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Is the ARGO Properties NV bond just issued on TASE unique?

The ARGO Properties NV bond achieved highly attractive spread (149bps) for its rating (BB), but is it a special case?



Research note for the IREF community · October 2026

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KEY FINDINGS

A European property company raising “cheap” debt in Israel

Dutch-registered owner of 5,500+ rental flats in Germany, with a condo-privatisation overlay.

ilA+

Local rating scale

Maps to BB / BB- on S&P's global scale.

€58m

"Tweener" size

Too small for the international Eurobond market with minimum benchmark size of €300m and too big for the individual national markets that top out at around €30m.

149bps

Spread over ILS swaps¹

4% coupon sold at 95/100 for 5.0% yield at issue.

Pricing drivers

Local market scarcity value, reduced buyer search costs, sponsor track record, equity buffer over NAV, pledges and maintenance covenants.

Open questions

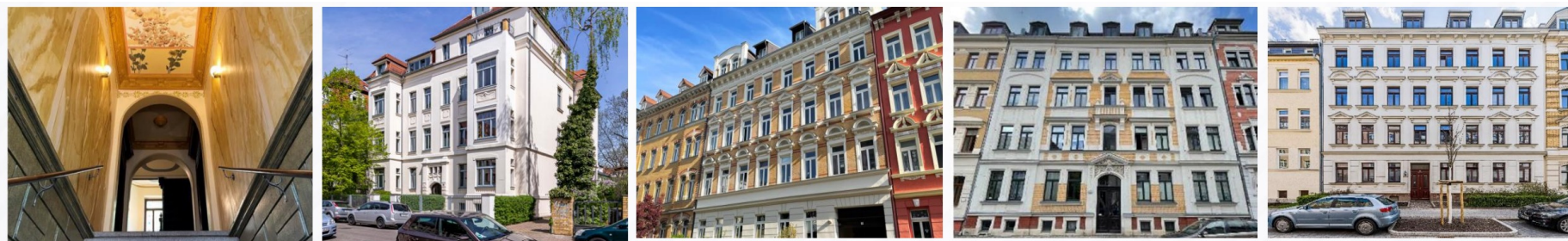
All-in cost after ILS-to-EUR hedging? Can a non-Israeli sponsor tap the same demand? Commitment to exclusive Israeli enforcement?

Source: TASE Maya; LSEG Eikon, 19 October 2026; Maalot, 2 September 2026; IREF calculations. ¹ Over the ILS swap curve at the bond's 5.75-year duration-equivalent tenor (it amortises 2030–32); LSEG quotes 142bp at final maturity.

THE ISSUER

ARGO Properties N.V. profile: a plain vanilla German resi story

Item	Detail
Legal entity	ARGO Properties N.V. — registered in the Netherlands
IPO / Founders	May 2021 onto TASE / Founders: Gal Tenenbaum and Ofir Rahamim (ex-Brack Capital)
Portfolio	Mainly Leipzig and Dresden <i>altbau</i> -style rental portfolio of 5,500+ units with condo privatisation overlay
IFRS Fair Value	€994m of investment property measured at Fair Value under IAS 40 based on appraisals by local German branches of JLL and BNP Paribas Real Estate, in-line with local German residential peers
Market cap	Equity market cap of €819m versus IFRS book equity €533m implies P/NAV of 1.5x



Source: ARGO Properties N.V. TASE filings, MAYA; Refinitiv (market capitalisation, October 2026).

THE BOND

ILS 200m at 4.0% issued at 95/100 with amortisation

Amortising at 0 / 0 / 0 / 25 / 25 / 50 unlike the bullet Eurobond norm

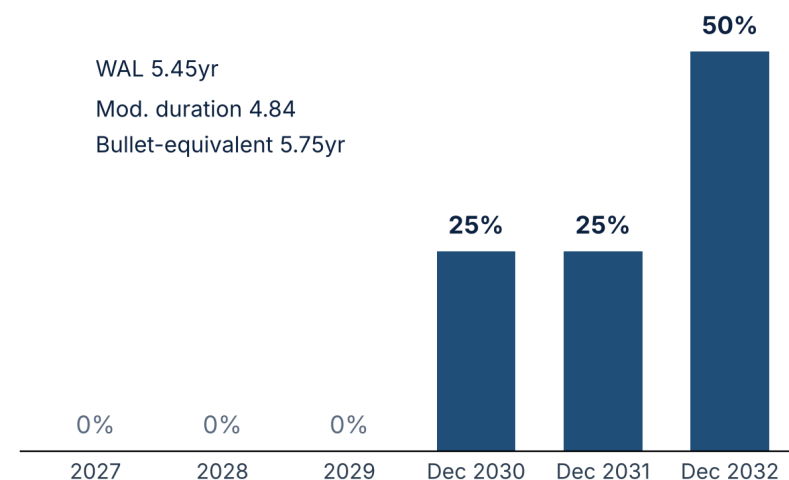
ISIN	IL0012478579
Issued	30 September 2026
Size	ILS 200m face (ILS 190.6m proceeds)
Coupon	4.00%, semi-annual
Issue price	95.3: Dutch-auction minimum, book cleared there
Yield at issue	4.99%
Rating	S&P Maalot iLA+ (bond) with positive outlook
Demand	34 institutional orders, all Israeli, all pre-committed

Principal repaid, % of face

WAL 5.45yr

Mod. duration 4.84

Bullet-equivalent 5.75yr



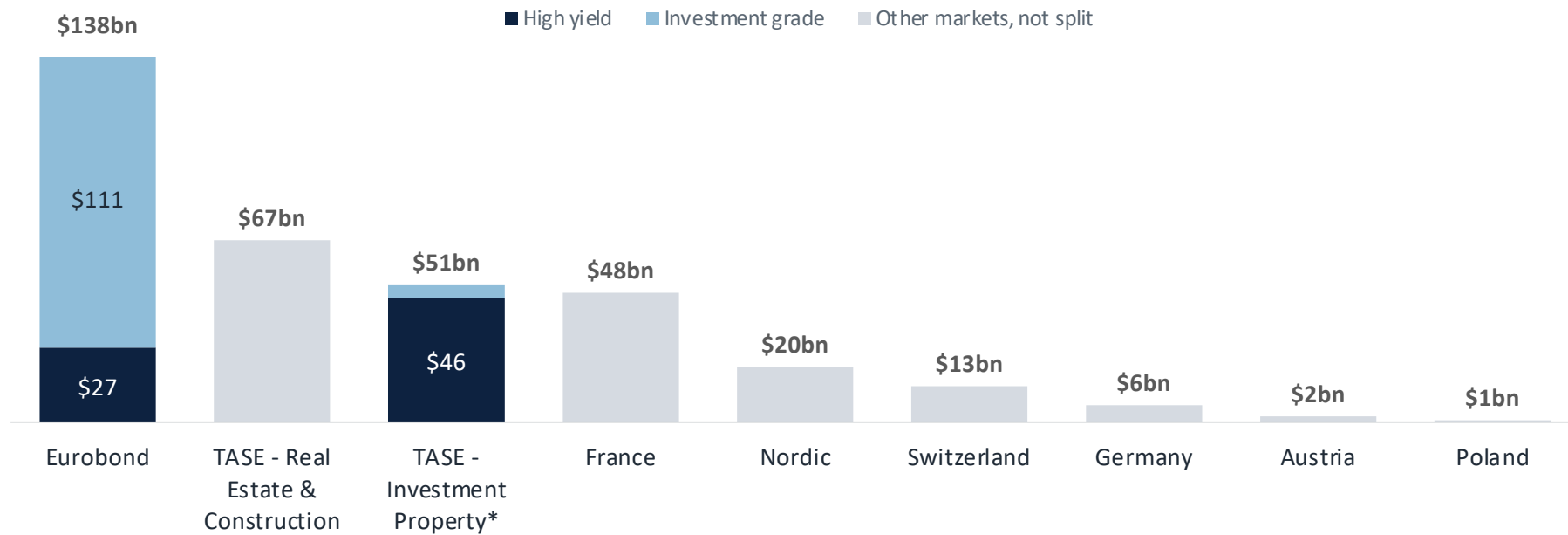
Source: ARGO Properties N.V., offering results (TASE Maya, MAYA 1772908), 28 September 2026; IREF calculations.

TASE BOND MARKET RELATIVE SIZE

TASE is the #2 largest real estate corporate bond market in Europe

And #1 largest high yield market for real estate corporate bonds

Total Value Outstanding (Issue Value)

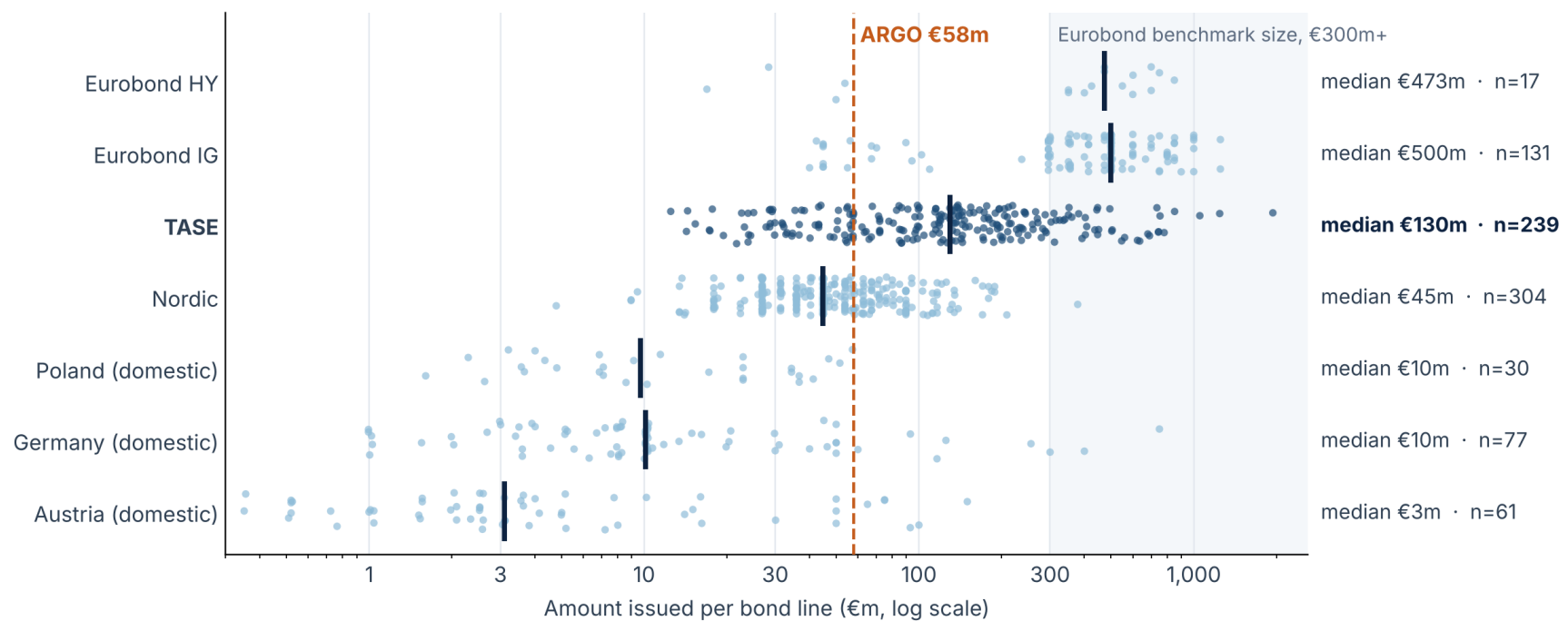


* as approximated by TRBC real estate classification

MARKETS COMPARISON · ISSUANCE SIZE

ARGO bond size sits in the gap between local markets and international Eurobonds

Individual country market bonds are typically small whereas international Eurobonds start at €300 million

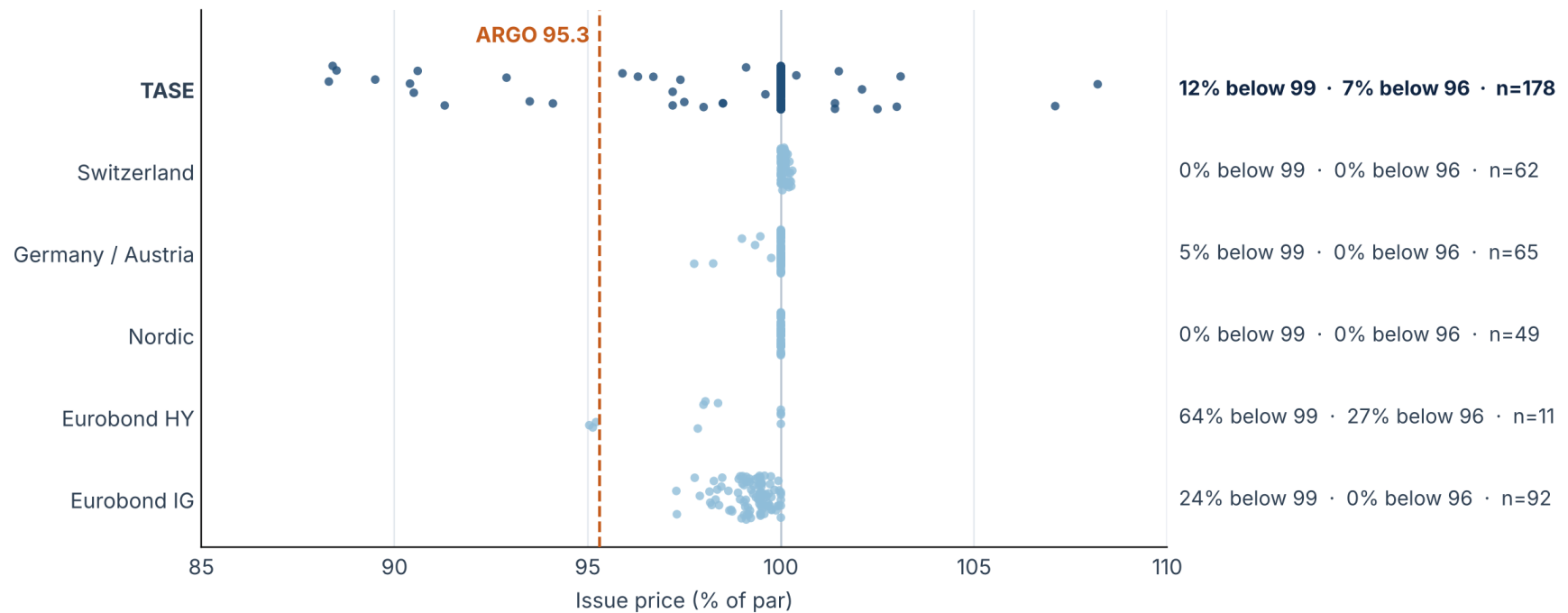


Source: LSEG, outstanding senior bonds of property companies, 19 October 2026. Hybrids, commercial paper and non-profit issuers excluded; tranches of one bond merged. 33 of 62 Austrian lines are one retail issuer.

TASE HAS A UNIQUE MARKET MECHANIC

Issuing below par: rare in Eurobonds, an accepted practice on TASE

An investor IRR enhancement tool

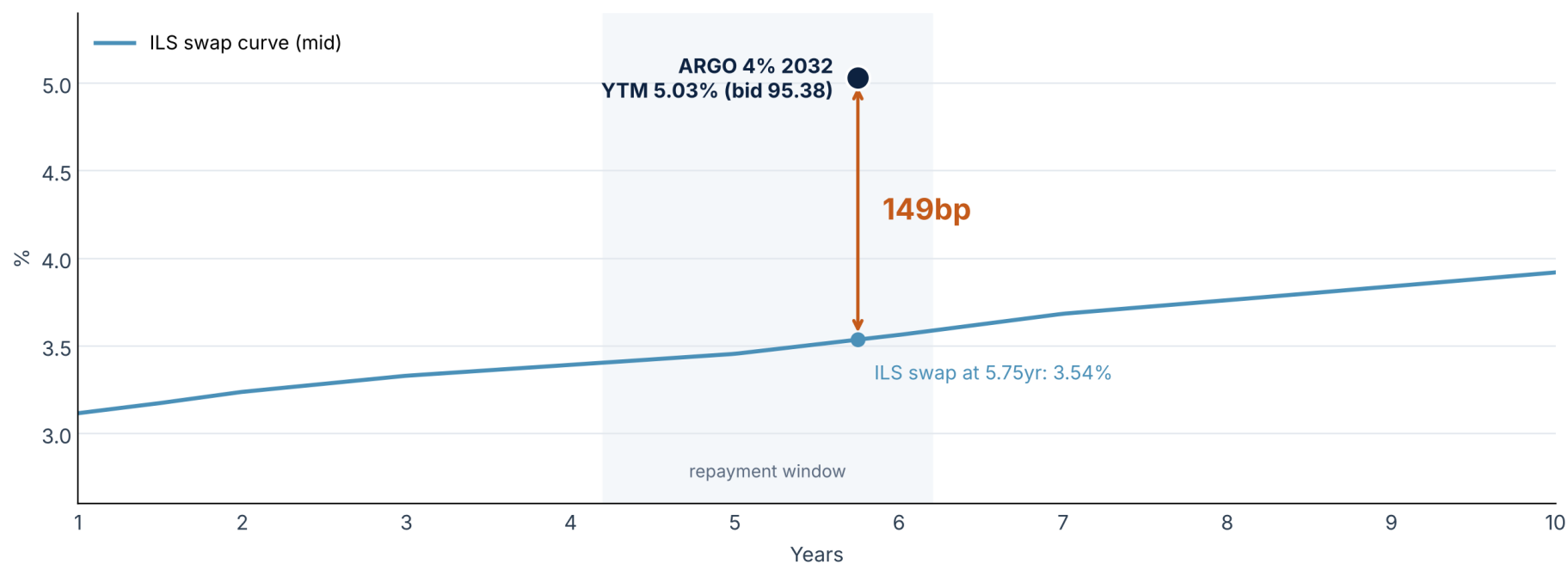


Source: LSEG, senior fixed-coupon property company bonds issued since 1 January 2020; IREF calculations.

ARGO ACHIEVED PRICING

149bp over the ILS swap

Amortising bond priced at its 5.75-year duration-equivalent tenor

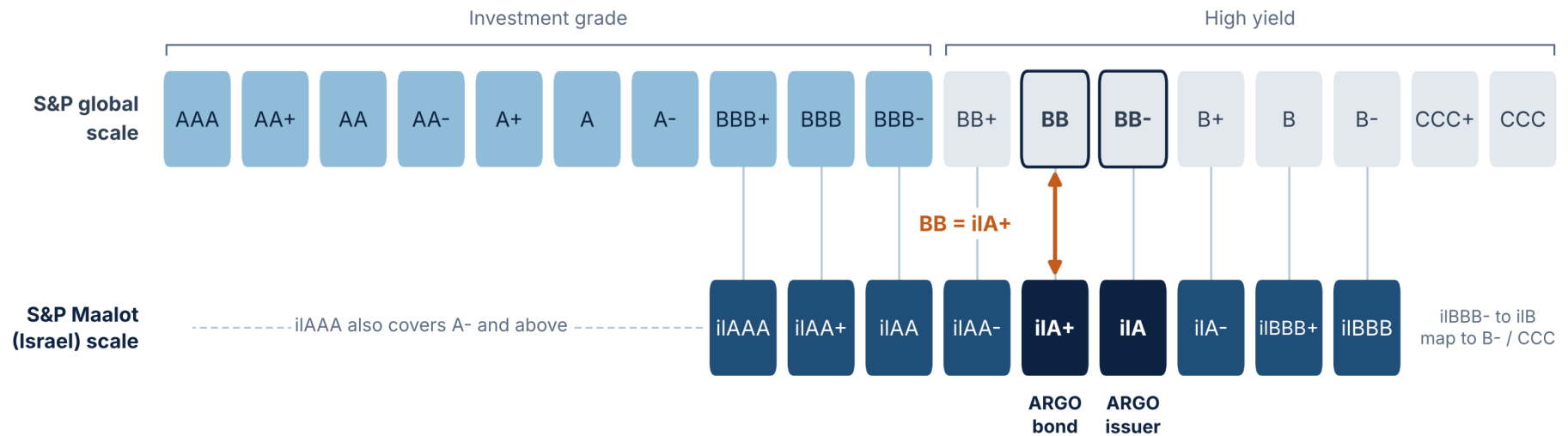


Source: LSEG, ILS swap curve (ILSAM3TIRSZ=FMD) and ARGO bid, 19 October 2026; IREF calculations.

AUTOMATIC RATING UPLIFT IN ISRAEL

ilA+ in Israel maps to BB in European terms

S&P official mapping table matches each Israeli rating with its global equivalent

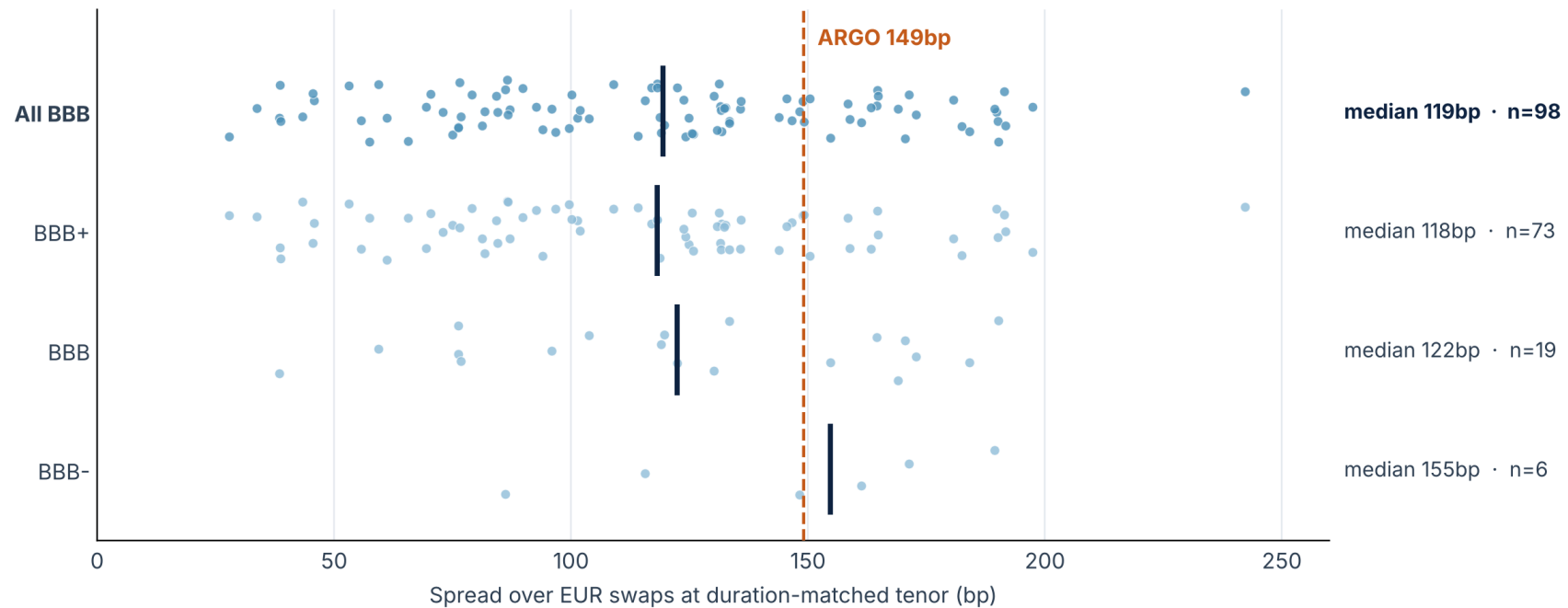


Source: S&P Global Ratings, National and Regional Scale Mapping Tables, Table 8 (Israel), 14 August 2017; Maalot, 2 September 2026.

RELATIVELY TIGHT SPREAD

ARGO (BB equivalent) is only 30bp wider than the European BBB median

98 BBB bonds from 23 European property issuers

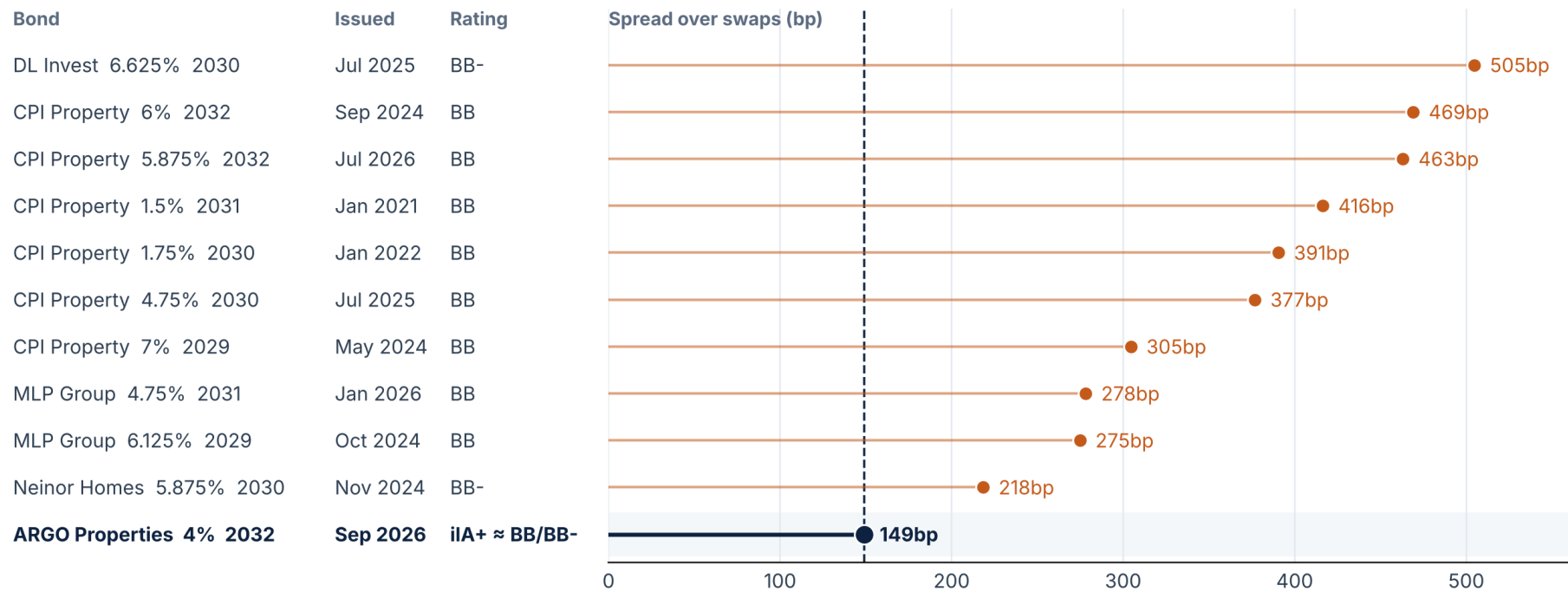


Source: LSEG, EUR fixed-rate property company bonds, 19 October 2026; IREF calculations.

SPREAD COMPARISON · HY

BB rated European property bonds trade 69–356bp wider than ARGO

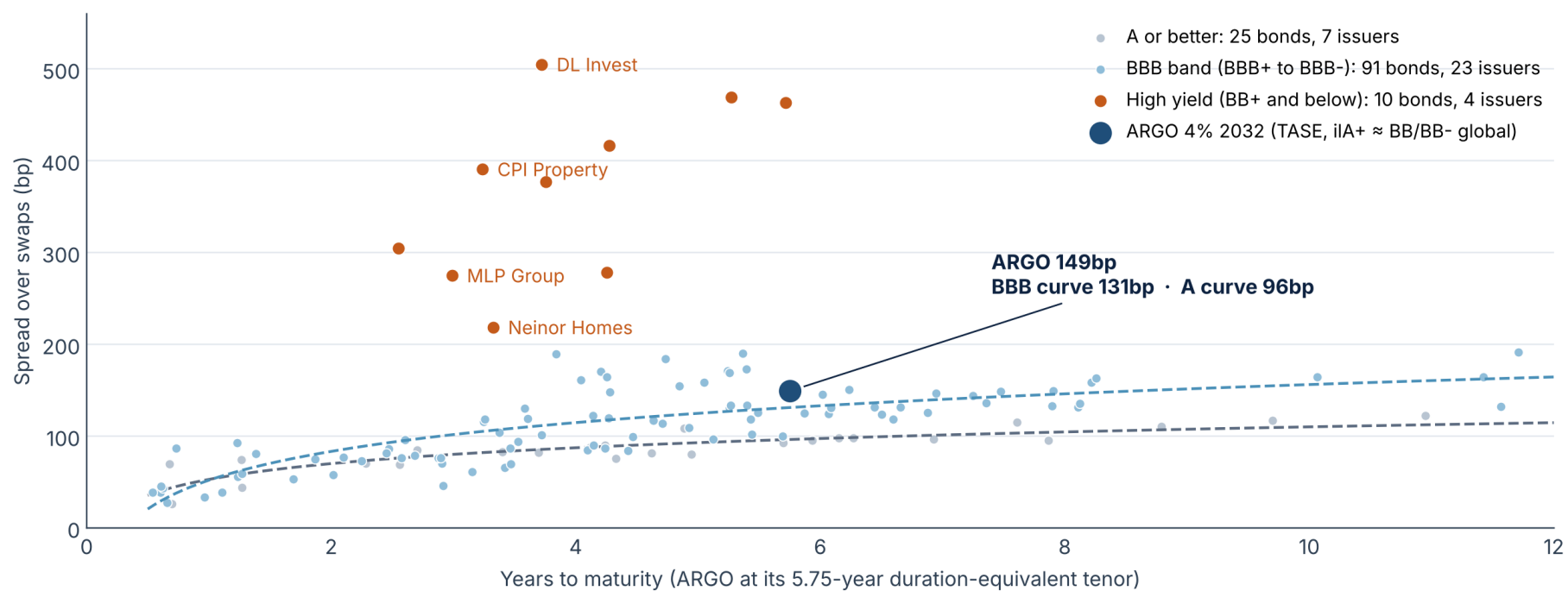
Closest in time and tenor: CPI Property 5.875% 2032, issued July 2026, at 463bp



Source: LSEG, EUR fixed-rate property company bonds rated BB+ or below, bid 19 October 2026; IREF calculations.

SPREAD COMPARISON · ALL RATINGS

ARGO prices closer to BBB than to its BB peers

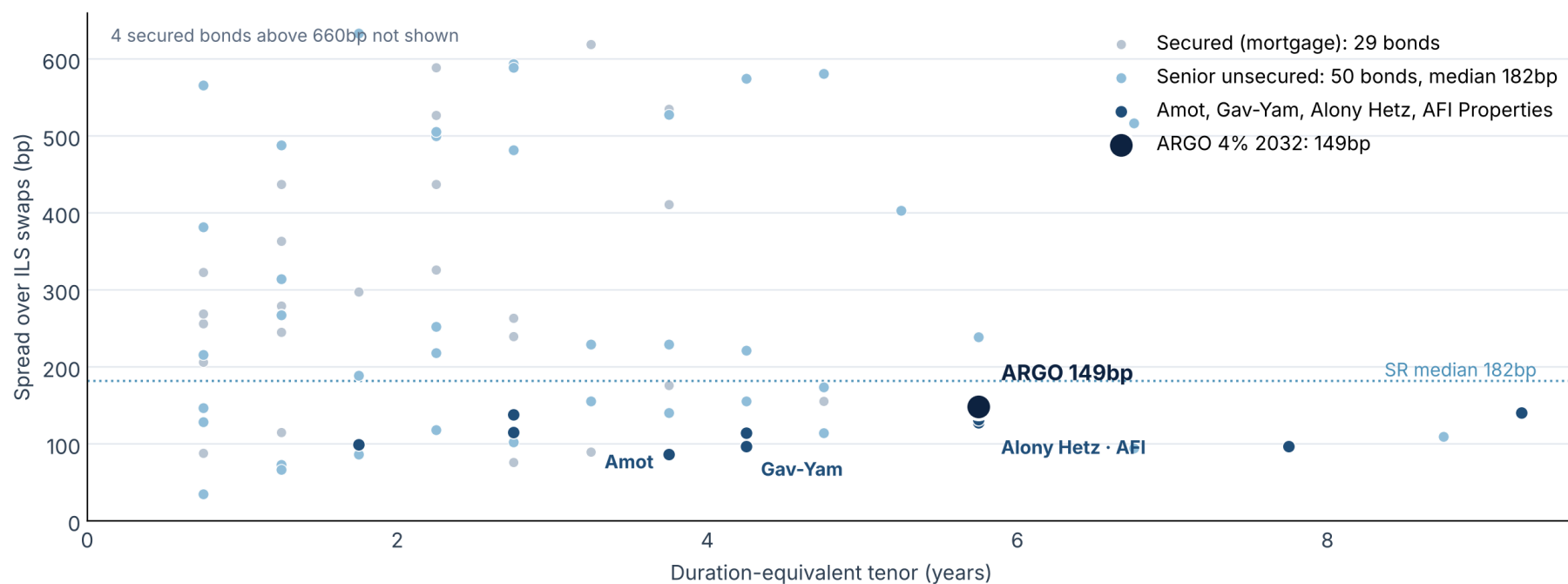


Source: LSEG, EUR fixed-rate property company bonds, 19 October 2026; IREF calculations.

TASE PEER COMPARISON

And on TASE the ARGO bond prices with the stronger Israeli landlords

50 senior unsecured ILS nominal property bonds: median 182bp; 28 trade wider than ARGO



Source: LSEG, TASE ILS nominal property bonds, bid 19 October 2026; IREF calculations. Spread over ILS swaps at duration-equivalent tenor.

Two German residential bond issuers on TASE: ARGO and Living Stone

~980

European property bonds

Live senior bonds of commercial property companies across European market venues.

~260

Eurobonds

Of which international Eurobonds.

2

German residential issuers

With bonds on TASE: ARGO and Living Stone Immo BV.

Search cost

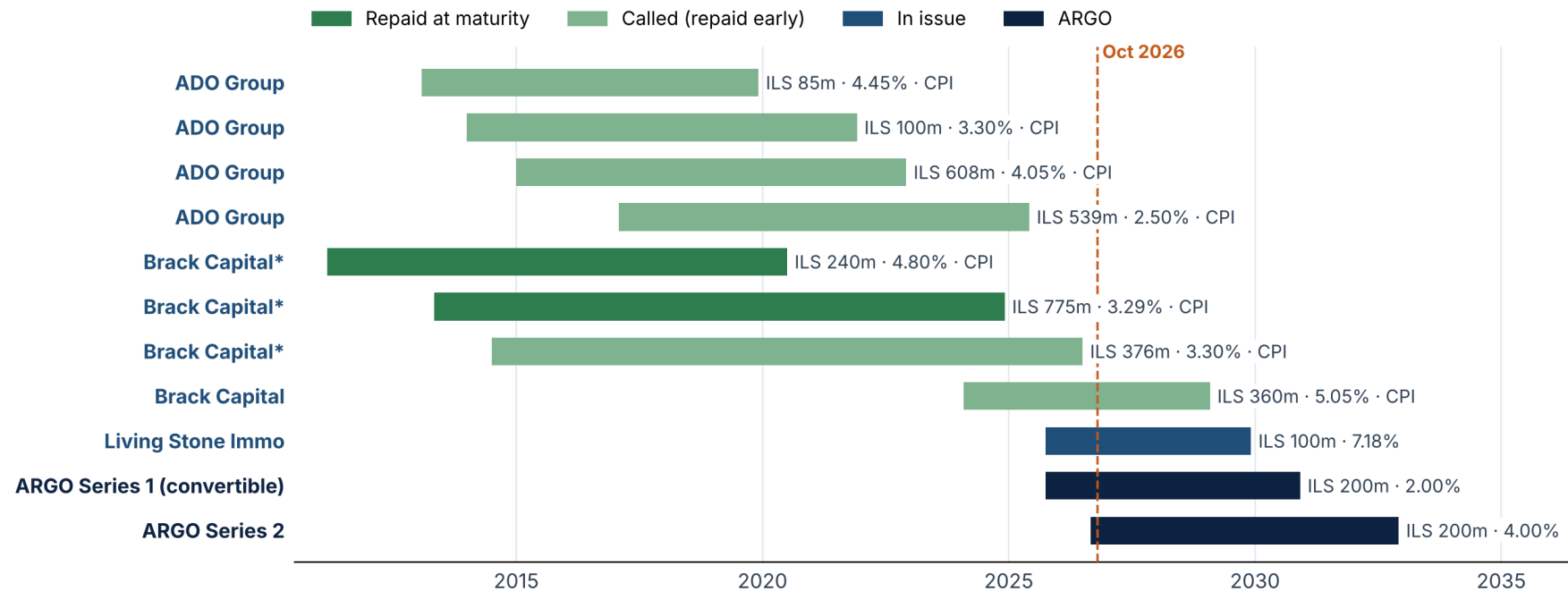
Israeli institutions compare ARGO with ~80 domestic property issuers, not ~1,000 foreign-law European bonds.

Source: LSEG, 19 October 2026 (senior property company bonds; hybrids, commercial paper and non-profit issuers excluded); TASE Maya; IREF calculations.

NOT NEW · POSITIVE SECTOR TRACK RECORD ON TASE

Since 2011, every German residential series on TASE that ended was repaid

ILS 3.2bn across nine series before ARGO; eight repaid at maturity or on call, none defaulted



Founders

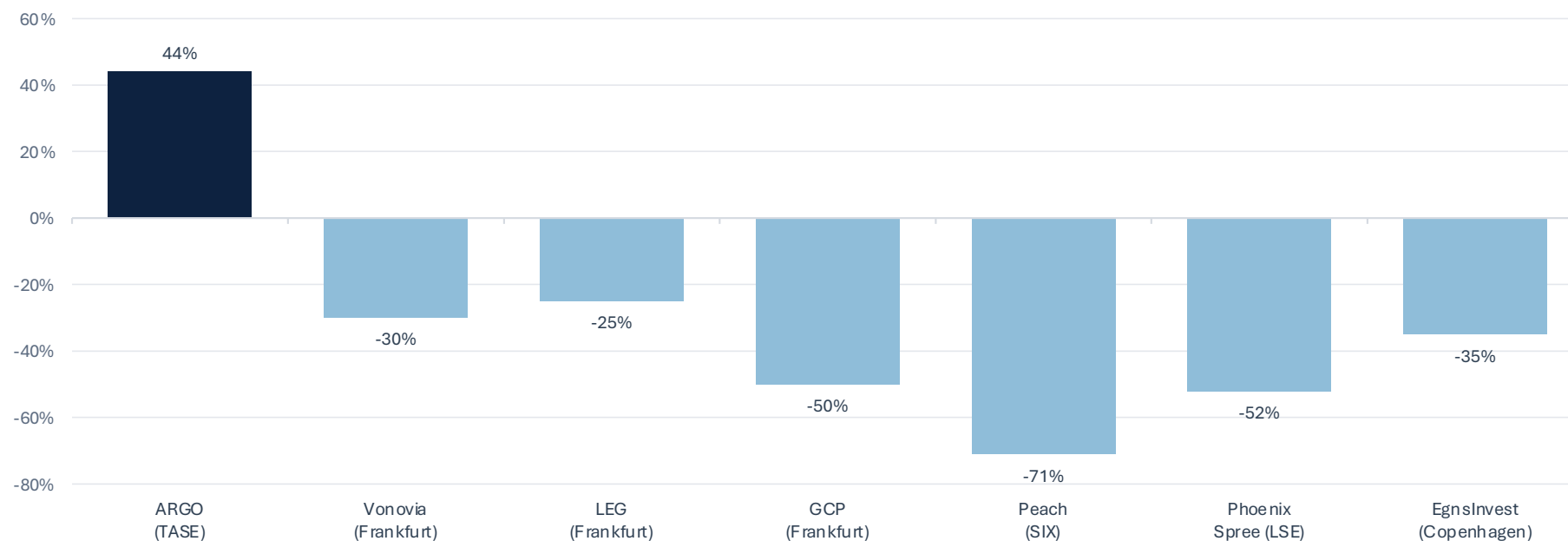
Gal Tenenbaum and Ofir Rahamim: at Brack Capital until 2018 (* series issued in their era) · ARGO founded 2018

Source: TASE Maya filings and issuer prospectuses; ARGO Properties N.V. TASE filings; IREF compilation.

PRICING DRIVER · EQUITY

ARGO trades at a 44% premium to NTA; listed European peers at 25–71% discounts

Condo privatisation upside explains part of the premium — and supports the covenant base



For bondholders

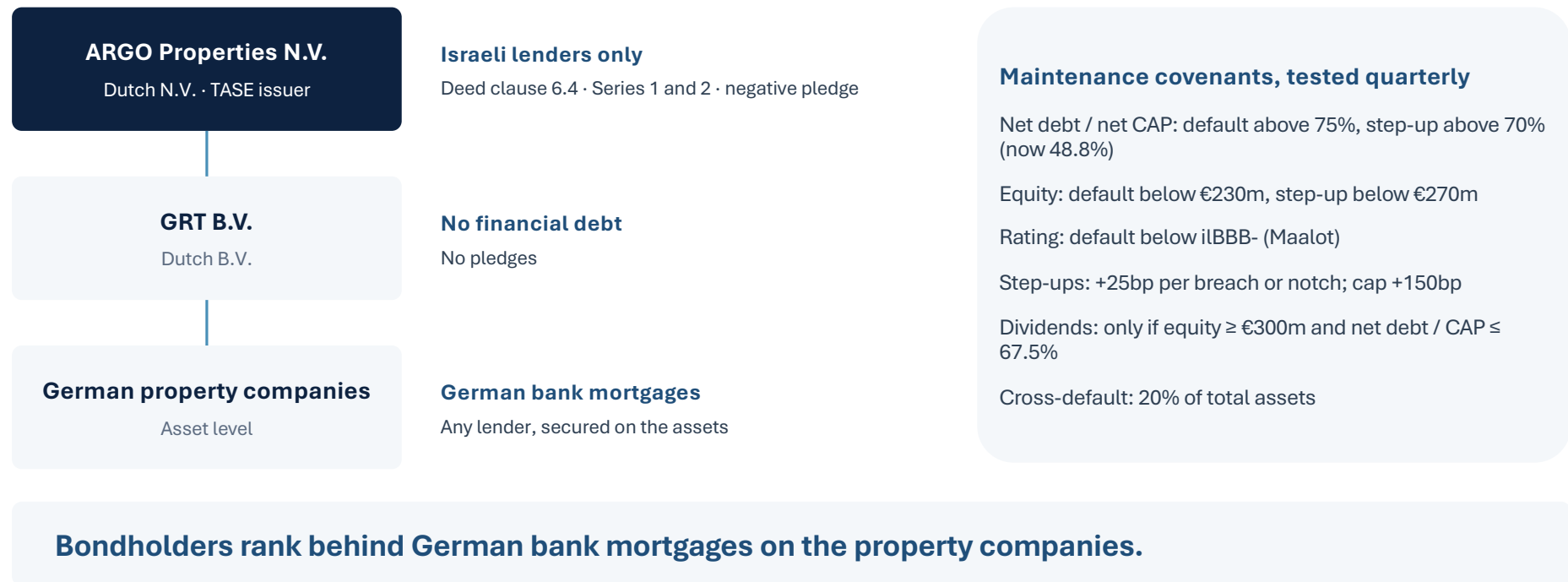
A large market-value equity cushion, and a convertible more likely to become equity.

Source: Bloomberg (market cap); ARGO Properties N.V. (IFRS equity, NTA, 30 June 2026); EPRA data and company filings for European peers; approximate as at October 2026. Peach Property Group: SIX filings. Phoenix Spree Deutschland: LSE filings. EgnsInvest: Copenhagen filings.

PROTECTION · STRUCTURE

Only Israeli creditors at group level: one venue, one creditor class

No borrowing from non-Israeli lenders at group level keeps enforcement simple for TASE bondholders

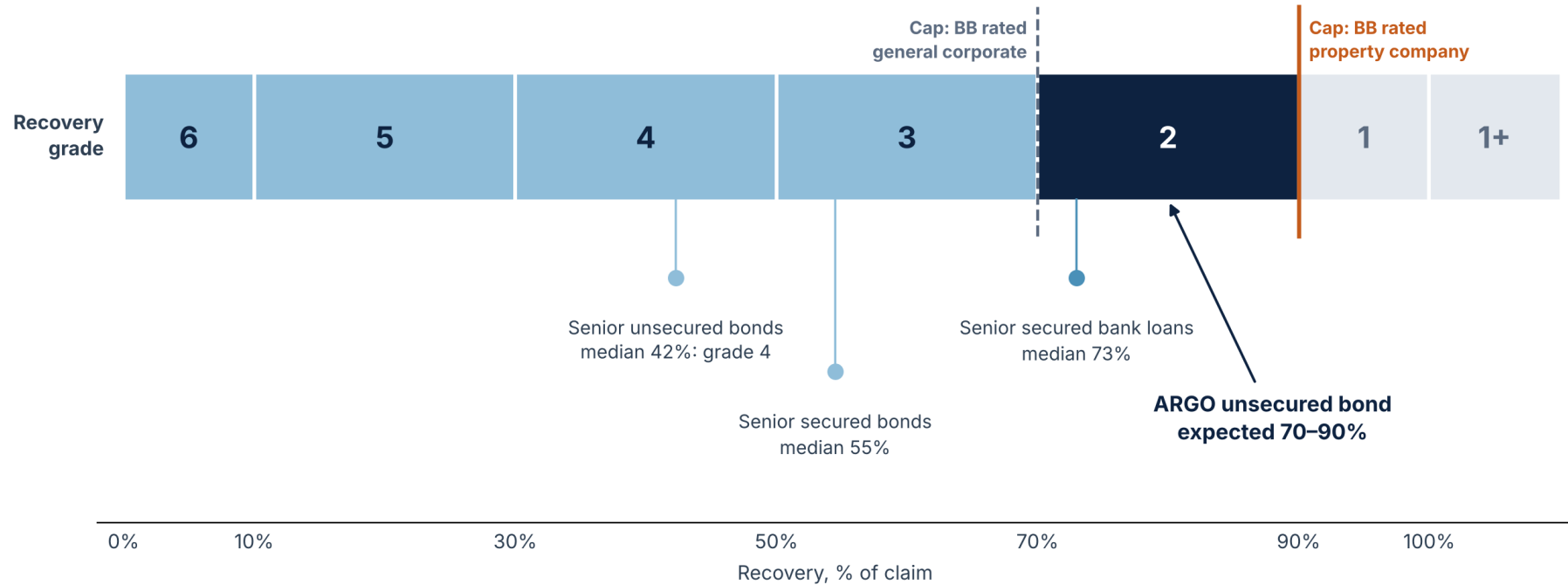


Source: ARGO Properties N.V., deed of trust, 28 September 2026, clauses 5.2, 5.3, 5.7 and 6.1–6.4.

PROTECTION · RECOVERY

ARGO's unsecured bond: recovery grade 2, the maximum for its rating

Unsecured debt typically recovers at grade 4; BB rated issuers are capped at 3, property companies at 2



Source: Maalot rating report, 2 September 2026; S&P recovery criteria as published by Maalot (Group A ranges; unsecured caps by rating and sector); medians: Altman, Resti and Sironi review (bonds: Altman and Fanjul, 2004; loans: Emery, 2003); Moody's 1987-2022 averages similar (47% / 61% / 75-80%).

TEMPLATE OR SPECIAL CASE?

Can a European midsize borrower repeat ARGO on TASE?

Most of the template can be repeated except the sponsor story

Sector	Real estate is 65% of non-financial TASE corporate bonds; the market knows the asset class	Property issuers
Rating	iLA group or better (92% of TASE corporate bonds are rated iLA- or above) a rating-driven market	Threshold
Size	€50–150m is the TASE sweet spot, below the €300m+ Eurobond threshold	Repeatable
Legal	Commitment to an Israeli deed and Israeli courts	Repeatable
Reporting	Quarterly IFRS reporting and immediate reports on Maya (a step up for most European issuers)	Ongoing cost
Lenders	No non-Israeli lenders at group level to deconflict enforcement across jurisdictions	Restrictive
Covenants	Quarterly maintenance tests with coupon step-ups, not Eurobond-style incurrence	Repeatable
Currency	ILS bond against EUR rents - hedging cost not disclosed	Cost unknown
Sponsor	Founders known to TASE since Brack Capital	ARGO-specific

Source: ARGO Properties N.V., offering results (TASE Maya, MAYA 1772908) and deed of trust, 28 September 2026; TASE corporate bond index sector weights, October 2026; Bank of Israel via Bachar and Last (2020), rating share March 2020; IREF analysis.

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