovery of the amounts due.

On May 18, 2021, the Company announced that the insolvency proceedings initiated against the Purchaser for the recovery of the due amounts has been dismissed by the National Company Law Tribunal in Bangalore since the case is not maintainable before it and therefore the SPV should claim for the recovery of its debt or for the resolution of its dispute in any other forum.

On July 29, 2021 the Company announced that the SPV has submitted an appeal before the National Company Law Appellate Tribunal, Chennai, India against the decision of the National Company Law Tribunal, Bengaluru, India, which dismissed the insolvency proceedings initiated against the Partner for the recovery of the amounts due.

In addition, criminal cases for dishonor of the cheques aggregating INR 15 crores which were given as security for payment of certain installments, the Court had issued arrest

warrants and the local police were on the lookout for the accused persons.
On May 18, 2021, the Company announced that all the accused persons appeared before the court and were granted bail. In addition, all further proceedings continue in the matter.

NOTE 6:- EQUITY ACCOUNTED INVESTEES (Cont.)

As of this date, the Partner paid to EPI approximately INR 87.00 crores (EUR 11.2 million) (Company part INR 43.5 crores (approximately EUR 5.6 million)) out of a total consideration of INR 356 crores (approximately EUR 42 million) (Plaza part INR 178 crores (approximately EUR 21 million) as per the Agreement.

Net realizable value measurement of Bangalore project

As for June 30, 2021 and December 31, 2020, the Group measured the net realizable value of the project. The net realizable value of the project based on the comparable Method is INR 183.9 crores (App. EUR 20.8 million); 2020 - INR 198.3 crores (App. EUR 22.1 million). Due to decrease in value of the plot EPI recognized a write off in the amount of app. EUR 1.3 million (the Company's part (50%) app. EUR 0.65 million).

The evaluation method	Value in INR million	Value in EUR million
Comparable Method	1,839	20.8
DCF Method	1,834	20.4

In light of the Company's intention to sell the Plot to the Partner or to any other third party (see above), and in light of the uncertainty as to the completion of the transaction with the Partner, the Company believes that the comparable method reliably reflects the net realizable value of the Plot and therefore the Company recorded the value of the plot as of June, 2021 at the value of INR 183.9 crores (EUR 20.8 million) (the Company's part (50%) app. EUR 10.4 million).

The plot in Bangalore is still in land stage and therefore the value of the plot has been derived using land comparable method. The valuation of the property reflects the interest that the partner still holds in the plot (10% as described above), the size of the plot, impact of COVID pandemic, and the non-contiguous land parcel and the petition/application filed with NCLAT against the partner.

The following main parameters have been considered to arrive at the land value of the subject property by land sale comparison method:

Parameter		Premium (Discount)
Applicable land value (INR Mn/acre)		95
Total land value (INR Mn)		5,151
Discount on account of Revised Master Plan 2015 Buffer zone norms (%)		-25%
Land Value after discount for RMP 2015 Buffer zone Norms (INR Mn /acre)		71
Presence of minority shareholder (partner)		-20%
Applicable Land Value after discount (INR Mn /acre)		57
Total land value (INR Mn)		3,091
Discount on account of the insolvency petition/appeal filed with NCLAT		-30%

Total land value (INR Mn)		2,163
Marketability discount on account of COVID-19 situation		-15%
Total land value (INR Mn)		1,839

NOTE 6:- EQUITY ACCOUNTED INVESTEES (Cont.)

(2) Chennai:

Following Note 6(b)(2) to the annual consolidated financial statements regarding the agreement (the "SPA") between Elbit Plaza India Real Estate Holdings Limited (a subsidiary held by the Company (50%) and Elbit Imaging ltd.(50%)) ("EPI") and the purchaser (the "Purchaser") for the sale of 100% stake in the SPV(subsidiary of EPI) which owns 74.7 acre plot in Chennai, India, for a total consideration of INR 96.5 crores (approximately EUR 11.2 million), the Purchaser completed the transaction and paid a consideration of INR 94.7 crores (approximately EUR 10.6 million). The change in the consideration is due to the Purchaser's consent to take some additional liabilities in connection with the SPV (which were not included in the original agreement with the Purchaser).

As stated above, Plaza is entitled to receive 50% of the transaction's compensation. Accordingly, so far Plaza received, in practice, advanced payments in a total consideration of EUR 1.05 million, following which, upon completion of the transaction, the company received an additional consideration of approximately EUR 4.25 million. Furthermore, Plaza and Elbit Imaging Ltd granted the Purchaser an indemnification, jointly and severally, for some of EPI's presentations, which are presentations customary in such transactions.

NOTE 7:- MATERIAL EVENTS DURING THE REPORTING PERIOD

a. Update regarding a change in Elbit Imaging Ltd holdings

In the period since January 11, 2021 and up to August 4, 2021, the Company announced that since August 5, 2020 and up to the last announcement, Elbit Imaging Ltd. ("Elbit Imaging") sold about 1,469 thousand shares of the Company, which are held in escrow account, for a total consideration of approximately NIS 1,233 thousand, thus, Elbit Imaging holdings in the Company have diminished from 44.9% to 23,5% of the Company's issued and paid-up capital.

b. Annual General Meeting

Annual general meeting of the Shareholders of the Company was held on June 30, 2021, all the proposed resolutions were passed.

c. Lawsuit against entities involved in the sale of U.S. shopping centres in 2011

Following Note 16(b)(5) to the annual consolidated financial statements as of December 31, 2020, which discloses information regarding the filing of a lawsuit by the Company and Elbit Imaging Ltd. ("Elbit Imaging") against certain entities (certain officers in the Company and in Elbit Imaging, a portion of the heirs of Mr. Motti Zisser (the former controlling shareholder of the Company and Elbit Imaging) and other parties) (the "Defendants") which were involved in a transaction of the Company and Elbit Imaging which was held in 2011 for the sale of real estate properties in the U.S.A and for which funds (brokerage fees) were allegedly transferred to private companies controlled by Mr. Motti Zisser (the "Lawsuit"); that one of the Defendants request for dismissal in limine of the Lawsuit which was filed against him, was accepted. The Company and Elbit Imaging are examining the filing of an appeal upon this court decision.

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

d. Dutch statutory auditor

Following Note 16(b)(10) to the annual consolidated financial statements as of December 31, 2020, which discloses statutory filing requirements, the Company submitted the annual consolidated financial statements as of December 31, 2020 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.

e. 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, 2020, the Company was not able to meet its final redemption obligation to its (Series A and Series B) bondholders, due on July 1, 2021. In light of the above the company convened on June 7, 2021, in which the bondholders approved to postpone the final redemption all the scheduled Principal to January 1, 2022; that on July 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 scheduled Interest payment. The amount reflected 0.84% of accrued interest as of that date.

f. Impact of the Covid-19

The Covid-19 global health and economic crisis affected Company's operational activity during the year 2020 and the first half of 2021. The impact of the effect of the COVID 19 included a write off of its assets (refer to Note 6(1)). In addition, the COVID 19 effect COVID 19 also partly delayed the legal procedures against the purchaser of the SPV which owns the plot in Bangalore India (refer to Note 6(1)).
Other than the above mentioned, at this stage, the Company is not able to estimate the full future impact of COVID 19. However, the Company believes that the pandemic will still continue effecting real estate market for quite some time. The Company assumes the demand of interested buyers is expected to be smaller, which can have a material impact on the ability of the Company to complete the sale of the plots it owns.

NOTE 8: - SUBSEQUENT EVENTS

a. Information regarding proposals from G.C. Hevron Capital Ltd, L.I.A Pure Capital Ltd and Zero One Capital Ltd

In the period since July 9, 2021 till August 10, 2021, the Company received proposals from G.C. Hevron Capital Ltd ("Hevron Capital"). According to revised proposal received on August 10, 2021 the Company's assets will be transferred to a trustee and/or will be managed exclusively for the benefit of the bondholders, in order to create a mechanism according to which the bondholders will exclusively benefit from any expected income from the existing assets.

On July 21, 2021 the Company received additional proposal from L.I.A. Pure Capital Ltd. to purchase shares of the Company, as a publicly-traded shell company.

On July 30, 2021 the Company received additional proposal from Zero One Capital Ltd to preserve the Company’s existing assets in favor of the Company's bondholders and other interested persons and simultaneously to enable to flow new activity.

NOTE 8: - SUBSEQUENT EVENTS (Cont.)

All proposals were discussed on bondholders meeting which were held on August 1, 2021 Following which an additional bondholders meeting held on August 11, 2021 in which the bondholders decided to approve to the Company's Board of Directors to conduct a negotiation with G.C. Hevron Capital Ltd regarding the sale of the Company's public structure and to grant a no shop for a period of 60 days during which due diligence will be carried out by G.C. Hevron Capital Ltd and its advisors.

b. Lawsuit against entities involved in the sale of U.S. shopping centres in 2011

Please refer to the Note 7(c).

c. On August 10, 2021 the Company announced that Plaza Centers Czech Republic s.r.o ("Plaza Centers CR"), a wholly owned subsidiary of the Company, has signed an agreement for the sale of its receivables to a third party, for a total consideration of EUR 200,000, regarding an advanced payment for the purchase of a Czech project company which Plaza Centers CR paid in the past.

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