20 August 2018

PLAZA CENTERS N.V.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

Plaza Centers N.V. (“Plaza” / “Company” / “Group”) today announces its results for the six months ended 30 June 2018.

Financial highlights:

- Reduction in total assets to €89.7 million as a result of the Company’s deleveraging including principal repayments and the redemption in full of Series of bonds issued in Poland to the amount of €40 million (31 December 2017: €141 million)
- Book value of the Company’s Trading properties at 30 June 2018 was €70.2 million (30 December 2017: €73.6 million) due to a € 3.4 million write-down of Trading properties in Poland, Greece, Romania and Serbia
- Consolidated cash position as at 30 June 2018 (including restricted bank deposits) decreased to €1.2 million (31 December 2017: €44.8 million) and current cash position of circa €1.22 million
- Recorded loss of €9.8 million (30 June 2017: €6.8 million) as no further disposals took place during the period. Losses are mainly due to finance expenses and the write-down of Trading properties
- Basic and diluted loss per share of €1.43 (30 June 2017: loss per share of €0.99)
- Gearing increased to 100.9% (31 December 2017: 94%) mainly due to finance costs and write downs

Material events during the period:

Settlement agreement with the Bondholders:

In January 2018, a settlement agreement was reached and approved (and all the conditions precedent in the agreement fulfilled) between the holders of two Series of Israeli Bonds and the Company regarding the allocation of funds, to be repaid by the Company, across the Israeli Bonds Series. As a result, the Series A Bondholders withdrew their request for immediate repayment.

Retirement of Chief Executive Officer:

On 11 January 2018, the Company announced that the CEO, Dori Keren, would retire from his position at the end of March 2018. The Board of Directors appointed Avi Hakhamov, who has been with the Company for more than 11 years, as Acting CEO commencing 1 April 2018.

Earn-out payment for the sale of Torun:

In June 2018, the Company received the earn-out payment for the sale of Torun Plaza totalling €0.35 million, reduced by NAV adjustment of €0.14 million.

Sale agreement of plot in India:

In January 2018, the Purchaser of the 100% interest in an SPV (in which Plaza holds a 50% stake with its joint venture partner, Elbit Imaging Ltd.), that holds property in Bangalore, India, (the "Agreement" and the "Purchaser" respectively), gave notice that all remaining payments under the Agreement will be stopped until a mutually acceptable solution is reached due to a proposed change (initiated by the Indian authorities) which could potentially impact the development of the land. In February 2018, despite the notice above, the Purchaser paid the January instalment totalling INR 5 Crores (circa €0.65 million).

In March 2018, the Company and the Purchaser signed an amended revised agreement as follows: The Purchaser and EPI agreed that the total purchase price shall be increased to INR 350 Crores (approximately €43.8 million; of which the Company's share is approximately €21.9 million). Following the signing of the revised agreement the Purchaser paid EPI an additional INR 22.5 Crores (approximately €2.8 million; of which the Company's share is approximately €1.4 million) further to the INR 45 Crores (approximately €5.6 million; of which the Company's share is approximately €2.8 million) that was already paid during the previous year.

An additional INR 70.5 Crores (approximately €8.8 million; of which the Company's share is approximately €4.4 million) will be paid by the Purchaser in unequal monthly instalments until the Final Closing. The Final Closing will take place on 31 August 2019 when the final instalment of INR 212 Crores (approximately €26.5 million; of which the Company's share is approximately €13.25 million) will be paid to EPI against the transfer of the outstanding share capital of the SPV.

If the Purchaser defaults before the Final Closing, EPI is entitled to forfeit certain amounts paid by the Purchaser as stipulated in the revised agreement. All other existing Securities granted to EPI under the previous agreements will remain in place until the Final Closing.

Redemption of the Polish Bonds:

In May 2018, further to the decision of the Israeli Series A and Series B Bondholders, the Company redeemed in full the series of bonds issued in Poland at their principal amount together with interest accrued to the maturity date. Upon completion of the redemption, the Company will have no outstanding bonds issued in Poland.

Claim in Greece:

In May 2018, a third party filed a legal claim in the court of Greece against Helios Plaza AE ("HP"), a wholly owned subsidiary of Plaza which holds land property in Athens ("Land Property"). The claimant is pursuing HP for a €2.96 million sum, based on an agreement that is alleged to have been agreed in 2010, and has also filed a request for an injunction with respect to the Land Property in order to secure its claim. In June 2018, the injunction was granted until a final decision regarding the main dispute is reached. At this preliminary stage, the Company and its legal advisors are unable to estimate the probability of the claim and its possible implication, if any.

Due to these new circumstances the sale of the Land Property has been put on hold, and the Company is discussing options with the existing potential buyer.

The Company recorded a write-down of €1.15 million on the property, which reflects expected transaction costs.

Motion to reveal and review internal documents:

In March 2018, a Shareholder of the Company filed a motion with the Financial Department of the District Court in Tel-Aviv to reveal and review internal documents of the Company and of Elbit

Imaging Ltd., with respect to the events surrounding certain agreements signed in connection with the Casa Radio Project in Romania and the sale of the US portfolio. Such events were previously announced by the Company and are detailed in notes 8(6) and 27(d) in the annual financial statement as of 31 December 2017. In July 2018, the Company filed a response to the relevant court.

Key highlights since the period end:

Chennai, India:

In July 2018, Elbit Plaza India Real Estate Holdings Limited ("EPI") signed a term sheet with its local partner (the "Buyer"), relating to the sale of EPI's Indian subsidiary ("SPV") that holds 74.7 acre plot in Chennai, India ("Term Sheet"). Under the terms of the Term Sheet, the Buyer shall have 60 days to conduct due diligence only with respect to the SPV, following which definitive agreements, for the sale of the SPV in consideration for INR 110 Crores (approximately €13.75 million; of which the Company's share is approximately €6.8 million) (subject to adjustment with respect to the previous deposit that was placed and the existing cash in the SPV level), shall be signed and closing shall take place on the same day.

A request to reveal documents

An indirect subsidiary of the Group in Romania (which holds a plot of land outside Bucharest) received a request from the Romanian authorities to reveal documents from the period 2007-2011 as part of an ongoing investigation into procedures during those years. The Company is unaware of the subject of the investigation or any illegal acts or irregularities that may have prompted the investigation.

Lodz Centrum Plaza:

In July 2018, a subsidiary of the Company signed a preliminary agreement with respect to the sale of the land plot known as "Lodz Centrum Plaza", for a consideration of PLN 1.3 million. The agreement is conditional upon the pre-emptive right of the municipality of Lodz.

Commenting on the results, acting CEO Avi Hakhamov, said:

“Our active focus has continued to centre on asset disposals and the optimisation of the business with the aim of satisfying our obligations to our stakeholders. This remains our absolute priority for the second of half of the year.”

For further details, please contact:

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Notes to Editors

Plaza Centers N.V. (www.plazacenterxs.com) is an emerging markets developer of shopping and entertainment centres. The Company 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. Plaza Centers N.V. is an indirect subsidiary of Elbit Imaging Ltd. ("EI"), an Israeli public company whose shares are traded on both the Tel Aviv Stock Exchange in Israel and on the NASDAQ Global Market in the United States.

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. Plaza Centers N.V. has no obligation to update the statements contained in this press release, unless required by law.

MANAGEMENT STATEMENT

During the first half of 2018 we have made additional progress, albeit at a reduced rate, as we seek to substantially deleverage the business and sell liquid plots of land. This disposal process is evidenced by the minor earn-out payments received for the sale of Torun Plaza.

Book value of the Company's Trading properties has reduced to €70.2 million due to the write-down of assets in Poland, Greece, Romania and Serbia.

The ongoing portfolio rationalisation activity means the Company now has investments in nine assets, two of which are in India and the remainder sit within Central and Eastern Europe.

The Company has been in discussions with potential purchasers with regard to several of its land plots. Looking ahead, we have more disposals agreed and further disposals identified.

Results

During the first half of the year, Plaza recorded a €9.8 million loss. This increase compared to the losses reported in the first half of 2017 (€6.8 million) is attributable mainly to a write-down of trading properties to the amount of €3.4 million in respect of plots in Lodz (Poland), Helios Plaza (Greece), Krusevac (Serbia) and Brasov (Romania).

The consolidated cash position as at 30 June 2018 (including restricted bank deposits) was €1.2 million (31 December 2017: €44.8 million) and the current cash position is circa €1.22 million.

Portfolio progress

The Company's portfolio of nine assets as at 20 August 2018 is located across Central and Eastern Europe and India. The full details are as follows:

	Number of assets (CEE and India)
Location	
Romania	3
India	2
Poland	2
Serbia	1
Greece	1
Total	**9**

Liquidity & Financing

Plaza ended the period with a consolidated cash position (including restricted bank deposits) of €1.2 million, compared to €44.8 million at the end of 2017.

As at June 30 2018 the Group's outstanding obligations to bondholders total €81 million.

Information concerning the Group's obligations and commitments to make future payments under contracts, such as debt agreements in the 18 months starting 1 July 2018, is aggregated in the following table.

	Total Payment Due by period (in TEUR)	
Liquidity Requirements	**Within 1 year**	**Within 1-1.5 year**
Bonds including current portion and interest	54,400	8,200
General & administrative (**)	2,400	1,000
Total liquidity requirements	56,800	9,200
Total Sources (*)	16,000	9,700
Total surplus (deficit)	(40,800)	500

(*) The Company expects to increase the amount of its liquid balances during the 18 months starting July 1, 2018, through the sale of land plots (including in India) and other assets.
(**) Including estimated costs of Plots maintenance.

The Board and Management estimate that there are significant doubts regarding the Company's ability to serve its entire debt according to the current repayment schedule. Moreover, following the new payment structure for the sale of the project in Bangalore, India (refer to Note 7(e)), it is expected that the Company will not be able to meet its entire contractual obligations in the next 12 months.

As of 30 June 2018, the Company is not in compliance with the Coverage Ratio Covenant ("CRC") as defined in the restructuring plan. This may entitle the bondholders to declare that all or a part of their respective (remaining) claims become immediately due and payable.

On 18 January 2018, S&P Maalot announced that it had ceased updating its rating of the Company's bonds at the Company's request.

Strategy and Outlook

Plaza's main focus is on its portfolio disposal programme with the aim of meeting the obligations to our bondholders, followed by material cost-cutting.

OPERATIONAL REVIEW

Over the course of the year to date, Plaza has continued to make progress against its operational and strategic objectives. The status of the nine projects is outlined in the table below.

The Company's current assets are summarised in the table below:

Asset/Project	**Location**	**Nature of asset**	**Size sqm (GLA)**	**Plaza's effective ownership %**
Casa Radio	Bucharest, Romania	Mixed-use retail, hotel and leisure plus office scheme	467,000 (GBA including parking spaces)	75
Chennai (1)	Chennai, India	Residential Scheme	302,400 (GLA)	50
			Plot Size (sqm)	
Lodz Plaza (2)	Lodz, Poland	Retail & entertainment scheme	61,500	100
Lodz (Residential) (3)	Lodz, Poland	Residential scheme	4,000	100
Csiki Plaza	Miercurea Ciuc, Romania	Retail & entertainment scheme	36,500	100
Brasov	Brasov, Romania	Retail & entertainment scheme	67,000	100

Krusevac	Krusevac, Serbia	Retail & entertainment scheme	19,930	100
Piraeus Plaza	Athens, Greece	Retail/Offices	15,000	100
Bangalore (4)	Bangalore, India	Residential Scheme	218,500	25

(1) A term sheet for the sale of the SPV was signed in July 2018.
(2) A preliminary sale agreement was signed in June 2017 (representing 22% of this holding)
(3) A Preliminary agreement signed in July 2018. Final agreement expected to be signed in the following weeks.
(4) An amended revised sale agreement of the SPV was signed in March 2018.

FINANCIAL REVIEW

Results

Revenue for the period derived from proceeds received from the disposal of Trading properties amounted to €0.2 million, compared to €67 million in the first half of 2017. The reduced income level is attributable to the subsequent price adjustment of the Torun Plaza (Poland) transaction.

Administrative expenses decreased from €3.6 million in the first half of 2017 to €1.5 million as result of a material scale down of the Company's activities, mainly in respect of salaries and related expenses and professional services.

Finance income decreased to €0.1 million from €0.4 million in the first 6 months of 2017 due to foreign exchange movements.

Finance costs decreased from €11 million to €4.4 million (30 June 2017 and 30 June 2018, respectively). The main components of the costs were:

- Foreign exchange movements (NIS-EUR) – the effect on the debentures totalled €2.7 million in expenses (30 June 2017 – €4.3 million expense).
- Interest expenses booked on all series of bonds totalled €3 million (30 June 2017 - €6.2 million expenses recorded).
- €1.3 million income (non-cash) recorded associated with amortization of discount on debentures (30 June 2017 - €0.5 million expense) including Implementation of IFRS 9.

As a result, the loss for the period amounted to circa €9.8 million in H1 2018, representing a basic and diluted loss per share for the period of €1.43 (H1 2017: €0.99 loss).

Balance sheet and cash flow

The balance sheet as at 30 June 2018 showed total assets of €89.7 million compared to total assets of €141 million at the end of 2017, largely as a result of the implementation of the debt reduction strategy including the settlement agreement with bondholders recorded in January 2018.

Plaza’s consolidated cash position as at 30 June 2018 (including restricted bank deposits) decreased to €1.2 million (31 December 2017: €45 million) and the current cash position is circa €1.22 million.

The value of the Company’s trading properties decreased from €73.6 million as at 31 December 2017 to €70.2 million at the end of 30 June 2018 resulting from a write-down of trading properties.

Investments in equity accounted investee companies decreased to €16.2 million (31 December 2017 €19.5 million) as a result of foreign exchange rate losses (€0.8 million), repatriation of capital (€2.1 million) and equity losses mainly due to impairment (€0.4 million).

Plaza has a balance sheet liability of €76 million (with an adjusted par value of circa €81 million) from issuing bonds on the Tel Aviv Stock Exchange. These bonds are presented at amortised cost under current liabilities.

Liabilities include a provision with respect to the obligation connected to Casa Radio project (Bucharest Romania) in an amount of €12.8 million.

The main changes in the cash flow are attributable to interest paid for all series of bonds including consent fee (€3 million), repayment of principal of bonds (€40 million) including full redemption of Polish bonds and instalments received from sale of Bangalore project (€2.1 million).

PLAZA CENTERS N.V. -STATEMENT AS PER SECTION 2:362 PARA 6 OF THE DUTCH CIVIL CODE IN RESPECT OF THE ANNUAL ACCOUNTS 2016

Plaza Centers N.V. (the "Company") wishes to announce as follows:

After completion of the audit of the statutory financial statements for the year ended 31 December 2016, it appeared that certain decisions made when preparing these statutory financial statements were susceptible to discussion.

After the Company had a discussion with its auditors, Ernst & Young Israel, in respect of the 2016 IFRS financial statements (not being the 2016 statutory financial statements) the Company made the decision to reissue and replace the 2016 IFRS financial statements that were originally approved by the Board of Directors in May 2017. Therewith, the reasons for reissuance and certain adjustments (including error corrections) made in these financial statements were described. The restated 2016 IFRS financial statements were approved by the Board of Directors in October 2017.

The statutory financial statements for 2016, that were adopted by the Company's general meeting of shareholders on 31 July 2017, have not been amended.

After nominating Baker Tilly Berk Accountants B.V. as statutory auditors, the Company decided to restate and reclassify the comparative figures in the 2017 statutory consolidated financial statements in order to match with the restated 2016 IFRS financial statements.

The Company's 2017 statutory consolidated financial statements are available on the Company's website www.plazacenters.com. For readers of the 2017 statutory consolidated financial statements, the Company specifically makes reference to notes 2(f) and 2(g) thereof and to note 20 to the company (standalone) financial statements for the year 2017, which are reflected in the Appendix hereto ("Quote from Statutory financial statements for the year ended December 31, 2017). The 2017 statutory financial statements (comprising consolidated financial statements and the standalone financial statements) were adopted by the Company's general meeting of shareholders on 14 June 2018.

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 view of the Management's plans for asset disposals and also in respect of material uncertainty related to the Casa Radio project, as described in Notes 4, 6 of these reviewed condensed consolidated Financial Statements in this announcement.

Upon having such warning signs, the Company is required to provide projected cash flow for the period of 24 months following the reporting period, and also provide explanations on differences between previously disclosed estimated projected cash flows with actual cash flows.

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.

The Restructuring Plan further provided that, if the Company does not prepay an aggregate amount of at least NIS 434 million (€107.3 million) on the principal of the bonds on or before December 1, 2016 (the "Early Prepayment"), the principal payments due under the Extended Repayment Schedule will be advanced by one year (the "Accelerated Repayment Schedule"). On November 29, 2016, the Company's bondholders approved a postponement of the Early Prepayment date by up to four months and the reduction of the total amount of the required Early Prepayments to at least NIS 382 million (€94.5 million) (a reduction of 12% on the original amount). In addition, the Company agreed to pay to its bondholders, on 31 March 2018, a one-time consent fee (which is equal to 0.25% from the Company's outstanding debt under the bonds at that time). The consent Fee was paid to the Company's bondholders on a pro rata basis.

During first three months 2017, the Company paid to its bondholders a total amount of NIS 199.2 million (€51 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 382,000,000) 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 the Company and the two Israeli Series of Bonds. In the Settlement Agreement it was agreed, inter alia, to approve:

- New repayment ratios between the two Israeli Series of Bonds (new ratio: Bond A- 39% Bond B- 61%);
- An increase in the level of the mandatory early repayments from 75% to 78% of the relevant net income;
- New repayment schedule;
- An increase in the compensation to be paid to the Bondholders in the event of successful disposal of Casa Radio Project;
- A waiver of claims to the Company and its directors and officers; and
- To waive the request for publication of quarterly financial reports by the Company.

These conditions are included in the forecast.

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.

	H2/2018	*2019*	*H1/2020*
Cash - Opening Balance	**1.2**	**-5.4**	**-39.1**
Proceeds from selling trading properties (1)	10.4	15.4	28.0
Total Sources	**11.6**	**10.0**	**-11.0**
Bonds – principle	12.9	43.7	11.4
Bonds - interest (2)	2.7	3.2	1.8
Operational expenses	1.3	2.1	0.6
Total Uses	**16.9**	**49.1**	**13.9**
Cash - Closing Balance	**-5.4**	**-39.1**	**-24.9**

1. Including: Riga Plaza (price adjustments), Miercuera Ciuc, part of Casa Radio (€25 million) and Brasov plot in Romania, Lodz residential and Lodz Mall plots in Poland, Krusevac plot in Serbia, Bangalore and Chennai in India. In addition price adjustment in Belgrade Plaza (€1 million) is expected in 2018 and additional €1.8 million are estimated until 2020 depending on the mall's operational results improvement.
2. Including €1.5 million compensation to Bondholders related to sale of Casa Radio in H2/2020.
3. Assuming EUR/NIS rate of 4.20. The repayment schedule takes into consideration that in the case of a disposal of an asset, 78% of the proceeds are used for the early prepayment of the bonds in accordance with the terms of the Amended Restructuring Plan.

Below is a summary table of the comparison between forecasted and actual cash flows, with explanations on the differences published for the 6-month period ending 30 June 2018.

		Forecast H1/2018	***Actual H1/2018***
Cash - Opening Balance		**44.8**	**44.8**
Proceeds from selling trading and properties and Indian projects	(1)	3.2	2.0
Total Sources		**48.0**	**46.8**
Cash outflow from operating activity			
Administrative expenses		1.6	1.4
Cash outflow from financing activity			
Principal repayment to bondholders		40.9	40.9
Interest repayment to bondholders	(2)	3.3	3.3
Total Uses		**45.8**	**45.6**
Cash - Closing Balance		**2.1**	**1.2**

1 Forecast included proceeds from Riga (€0.15 m), Torun Plaza Price Adjustment (€0.15 m), Bangalore (€1.45 m) and Kochi Advance (€1.4 m). Actual included proceeds from Riga (€0.15 m), Torun Plaza Price Adjustment (€0.2 m), Bangalore (€1.45 m) and reimbursement of costs related to Kragujevac project (€0.225 m).

2 Including €0.2 million compensation to Bondholders.

Avi Hakhamov
Acting CEO
20 August 2018

PLAZA CENTERS N.V.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2018

INDEX

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2018	December 31, 2017
	Unaudited	**Audited**
	Euros in thousands	
ASSETS		
Cash and cash equivalents	1,248	44,844
Other receivables	291	670
Related parties' receivables	1,776	-
Prepayments	-	131
Total current assets	3,315	45,645
Trading properties	70,168	73,569
Equity accounted investees	16,212	19,530
Property and equipment	24	178
Related parties' receivables	-	1,753
Total non-current assets	86,404	95,030
Total assets	89,719	140,675

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2018	December 31, 2017
	Unaudited	Audited
	Euros in thousands	
LIABILITIES AND EQUITY		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bonds at amortized cost	76,061	116,914
Trade payables	103	584
Related parties' liabilities	16	87
Other liabilities	1,504	1,878
Total current liabilities	77,684	119,463
Provisions	12,849	12,849
Total non-current liabilities	12,849	12,849
Share capital	6,856	6,856
Translation reserve	(29,605)	(28,800)
Other reserves	(19,983)	(19,983)
Share based payment reserve	35,376	35,376
Share premium	282,596	282,596
Retained losses	(276,054)	(267,682)
Total equity	(814)	8,363
Total equity and liabilities	89,719	140,675

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

August 20, 2018		
Date of approval of the financial statements	**Avi Hakhamov** **Acting Chief Executive Officer**	**David Dekel** **Director and Chairman of the Audit Committee**

CONDENSED INTERIM CONSOLIDATED STATAEMENTS OF PROFIT OR LOSS

	Six months ended June 30, 2018	Six months ended June 30, 2017
	Unaudited	
	Euros in thousands (except per share data)	
Revenues and gains		
Revenue from disposal of trading properties	210	67,159
Total revenues	210	67,159
Gains and other		
Rental income	-	4,554
Other income	237	611
Total gains	237	5,165
Total revenues and gains	447	72,324
Expenses and losses		
Cost of trading properties disposed	-	(62,733)
Cost of operations	(128)	(1,759)
Write-down of trading properties	(3,401)	(464)
Share in results of equity-accounted investees	(397)	(170)
Administrative expenses	(1,485)	(3,612)
Other expenses	(520)	(34)
Finance income	144	428
Finance costs	(4,430)	(11,072)
	(10,217)	(79,416)
Loss before income tax	(9,770)	(7,092)
Tax benefit (Income tax expense)	(1)	314
Loss for the period	(9,771)	(6,778)
Earnings per share		
Basic and diluted loss per share (EUR)	(1.43)	(0.99)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended June 30, 2018	Six months ended June 30, 2017
	Unaudited	
	Euros in thousands (except per share data)	
Loss for the period	(9,771)	(6,778)
Other comprehensive income		
<u>Items that are or may be reclassified to profit or loss:</u>		
Foreign currency translation differences - foreign operations (Equity accounted investees)	(805)	(876)
Other comprehensive loss for the period	(805)	(876)
Total comprehensive loss for the period	(10,576)	(7,654)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share Premium	Share based payment reserves	Translation Reserve	Capital reserve from acquisition of non-controlling interests	Retained losses	Total
Balance at January 1, 2018	6,856	282,596	35,376	(28,800)	(19,983)	(267,682)	8,363
Adjustments on initial application of IFRS 9 (see Note 2b)	-	-	-	-	-	1,399	1,399
Comprehensive loss for the year							
Net loss for the year	-	-	-	-	-	(9,771)	(9,771)
Foreign currency translation differences	-	-	-	(805)	-	-	(805)
Total comprehensive loss for the year	-	-	-	(805)	-	(9,771)	(10,576)
Balance at June 30, 2018 (unaudited)	6,856	282,596	35,376	(29,605)	(19,983)	(276,054)	(814)

	Share capital	Share Premium	Share based payment reserves	Translation Reserve	Other reserves	Retained losses	Total
Balance at January 1, 2017	6,856	282,596	35,376	(27,103)	(19,983)	(241,119)	36,623
Comprehensive loss for the year							
Net loss for the year						(6,778)	(6,778)
Foreign currency translation differences				(876)			(876)
Total comprehensive loss for the year	-	-	-	(876)	-	(6,778)	(7,654)
Balance at June 30, 2017 (unaudited)	6,856	282,596	35,376	(27,979)	(19,983)	(247,897)	28,969

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,	
	2018	2017
	Unaudited	
	Euros in thousands	
Cash flows from operating activities:		
Loss for the period	(9,771)	(6,778)
Adjustments necessary to reflect cash flows used in operating activities		
Depreciation of property and equipment	156	16
Net finance costs	4,286	10,644
Share of loss of equity-accounted investees	397	170
Gain from sale of subsidiaries	-	(4,779)
Income tax expense (tax benefit)	1	(314)
	(4,931)	(1,041)
Changes in:		
Trade receivables	17	(3,101)
Other receivables	458	2,942
Trading properties	3,401	2,159
Trade payables	26	(366)
Other liabilities, related parties' liabilities and provisions	(839)	(946)
	3,063	688
Interest paid	(3,000)	(6,238)
Taxes paid	(1)	(10)
Net cash used in operating activities	(4,869)	(6,601)
Cash from investing activities		
Proceeds from sale of property and equipment	1	3,703
Proceeds from sale of subsidiaries (Appendix A)	-	50,218
Distribution received from equity accounted investees	2,115	221
Changes in restricted cash	-	3,207
Net cash provided by investing activities	2,116	57,349

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,	
	2018	2017
	Unaudited	
	Euros in thousands	
Cash from financing activities		
Proceed from bank loans	-	4,029
Repayment of debentures	(40,053)	(51,090)
Repayment of interest bearing loans from banks	-	(707)
Net cash used in financing activities	(40,053)	(47,768)
Effect of exchange fluctuations on cash held	(790)	-
Increase (Decrease) in cash and cash equivalents during the year	(43,596)	2,980
Cash and cash equivalents as at January 1st	44,844	5,646
Cash and cash equivalents as at June 30	1,248	8,626

Appendix A - Proceeds from sale of investments in previously consolidated subsidiaries:		
The subsidiaries assets and liabilities at date of sale:		
Working capital (excluding cash and cash equivalents)	-	(9,359)
Trading Properties	-	97,360
Bank Loans	-	(42,000)
Gain from sale of subsidiaries	-	4,217
	-	50,218

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: - CORPORATE INFORMATION

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 Prins Hendrikkade 48-S, 1012 AC, Amsterdam, the Netherlands. In past the Company conducted its activities in the field of establishing, operating and selling of shopping and entertainment centers, 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 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 is Elbit Ultrasound (Luxemburg) B.V. / s.a.r.l ("EUL"), which holds 44.9% of the Company's shares, at the end of the reporting period. The Company regards Elbit Imaging Limited ("EI") as the ultimate parent company.

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, 2018 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 financial statements as at 31 December 2017.

Selected explanatory notes are, however, included to explain events and transactions that are significant to understanding the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2017.

The interim condensed consolidated financial statements as of June 30, 2018 were authorized by the Board of Directors on 20 August 2018.

NOTE 2:- BASIS OF PREPARATION (Cont.)

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.
The Group applies, for the first time, IFRS 9 Financial Instruments. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments, including adoption of IFRS 15 Revenue from Contracts with Customers, and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Financial instruments:

With respect to the initial adoption of IFRS 9, "Financial Instruments" ("the Standard"), the Company chose to adopt the provisions of the Standard retrospectively without restatement of comparative figures.

The new accounting policy regarding financial instruments is as follows:

1. Financial assets:

Financial assets within the scope of the Standard are measured upon initial recognition at fair value with the addition of transaction costs that can be directly attributed to the financial asset's acquisition, excluding financial assets that are measured at fair value through profit or loss whereby the transaction costs are carried to profit or loss.

a) Debt instruments are measured at amortized cost when the following criteria are met:

The Company's business model consists of holding the financial assets for collecting contractual cash flows therefrom; and the contractual cash flow terms of the financial asset provide entitlement to cash flows which only include principal payments and interest on the unpaid principal on predetermined dates. After initial recognition, the instruments in this category are presented according to their terms at cost with the addition of directly attributable transaction costs using the amortized cost method.

NOTE 2:- BASIS OF PREPARATION (Cont.)

2. Impairment of financial assets:

   The Company reviews at the end of each reporting period the provision for loss of financial debt instruments which are not measured at fair value through profit or loss.

   The Company has financial assets bearing short-term credit such as trade receivables in respect of which it is required to adopt the relief prescribed in the model and measure the provision for loss in an amount which is equivalent to the expected credit losses throughout the instrument's term. The Company chose to adopt the relief in respect of these financial assets.

3. Derecognition of financial assets:

   A financial asset is only derecognized when the following criteria are met:

   - The contractual rights to the cash flows from the financial asset expire; or

   - The Company has transferred substantially all the risks and rewards deriving from the contractual rights to receive cash flows from the financial asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   - The Company has retained its contractual rights to receive cash flows from the financial asset but has assumed a contractual obligation to pay the cash flows in full without material delay to a third party.

4. Financial liabilities:

   Financial liabilities within the scope of the Standard are initially recognized at fair value less transaction costs that are directly attributable to the issue of the financial liability, excluding financial liabilities measured at fair value through profit or loss whose transaction costs are carried to profit or loss.

5. Derecognition of financial liabilities:

   A financial liability is derecognized only when it is extinguished, that is when the obligation is discharged or cancelled or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

   When an existing financial liability is exchanged with another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as an extinguishment of the original liability and the recognition of a new liability. The difference between the carrying amounts of the above liabilities is recognized in profit or loss.

NOTE 2:- BASIS OF PREPARATION (Cont.)

If the exchange or modification is not substantial, the Company is required to update the carrying amount of the original liability by discounting the modified cash flows discounted at the original effective interest rate and recognize a gain or loss in profit or loss.
When evaluating whether the change in the terms of an existing liability is substantial, the Company takes into account both quantitative and qualitative considerations.

6. Offsetting financial instruments:

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a legally enforceable right to set off the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Revenue from Contracts with Customers:

The accounting policy on revenue recognition based on IFRS 15, "Revenue from Contracts with Customers" ("the Standard") adopted effective from January 1, 2018 retrospectively without restatement of comparative figures and is as follows:

1. Revenue recognition:

According to the Standard, revenue from contracts with customers is recognized in profit or loss when the control over the asset or service is transferred to the customer. Revenue is measured and recognized at the fair value of the consideration that is expected to be received based on the contract terms, less the amounts collected in favor of third parties (such as taxes). Where a contract contains elements of variable consideration, the entity will estimate the amount of variable consideration to which it will be entitled under the contract. Revenue is recognized in profit or loss to the extent that it is probable that the economic benefits associated with the contract will flow to the Company and that the costs incurred or to be incurred in respect of the contract can be measured reliably.

Initial adoption of IFRS 9, "Financial Instruments":

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("the new Standard"), which replaces IAS 39, "Financial Instruments:

The effect of the initial adoption of the new Standard on the Company's financial statements is as follows:

NOTE 2:- BASIS OF PREPARATION (Cont.)

Derecognition of financial liabilities:

The Company modified the terms of previously issued debentures during 2016. Accordingly, the Company accounted for the modification in conformity with the provisions of IAS 39.7A by adjusting the effective interest rate so that the updated cash flows, discounted at the new interest rate, will correspond to the carrying amount of the debentures prior to said change in terms. According to the new Standard, the Company accounts for the modification by recognising the difference between the discounted updated cash flows, after the change in terms and using the original effective interest rate, and the carrying amount to profit or loss. The effect of the above changes on the Company's financial statements is as follows:

In the consolidated statements of financial position:

	As previously reported	The change	According to IFRS 9
	EUR in thousands		
As of January 1, 2018			
Bonds at amortized cost	116,914	(1,399)	115,515
Retained losses	(267,682)	1,399	(266,283)

Initial adoption of IFRS 15, "Revenue from Contracts with Customers":

The initial adoption of IFRS 15 do not have an impact on the interim condensed consolidated financial statements of the Group.

NOTE 3: - USE OF JUDGEMENT AND ESTIMATES

In preparing this condensed consolidated interim 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 condensed consolidated interim 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, 2017, save for the changes highlighted above. Refer also to Note 4 below for significant estimations performed.

NOTE 4: - GOING CONCERN AND LIQUIDITY POSITION OF THE COMPANY

The 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.

The Group's primary need for liquidity is to repay its debts and fund general corporate purposes. The Group has incurred losses and experienced negative operating cash flows for the past several years, and accordingly, it has taken a number of actions to continue to support its operations and meet its obligations.

As at June 30, 2018 the Group's outstanding obligations to bondholders are EUR 81 million.

In January 2018, a settlement agreement was signed by and among the Company and the two Israeli Series of Bonds including a new repayment schedule (refer to Note 15b(2)) in the annual financial statement as of December 31, 2017).

Information concerning the Group's obligations and commitments to make future payments under contracts such as debt agreements in the 18 months starting July 1, 2018 is aggregated in the following tables.

	Total Payment Due by period (in TEUR)	
Liquidity Requirements	**Within 1 year**	**Within 1-1.5 year**
Bonds including current portion and interest	54,400	8,200
General & administrative (**)	2,400	1,000
Total liquidity requirements	56,800	9,200
Total Sources (*)	16,000	9,700
Total deficit	(40,800)	500

(*) The Company expects to increase the amount of its liquid balances during the 18 months starting July 1, 2018, by sale of plots of lands (including India) and others.

(**) Including estimated cost of plots maintenance.

The board and management estimate that there are significant doubts regarding the Company's ability to serve its entire debt according to the current repayment schedule. Moreover, following the new payment structure for the sale of the project in Bangalore, India (refer to Note 7(e)) and the expected changes in the sale dates of certain assets, it is expected that the Company will not be able to meet its entire contructual obligations in the following 12 months.

Management acknowledges that the above expected cash flows are based on forward-looking plans and estimations which rely on the information known to management at the time of the approval of these condensed consolidated interim financial statements. The materialization of the above forecast is not certain and is subject to factors beyond the Company's control. Therefore, delays in the realization of the Group's assets and investments or realization at lower price than expected by management could have an adverse effect on the Group's liquidity position and its ability to meet its contractual obligations on a timely manner.

NOTE 4: - GOING CONCERN AND LIQUIDITY POSITION OF THE COMPANY (Cont.)

Management further acknowledges that the Company is exposed to foreign currency risk derived from borrowings denominated in currency other than the functional currency of the Group, more specifically a further devaluation of the EUR against the NIS can significantly increase the remaining contractual obligation to bondholders.

As of June 30, 2018 the Company is not in compliance with Coverage Ratio Covenant ("CRC") as defined in the restructuring plan. This may entitle the bondholders to declare that all or a part of their respective (remaining) claims become immediately due and payable.

The Company's financial statements as of December 31, 2017 include an auditor's opinion with emphasis of matter to going concern uncertainty. As a result, there is a risk that the bondholders could argue that there exists a substantial suspicion with respect to the Company's ability to repay its obligations that entitles them to immediate repayment.

In addition, based on trust deeds in case of material deterioration in the Company's business and substantial suspicion exists that the Company will not be able to repay the bonds on time, the bondholders may declare immediate repayment of bonds.

In respect of credit rating downgrade followed by withdraw of credit rating by Standard & Poor at the Company's request refer to Note 7 (c) to these condensed consolidated financial statements.

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. As at the date of these condensed consolidated financial statements the bondholders have not taken steps to assert their rights.

A combination of the abovementioned conditions indicates the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

NOTE 5: - 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.

NOTE 5: - FINANCIAL INSTRUMENTS (Cont.)

	Carrying amount		Fair value	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31 2017
	Unaudited	Audited	Unaudited	Audited
	Euros in thousands			
Statement of financial position				
Debentures A at amortized cost – Israeli NIS bonds	31,534	45,963	17,079	30,493
Debentures B at amortized cost – Israeli NIS bonds	44,527	65,832	29,528	49,536

The total contractual liability of the Debentures was EUR 81 million as at June 30, 2018.

NOTE 6: - CASA RADIO

a. Following Note 8(6)(d) to the annual financial statements which discloses potential irregularities regarding to Casa Radio project in Romania and their potential implications, there have been no significant events since the publication of the annual financial statement as of December 31, 2017.

b. Following Note 8 (6)(c) to the annual financial statements which discloses that the public authorities may seek to terminate the Public Private Partnership Agreement and with respect to Casa Radio asset and potential implications, there have been no significant events since the publication of the annual financial statements as of December 31, 2017. The Company had few meetings with governmental officials discussing the options and possibility to amend the PPP Agreement with no significant progress until the date hereof.

NOTE 7:- MATERIAL EVENTS DURING THE REPORTING PERIOD

a. Settlement agreement with the Bondholders:

In January 2018, a settlement agreement has been reached and approved (and all the conditions precedent in the agreement fulfilled) between the holders of two Series of Israeli Bonds and the Company regarding the allocation of funds, to be repaid by the Company, across the Israeli Bonds Series. As a result, the Series A Bondholders withdrawed their request for immediate repayment. In regards to Settlement agreement principles refer to Note 15 (3) in the annual consolidated financial statement as of December 31, 2017.

b. Retirement of Chief Executive Officer:

On 11 January, 2018 the Company announced that the CEO, Dori Keren will retire from his position at the end of March 2018. The Board of Directors appointed Avi Hakhamov, who has been with the Company for more than 11 years, as Acting CEO commencing 1 April 2018.

c. Ceasing of rating by S&P:
On 18 January, 2018 S&P Maalot announced that it ceases updating the rating of the Company's bonds following the Company's request.

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

d. Earn-out payment for the sale of Torun:

In June 2018 the Company received the earn-out payment for the sale of Torun Plaza in amount of EUR 0.35 million, reduced by NAV adjustment of EUR 0.14 million.

e. Sale agreement of Plot in India:

In January 2018, the Purchaser of the 100% interest in an SPV (in which Plaza holds a 50% stake with its joint venture partner, Elbit Imaging Ltd.), that holds property in Bangalore, India, (the "Agreement" and the "Purchaser" respectively), has given notice that all remaining payments under the Agreement will be stopped until a mutually acceptable solution is reached due to a proposed change (initiated by the Indian authorities) which could potentially impact the development of the land. In February, despite the notice above, the Purchaser has paid the January instalment in the amount of INR 5 Crores (circa EUR 0.65 million).

In March 2018, the Company and the Purchaser signed an amended revised agreement as follows: the Purchaser and EPI have agreed that the total purchase price shall be increased to INR 350 Crores (approximately EUR 43.8 million, the Company's share approximately EUR 21.9 million). Following the signing of the revised agreement the Purchaser paid EPI additional INR 22.5 Crores (approximately EUR 2.8 million, the Company's share approximately EUR 1.4 million) further to the INR 45 Crores (approximately EUR 5.6 million, the Company's share approximately EUR 2.8 million) that were already paid during the recent year.

Additional INR 70.5 Crores (approximately EUR 8.8 million, the Company's share approximately EUR 4.4 million) will be paid by the Purchaser in unequal monthly instalments until the Final Closing. The Final Closing will take place on 31 August 2019 when the final instalment of INR 212 Crores (approximately EUR 26.5 million, the Company's share approximately EUR 13.25 million) will be paid to EPI against the transfer of the outstanding share capital of the SPV.
If the Purchaser defaults before the Final Closing, EPI is entitled to forfeit certain amounts paid by the Purchaser as stipulated in the revised agreement. All other existing Securities granted to EPI under the previous agreements will remain in place until the Final Closing.

f. Motion to reveal and review internal documents:

In March 2018, a Shareholder of the Company has filed a motion with the Financial Department of the District Court in Tel-Aviv to reveal and review internal documents of the Company and of Elbit Imaging Ltd., with respect to the events surrounding that certain agreements that were signed in connection with the Casa Radio Project in Romania and the sale of the US portfolio. Such events were previously announced by the Company and are detailed in notes 8(6) and 27(d) in the annual financial statement as of December 31, 2017. In July 2018, the Company has filed a response to the relevant court.

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

g. Redemption of the Polish Bonds:

In May 2018, further to the decision of the Israeli Series A and Series B Bondholders, the Company has redeemed in full the series of bonds issued in Poland at their principal amount together with interest accrued to the maturity date in total amount of EUR 11 million. Upon completion of the redemption, the Company has no outstanding bonds issued in Poland.

h. Claim in Greece:

In May 2018, a third party has filed a legal claim in the court of Greece against Helios Plaza AE ("HP"), a fully owned subsidiary of Plaza which holds land property in Athens ("Land Property"). The claimant is claiming from HP an amount of EUR 2.96 million based on a certain allegedly agreement that was claimed to be agreed in 2010, and has also filed a request for an injunction with respect to the Land Property in order to secure its claim. In June 2018, the injunction was granted until final decision regarding the main dispute. At this preliminary stage, the Company and its legal advisors are unable to estimate the probability of the claim and its possible implication if any.

Due to these new circumstances the sale of the Land Property was put on hold, and the Company is discussing with the existing potential buyer the options forward.
The Company recorded a write-down of EUR 1.15 million which reflect expected transaction costs.

NOTE 8: - SUBSEQUENT EVENTS

a. Chennai, India:

In July 2018, Elbit Plaza India Real Estate Holdings Limited ("EPI"), has signed a term sheet with its local partner ("Buyer"), relating to the sale of EPI's Indian subsidiary ("SPV") that holds 74.7 acre plot in Chennai, India ("Term Sheet"). Under the terms of the Term sheet, the Buyer shall have 60 (sixty) days to conduct due diligence only with respect to the SPV, following which definitive agreements, for the sale of the SPV in consideration for INR 110 Crores (approximately EUR 13.75 million, the Company's share approximately EUR 6.8 million), (subject to adjustment with respect to the previous deposit that was placed and the existing cash in the SPV level), shall be signed and closing shall take place on the same day.
As a result, the Company recorded as share in losses of equity – accounted investees total amount of EUR 312 thousand to reflect the purchase price based on term sheet.

b. Lodz Centrum Plaza:

In July 2018, a subsidiary of the Company has signed a preliminary agreement with respect to the sale of the land plot known as "Lodz Centrum Plaza", in consideration for PLN 1.3 million. The agreement is conditional upon the pre-emptive right of the municipality of Lodz.

NOTE 8: - SUBSEQUENT EVENTS (Cont.)

c. Request to reveal documents:

An indirect subsidiary of the Group in Romania (which holds plot of land outside Bucharest) received a request from Romanian authorities to reveal documents regarding the years in 2007-2011 as part of an ongoing investigation procedures. The company is unaware of the subject of investigation and any illegal acts or irregularities which may cause investigation initiated.

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