

Meidar Ganei Eden Ltd.

Trial Consolidated Financial Statements

as at June 30, 2025

Meidar Ganei Eden Ltd.
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Auditors' trial report to the shareholders of **Meidar Ganei Eden Ltd**

Preface

We have reviewed the attached financial data on Meidar Gan Eden Ltd. that includes the consolidated extract report on financial state as at June 30, 2025, and the consolidated extract report on total profit, changes in capital and cash flows for the period of six months ending on this date. The board of directors and management are responsible for the preparation and presentation of the financial data for these interim periods according to International Accounting Standard IAS 34 – “Financial reporting for interim periods”, while our responsibility is to express a conclusion concerning the financial data for these interim periods based upon our review.

Review scope

We have prepared our review according to the (Israel) Review Standard 2410 of the Institute of Certified Public Accountants In Israel – “A review of financial data for interim periods prepared by the entity’s auditors”. A review of financial data for interim periods consists of a clarifications, primarily with those persons responsible for financial and accounting matters, and by implementing analytical and other review procedures. A review is significantly concise in scope as compared with an audit prepared according to customary auditing standards in Israel and therefore we cannot achieve the level of certainty on all significant matters as would be identified in an audit. Thus, we are not providing a professional opinion on an audit.

Conclusion

Based upon our review, nothing has come to our attention that leads us to reason that the above financial data was not prepared, from all essential aspects, according to International Accounting Standard IAS 34.

Elefant Mahalla
Certified Public Accountants

Meidar Ganei Eden Ltd

Consolidated Statements Extract of Financial State

(in NIS 000s)

	As of June 30	As of June 30	As of December 31
	2025	2024	2024
	Unaudited	Unaudited	Audited
<u>Current assets</u>			
Cash and cash equivalents	2,925	1,514	5,669
Receivables and receivable balances	15,335	7,048	9,831
Use of entitled assets	1,333	1,778	1,555
Loans to related parties	35,200	14,842	22,559
	<u>54,794</u>	<u>25,182</u>	<u>39,644</u>
<u>Non-current assets</u>			
Investments treated according to book value	17,250	7,504	14,003
Real estate inventory	65,162	20,007	21,603
Stock of buildings under construction	23,818	14,772	*22,390
Investment properties under construction	28,784	28,104	27,501
Fixed assets, net	1,123	1,572	1,175
Long term debtors	3,550	4,390	3,550
Intangible assets	35	28	22
Deposits	-	157	-
	<u>139,723</u>	<u>76,534</u>	<u>90,243</u>
	<u>194,517</u>	<u>101,716</u>	<u>129,888</u>

* Reclassified

The attached notes are an integral part of the consolidated financial statements.

Meidar Ganei Eden Ltd
Consolidated Statements Extract of Financial State
(in NIS 000s)

	As of June 30	As of June 30	As of December 31
	2025	2024	2024
	Unaudited	Unaudited	Audited
<u>Current liabilities</u>			
Short term loans	26,267	28,222	26,877
Credit from banking corporations	15,581	-	-
Suppliers and service providers	1,688	377	658
Creditors & credit balances	6,716	3,469	499
Obligations under lease	1,429	1,821	1,630
	<u>51,681</u>	<u>33,890</u>	<u>29,664</u>
<u>Non-current liabilities</u>			
Tax reserve	262	1,140	292
Long term loans	139,818	55,036	95,181
Debentures	10,390	10,561	9,974
	<u>150,470</u>	<u>66,737</u>	<u>105,447</u>
<u>Capital</u>			
<u>Capital attributed to the shareholders of the company</u>			
Share capital	0.01	0.01	0.01
Capital fund	12,357	8,144	12,357
Balance of loss	(28,357)	(8,247)	(17,799)
	<u>(8,000)</u>	<u>(103)</u>	<u>(5,442)</u>
<u>Rights that do not confer control</u>	<u>365</u>	<u>1,193</u>	<u>220</u>
	<u>(7,635)</u>	<u>1,090</u>	<u>(5,222)</u>
	<u>194,517</u>	<u>101,716</u>	<u>129,889</u>

* Reclassified

The attached notes are an integral part of the consolidated financial statements.

Date of approval
and publication
The financial
statements

Shmariahu
Adelman,
Chairman, Board
of Directors

Yehiel Porush
CEO and Finance
Manager

Meidar Ganei Eden Ltd
Consolidated Statements Extract on Total Profit
(in NIS 000s)

	For the 6 months ending on June 30	For the 6 months ending on June 30	For the year ending on December 31
	2025	2024	2024
	Unaudited	Unaudited	Audited
Rental income and management fees	1,385	942	2,513
Adjustment of the fair value of real estate for investment under construction	-	(834)	(2,145)
	1,385	108	368
Cost of providing services	(0.3)	(9)	(0.2)
	(0.3)	(9)	(0.2)
Gross profit	1,385	100	368
Advertising and sales expenses	(32)	(42)	(100)
General and administrative expenses	(4,148)	(3,598)	(6,237)
Other income	6	7	12
	(4,174)	(3,633)	(6,325)
Operating loss	(2,790)	(3,533)	(5,957)
The company's share in the profits (losses) of companies treated by the balance sheet value method	1,876	(200)	424
Financing income	1,426	903	3,622
Financing expenses	(2,527)	(1,560)	(5,316)
	(1,101)	(657)	(1,694)
Loss before income taxes	(2,014)	(4,391)	(7,227)
Income taxes	18	149	684
Net loss for the period	(1,997)	(4,242)	(6,543)
<u>Loss attributable to:</u>			
Company shareholders	(1,969)	(4,120)	(6,212)
Holders of non-controlling rights	(27)	(122)	(330)
	(1,997)	(4,245)	(6,543)
<u>Loss per share attributable to the company's shareholders</u>			
Basic loss	(19.69)	(41.2)	(62.12)
Diluted loss	(19.69)	(41.2)	(62.12)

The attached notes are an integral part of the consolidated financial statements.

Meidar Ganei Eden Ltd
Consolidated Statements Extract on Equity Changes
(in NIS 000s)

	Share capital	Venture Capital fund	Residual profit	Total	Rights that do not confer control	Total capital
Balance for January 1, 2025 (audited)	0.01	12,357	(17,799)	(5,442)	220	(5,222)
Changes relating to previous years	-	-	(589)	(589)	173	(416)
Profit (loss) for the period	-	-	(1,969)	(1,969)	(27)	(1,997)
Balance as of June 30, 2025 (unaudited)	0.01	12,357	(20,357)	(8,000)	365	(7,635)
Balance for January 1, 2024 (audited)	0.01	9,364	(4,128)	5,236	1,275	6,512
Changes relating to previous years	-	-	-	-	61	61
Profit (loss) for the period	-	-	(6,212)	(6,212)	(330)	(6,543)
Other total profit	-	2,993	(7,459)	(4,466)	(786)	(5,252)
Balance as of December 31, 2024 (audited)	0.01	12,357	(17,799)	(5,442)	220	(5,222)

Meidar Ganei Eden Ltd
Consolidated Statements Extract on Equity Changes
(in NIS 000s)

	Share capital	Venture Capital fund	Residual profit	Total	Rights that do not confer control	Total capital
Balance for January 1, 2024 (audited)	0.01	9,364	(4,128)	5,236	1,275	6,512
Profit (loss) for the period	-	-	(4,120)	(4,120)	(122)	(4,242)
Other total profit	-	(1,220)	-	(1,220)	39	(1,181)
Balance as of June 30, 2024 (unaudited)	0.01	8,144	(8,248)	(104)	1,192	1,089

Meidar Ganei Eden Ltd
Consolidated Statements Extract of Cash Flows
as of June 30, 2025

	For the 6 months ending on June 30 2025 Unaudited	For the 6 months ending on June 30 2024 Unaudited	For the year ending on December 31 2024 Audited
<u>Current Operating Cash Flows</u>			
Net profit (loss) for the year	1,997	(4,242)	(6,212)
Adjustment in respect of previous year	-	-	(269)
Adjustments required to present cash flows from operating activities (Appendix A)	(6,030)	* 5,582	8,015
Cash derived (used) for current operations	(8,027)	1,340	1,534
<u>Cash flows from investment activities</u>			
Investment in fixed assets	(108)	(531)	(244)
Project investments	(969)	(87)	(12,620)
Real estate investments	(1,283)	(1,771)	(10,117)
Deposits	-	(157)	-
Long-term debtors	(11,444)	708	(15,774)
Real estate inventory	(44,988)	* (13,130)	(14,071)
Cash used for investment activities	(58,792)	(5,286)	(52,826)
<u>Cash flows from financing activities</u>			
Loans received	64,045	14,014	55,862
Cash derived from financing activities	64,045	14,014	55,862
Increase (decrease) in cash and cash equivalents	(2,774)	385	4,570
Cash balance and cash equivalents at period start	5,699	1,129	1,129
Cash balance and cash equivalents at period end	2,925	1,514	5,699
<u>Expenses (income) that do not involve cash flow</u>			
Depreciation and amortization	370	392	729
The Company's share (of profits) in the losses of held companies treated according book value method	(1,876)	200	(424)
Adjustment of fair value of investment real estate	-	734	2,145
Financing expenses, net	(6,148)	65	4,070
Income taxes	(30)	20	(997)
	(7,684)	1,412	5,523
<u>Changes in assets and liabilities</u>			
Decrease (increase) in debtors and outstanding balances and in customers	(5,460)	1,151	2,355
Decrease in creditors and credit balances and suppliers	7,114	3,018	137
	1,654	* 4,170	2,492
	(6,030)	5,582	8,015

* Reclassified

Meidar Ganei Eden Ltd
Notes to the Consolidated Financial Statements Extract
as of June 30, 2025

Note 1 - General:

- A. The company was incorporated in June 2020 and began operations in July 2020. As of August 2020, the company has investments in the companies it holds.
- B. The company and the companies held by it are engaged in locating, initiating, planning, establishing, and promoting projects in the field of residential and rental real estate in Israel.
- C. The company owns, through subsidiaries, land, and real estate under construction, intended partly for commerce and offices and partly for residences.
- D. In 2022, bonds were issued in Germany, through its wholly owned subsidiary - GanEden Finance GmbH. Up to the date of the financial statements, approximately 2.37 million euros were raised.
- E. In December 2023, the operations of the held company – “Meidar Eleanor Logistics” were transferred to other shareholders, as a result of the different types of operations of the held company.
- F. In December 2023, a subsidiary called Meidar Hitchadshut Bonim Atid Ltd. was established in order to absorb large parts of the company’s projects that deal in urban renewal.
- G. On October 7, 2023, the Iron Swords war erupted in Israel (hereinafter: the “war”), which is on-going as of the date of authorizing the report. The eruption of the war led to a slowdown in business activities in the Israel economy, due to the general public mood, the major recruitment of reserve forces, and the absence of parents of children from their workplaces. At the time of authorizing the report, the war is still ongoing in the Gaza Strip and at the northern border. The security situation could have an impact on lengthening the duration of establishing new projects and to price raises of input in the coming years as a result of lack of manpower due to the closure of the West Bank and the Gaza Strip, and also a result of foreign workers that have left the country. Company management believes that as of the date of the report, there is no substantial impact on the financial condition of the company and therefore there have not been any adjustments made in the financial reports.

The company continues from time to time to examine the influence of the economic situation and the fighting on its business activities. However, at this stage, the company cannot explicitly assess the scope and nature of additional future impacts of the war on its results.

Meidar Ganei Eden Ltd
Notes to the Consolidated Financial Statements Extract
as of June 30, 2025

Note 2 - The main accounting policies:

The accounting policies detailed below have been applied in the financial statements consistently, in all the periods presented, unless otherwise stated.

1. **Basis for presenting the financial statements.**

The financial statements are prepared in accordance with international financial reporting standards (hereinafter -IFRS). The company's financial statements are prepared on a cost basis, with the exception of investment real estate and financial assets measured at fair value through other comprehensive income.

The company chose to present the report on the total profit according to the method of the characteristic of operations.

The accounting policy that was implemented in preparing the interim financial statements is consistent with what is implemented in preparing the annual financial statements.

2. **The operating cycle period**

The group's normal operating cycle period, with reference to the construction of buildings for sale, is 3 years.

3. **Consolidated Financial Statements**

The consolidated financial statements include the reports of companies over which the company has control (subsidiaries). Control exists when the company has influence over the invested entity, exposure, or rights to variable returns as a result of its involvement in the invested entity, as well as the ability to use its power to influence the amount of returns that will result from the invested entity. When examining control, the effect of potential voting rights is taken into account only if they are real. The consolidation of the financial statements is carried out starting from the date on which control was obtained, until the date on which control was terminated.

The financial statements of the company and the subsidiaries are prepared for the same dates and periods. The accounting policy in the financial statements of the subsidiaries was applied in a uniform and consistent manner with that applied in the company's financial statements. Substantial mutual balances and transactions and profits and losses arising from transactions between the group companies have been fully eliminated in the consolidated financial statements.

Meidar Ganei Eden Ltd
Notes to the Consolidated Financial Statements Extract
as of June 30, 2025

Note 2 - The main accounting policies: (contd.)

3. Consolidated Financial Statements (contd.)

Rights that do not grant control in respect of subsidiaries represent the capital in the subsidiaries that cannot be attributed, directly or indirectly, to the parent company. The rights that do not confer control are shown separately within the company's capital. Profit or loss is attributed to the company and non-controlling interests. Losses are attributed to non-controlling interests even if as a result the balance of non-controlling interests in the consolidated statement of financial condition is negative.

4. Investment in joint arrangements

Joint arrangements are arrangements in which the company has joint control. Joint control is an agreed contractual sharing of control over an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

1) Joint Ventures

In joint ventures, the parties to the arrangement have joint control over the rights in the net assets of the arrangement. A joint transaction is handled according to the balance sheet value method.

2) Joint Operations

In joint activities, the parties to the arrangement have joint control over the arrangement, rights to the assets and obligations to the obligations of the arrangement. The company recognizes the joint activity in its relative share of the assets, liabilities, income and expenses of the joint activity.

5. Investments are handled according to the balance sheet value method.

Included corporations are those companies over which the Group has significant influence as regards their financial and operating policy, but not under control. The Group's investments in included corporations and in joint transactions are treated according to the balance sheet value method.

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Note 2 - The main accounting policies: (contd.)

5. Investments are handled according to the balance sheet value method (contd.)

Included corporations are those companies over which the Group has significant influence as regards their financial and operating policy, but not under control. The Group's investments in included corporations and in joint transactions are treated according to the balance sheet value method.

According to the balance sheet value method, the investment in the included company or in a joint transaction is shown at cost plus post-acquisition changes in the group's share of net assets, including other gross profit of the included company or joint transaction. Profits and losses arising from transactions between the group and the included company, or the joint transaction are eliminated according to the holding rate.

6. Inventory of land for construction

Real estate under construction is measured on the basis of cost. The cost of the land includes credit costs related to financing the construction of the property until the completion date, planning and design costs, allocated indirect construction costs and other related costs.

7. Real estate for investment and real estate for investment under construction

Investment real estate is real estate (land or building, or both) held by the owner (lessor under an operating lease) or lessee under a financial lease for the purpose of generating rent or for an increase in value or both and not for use in exporting or supplying goods or services or for the purposes Administration, or sale in the ordinary course of business.

Investment in real estate is deducted when it is realized or when its use ceases and no future economic benefits are expected from its realization. The difference between the net proceeds from the realization of the asset and the balance in the financial statements is recognized in the statement of all profit or loss in the period in which the asset was deducted.

Investment real estate is initially measured at cost, including direct purchase increases. After initial recognition, investment real estate is measured at fair value, which reflects market conditions at the time of reporting. Gains or losses resulting from changes in the fair value of the investment real estate are credited to profit or loss at the time of their occurrence. Investment real estate is not systematically depreciated.

Meidar Ganei Eden Ltd
Notes to the Consolidated Financial Statements Extract
as of June 30, 2025

Note 2 - The main accounting policies (contd.):

8. First implementation of accounting standards and disclosure for new IFRS standards in the period prior to the implementation of IFRS 18 – Presentation & Disclosure in Financial Statements:

In April 2024, the International Accounting Standards Board (IASB) published International Financial Reporting Standard 18 (IFRS 18) - Presentation and Disclosure in Financial Statements (hereinafter: the “new standard”), which replaces International Accounting Standard 1 (IAS 1) - Presentation of financial statements (hereinafter: IAS 1).

The purpose of the new standard is to improve the ability to compare and transparency in the financial statements. The new standard will include the existing requirements of IAS 1 as well as new requirements for presentation in the profit and loss statement, presenting amounts and sub-amounts, which are required according to the new standard, giving disclosure about performance indices defined by the management and the new requirements for allocations and the splitting of financial data.

The new standard does not change the recognition instructions and the measurement of items in the financial statements. Nevertheless, as items in the profit and loss statement must be classified in one of five categories (operational activities, investment activities, financing activities, income tax, and activities that have ceased), it is likely to change the entity’s operating profit. Furthermore, the publication of the new standard caused some corrections to a small extent to other accounting standards including IAS 7 - Statement on cash flows and IAS 34 - Financial statements for interim periods.

The new standard will be implemented retroactively starting from annual periods commencing on January 1, 2027 or thereafter. Early implementation is possible while giving disclosure about this.

The company is examining the effect on the financial statements of the new standard including the effect of the amendments to other accounting standards as a result of this new standard.

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Note 3 – Events after the balance sheet date:

- a. After the reporting period, an agreement was signed between Meidar Renewal and Propdo Ltd., a public company that allocated to it 49% of ordinary shares and 50% of shares that participate in profits. According to the agreement's clauses, Propdo received formal control and shall be responsible for the entire financing of all of the expenses of Meidar Renewal Ltd. and all the investments in the projects.
- b. Internal structure changes agreements were signed between Meidar Renewal and Meidar Ganei Eden within the scope of which transfers were made under Articles 104c and 104a of the Income Tax Ordinance, in respect of the following project companies:
- The rights to the company Meidar Renewal Menachem Begin Ltd. were transferred from Meidar Renewal to Meidar Ganei Eden under Article 104c.
 - The rights to the following companies and partnerships were transferred from Meidar Ganei Eden to Meidar Renewal under Article 104a:

Meidar Migdalei HaShisha Ltd.

Meidar Yoseftal Kiriath Atta Ltd.

Meidar Barak Ramla Renewal Ltd.

Meidar Iceland Ltd.

Meidar Iceland Demolition and Reconstruction Limited Partnership.