

This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.

ARGO

Properties N.V.

Convertible Bond Issuance Presentation

Convertible



October 2025

1.



Legal Disclaimer

This presentation does not constitute an offer of the company's securities to the public and should not be interpreted as such.

The information included in this presentation and any other information provided during the presentation (hereinafter: "the information") does not constitute a recommendation or opinion of an investment advisor or tax advisor. The information is for summary purposes only. Investing in securities in general and in the company carries risk. It should be taken into account that past data does not necessarily indicate future performance. Purchasing the company's securities requires a thorough review of the information published by the company and its legal, accounting, tax, and economic analysis.

The information described in slide 3 below regarding the continued growth trend in rent and the increase in the value of residential rental assets in Germany is "forward-looking information" as defined in the Securities Law, which is not fully under the company's control and its actual realization, in whole or in part, is uncertain. The information is based on information available to the company as of the report date, regarding:

This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.

- (1) The expected increase in rental demand;
- (2) The high resilience of German households;
- (3) The low rent burden in the company's operating cities;
- (4) The low unemployment rate in Germany thanks to the high fiscal flexibility of the German government;
- (5) The absence of harm to rental income for residences or the continued long-term growth trend of residential rent during previous crisis and recession periods in Germany;
- (6) The company's assessments regarding the shift of investments from cash to real assets;
- (7) Future developments in inflation rates, yields, and yield spreads between risk-free asset yields and real assets and obligations related to these assets;
- (8) Market information;
- As well as additional assessments by the company.

A change in circumstances (including, without limiting the generality of the above – a material adverse change in the German economy, an increase in interest rates, and a crisis in the real estate market in Europe in general and in Germany in particular), the creation of special conditions in the circumstances, and/or the occurrence of one or more of the risk factors detailed in section 1.20 of chapter A ("Description of the corporation's business") in the company's periodic report for 2024 (hereinafter: "2024 Report"), may significantly change the company's assessments detailed above and materially affect its forecasts as stated.

The information described in slide 3 below regarding the potential profit backlog from apartment sales is "forward-looking information" as defined in the Securities Law, which is not fully under the company's control and its actual realization, in whole or in part, is uncertain. The information is based on information available to the company as of the report date, regarding:

- (1) The number of housing units identified by the company's management as potential for sale;
- (2) The gross accounting profit per square meter to be recorded by the company from apartment sales;
- (3) The low ownership rate in the company's operating cities compared to the average in German cities;
- (4) The trend of rising rent and the increase in the rent burden on tenants;
- (5) The company's management forecasts regarding the continuation of the trend of rising residential real estate prices in these cities;
- As well as additional assessments by the company.

A change in circumstances, including without limiting the generality of the above – an increase in the supply of such apartments, a decrease in the average sale price per square meter, an increase in interest rates and a reduction in credit sources, partial sale of apartments in a condo building (which may lead to additional expenses and even burden the ability to sell them profitably over time), the creation of special conditions in the circumstances and/or the occurrence of one or more of the risk factors detailed in section 1.20 of chapter A ("Description of the corporation's business") within the 2024 Report, may significantly change the company's assessments detailed above and materially affect the expected profitability from this activity.

ARGO
Properties N.V.



This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.



Convertible Bond Issuance

Financial Strength

Upside Potential

■ The bonds (Series 1) are rated iIA+ by S&P Maalot. The company's rating outlook is positive and the annual review date is in November	■ High organic growth – since its inception, Argo has shown organic rent growth of 8% - 10% per year
■ Embedded profitability potential – rent in new leases is higher than the average rent	■ Significant improvement in coverage ratios since the last rating report in assets by about 53%; high profit potential from apartment sales as a result of progress in the sale of housing units
■ Attractive conversion probability – the company's business model supports achieving an annual return on equity (ROE) of between 15% and 18% and reflects,	■ Net debt to CAP – 45.6% according to book value (appraiser's estimate).
■ The actual sale values of the housing units reflect leverage ratios over the life of the bond, a yield potential significantly higher than the conversion premium	■ The book value is significantly lower than the construction cost (about €5,000 per square meter including land) in markets characterized by: high occupancy, demographic growth, and an expected shortage of tens of thousands of housing units
■ Potential for increase in equity premium – Argo is currently traded at a modest premium to equity relative to return on equity and growth and profitability potential	■ Attractive exposure to changes in capitalization rates (current rent yield 4%)
■ The EBIDTA to interest coverage ratio paid in the first half of 2025 amounted to 2.6x, excluding the cost of apartment sales (non-cash item) the ratio rises to 3.7 cash flow	■ A decrease of 50 basis points in capitalization rates will contribute to an increase of about 21% in equity

* This ratio is calculated according to the company's financial statements for the 6-month period ended June 30, 2025, and is the result of dividing operating profit before changes in the fair value of investment property, as shown in the company's profit and loss statement for the said period, by the interest paid for the period according to the cash flow statement. For the purpose of calculating this ratio without the cost of apartment sales (non-cash item), the cost of apartment sales according to the company's profit and loss statement for the said period is added to the operating profit before changes in the fair value of investment property.



FOOTNOTE:

³ This ratio is calculated according to the company's financial statements for the 6-month period ended June 30, 2025, and is the result of dividing operating profit before changes in the fair value of investment property, as shown in the company's profit and loss statement for the said period, by the interest paid for the period according to the cash flow statement. For the purpose of calculating this ratio without the cost of apartment sales (non-cash item), the cost of apartment sales according to the company's profit and loss statement for the said period is added to the operating profit before changes in the fair value of investment property.