



# Presentation for Bondholders' Meeting

## April 12, 2021



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# Company's Activities in 2020

## Sale of assets in 2020

1. **Sale of the land plot in Brasov, Romania** for a total gross consideration of circa EUR 0.62 million following which the Company received the last installment of EUR 0.57 million (an advance of EUR 0.05 million was already received in 2019).
2. **Update on the sale of the shopping center in Belgrade, Serbia:** On June 8, 2020, the Company signed a final settlement and waiver agreement based on which the Purchaser will pay a final amount of EUR 830,000 (the “**Settlement Amount**”). Accordingly, the Settlement amount was paid to the Company on June 15, 2020 (refer to Note 16(b)(9) in the Consolidated Financial Statements as of December 31, 2020).
3. **Update on the sale of Casa Radio:** Despite of the mutual attempts of the Company and AFI Europe N.V. to receive the Authority's approval in order to be able to execute the SPA there has been no progress since the pre-sale agreement has been signed. The Company is exploring all its options in order to obtain progress, including among others its legal option (refer to below). Due to the above, there can be no certainty that the SPA will eventually be executed and/or that the transaction will be completed.
4. **Update on the sale of the plot in Bangalore, India:** On January 10, 2020, the Company announced that a notice to file its response in the insolvency proceedings initiated for the recovery of the amounts due. As regards the criminal cases filed for dishonor of the cheques which were given as security for payment of certain installments, the Court has issued arrest warrants and the local police is on the lookout for the accused persons. As of today, the Partner filed its response asking for the insolvency proceedings to be dismissed. The case is to come up for arguments before the National Company Law Tribunal, Bangalore, India. The delay in the hearings was a result of the COVID 19.  
As of date hereof, the Partner paid to EPI approximately EUR 11.2 million (INR 87 crores) (Plaza part approximately EUR 5.6 million (INR 43.5 crores)) out of a total consideration of approximately EUR 41.16 million (INR 356 crores).
5. **Update on the sale of the plot in Chennai, India:** On March 31, 2021 the company announced that further to its announcements dated August 31, 2020 and December 1, 2020, regarding the agreement (the "SPA") between Elbit Plaza India Real Estate Holdings Limited (an equity accounted investee 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 approximately EUR 13 million (INR 108 crores); the parties have reached a revised understanding (the "Revised Understandings") as follows: (i) The Purchaser will deposit INR 7.5 crore (approximately EUR 0.861 million (Plaza part is approximately EUR 0.43 million)); (ii) The Purchaser can complete the closing by April 30, 2021 at a revised consideration of INR 96.50 crores (approximately EUR 11.6 million (Plaza part is approximately EUR 5.8 million)); (iii) If the Purchaser fails to complete the closing by April 30, 2021 then the Purchaser gets additional two months to complete the closing by June 30, 2021 but at the initial consideration of INR 108 crores (approximately EUR 13 million (Plaza part is approximately EUR 6.5 million)); (iv) According to the SPA, If the Purchaser is unable to complete the closing within the aforesaid time periods, then the parties will mutually appoint an international real estate consulting firm for the purpose of identifying a third-party buyer within a period of six months; (v) Following the deposit of the INR 7.5 crore (approximately EUR 0.861 million (Plaza part is approximately EUR 0.43 million)) by the purchaser as agreed in the Revised Understanding stated above, as of this date, the Purchaser has deposited a total of INR 34 crores (approximately EUR 4.1 million (Plaza part is approximately EUR 2.05 million)).



# Company's Activities in 2020

## Material events during 2020

### 6. Deferral of payment of Bonds (Series A and Series B) and partial Interests' payment

On May 4, 2020 the bondholders approved: (i) to postpone the final redemption date to January 1, 2021; (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. Following receiving the Settlement Amount (see Note 16(b)(9) in the Annual 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.

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; (ii) that on January 2021 the Company will pay to its bondholders a partial interest payment in the total amount of EUR 0.2 million and to deferral all other unpaid scheduled Interest payment. The amount reflected 1.84% of accrued interest as of that date.

### 7. Dutch statutory auditor

As of the date of approval of these consolidated financial statements the company still didn't find any solution to get the annual accounts of 2019 and 2020 audited therefore, If no solution is found by the date on which the company must report the statutory reports for 2020 it will submit the annual consolidated financial statements as of December 31, 2020 that were filed to the London Stock Exchange, the Warsaw Stock Exchange and the Tel Aviv Stock Exchange, to the Authority for the Financial Markets (refer to Note 16(b)(10) in the annual consolidated financial statements).

### 8. Impact of the Covid-19

For details refer to Note 1(c) in the annual consolidated financial statements.

### 9. Annual General Meeting and the Meeting of Independent Shareholders

Annual general meeting of the Shareholders and meeting of Independent Shareholders of the Company were held on July 29, 2020. All the proposed resolutions were passed, including appointment of Mr. David Dekel as the non-executive chairman of the Board of Directors.

### 10. Lawsuit against entities involved in the sale of U.S. shopping centers in 2011:

Further to the disclosure in note 16(5) in the Annual Consolidated Financial Statements as of December 31, 2020, an agreement was signed between shareholders of the company, the Company, Elbit Imaging Ltd (hereinafter together: "the Plaintiff") and First Libra Israel Ltd. (hereinafter: "Libra") according to which Libra will finance all the expenses of filing and managing of a new lawsuit by the respondents certain officers in the Respondents (hereinafter: "Financing agreement" and "new lawsuit", respectively). The parties to the financing agreement have agreed inter alia, that out of, any value received as a result of the new lawsuit (if it is received) each of the company and Elbit will be entitled to about 20.75% of the balance of the lawsuit funds (after reimburse Libra's expenses). On October 18, 2020 the parties has filed a new lawsuit in the amount of app. NIS 60 million.



# Financial Highlights

## Consolidated Statement of Financial Position and Statement of Profit or Loss (EUR 000)

Consolidated Statements of Financial Position December 31, (EUR 000)	December 31, 2020	December 31, 2019
	Audited	Audited
<b>ASSETS</b>		
Cash and cash equivalents	1,709	1,126
Prepayments and other receivables	90	181
<b>Total current assets</b>	<b>1,799</b>	<b>1,307</b>
Trading properties	-	40,375
Equity - accounted investees	10,737	14,419
<b>Total non-current assets</b>	<b>10,737</b>	<b>54,794</b>
<b>Total assets</b>	<b>12,536</b>	<b>56,101</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Bonds at amortized cost	87,137	86,506
Accrued interests on bonds	10,684	3,846
Trade payables	58	94
Other liabilities	409	477
<b>Total current liabilities</b>	<b>98,288</b>	<b>90,923</b>
Provisions	-	15,825
<b>Total non-current liabilities</b>	<b>-</b>	<b>15,825</b>
Share capital	6,856	6,856
Translation reserve	-31,292	-29,677
Other reserves	-19,983	-19,983
Share based payment reserve	35,376	35,376
Share premium	282,596	282,596
Retained losses	-359,305	-325,815
<b>Total equity</b>	<b>-85,752</b>	<b>-50,647</b>
<b>Total equity and liabilities</b>	<b>12,536</b>	<b>56,101</b>

Consolidated Statement of Profit or Loss (EUR 000)	December 31, 2020	December 31, 2019
	Audited	Audited
<b>Revenues and gains</b>		
Revenue from disposal of trading properties	1,452	3,684
<b>Total Revenues</b>	<b>1,452</b>	<b>3,684</b>
<b>Gains and other</b>		
Other income	33	78
<b>Total Gains</b>	<b>33</b>	<b>78</b>
<b>Total Revenues and gains</b>	<b>1,485</b>	<b>3,762</b>
<b>Expenses and Losses</b>		
Cost of trading properties disposed	-580	-3,463
Cost of operations	-85	-207
Write-down of Trading Properties	-24,000	-500
Share in results of equity accounted investees, net of tax	-1,084	-2,396
Administrative expenses	-1,100	-1,577
Other expenses	-46	-67
Finance income	2,096	-
Finance costs	-10,176	-16,648
<b>Total Expenses and Losses</b>	<b>-34,975</b>	<b>-24,858</b>
<b>Loss before income tax</b>	<b>-33,490</b>	<b>-21,096</b>
Tax benefit (Income tax expense)	-	-71
<b>Loss for the year</b>	<b>-33,490</b>	<b>-21,167</b>



# Financial Highlights

## Assets Book Value 31.12.2020

Project	Country	Type	Book Value December 31, 2020 (EUR M)
Casa Radio *	Romania	Plot	-
<b>Total Trading Property</b>			-
Bangalore **	India	Plot	11.04
Chennai ***	India	Plot	5.50

- On 3 July 2019 the Company's wholly owned subsidiary Dambovita Center Holding B.V ("Dambovita NL") as seller, and AFI Europe N.V. as buyer entered into a pre-sale agreement for the sale of the shareholding in Dambovita Center S.R.L ("Dambovita RO" ("The Parties", "Pre-Sale Agreement"). Pursuant to the terms of the Pre-Sale Agreement surrounding the satisfaction of the conditions precedent in the pre-sale agreement, it is currently not certain whether the sale agreement as contemplated in the pre-sale agreement would be entered into and whether therefore the transaction with AFI would proceed. As such The Parties agreed to extend the Long Stop Date until December 31, 2021. Additionally, as the external appraisers, in their opinion did not reflect the risk related to the uncertainty in respect of fulfilment of the conditions precedent set out in the pre-sale agreement, the management has concluded that it can't measure the net realizable value of the Project based on either the pre-sale agreement or based on the residual value approach as the management would need to assume that it would receive the Romanian authorities approval to restructure and adjust the PPP agreement. As a result, the value of the trading property of the Project was fully reduced (2019 - EUR 24 million).

\*\* 50% (included in equity accounted investee).

As for 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 EUR 22.1 million (INR 198.3 crores) and was derived by external valuator (refer to Note 6(b)(1) in the Consolidated Financial Statements as of December 31, 2020).

\*\*\* 50% (included in equity accounted investee).

The Company recorded the value of the plot as of December 31, 2020 in the value of INR 98.8 crores million (app. EUR 11.0 million out of which the Company's part in financial reports were EUR 5.5 million). The value were based on the external appraiser valuation of the property based on the comparable method( or refer to Note 6(b)(2) in the Consolidated Financial Statements as of December 31, 2020).



# Debt

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

	Series A	Series B
	Israeli Bonds	Israeli Bonds
	NIS	
<b>Bond raising (2007-2011)</b>	401,850,451	1,483,126,346
<b>Interest accrued and capitalized 31/12/2013</b>	6,652,927	16,055,759
<b>Directly purchased by Plaza - Removed from the cycle</b>	(8,253,378)	(108,993,111)
<b>Bond raising, net</b>	400,249,999	1,390,188,994
<b>Principal payments over the years (until 31/12/2020)</b>	(317,372,825)	(1,324,539,618)
<b>Interest payments (until 31/12/2020)</b>	(168,274,812)	(480,999,367)
<b>Total payments</b>	(485,647,636)	(1,805,538,986)
<b>Total payments over the years as percentage of total raising, net (%)</b>	<b>121.34%</b>	<b>129.88%</b>



# Projected Cash Flows

## Projected Cash Flows (€ Millions)

In € millions	2021	2022
<b>Cash - Opening Balance <sup>(2)</sup></b>	<b>1.71</b>	<b>0.94</b>
Cashflow from equity companies in India <sup>(3)</sup>	0.80	4.30
<b>Total Sources</b>	<b>2.51</b>	<b>5.24</b>
Debentures - principal	-	-
Debentures - interest <sup>(3)</sup>	-	3.00
Other operational costs <sup>(4)</sup>	0.30	-
G&A expenses (including property maintenance) <sup>(5)</sup>	1.27	1.20
<b>Total Uses</b>	<b>1.57</b>	<b>4.20</b>
<b>Cash - Closing Balance <sup>(2)</sup></b>	<b>0.94</b>	<b>1.04</b>

(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 July 1, 2021.

(2) Total cash on standalone basis as well as fully owned subsidiaries.

(3) In 2021, the Company assumed a reception of EUR 0.8 million which is part December 31, 2020) Elbit Plaza India Real Estate Holdings Limited (an equity accounted investee held by the Company (50%) ("EPI") and the purchaser ("The Parties") signed on a revised understanding based on which the Purchaser can complete the closing by April 30, 2021 at a revised consideration of 96.50 crores (approximately EUR 11.6 million (Plaza part is approximately EUR 5.8 million), but if the Purchaser fails to complete the closing by April 30, 2021 then the Purchaser gets additional two months to complete the closing by June 30, 2021 but at the initial consideration of INR 108 crores (approximately EUR 13 million (Plaza part is approximately EUR 6.5 million). Due to the uncertainty that the closing date will occur at April 30, 2021, the company assumed the closing date will occur during 2022 hence the proceed it will receive will be based on the initial consideration of INR 108 crores (approximately EUR 13 million (Plaza part is approximately EUR 6.5 million)). As mentioned above, in case the Purchaser will complete the closing by April 30, 2021 the total proceeds the company will receive will decreased by app. EUR 0.7 million. Accordingly, the proceeds which will be repaid to the bondholders will decreased in the same amount.

(4) Includes provision for legal costs /Arbitrations.

(5) Total general and administrative expenses includes both cost of the Company and of all the subsidiaries.

(6) The Company didn't 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 of the Consolidated Financial Statements as of December 31, 2020, thus there can be no certainty an SPA will eventually be executed and/or that the Transaction will be completed.

(7) The Company didn't include any proceeds from its holding in an equity accounted investee (50%) which holds a property in Bangalore, India due to the recent default of purchaser of Bar payments schedule according to the signed amendment agreement (as detailed in Note 6(b)(1) of the Consolidated Financial Statements as of December 31, 2020) as there can be no certainty that the agreement will be completed, hence no resources are expected to be available in foreseeable future at this time.



# Casa Radio: Next steps

- ▶ On November 2, 2020, the Company, Dambovita NL and AFI Europe N.V. ("AFI", and together with the Company, the "Parties") entered into an addendum to the pre-sale pursuant to which the Parties agreed to extend the Long Stop Date, which is the date on which the parties will execute a share purchase agreement, subject to the satisfaction of conditions precedent, until December 31, 2021.
- ▶ Despite many notifications sent to the Romanian Authorities expressing a wish to renegotiate the existing PPP agreement, no major breakthrough could be achieved.
- ▶ As presented in the last bondholders meeting the company has explore potential funding in case it will decide to pursue litigation.

# Casa Radio: Next steps (Cont.)

**Based on early discussion held with potential funders the main terms of the funding will include among others:**

- Participation of both the company and its legal Counsel in the financing;
  - Cover of all costs including future claims and or counter claims;
  - Collateral - Pledges on all the proceeds of the company from the arbitration or from a sale of its rights in the Romanian project company;
  - Commitment of the company to continue as a going concern for at least 12 months (or maybe more);
  - Arrangements in case a third party will purchase Plaza's interest in the project.
- Any future agreement with a fund or with a law firm will be subject to the bondholders approval.

# THE END

