

**AFI Europe N.V.**

**Unaudited Condensed Consolidated  
Interim Financial Statements**

**As at June 30, 2025**

**Unaudited Interim Financial Statements as at June 30, 2025**

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## **Auditors' report on review to the shareholders of AFI Europe N.V.**

### **Introduction**

We have reviewed the accompanying financial information of AFI Europe N.V. and its subsidiaries, comprises the interim consolidated statement of financial position as of June 30, 2025 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the six and three months periods then ended. The Company's board of directors and management are responsible for the preparation and presentation of interim information for these periods in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Review Standard 2410 (Israel) of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Tel-Aviv, Israel  
August 6, 2025

**KOST FORER GABBAY & KASIERER**  
A Member of Ernst & Young Global

**Unaudited Condensed Consolidated Interim Statement of Financial Position as at***In thousands of Euros*

	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Assets</b>			
Investment in (and loans to) equity accounted investees	145,388	130,967	142,185
Investment property	3,104,401	2,739,701	3,014,224
Investment property under development	327,224	271,058	328,649
Inventory	115,386	114,021	113,522
Property, plant and equipment and Right-of-use assets	15,082	8,506	12,183
Deferred tax assets	2,526	8,002	2,517
Trade and other receivables	42,218	137,701	45,514
<b>Total non-current assets</b>	<b>3,752,225</b>	<b>3,409,956</b>	<b>3,658,794</b>
Inventory	22,496	22,215	23,997
Short term investment	22,868	17,117	19,950
Trade and other receivables	60,713	76,101	57,277
Cash and cash equivalents	106,490	93,055	104,068
<b>Total current assets</b>	<b>212,567</b>	<b>208,488</b>	<b>205,292</b>
<b>Total assets</b>	<b>3,964,792</b>	<b>3,618,444</b>	<b>3,864,086</b>
<b>Equity</b>			
Issued capital	930	930	930
Share premium	411,797	411,797	411,797
Translation reserve	25,833	20,142	21,955
Hedging reserve, net	(2,510)	12,763	2,223
Retained earnings	645,884	530,369	620,551
<b>Equity attributable to owners of the Company</b>	<b>1,081,934</b>	<b>976,001</b>	<b>1,057,456</b>
<b>Non-controlling interest</b>	<b>7,476</b>	<b>6,330</b>	<b>7,788</b>
<b>Total equity</b>	<b>1,089,410</b>	<b>982,331</b>	<b>1,065,244</b>
<b>Liabilities</b>			
Loans and borrowings	1,074,247	1,164,147	1,003,846
Loans and borrowings from related parties	1,155,693	1,035,191	1,157,503
Deferred tax liabilities	191,754	172,205	186,198
Other non-current liabilities	32,934	28,478	26,037
<b>Total non-current liabilities</b>	<b>2,454,628</b>	<b>2,400,021</b>	<b>2,373,584</b>
Loans and borrowings	332,452	88,324	313,640
Loans and borrowings from related parties	5,230	5,230	5,230
Trade and other payables	80,706	138,159	103,299
Tax payables	2,366	4,379	3,089
<b>Total current liabilities</b>	<b>420,754</b>	<b>236,092</b>	<b>425,258</b>
<b>Total liabilities</b>	<b>2,875,382</b>	<b>2,636,113</b>	<b>2,798,842</b>
<b>Total equity and liabilities</b>	<b>3,964,792</b>	<b>3,618,444</b>	<b>3,864,086</b>

Director – A. Barzilay

Director – A. Dafna

Amsterdam, August 6, 2025

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

**Unaudited Condensed Consolidated Interim Income Statement***In thousands of Euros*

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2025	2024	2025	2024	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Gross rental income	105,653	97,043	53,337	49,640	200,552
Service charge income	39,226	31,964	19,196	16,492	69,273
Service charge expenses	(42,056)	(34,595)	(19,607)	(17,125)	(74,601)
<b>Net rental and related income</b>	<b>102,823</b>	<b>94,412</b>	<b>52,926</b>	<b>49,007</b>	<b>195,224</b>
Proceeds from sale of trading property	4,996	3,273	3,920	2,180	8,115
Carrying value of trading property sold	(4,098)	(2,463)	(3,254)	(1,641)	(5,338)
<b>Profit from disposal of trading property</b>	<b>898</b>	<b>810</b>	<b>666</b>	<b>539</b>	<b>2,777</b>
<b>Gross profit</b>	<b>103,721</b>	<b>95,222</b>	<b>53,592</b>	<b>49,546</b>	<b>198,001</b>
Change in fair value of investment property	925	(4,690)	788	(921)	56,182
Change in fair value of investment property under development	(447)	-	(447)	-	6,246
Administrative expenses	(10,842)	(10,356)	(5,602)	(5,189)	(24,553)
Selling and marketing expenses	(1,735)	(2,875)	(980)	(1,903)	(4,485)
Other income	2,278	2,530	1,123	1,110	5,390
Other expenses	(1,689)	(1,121)	(1,131)	(593)	(2,569)
Share of profit (loss) of companies accounted for at equity, net	(828)	(708)	(188)	(349)	23,938
<b>Operating profit</b>	<b>91,383</b>	<b>78,002</b>	<b>47,155</b>	<b>41,701</b>	<b>258,150</b>
Financial income	4,315	2,014	(2,276)	(1,171)	2,462
Financial expenses	(57,978)	(55,456)	(25,794)	(26,796)	(117,845)
<b>Net financing costs</b>	<b>(53,663)</b>	<b>(53,442)</b>	<b>(28,070)</b>	<b>(27,967)</b>	<b>(115,383)</b>
<b>Profit before tax</b>	<b>37,720</b>	<b>24,560</b>	<b>19,085</b>	<b>13,734</b>	<b>142,767</b>
Taxes on income	(11,839)	(7,937)	(7,337)	(4,714)	(34,513)
<b>Profit for the period</b>	<b>25,881</b>	<b>16,623</b>	<b>11,748</b>	<b>9,020</b>	<b>108,254</b>
<b>Attributable to:</b>					
Equity holders of the Company	25,701	16,426	11,652	8,926	106,608
Non-controlling interest	180	197	96	94	1,646
<b>Profit for the period</b>	<b>25,881</b>	<b>16,623</b>	<b>11,748</b>	<b>9,020</b>	<b>108,254</b>

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

**Unaudited Condensed Consolidated Interim Statement of Comprehensive Income***In thousands of Euros*

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2025	2024	2025	2024	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit for the period	25,881	16,623	11,748	9,020	108,254
<b>Other comprehensive income items that after initial recognition in comprehensive income were or will be transferred to profit or loss</b>					
Foreign exchange translation differences from foreign operations	3,878	2,261	(5,489)	857	4,074
Reserves from hedge accounting	(4,733)	(1,178)	(2,774)	(683)	(11,709)
<b>Other comprehensive income (loss) for the period, net of tax</b>	(855)	1,083	(8,263)	174	(7,635)
<b>Total comprehensive income for the period</b>	<u>25,026</u>	<u>17,706</u>	<u>3,485</u>	<u>9,194</u>	<u>100,619</u>
<b>Attributed to:</b>					
Equity holders of the Company	24,846	17,509	3,389	9,100	98,964
Non-controlling interest	180	197	96	94	1,655
<b>Total comprehensive income for the period</b>	<u>25,026</u>	<u>17,706</u>	<u>3,485</u>	<u>9,194</u>	<u>100,619</u>

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

**Unaudited Condensed Consolidated Interim Statement of Changes in Equity***In thousands of Euros*

	<b>Issued capital</b>	<b>Share premium reserve</b>	<b>Translation reserve</b>	<b>Hedging reserve</b>	<b>Capital reserve from transactions with non-controlling interest</b>	<b>Retained earnings</b>	<b>Equity attributable to owners of the Company</b>	<b>Non- controlling interest</b>	<b>Total equity</b>
Balance at January 1, 2025 (Audited)	930	411,797	21,955	2,223	(6,696)	627,247	1,057,456	7,788	1,065,244
Profit for the period	-	-	-	-	-	25,701	25,701	180	25,881
Adjustments for translation	-	-	3,878	-	-	-	3,878	-	3,878
Reserve from hedge accounting	-	-	-	(4,733)	-	-	(4,733)	-	(4,733)
Acquisition of non-controlling interests	-	-	-	-	(368)	-	(368)	(492)	(860)
Balance at June 30, 2025 (Unaudited)	<u>930</u>	<u>411,797</u>	<u>25,833</u>	<u>(2,510)</u>	<u>(7,064)</u>	<u>652,948</u>	<u>1,081,934</u>	<u>7,476</u>	<u>1,089,410</u>
Balance at January 1, 2024 (Audited)	930	411,797	17,881	13,941	(6,696)	520,639	958,492	6,133	964,625
Profit for the period	-	-	-	-	-	16,426	16,426	197	16,623
Adjustments for translation	-	-	2,261	-	-	-	2,261	-	2,261
Reserve from hedge accounting	-	-	-	(1,178)	-	-	(1,178)	-	(1,178)
Balance at June 30, 2024 (Unaudited)	<u>930</u>	<u>411,797</u>	<u>20,142</u>	<u>12,763</u>	<u>(6,696)</u>	<u>537,065</u>	<u>976,001</u>	<u>6,330</u>	<u>982,331</u>

The accompanying notes are integral part of these condensed consolidated interim financial statements

**Unaudited Condensed Consolidated Interim Statement of Changes in Equity***In thousands of Euros*

	<b>Issued capital</b>	<b>Share premium reserve</b>	<b>Translation reserve</b>	<b>Hedging reserve</b>	<b>Capital reserve from transactions with non-controlling interest</b>	<b>Retained earnings</b>	<b>Equity attributable to owners of the Company</b>	<b>Non- controlling interest</b>	<b>Total equity</b>
Balance at April 1, 2025 (Unaudited)	930	411,797	31,322	264	(7,064)	641,296	1,078,545	7,380	1,085,925
Profit for the period	-	-	-	-	-	11,652	11,652	96	11,748
Adjustments for translation	-	-	(5,489)	-	-	-	(5,489)	-	(5,489)
Reserve from hedge accounting	-	-	-	(2,774)	-	-	(2,774)	-	(2,774)
Balance at June 30, 2025 (Unaudited)	<u>930</u>	<u>411,797</u>	<u>25,833</u>	<u>(2,510)</u>	<u>(7,064)</u>	<u>652,948</u>	<u>1,081,934</u>	<u>7,476</u>	<u>1,089,410</u>
Balance at April 1, 2024 (Unaudited)	930	411,797	19,285	13,446	(6,696)	528,139	966,901	6,236	973,137
Profit for the period	-	-	-	-	-	8,926	8,926	94	9,020
Adjustments for translation	-	-	857	-	-	-	857	-	857
Reserve from hedge accounting	-	-	-	(683)	--	-	(683)	-	(683)
Balance at June 30, 2024 (Unaudited)	<u>930</u>	<u>411,797</u>	<u>20,142</u>	<u>12,763</u>	<u>(6,696)</u>	<u>537,065</u>	<u>976,001</u>	<u>6,330</u>	<u>982,331</u>
Balance at January 1, 2024 (Audited)	930	411,797	17,881	13,941	(6,696)	520,639	958,492	6,133	964,625
Profit for the year	-	-	-	-	-	106,608	106,608	1,646	108,254
Adjustments for translation	-	-	4,074	-	-	-	4,074	-	4,074
Reserve from hedge accounting	-	-	-	(11,718)	-	-	(11,718)	9	(11,709)
Balance at December 31, 2024 (Audited)	<u>930</u>	<u>411,797</u>	<u>21,955</u>	<u>2,223</u>	<u>(6,696)</u>	<u>627,247</u>	<u>1,057,456</u>	<u>7,788</u>	<u>1,065,244</u>

The accompanying notes are integral part of these condensed consolidated interim financial statement



## Unaudited Condensed Consolidated Interim Statement of Cash Flows

In thousands of Euros

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2025	2024	2025	2024	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Cash flows from operating activities</b>					
Profit for the period	25,881	16,623	11,748	9,020	108,254
<u>Adjustment for:</u>					
Depreciation	578	584	308	282	1,213
Loss from equity accounted investees	828	708	188	349	(23,938)
Change in fair value of investment property under development	447	-	447	-	(6,246)
Change in fair value of investment property	(925)	4,690	(788)	921	(56,182)
Net finance costs	53,663	53,442	28,070	27,967	115,383
Taxes on income	11,839	7,937	7,337	4,714	34,513
	<u>92,311</u>	<u>83,984</u>	<u>47,310</u>	<u>43,253</u>	<u>172,997</u>
Change in inventories	504	(2,414)	1,693	(1,024)	(3,574)
Change in trade and other receivables	(3,757)	7,345	1,875	15,421	11,534
Change in trade and other payables	(5,101)	100	(6,312)	761	2,067
	<u>83,957</u>	<u>89,015</u>	<u>44,566</u>	<u>58,411</u>	<u>183,024</u>
Income taxes paid	(7,034)	(5,857)	(6,083)	(5,282)	(12,623)
<b>Cash flows from operating activities</b>	<u>76,923</u>	<u>83,158</u>	<u>38,483</u>	<u>53,129</u>	<u>170,401</u>
<b>Cash flows from investing activities</b>					
Investment in and grant of loan to equity accounted investees	(2,301)	(7,296)	(1,633)	(2,110)	(41,992)
Repayments (investments) of short term investments ,net	(3,749)	(162)	(2,661)	(833)	(2,029)
Acquisition of property, plant and equipment	(3,477)	(1,052)	(2,224)	(788)	(5,339)
Investment in investment property	(21,245)	(21,690)	(12,709)	(11,395)	(47,579)
Investment in investment property under development (**)	(75,735)	(75,017)	(29,370)	(56,996)	(205,265)
<b>Cash flows used in investing activities</b>	<u>(106,507)</u>	<u>(105,217)</u>	<u>(48,597)</u>	<u>(72,122)</u>	<u>(302,204)</u>
<b>Cash flows from financing activities</b>					
Acquisition of non-controlling interests	(860)	-	-	-	-
Repayment of non-current loans and borrowings (*)	(135,811)	(41,366)	(87,345)	(12,838)	(157,222)
Proceeds from non-current loans and borrowings (*)	202,457	107,079	112,375	50,699	373,924
Change in current loans and borrowings, net	(1,080)	(3,789)	(1,182)	(2,316)	(2,970)
Payment of lease liabilities	(944)	(878)	(489)	(455)	(1,775)
Interest paid	(31,889)	(28,762)	(16,336)	(13,484)	(59,003)
<b>Cash flows from financing activities</b>	<u>31,873</u>	<u>32,284</u>	<u>7,023</u>	<u>21,606</u>	<u>152,954</u>
Effect of exchange rate fluctuations on cash held	133	12	(93)	9	99
Change in cash and cash equivalents	2,289	10,225	(3,091)	2,613	21,151
Cash and cash equivalents at the beginning of the period	<u>104,068</u>	<u>82,818</u>	<u>109,674</u>	<u>90,433</u>	<u>82,818</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>106,490</u>	<u>93,055</u>	<u>106,490</u>	<u>93,055</u>	<u>104,068</u>

(\*) Including loans from related parties.

(\*\*) Including advances for investment properties under development.

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

## Notes to the Consolidated Interim Financial Statements

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### Note 1 - General

AFI Europe N.V. (the "Company") was incorporated in the Netherlands in 2006 and is domiciled in Amsterdam.

Through its subsidiaries, the Company is an owner, manager and developer of landmark real estate assets in Central and Eastern Europe (CEE), with properties and projects in Czech Republic, Poland, Romania, Serbia, Bulgaria and Latvia, including business parks and office complexes, shopping malls and retail properties, as well as residential and mixed-use developments. In addition, the Company owns an inventory of land for future development.

The condensed consolidated interim financial statements of the Company as at and for the six and three months ended June 30, 2025 comprises the Company, its subsidiaries (together the "Group"), and the Group's interest in associates and jointly controlled entities.

Since its incorporation in 2006, the Company was wholly-owned indirectly by AFI Properties Ltd. ("AFI Properties"), an Israeli Company listed on the Tel Aviv Stock Exchange, through its wholly-owned Israeli subsidiary AFI Properties Holdings Ltd. ("APHL"); on March 27, 2025 APHL transferred its shares in the Company to AFI Properties for the purpose of simplifying the group's holding structure and consequently AFI Properties is the Company's direct sole shareholder. AFI Properties is approximately 88% owned by Big Shopping Centers Ltd., the ultimate parent of the company.

As of June 30, 2025, the Group carrying negative working capital of approx. EUR 208 million, primarily due to several bank loans related to investment properties (EUR 301 million), all classified as current liabilities due to their maturity of less than 12 months. The Group is actively pursuing refinancing options to secure new loans with extended maturity dates, and management expects to finalize these agreements before the current loans mature.

The consolidated financial statements of the Group as at and for the year ended December 31, 2024 are available upon request from the Company's registered office.

Other aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended December 31, 2024.

## Notes to the Consolidated Interim Financial Statements

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### Note 2 – Basis of Preparation

#### A. Statement of compliance

These interim financial statements have been prepared, in accordance with International Financial Reporting Standard (IFRS) IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2024.

#### B. Use of estimates and judgment

The preparation of interim financial statements in conformity with IFRS requires management to make judgments, 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 these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2024.

#### C. Valuation processes used by the Group

In accordance with its policy and past practices, the Group periodically examines the values of its investment property, investment property under development, and other real estate properties. Such examination is performed at least once a year for investment property and investment property under development, by independent external appraisers having appropriate professional qualifications and knowledge with respect to the relevant location and the type of property appraised.

In accordance with its policy and past practices, the Group periodically examines the values of its investment property, investment property under development and other real estate properties. Such examination is performed at least once a year for investment property and investment property under development, by independent external appraisers having appropriate professional qualifications and knowledge with respect to the relevant location and the type of property appraised.

In respect of investment property, at each interim period the Group examines the need to update the last fair value valuation performed, to ensure it represents a reliable value estimation as of the current reporting period. This examination is made by reviewing the changes in the relevant real estate market, the rental contracts, the macro-economic environment, new information in respect of material transactions done in the surrounding area and any other information that may affect the value of the asset.

In respect of investment property under development, at each reporting period the Group examines the actual costs invested in the development, the estimated remaining costs to complete, the construction progress and any other relevant changes in the real estate market.

### Note 3 - Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2024.

## Notes to the Consolidated Interim Financial Statements

### Note 4 - Significant Events in the Reported Period

- A. On January 2025 a financing agreement was signed by five fully owned Polish subsidiaries of the Company (the “**Subsidiaries**”), in relation to a loan in an aggregate amount of up to EUR 120 million, secured by, *inter alia*, mortgages and pledges on four residential-for-rent properties owned and operated by the Subsidiaries in Warsaw, Wroclaw and Krakow in Poland. This loan bears annual interest of 3-month EURIBOR plus an acceptable margin in the market, and its final maturity date is December 30, 2030. Following the fulfillment of various conditions precedent, approx. EUR 120 million has been utilized by three of the Polish subsidiaries.
- B. In reference to Note 9B (2) in the Company’s consolidated financial statements for the year ended December 31, 2024, regarding acquisition of a land plot of approx. 14,826 sqm in Prague, Czech Republic, with a view to developing thereon a residential-for-rent project, the remaining part to the purchase price was paid on January 15, 2025 upon completion of the transaction and signing the final purchase agreement.
- C. During the first six months of 2025, the Group completed the construction of building C a residential for-rent-project in AFI Home North in Bucharest, Romania and another office building (East Gate) in project Airport City in Belgrade, Serbia. Accordingly, the Group reclassified the assets from investment property under development to investment property, with an asset value of EUR 15.8 million and EUR 50.9 million, respectively.
- D. On April 1, 2025 a loan agreement was signed by the Company, in relation to a loan facility of up to EUR 150 million, of which EUR 120 million is committed by the bank, and EUR 30 million is currently non-committed, to be secured by, *inter alia*, mortgages and pledges on properties owned and operated by certain subsidiaries of the Company. This loan bears annual interest of 3-month EURIBOR plus an acceptable margin in the market, and its final maturity date is June 30, 2032. Following the fulfillment of various conditions precedent, approx. EUR 22 million has been utilized by the Company.
- E. To the best of the Company’s knowledge, the Company is not aware of any breach of covenants under the various financing agreements to which Group companies are parties.

### Note 5 - Financial Instruments

#### A. Financial instruments measured at fair value for disclosure purposes only

The carrying amount of certain financial assets and liabilities, including cash and cash equivalents, trade and other receivables, short-term interest-bearing loans and borrowings, loans and borrowings from related parties, trade and other payables are equal or approximate to their fair value.

The fair values of the remaining financial assets and liabilities and their book values as presented in the statement of financial position are as follows:

*In thousands of Euros*

	<b>June 30, 2025</b>		<b>June 30, 2024</b>		<b>December 31, 2024</b>	
	<b>(Unaudited)</b>		<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Secured bank loans (*)	1,302,217	1,304,443	1,139,904	1,127,811	1,208,529	1,204,445
Corporate loan	84,649	81,811	92,408	88,396	88,126	84,551

(\*) Including the current portion of long-term loans and borrowings

## Notes to the Consolidated Interim Financial Statements

### Note 5 - Financial Instruments (Cont.)

#### B. Fair value hierarchy of financial instruments measured at fair value

The financial instruments measured at fair value on the temporal basis using valuation methodology in accordance with hierarchy fair value levels.

The financial liabilities and assets include interest rate swap contracts ("IRS") and interest cap rate contracts used for hedging and cross currency swap contracts which were not used for accounting hedge. The financial instruments measured in accordance with level 2.

Details on the fair value of the financial instruments are disclosed below:

<i>In thousands of Euros</i>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<u>Financial assets:</u>			
Interest rate swap	3,501	17,980	8,314
Interest cap rate	266	4,915	194
<u>Financial liabilities:</u>			
Cross currency Swap	4,883	5,986	1,106
Interest rate swap	5,657	753	4,348

Fair value of IRS and interest cap rate is measured on the basis of the capitalization of the difference between the forward price in the contract and the current price for the residual period until redemption using appropriate interest curves used for derivative pricing and based on short-term EURIBOR interest rates and long-term IRS transactions.

Fair value of cross currency swap is measured on the basis of the capitalization of the difference between the payment in Euro currency that the Company is expected to pay and the payment in Israeli Shekels ("ILS") currency that the Company is expected to receive according to the difference between the expected exchange rate on the day of the contract execution (using Euro and ILS interest rate curves for the time of the calculation) and the rate determined on the day the transaction was concluded).

## Notes to the Consolidated Interim Financial Statements

### Note 6 - Related Parties

Details of transactions between the Group and other related parties are disclosed below:

*In thousands of Euros*

	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Management fees to AFI Properties	(1,831)	(1,647)	(3,511)
Interest expenses to AFI Properties (*)	(25,705)	(27,475)	(57,909)
Interest income from other related parties, net	660	691	1,280
	<u>(26,876)</u>	<u>(28,431)</u>	<u>(60,140)</u>
Balance:			
Loans from AFI Properties Group	(1,160,923)	(1,040,421)	(1,162,733)
Payables to AFI Properties	(2,430)	(1,756)	(1,848)
Loans to associates	19,271	20,112	16,213

(\*) Including interest capitalized to investment properties under development and inventory under development.

### Note 7 - Operating Segment

The Company has several main geographical areas: Czech Republic, Serbia, Romania, Poland and other regions.

The accounting policies implemented in preparing the segment information correspond with the generally accepted accounting policies applied in the preparation of the Company's condensed consolidated financial statements.

## Notes to the Consolidated Interim Financial Statements

### Note 7 - Operating Segment (cont'd)

*In thousands of Euros*

*In thousands of Euros*

**For the six months ended at June 30, 2025 (Unaudited)**

	<b>Czech Republic</b>	<b>Serbia</b>	<b>Romania</b>	<b>Poland</b>	<b>Other regions</b>	<b>Total consolidated</b>
Income from external customers:						
Gross rental income	15,917	22,143	56,503	9,820	1,270	105,653
Proceeds from sale of trading property	-	-	-	19	4,977	4,996
Service charge income	6,393	8,270	19,251	4,817	495	39,226
Other income	151	967	135	946	79	2,278
Total income	<u>22,461</u>	<u>31,380</u>	<u>75,889</u>	<u>15,602</u>	<u>6,821</u>	<u>152,153</u>
Gross profit	<u>15,342</u>	<u>22,200</u>	<u>55,953</u>	<u>8,200</u>	<u>2,026</u>	<u>103,721</u>
Net valuation gains (losses)	1,711	(827)	(1,435)	1,029	-	478
Segment result	<u>16,926</u>	<u>20,939</u>	<u>53,941</u>	<u>9,692</u>	<u>1,555</u>	<u>103,053</u>
Share of losses of companies accounted for at equity, net	-	-	-	(828)	-	(828)
Unallocated expenses						(10,842)
Operating profit						91,383
Net financing costs						(53,663)
Taxes on income						(11,839)
Profit for the period						<u>25,881</u>
Investment property and investment property under development	578,906	677,601	1,602,594	537,897	34,627	3,431,625
Inventory of buildings and land	<u>33,751</u>	<u>-</u>	<u>56,573</u>	<u>9,918</u>	<u>37,640</u>	<u>137,882</u>
Total	<u>612,657</u>	<u>677,601</u>	<u>1,659,167</u>	<u>547,815</u>	<u>72,267</u>	<u>3,569,507</u>

## Notes to the Consolidated Interim Financial Statements

### Note 7 - Operating Segment (cont'd)

*In thousands of Euros*

**For the six months ended at June 30, 2024 (Unaudited)**

	<b>Czech Republic</b>	<b>Serbia</b>	<b>Romania</b>	<b>Poland</b>	<b>Other regions</b>	<b>Total consolidated</b>
Income from external customers:						
Gross rental income	13,584	19,902	54,845	7,691	1,021	97,043
Proceeds from sale of trading property	15	-	-	65	3,193	3,273
Service charge income	5,056	6,410	16,416	3,678	404	31,964
Other income	146	385	1,846	109	44	2,530
Total income	18,801	26,697	73,107	11,543	4,662	134,810
Gross profit	12,330	19,538	54,651	7,071	1,633	95,223
Net valuation losses	(1,336)	(651)	(1,352)	(1,351)	-	(4,690)
Segment result	10,513	18,341	53,724	5,043	1,445	89,066
Share of losses of companies accounted for at equity, net	-	-	-	(708)	-	(708)
Unallocated expenses						(10,356)
Operating profit						78,002
Net financing costs						(53,442)
Taxes on income						(7,937)
Profit for the period						16,623
Investment property and investment property under development	552,863	606,814	1,470,306	348,050	32,726	3,010,759
Inventory of buildings and land	32,234	-	56,502	9,758	37,742	136,236
Total	585,097	606,814	1,526,808	357,808	70,468	3,146,995



## Notes to the Consolidated Interim Financial Statements

### Note 7 - Operating Segment (cont'd)

*In thousands of Euros*

	For the three months ended at June 30, 2025 (Unaudited)					
	Czech Republic	Serbia	Romania	Poland	Other regions	Total consolidated
Income from external customers:						
Gross rental income	7,883	11,305	28,555	4,944	650	53,337
Proceeds from sale of trading property	-	-	-	19	3,901	3,920
Service charge income	2,998	4,250	9,338	2,387	223	19,196
Other income	78	655	81	246	63	1,123
Total income	10,959	16,210	37,974	7,596	4,837	77,576
Gross profit	7,730	11,531	28,857	4,217	1,257	53,592
Net valuation gains (losses)	468	133	(542)	282	-	341
Segment result	8,157	11,352	28,584	4,467	935	53,495
Share of losses of companies accounted for at equity, net	-	-	-	(188)	-	(188)
Unallocated expenses						(5,602)
Operating profit						47,155
Net financing costs						(28,070)
Taxes on income						(7,337)
Profit for the period						11,748
Investment property and investment property under development	578,906	677,601	1,602,594	537,897	34,627	3,431,625
Inventory of buildings and land	33,751	-	56,573	9,918	37,640	137,882
Total	612,657	677,601	1,659,167	547,815	72,267	3,569,507

## Notes to the Consolidated Interim Financial Statements

### Note 7 - Operating Segment (cont'd)

*In thousands of Euros*

	For the three months ended at June 30, 2024 (Unaudited)					
	Czech Republic	Serbia	Romania	Poland	Other regions	Total consolidated
Income from external customers:						
Gross rental income	7,128	10,127	27,899	3,920	566	49,640
Proceeds from sale of trading property	-	-	-	32	2,148	2,180
Service charge income	2,519	3,061	8,409	2,310	193	16,492
Other income	81	148	767	74	40	1,110
Total income	9,728	13,336	37,075	6,336	2,947	69,422
Gross profit	6,419	9,998	28,321	3,791	-	48,529
Net valuation gains (losses)	1,448	(462)	(436)	(1,471)	-	(921)
Segment result	7,607	9,091	27,829	1,770	942	47,239
Share of losses of companies accounted for at equity, net	-	-	-	(349)	-	(349)
Unallocated expenses						(5,189)
Operating profit						41,701
Net financing costs						(27,967)
Taxes on income						(4,714)
Profit for the period						9,020
Investment property and investment property under development	552,863	606,814	1,470,306	348,050	32,726	3,010,759
Inventory of buildings and land	32,234	-	56,502	9,758	37,742	136,236
Total	585,097	606,814	1,526,808	357,808	70,468	3,146,995

## Notes to the Consolidated Interim Financial Statements

### Note 7 - Operating Segment (cont'd)

*In thousands of Euros*

	For the year ended at December 31, 2024					
	Czech Republic	Serbia	Romania	Poland	Other regions	Total consolidated
Income from external customers:						
Gross rental income	28,357	40,845	112,568	16,573	2,209	200,552
Proceeds from sale of trading property	658	-	-	91	7,366	8,115
Service charge income	10,731	13,610	36,135	7,905	892	69,273
Other income	295	1,201	2,971	188	735	5,390
Total income	40,041	55,656	151,674	24,757	11,202	283,330
Gross profit	26,278	40,503	111,960	15,004	4,256	198,001
Net valuation gains (losses)	(11,524)	22,238	52,135	(1,879)	1,458	62,428
Segment result	14,225	61,676	164,846	12,393	5,625	258,765
Share of profit of companies accounted for at equity, net	-	-	-	23,938	-	23,938
Unallocated expenses						(24,553)
Operating profit						258,150
Net financing costs						(115,383)
Taxes on income						(34,513)
Profit for the period						108,254
Investment property and investment property under development	546,903	656,991	1,583,367	521,018	34,594	3,342,873
Inventory of buildings and land	32,448	-	56,562	9,809	38,700	137,519
Total	579,351	656,991	1,639,929	530,827	73,294	3,480,392

## Notes to the Consolidated Interim Financial Statements

### Note 8- Subsidiaries and Investment in (and loans to) companies accounted for at equity

Below is a summary of financial information on the financial position and operating results of Towarowa 22, a Polish company held under joint venture (company's share 70%).

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	December 31, 2024 (Audited)
Current assets	8,803	12,105	7,945
Non-current assets	255,002	207,599	231,569
Current liabilities	10,456	34,455	12,518
Non-current liabilities	73,020	26,926	47,025
Total equity	180,329	158,323	179,972
Share of equity in the associate	126,230	110,826	125,980
Percentage of ownership	70%	70%	70%

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2024 (Audited)
Gross rental income	112	-	112	-	-
Net valuation gains	-	-	507	-	39,133
Net profit for the year (losses)	(1,182)	(1,012)	(268)	(499)	34,197
Percentage of ownership	70%	70%	0%	0%	70%
Company's share of earnings (losses) of associate	(828)	(708)	(187)	(349)	23,938

### Note 9 - Subsequent Event

- A. On July 2025 a financing agreement was signed by three (indirectly) fully owned Romanian subsidiaries of the Company (the "Subsidiaries"), in relation to a loan in an aggregate amount of up to EUR 120 million, refinancing a previous loan and secured by, inter alia, mortgages and pledges on three office properties owned and operated by the Subsidiaries in Bucharest, Romania. This loan bears annual interest of 3-month EURIBOR plus an acceptable margin in the market, and its final maturity date is August 20, 2030. The loan is expected to be utilised during August 2025.