

Meidar Gan Eden Ltd.

Consolidated Financial Statements

for the year 2025

Meidar Gan Eden Ltd
Consolidated Financial Statements
for December 31, 2025

<u>Table of Contents:</u>	<u>Page</u>
The auditors' report to the shareholders	3
Consolidated statement on financial position	4-5
Consolidated statement of total profit	6
Consolidated statement on the changes in capital	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9-44
Appendix A - List of held companies	45



**Auditors' report
to the shareholders of
Meidar Gan Eden Ltd**

We have reviewed the attached consolidated reports on the financial condition of Meidar Gan Eden Ltd. (hereinafter: the "Company") for December 31, 2025 and 2024, and the consolidated reports on profit or loss, changes in capital and cash flows for each year. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards accepted in Israel, including standards set forth in the Accountants Regulations (How an Accountant Works), 5733-1973. According to these standards, we are required to plan the audit and perform it with the aim of obtaining a reasonable degree of assurance that is no material misstatements are found in the financial statements. An audit includes a sample examination of evidence supporting the amounts and information in the financial statements. An audit also includes an examination of the accounting rules that have been applied and of the significant estimates made by the Company's board of directors and management, as well as an assessment of the adequacy of the presentation in the financial statements as a whole. We believe that our audit is a sufficient basis for our opinion.

In our opinion, the above financial statements adequately reflect, in all material respects, the financial condition of the Company and its consolidated companies as of December 31, 2025 and 2024 and the results of their operations, changes in capital and their cash flows for each year that ended on those dates, in accordance with International Financial Reporting Standards (IFRS).

**Elefant Mahalla
Certified Public Accountants**

Jerusalem, June 30 , 2026

Meidar Gan Eden Ltd

Consolidated Statements of Financial Position

(in NIS 000s)

	Note	As of December 31	
		2025	2024
<u>Current assets</u>			
Cash and cash equivalents	3	3,714	5,699
Receivables and receivable balances	4	13,766	9,831
Assets with rights of use		1,111	1,555
Loans to associated parties	6	48,944	22,559
		<u>67,535</u>	<u>39,644</u>
<u>Non-current assets</u>			
Investments treated according to book value	7	45,382	14,003
Real estate inventory	8	45,494	21,603
Stock of buildings under construction	9	19,509	22,390
Investment properties under construction	10	26,423	27,501
Fixed assets, net	11	662	1,175
Long term debtors	12	8,411	3,550
Intangible assets		18	23
Deferred taxes		2,882	-
		<u>148,780</u>	<u>90,245</u>
		<u>216,314</u>	<u>129,889</u>

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

Meidar Gan Eden Ltd

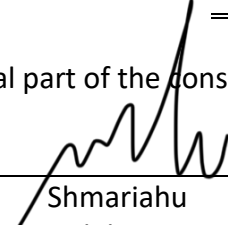
Consolidated Statements of Financial Position
(in NIS 000s)

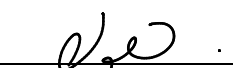
		As of December 31	
	Note	2025	2024
<u>Current liabilities</u>			
Short term loans	13	20,450	26,877
Suppliers and service providers		397	658
Creditors & credit balances	14	481	499
Obligations under lease		1,219	1,630
		<u>22,546</u>	<u>29,664</u>
<u>Non-current liabilities</u>			
Tax reserve		1,562	292
Long term loans	15	182,417	95,181
Debentures	16	9,839	9,974
		<u>193,818</u>	<u>105,447</u>
<u>Capital</u>			
<u>Capital attributed to the shareholders of the Company</u>			
Share capital	17	0.01	0.01
Capital fund		12,608	12,357
Balance of loss		(12,468)	(17,799)
		<u>140</u>	<u>(5,442)</u>
<u>Rights that do not confer control</u>		<u>(190)</u>	<u>220</u>
		<u>(50)</u>	<u>(5,222)</u>
		<u>216,314</u>	<u>129,889</u>

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

30/06/2026

Date of approval
and publication
The financial
statements


Shmariahu
Adelman,
Chairman, Board
of Directors


Yehiel Porush
CEO and Finance
Manager

Meidar Gan Eden Ltd

Consolidated statement of total profit
(in NIS 000s)

		For year ending December 31	
		<u>2025</u>	<u>2024</u>
Rental income and management fees		12,329	2,513
Cost of sales / services providing		(42)	(0.2)
Gross profit		<u>12,287</u>	<u>2,513</u>
Advertising and sales expenses		(123)	(100)
General and administrative expenses	18	(9,915)	(6,237)
Adjustment of the fair value of real estate for investment under construction		(5,404)	(*) (2,145)
Other income	19	<u>6,711</u>	<u>12</u>
		(8,731)	(8,470)
Operating profit (loss)		3,556	(5,957)
The Company's share in the profits of companies treated by the balance sheet value method		1,298	424
Financing income	20	5,580	3,622
Financing expenses	20	<u>(5,860)</u>	<u>(5,316)</u>
		(280)	(1,694)
Profit (loss) before income taxes		4,574	(7,227)
Income taxes		<u>1,208</u>	<u>684</u>
Net profit (loss) for the year		<u><u>5,782</u></u>	<u><u>(6,543)</u></u>
<u>Profit (loss) attributable to:</u>			
Company shareholders		6,239	(6,212)
Holders of non-controlling rights		(457)	(330)
		<u>5,782</u>	<u>(6,543)</u>
<u>Profit (loss) per share attributable to the Company's shareholders</u>			
Basic profit (loss)		62.39	(62.12)
Diluted profit (loss)		62.39	(62.12)

*Re-classified

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

Meidar Ganei Eden Ltd
Consolidated Statements on changes in Shareholders' Equity
(in NIS 000s)

	Share capital	Venture capital fund	Residual profit	Total	Rights not conferring control	Total capital
Balance on 1 January, 2025	0.01	12,357	(17,799)	(5,442)	220	(5,222)
Profit (loss) for the period	-	-	6,239	6,239	(457)	5,782
Capital fund from associated parties' loans	-	251	(909)	(658)	48	(610)
Balance on December 31, 2025	0.01	12,608	(12,468)	140	(190)	(50)
Balance on 1 January, 2024	0.01	9,364	(4,128)	5,236	1,275	6,512
Change in respect of previous years	-	-	-	-	61	61
Profit (loss) for the year	-	-	(6,212)	(6,212)	(330)	(6,543)
Capital fund from associated parties' loans	-	2,993	(7,459)	(4,466)	(786)	(5,252)
Balance on December 31, 2024	0.01	12,357	(17,799)	(5,442)	220	(5,222)

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

	For year ending	December 31
	2025	2024
<u>Current operating cash flows</u>		
Net profit (loss) for the year	5,782	(6,543)
Adjustment in respect of the previous year	48	61
Adjustments required to present cash flows from current activities (Schedule A)	864	8,015
Cash used for current operations	6,694	1,534
<u>Cash flows from investment activities</u>		
Investment in fixed assets	(139)	(244)
Project investments	(18,751)	(12,620)
Real estate investments	(3,177)	(10,117)
Long term debtors	(4,638)	(15,774)
Loan to a held & associated company	(51,093)	(14,071)
Cash used for investment activities	(77,798)	(52,826)
<u>Cash flows from financing activities</u>		
Receipt of loans	69,118	55,862
Cash derived from financing activities	69,118	55,862
Increase (decrease) in cash and cash equivalents	(1,985)	4,570
Cash balance and cash equivalents at period start	5,699	1,129
Cash balance and cash equivalents at period end	3,714	5,699
<u>Schedule A - Adjustments required to present cash flows from current activities:</u>		
<u>Expenses (income) that not involved in the cash flow</u>		
Depreciation and amortization	542	729
The Company's share in the profits of held companies treated according to the balance sheet value method	(1,298)	(424)
Adjustment of fair value of investment real estate	5,404	2,145
Financing expenses, net	1,924	4,070
Income taxes	(1,611)	(997)
	4,961	5,523
<u>Changes in assets and liabilities</u>		
Increase (decrease) in receivables and outstanding balances and customers	(3,851)	2,355
Increase in inventory under construction and real estate for the construction of apartments for sale	-	-
Increase (decrease) in payables and balances and suppliers	(246)	137
	(4,097)	2,492
	864	8,015

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 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 December 2023, a subsidiary called Meidar Urban Renewal Building a Future Ltd. was established so as to absorb large parts of the Company's projects that deal with urban renewal. In September 2025, the Company entered into a transaction with Profedo Ltd. to finance the activities of Meidar Renewal, and thus the Company lost control of it. See Note 5(c).
- e. Impact of the "Swords of Iron" War

In October 2025, a ceasefire agreement was signed. The "Swords of Iron" war led to a slowdown in business activity in the Israeli economy, including the shutdown of factories in the south and north of the country, damage to infrastructure, the mobilization of reservists for an indeterminate period, and disruptions to economic activity in Israel.

On Saturday, 28 February 2026, a joint offensive was launched by the State of Israel and the United States as part of Operation "Lion's Roar," targeting government facilities in Iran. On 8 April 2026, a ceasefire agreement with Iran came into effect.

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 **as of December 31, 2025**

Note 2 - The main accounting policies:

The accounting policies detailed below have been consistently applied in the financial statements, 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 total profit according to the method of the characteristic of operations.

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**

a. **Subsidiaries**

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 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 **as of December 31, 2025**

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

3. Consolidated financial statements (contd.)

b. Rights that do not confer control

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.

c. Loss of control

When the Company loses control over a subsidiary, it stops recognizing the subsidiary's assets (including any goodwill attributable to the subsidiary) and liabilities, as well as any non-controlling interests (including any related other comprehensive income) at their book values as at the date control was lost.

In addition, the Company reclassifies to profit or loss, or transfers directly to retained earnings, amounts previously recognized in other comprehensive income relating to that subsidiary, based on the same principles that would apply if the Company had itself directly disposed of the related assets or liabilities.

The consideration received, and any investment retained in the former subsidiary, are recognized at their fair value on the date control was lost. Any resulting difference is recognized as a gain or loss in profit or loss.

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.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

4. Investment in joint arrangements (contd.)

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 handled 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.

Goodwill for the purchase of an included company or a joint transaction is presented as part of the investment in the included company or the joint transaction, measured according to cost and is not systematically reduced. Goodwill is examined for a loss of value as part of an investment in the included company or in the joint transaction as a whole.

The financial statements of the Company and the included company or joint venture are prepared for the same dates and periods. The accounting policy in the financial statements of the included company or the joint transaction was applied in a uniform and consistent manner with that applied in the financial statements of the group.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

6. Activity currency, presentation currency and foreign currency

1. Activity currency and presentation currency

The financial statements are presented in NIS as the Company believes that financial statements in NIS provide relevant information to investors and users of the financial statements located in Israel.

The group determines for each company in the group, including companies presented on the basis of the balance sheet value, what is the operating currency of each company.

Assets and liabilities of a held company that is a foreign activity including cost excesses generated are translated according to the closing rate on each reporting date. Income statement items are converted according to average exchange rates.

Inter-company loans within the group, where there is no intention to liquidate and are not expected to be repaid in the foreseeable future, essentially constitute part of the investment in foreign operations, and therefore, the interest rate differences from these loans (minus the tax effect) are credited as other comprehensive profit (loss).

When realizing a foreign activity, or when partially realizing a foreign activity, while losing control, the cumulative profit (loss) related to that activity, which was recognized in other comprehensive income, is credited to profit or loss. When partially realizing a foreign activity while maintaining control of the consolidated company, a proportional part of the amount recognized in other comprehensive income is reattributed to non-controlling rights.

2. Transactions, assets and liabilities in foreign currency

Transactions denominated in foreign currency are recorded upon initial recognition according to the exchange rate at the time of the transaction. After initial recognition, financial assets and liabilities denominated in a foreign currency are translated at each reporting date into the activity currency

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

according to the exchange rate at that time. Rate differences, with the exception of those converted to eligible assets or credited to capital in hedging transactions, are credited to profit or loss. Non-monetary assets and liabilities denominated in a foreign currency presented at fair value are translated into the activity currency according to the exchange rate at the time the fair value is determined.

3. Index-linked financial items

Financial assets and liabilities linked according to their terms to changes in the Consumer Price Index in Israel (hereinafter: the "index") are adjusted according to the relevant index, on each reporting date, in accordance with the terms of the agreement.

7. Cash value

Cash assets are considered investments with high liquidity, which include short-term deposits in banking corporations that are not limited by encumbrance, whose original period does not exceed three months from the date of investment or that exceeds three months but can be withdrawn immediately without penalty and are part of the group's cash management.

8. 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.

9. Capitalization of credit costs

The Group capitalizes credit costs related to the purchase, construction or production of eligible assets, which require a significant period of time for their preparation, intended use or sale.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

Capitalization of credit costs begins at the time when costs were incurred for the property itself, the operations to prepare the property began and credit costs were incurred and ends when all operations to prepare the property for its intended use or sale are substantially completed. The amount of discounted credit costs in the reporting period includes direct credit costs and credit increases according to a weighted discount rate.

The Company capitalizes exchange rate differences arising from foreign currency loans if they are considered an adjustment to interest costs.

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

Investment real estate is property (land or buildings 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 **as of December 31, 2025**

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

Real estate for investment in development intended for future use as investment real estate is also measured at fair value as stated above and this is when the fair value can be reliably measured. When the fair value cannot be reliably measured, due to the nature and scope of the project's risks, then it is measured according to its cost minus the losses in value to the extent that they exist, until the date when the fair value can be reliably measured or the construction is completed, whichever is earlier. The cost base of real estate for investment in development includes the cost of the land plus credit costs used to finance the construction, additional direct planning and development costs and brokerage fees due to engagements in rental agreements.

In order to determine the fair value of the real estate for investment, the Group relies on a valuation performed by independent external appraisers who are experts in real estate valuations and have the required knowledge and experience. The transfer of an asset from fixed property to real estate for investment is made at the time the owner ceases to use the property. The transfer of an asset from real estate for investment to fixed asset is made at the time the owner begins to use the property. The transfer of an asset from inventory to investment real estate is made at the time an operating lease to another party begins. The transfer of an asset from investment real estate to inventory is made at the time development begins with the intention of selling the real estate.

The cost of the asset transferred from investment real estate to fixed assets or inventory is the fair value at the time of the transfer, while the difference between the fair value and the cost of an asset transferred from fixed assets to investment real estate is treated as a revaluation in accordance with IAS 16 and credited to a revaluation fund.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

11. Intangible assets

Intangible assets that are acquired separately are measured upon initial recognition at cost plus direct acquisition costs. Intangible assets acquired in business combinations are measured according to fair value at the time of acquisition. Costs for intangible assets that have been developed internally, with the exception of capitalized development costs, are credited to profit or loss when incurred.

Intangible assets with a defined useful life are depreciated over their useful life and assessed for a loss in value when there are signs indicating a decrease in value.

The amortization period and amortization method of an intangible asset are reviewed at least at the end of each year.

Intangible assets with an indefinite useful life are not systematically depreciated and are subject to an annual loss of value test as well as whenever there is an indication that a loss in value may have occurred.

The useful lives of these assets are reviewed annually to determine whether the indefinite life assessment is still valid. If the events and circumstances no longer support the aforementioned assessment, the change in the useful life from indefinite to definite is treated as a change in an accounting estimate and at the same time a decrease in value is also examined. Starting from that date, the asset is systematically depreciated over its usable life span.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

11. A loss in value of non-financial assets

The Group examines the need for a decrease in the value of non-financial assets when there are signs as a result of events or changes in circumstances that indicate that the balance in the financial statements is not recoverable.

In cases where the balance in the financial statements of the non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value minus selling costs for value in use. In assessing the value in use, the expected cash flows are capitalized according to a pre-tax discount rate that reflects the specific risks for each asset. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A reduction in value of losses are charged to profit or loss.

A loss in value of an asset, with the exception of goodwill, is canceled only when there have been changes in the estimates used to determine the asset's recoverable amount from the date the loss in value was last recognized. In total, the aforementioned loss is limited to the lower of the previously recognized amount of the decline in value of the asset (minus depreciation or amortization) or the recoverable amount of the asset. With regard to an asset measured according to cost, the cancellation of said loss is credited to profit or loss.

The useful life of intangible assets is as follows:

	<u>%</u>
Website	33

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

12. Fixed assets

The fixed asset items are shown at cost plus direct purchase costs, less accumulated depreciation. Depreciation is calculated at equal annual rates based on the straight-line method over the useful life of the asset. The useful life of fixed asset items is as follows:

	<u>%</u>
Computers	33
Furniture	6

13. Financial Instruments

The group implements the provisions of IFRS 9:

1. Financial assets

Financial assets and financial liabilities are initially recognised on the date the Company becomes party to the contractual provisions of the instrument. On initial recognition, financial instruments are measured at fair value, plus directly attributable transaction costs, except for instruments measured at fair value through profit or loss.

Following initial recognition, financial assets are classified and measured according to the Company's business model for managing the assets and the contractual cash flow characteristics, into one of the following measurement categories: amortised cost, fair value through other comprehensive income, or fair value through profit or loss. Financial assets at amortised cost are measured using the effective interest method, net of expected credit losses.

2. Financial obligations

Generally, financial liabilities are measured, after initial recognition, at amortised cost using the effective interest method, except for liabilities classified at fair value through profit or loss.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

14. Financial Instruments (contd.):

3. Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial condition if there is a legally enforceable right to offset the recognized amounts, and there is an intention to dispose of the asset and the liability on a net basis or to realize the asset and discharge the liability at the same time.

4. Removing financial instruments

Financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the financial asset have expired, or when the Company has transferred the contractual rights to receive cash flows from the financial asset, or when the Company has assumed an obligation to pay the cash flows received in full to a third party, without material delay, and has either substantially transferred all the risks and rewards relating to the asset, or has neither transferred nor substantially retained all the risks and rewards relating to the asset but has transferred control over the asset.

Financial liabilities

A financial obligation is de-recognised when it is cleared, i.e. a debt has been repaid, cancelled or expired. A financial obligation is disposed of when the debtor (Group) repays the obligation by paying in cash, other financial assets, goods or services, or is legally released from the obligation.

When an existing financial obligation is replaced by another obligation to the same lender under materially different terms, or when a material change is made to the terms of an existing obligation, the substitution or change is treated as a derogation of the original obligation and the recognition of a new obligation. The difference between the balance of the above two liabilities in the financial statements is credited to the profit or loss statement. If the replacement or change is immaterial, it is treated as a change in the terms of

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

the original obligation and is not recognized at the time of gain or loss from the exchange. When examining whether it is a material change in the terms of an existing obligation, the Company takes into account qualitative and quantitative considerations.

5. Reduction in value of financial assets

The Group examines on each reporting date whether there is objective evidence of a decrease in the value of a financial asset, or a group of financial assets presented at reduced cost.

If there is objective evidence that there is a loss in value of loans and receivables presented at their reduced cost, the amount of the loss credited to profit and loss is measured as the difference between the book value of the asset and the present value of the estimated future cash flows (which do not include future credit losses that have not yet occurred), discounted according to the original effective interest rate of the financial asset.

14. Leases

The Group assesses whether a contract is a lease (or includes a lease) at the time the contract is entered into. The Group recognizes the property as a right of use on the one hand and as a lease obligation on the other for all leases in which it is the lessee, with the exception of short-term leases (for a period of up to 12 months) and leases of low-value assets. In these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis better represents the pattern of consumption of the economic benefits by the Group from the leased assets.

15. Allocations

A provision in accordance with IAS 37 is recognized when the Group has a present or implied legal obligation as a result of an event that occurred in the past, it is expected that the use of economic resources will be required so as to eliminate the obligation when it can be estimated reliably. When the Group anticipates that part or all of the expense will be reimbursed to the Company, such as in an

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

insurance contract, the reimbursement will be recognized as a separate asset only at the time when there is actual certainty of receiving the asset. The expense will be recognized in the profit or loss statement minus the reimbursement of the expense.

16. Income taxes

The tax results for current or deferred taxes are credited to profit or loss, except if they refer to items that are credited to other comprehensive income or capital.

1. Current taxes

Liability for current taxes is determined using the tax rates and tax laws that have been enacted or whose legislation has actually been completed up to the reporting date, as well as necessary adjustments in connection with the tax liability to be paid for previous years.

2. Deferred taxes

Deferred taxes are calculated for temporary differences between the amounts included in the financial statements and the amounts taken into account for tax purposes. Deferred tax balances are calculated according to the tax rate expected to apply when the asset is realized or the liability is settled, based on the tax laws that have been enacted or whose legislation has actually been completed by the reporting date.

In calculating the deferred taxes, the taxes that would apply in the case of the realization of the investments in held companies are not taken into account, as long as the sale of the investments in held companies is not expected in the foreseeable future. Also, deferred taxes were not taken into account for the distribution of profits by held companies as dividends, since the distribution of the dividend does not involve an additional tax liability or due to the Company's policy not to initiate a dividend distribution that entails additional tax liability.

Income taxes related to distributions to owners of an equity instrument and transaction costs of an equity transaction are treated according to IAS 12.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

17. Income taxes (contd.):

Deferred taxes are offset if there is a legal right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxable entity and the same tax authority.

17. Earnings per share

Earnings per share are calculated by dividing the net profit attributable to the Company's shareholders by the weighted number of ordinary shares actually outstanding during the period.

18. Fair value measurement

Fair value is the price that would have been received in the sale of an asset or the price that would have been paid to transfer a liability in a normal transaction between market participants at the time of measurement.

Fair value measurement is based on the assumption that the transaction occurs in the main market of the asset or liability, or in the absence of a main market, in the most advantageous market.

The fair value of an asset or liability is measured using the assumptions that market participants will use when pricing the asset or liability, assuming that market participants act in their own economic interests.

Fair value measurement for a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset to its best use or by selling it to another market participant who will use the asset in its best use.

The Group uses valuation techniques that are appropriate to the circumstances and for which there is sufficient obtainable data to measure fair value, while maximizing the use of relevant observable data and minimizing the use of unobservable data.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

19. Fair value measurement (contd.):

All assets and liabilities measured at fair value or whose fair value can be disclosed are divided into categories within the fair value scale, based on the lowest level of data that is significant for measuring the fair value as a whole:

Level 1: Quoted prices (without adjustments) in an active market for identical assets and liabilities.

Level 2: Data other than quoted prices included in Level 1 that are directly or indirectly observable.

Level 3: Data not based on observable market data (valuation techniques without the use of observable market data).

19. Revenue recognition

Rental income is recognized according to the straight-line method over the lease period. Income from management fees is recognized at the time of their creation. Revenue from the construction and sale of residential apartments in Israel is recognized upon the transfer of an apartment in a residential building to the customer. The Company recognizes revenue separately for each contract for the sale of an apartment.

20. Advertising expenses

Advertising expenses are credited to the profit or loss statement when incurred.

21. Financing income and expenses

Financing income includes interest income for amounts invested, income from dividends, changes in the fair value of financial assets measured at fair value through profit or loss and gains from exchange rate differentials. Interest income is recognized as it accrues, using the effective interest method. Income from dividends is recognized at the time the group is granted the right to receive payment.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

22. Financing income and expenses :

Financing expenses include interest expenses on loans received, changes in the fair value of financial assets measured at fair value through profit or loss and losses from a loss in the value of financial assets. Credit costs that are not capitalized on eligible assets are credited to profit and loss according to the effective interest method.

22. Employee benefits:

A defined deposit plan is a plan for employee benefits after the termination of employment in which the Company makes regular deposits to a separate and independent entity so that the Company has no obligation, legal or implied, to make additional deposits, in a situation where the fund's assets will not be sufficient to pay all employees the benefits for work services in the current period and in previous periods.

In accordance with the labor laws and labor agreements in Israel and in accordance with the Company's practice, the Company must pay retirement compensation to employees who will be dismissed or who will retire from their employment under certain circumstances. The Company's obligation to pay retirement compensation for the employees is treated as a defined contribution plan.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

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

24. **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.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 3 - Cash and cash equivalents:

Composed of:

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Cash in the bank:		
Cash in the bank	2,655	4,182
Cash in the bank – banking finance	467	1,359
	<u>3,122</u>	<u>5,541</u>
<u>Deposits</u>	<u>592</u>	<u>158</u>
Total cash and cash equivalents	<u>3,714</u>	<u>5,699</u>

Note 4 - Accounts receivable and payable balances:

Composed of:

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Governmental institutions	1,095	702
Shareholders	394	386
Loans to others	110	748
Income to receive	11,233	2,563
Expenses in advance	708	126
Customers	-	4,306
Other debtors	226	1,000
	<u>13,766</u>	<u>9,831</u>

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 5 - Investments in consolidated companies:

1. General information as shown in the Company's separate financial information:

	Equity rights	Capital investment	Loans transferred by the Company to the consolidated company	The Company's share in the capital fund of the consolidated company	The Company's share of the consolidated company's profits	Total investment
<u>December 31, 2025</u>						
Meidar Lev Ha'ir	88%	0.009	20,052	8,516	(8,941)	19,627
Meidar Gan Eden Finance GmbH	100%	93.64	-		114	208
<u>December 31, 2025</u>		<u>94</u>	<u>20,052</u>	<u>8,516</u>	<u>(8,827)</u>	<u>19,835</u>
<u>December 31, 2024</u>						
Meidar Lev Ha'ir	88%	0.009	11,494	8,516	(5,638)	14,371
Meidar Gan Eden Finance GmbH	100%	93.471	-		91	185
Meidar Urban Renewal Building a Future Ltd.	100%	0.1	5,504	173	(6)	5,671
Meidar Six Towers Ltd.	100%	1	-	-	(1)	(0)
Maidar Barak Renewal Ramla	100%	-	0.35	-	-	0.35
<u>December 31, 2024</u>		<u>93</u>	<u>16,998</u>	<u>8,688</u>	<u>(5,554)</u>	<u>20,227</u>

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 5 - Investments in consolidated companies: (contd.)

2. Information regarding the activities of the consolidated companies:
 - 1) Meidar Lev Ha'ir Ltd. - owns the real estate known as Plot 169, Block 3703 at 178 Herzl Street, corner of 1 Ya'akov Street, Rehovot - see Note 9B.
 - 2) Gan Eden Finance GmbH - A company established for the purpose of raising finance, registered in Germany and through which a debenture was funded on the stock exchange in Germany.
 - 3) The Six Towers Ltd. - The company is promoting a demolition-construction project in the Armon HaNatziv neighborhood in Jerusalem involving hundreds of apartments. [Right that as of the statements date, the Group has lost control over Meidar Renewal? See note 3 below.]
 - 4) Meidar Urban Renewal Building a Future Ltd. - The company intends to manage various projects involving urban renewal which are owned by the Group. [Right that as of the statements date, the Group has lost control over Meidar Renewal? See note 3 below.]

3. Change in the holding of Meidar Urban Renewal Building a Future Ltd. and the change in accounting treatment:

In September 2025, the Company entered into a strategic agreement with Profedo Meidar Ltd. (hereinafter: "Profedo"), under which Propdo was allotted 49% of the ordinary shares of Meidar Renewal Builders of the Future Ltd. ("Meidar Renewal") and 50% of the profit shares.

The transaction was intended to bring a strategic partner into Meidar Renewal in order to support the continued development of its operations, broaden its sources of financing, strengthen its business capabilities and advance the Company's urban renewal activities.

Upon completing the transaction, the Company holds 51% of the ordinary shares of Meidar Renewal, while Profedo holds 49% of the ordinary shares. In addition, each of the companies holds 50% of the profit shares in accordance with the agreements signed between the parties.

Although the Company continues to hold the majority of the ordinary shares of Meidar Renewal, it was determined, in accordance with the provisions of the share allocation agreement and the shareholders' agreement, that control over Meidar Renewal shall no longer be vested exclusively in the Company.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements as of December 31, 2025

Note 5 - Investments in consolidated companies: (contd.)

Accordingly, and pursuant to the provisions of IFRS 10, the Company lost accounting control over Meidar Renewal.

In accordance with the provisions of IFRS 10, on the date control was lost, the Company de-recognised in the consolidated financial statements the assets and liabilities of Meidar Renewal (including the project companies held by it) and the non-controlling interests recognised in respect thereof. The retained interest in Meidar Renewal was measured at its fair value as at the date of the transaction, in the amount of NIS 15,581,000, and from that date is accounted for as an investment in an included corporation according to IAS 28, using the balance sheet value method.

Note 6 - Loans to related parties:

The loans to related parties are without interest or linkage.

The interest rate was set at 8.56% based on an expert opinion, in accordance with the fair value according to the provisions of IFRS 7, as mentioned in Note 2(19).

As from the reporting year, loans granted by associated parties bear the interest rate determined in accordance with the expert's opinion.

Note 7 - Investments in the companies treated according to book value:

1. Information regarding the companies treated according to book value:

	Equity rights	Investment capital	Remeasurement owing to a loss of control	Loans transferred by the Company to the held company	The Company's share in the capital fund of the held company	The Company's share of a held company's profits (losses)	Total investment
<u>December 31, 2025</u>							
Meidar at the Station	50%	2.00	-	7,245	4,866	3,689	15,802
Lev Rehovot	50%	0.05	-	6,696	100	(387)	6,408
Meidar Urban Renewal Building a Future	50%	2.287	15,280	9,283	(1,600)	650	23,615
		<u>4.337</u>	<u>15,280</u>	<u>23,224</u>	<u>3,365</u>	<u>3,951</u>	<u>45,825</u>
<u>December 31, 2024</u>							
Meidar at the Station	50%	2.00	-	4,719	5,264	339	10,324
Lev Rehovot	50%	0.05	-	3,956	100	(377)	3,679
		<u>2.05</u>	<u>-</u>	<u>8,675</u>	<u>5,364</u>	<u>(38)</u>	<u>14,003</u>

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

2. Information regarding the activity of the companies treated according to the balance sheet value method:
 1. Meidar at the Station Ltd. owns half of a real estate property known as Parcels 402, 403, 404, 405, 406 & 407 in Block 6123 at 12 Jabotinsky St. in Bnei Brak.

The property involves a plot of about 1,700 square meters on which stands an old single story building used for commerce with a variety of shops.

The plot is zoned for the construction of commerce and employment in accordance with the existing zoning and potential for the construction of commerce and residences in accordance with the Bnei Brak Outline Plan.

A UBS (Urban Building Scheme) has been approved for the land, for the construction of a 10-story office building above a commercial floor over 2 parking floors.

During 2023, a financing agreement was signed with Bank Leumi L'Israel, a building permit was obtained for the project and construction began.
 2. Meidar Lev Rehovot Ltd. – In 2022, the company acquired rights to real estate in Rehovot in Block 370, Parcel 761, with a registered area of 1,116 square meters. At the beginning of 2023, the payment of the consideration to the seller was completed and during that year the company received authorization in principle from the District Planning Committee to expand the building rights in the project.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

3. Summary of financial information for companies treated according to the balance sheet value method (in NIS 000s)

	As of December 31	
	2025	2024
In the report on the financial situation of the included companies:		
Current assets	43,812	1,291
Non-current assets	74,514	74,262
Current liabilities	34,467	33,058
Non-current liabilities	80,701	32,012
Total capital	3,158	10,483

	For year ending December 31	
	2025	2024
The results of the operations of the included companies in the period:		
Revenues	455	482
Cost of sale	13,450	-
Adjustment of fair value of investment real estate	13,247	269
Selling and administrative and general expenses	(2,231)	(565)
Profit for the period	7,937	(51)

Note 8 - Land Inventory:

a. Composed of:

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Armon Hanatziv project (B. below)	-	164
Iceland project (C. below)	-	1,628
Ramla project (D. below)	-	8,500
Hasida project	214	214
Motzkin project	92	92
Yoseftal project	-	626
Makor Chayim Project (E. below)	15,560	1,998
Yakinton Ra'anana (F. below)	22,593	-
Begin Bnei Brak (G. below)	2,576	-
Pisgat Ze'ev project	39	-
Chinanit Samaria project	193	-
Lev Ha'ir Rehovot Ahad Ha'am	172	-
Other projects	4,055	8,381
	45,494	21,603

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

- b. Armon Hanatziv Project - This is a construction evacuation (demolition-construction) project in the Armon Hanatziv neighborhood in Jerusalem, in the scope of hundreds of apartments. [Right, as at the statements date Meidar Renewal is holding the project which is presented in the Company's books as of balance sheet value]
- c. The Iceland project - this is a demolition-construction project in the Kiryat Menachem neighborhood in Jerusalem, in the scope of hundreds of apartments. [Right, as at the statements date Meidar Renewal is holding the project which is presented in the Company's books as of balance sheet value]
- d. The Ramla project – in June 2023 an agreement was signed with Barak Real Estate Ltd. for transferring this Company's rights in the Urban Renewal project in Ramla, in a total scope of 15 million shekels, to a company held by it, to a holding company at 50%. Based on the above consideration, the Company is entitled, on the day of signing the contract to 8.5 million shekels and the balance of 6.5 million shekels to be paid subject to meeting the targets. In December 2023 a subsidiary company was established by the name of Meidar Urnab Renewal Building a Future (see Note 1(d) which in the future shall manage various projects related to urban renewal that are owned by the Company. Barak Real Estate transferred its rights and obligations in the project to Meidar Urnab Renewal Building a Future. [Right, as at the statements date Meidar Renewal is holding the project which is presented in the Company's books as of balance sheet value]
- e. During the course of the reporting period, construction works began on the Company's project within the scope of a combination transaction at the Keter project on Makor HaHayim Street in the Jerusalem to provides 22 residential units of which 12 are owned by the Company.
- f. **Yakinton Project** – During the reporting year, the Company purchased land in Ra'anana in the Prachim neighborhood and began developing the site. Approximately 40 residential units are planned for construction with marketing in two buildings of seven stories each.
- g. **Menachem Begin Project** – An urban-renewal project under the "Shaked Alternative" framework containing 76 planned residential units. Commencement of construction is expected in 2027.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 9 - Inventory of buildings under construction:

Composed of:

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Cost of land for construction	11,850	17,279
Credit costs	6,403	-
Ancillary costs	1,256	5,111
	<u>19,509</u>	<u>22,390</u>

Note 10 - Real estate for investment under construction:

a. Composed of:

	As of December 31	
	2025	2024
	in NIS 000s	in NIS 000s
Asset cost	18,754	18,600
Ancillary costs	1,988	1,059
Direct construction costs	-	-
Credit costs	10,132	6,889
Fair value adjustment	(4,451)	953
Balance at period end	<u>26,423</u>	<u>27,501</u>

Additional information:

Land at 178 Herzl St. corner of 1 Yaakov St., Rehovot [The Lev Ha'lr project]:

The property involves a plot of approximately 1,600 sq.m. on which stands an old 2-story building, which is a building for conservation, as well as an additional single story building used for a variety of street shops. There is also a parking lot for vehicles.

There are building rights on the land for a commercial floor, an office floor, and residential floors.

The proposed design of the project is a change in the Town Plan which will allow the construction of 2 basement floors, a commercial floor, an office floor, an additional office floor for the benefit of the municipality and 56 residential units.

In 2020 the Company purchased 50% of the rights in the land as well as an irrevocable option to purchase 50% of the additional rights. In 2021 the Company fully exercised the option and purchased the above rights.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements as of December 31, 2025

b. The fair value of the property was presented based on an expert opinion.

Note 11 - Fixed assets, net:

Composed of (in NIS 000s):

	<u>Furniture and equipment</u>	<u>Leasehold improvements</u>	<u>Computers</u>	<u>Vehicles</u>	<u>Purchase of rights</u>	<u>Total</u>
Cost						
Balance at year start	464	94	342	777	43	1,720
Extras	37	6	32	65	-	139
Deductions	-	-	-	(769)	-	(769)
Balance at year end	<u>501</u>	<u>100</u>	<u>374</u>	<u>73</u>	<u>43</u>	<u>1,090</u>
Accumulated depreciation						
Balance at year start	67	16	235	210	17	545
Depreciation for the year	21	5	46	5	16	93
Balance at year end	-	-	-	(210)	-	(210)
	88	21	281	5	33	428
Reduced balance as at December 31, 2025	<u>413</u>	<u>79</u>	<u>93</u>	<u>68</u>	<u>10</u>	<u>662</u>
Reduced balance as at December 31, 2024	<u>397</u>	<u>78</u>	<u>107</u>	<u>567</u>	<u>26</u>	<u>1,175</u>

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 12 - Long-term loans:

a. Composed of:

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Related parties (B below)	2,942	2,793
Deposit	206	206
Loans to others	3,405	
Other debtors	1,858	551
	<u>8,411</u>	<u>3,550</u>

b. Debt balance of a held company, whose ownership was transferred in 2023.

Note 13 - Short-term loans:

a. Composed of

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Short-term bank credit (B below)	20,412	20,633
Other loans	38	6,244
	<u>20,450</u>	<u>26,877</u>

b. The loan was arranged by Bank Leumi for the purpose of financing the purchase of the land and the repayment of current liabilities. According to the agreement with the bank, the loan will be extended until the approvals and permits for the construction of the project are received. The loan was given at an interest rate of 6.01% per annum and against a first ranking lien without limit as to the amount on all the subsidiary's (Meidar Lev Ha'ir) rights to the land.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 14 - Creditors & credit balances:

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Employees	196	165
Institutions due to employees	-	131
Expenses payable	75	60
Other creditors	209	143
	<u>481</u>	<u>499</u>

* Reclassified

Note 15 - Long-term loans:

a. Composed of:

	As of December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Credit from a banking corporation	13,981	314
Credit from others (B)	110,859	77,482
From related parties (C)	57,577	17,385
	<u>182,417</u>	<u>95,181</u>

- b. The loans bear interest at rates between 4% - 12% for varying periods of 4 years or according to the progress of a specific project.
- c. The interest rate stands at 8.56% based on an expert's opinion, in accordance with the fair value according to the provisions of IFRS 7, as mentioned in Note 2(19).

As from the reporting year, loans granted by associated parties bear the interest rate determined in accordance with the expert's opinion.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 16 - Debentures:

The debentures were marketed on the Frankfurt (German) stock exchange through the consolidated company Meidar GanEden Finance GmbH. The total amount raised was €2.7 million, bearing interest at a rate of 7% per annum, payable each December. The bond principal is due for repayment in December 2027.

Note 17 – Share capital:

	<u>Registered</u>	<u>As at December 31, 2024 & 2025</u>
		<u>Issued and paid up</u>
Ordinary shares, each of NIS 0.1 nominal value	100	10

Note 18 - Administrative and general expenses:

Composed of:

	<u>For year ending December 31</u>	
	<u>2025</u>	<u>2024</u>
	<u>(in NIS 000s)</u>	<u>(in NIS 000s)</u>
Labor and ancillary costs	615	264
Professional services	2,876	1,882
Travel abroad	15	182
Rent	45	
Management fees	1,086	1,676
Taxes and fees	536	44
Depreciation	545	729
Car rental and maintenance	250	384
Further training	583	60
Office and maintenance	714	523
Advertising	551	240
Refreshments, gifts, and donations	774	116
Finding investors	1,138	
Others	187	137
	<u>9,915</u>	<u>6,237</u>

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 19 – Other income:

a. Composed of:

	For year ending December 31	
	<u>2025</u>	<u>2024</u>
	(in NIS 000s)	(in NIS 000s)
Recognising an investment treated as balance sheet value (see b. below)	15,280	-
Balance cancelation	(166)	
Cancelling a project acquisition agreement (see c. below)	(8,500)	-
	<u>6,614</u>	<u>-</u>

- b. As noted in Note 5(c) above, in September 2025 an agreement was signed with Profedo for the acquisition of 50% of the shares of Meidar Urban Renewal Ltd., which until that date had been wholly owned by the Company. According to an expert's opinion, the fair value of the Company as at the transaction date was NIS 26,393,000, of which the Company's share amounted to NIS 13,197,000 plus goodwill of NIS 2,384,000, totalling NIS 15,581,000. From this amount, NIS 301,000 was deducted against a liability recognised in respect of an option granted to Profedo to acquire 100% of the Company's shares, such that the net revaluation gain in respect of the increase in value amounted to NIS 15,280,000.
- c. In June 2023, an agreement was signed to transfer the Company's rights in an urban renewal project in Ramla, with a total value of NIS 15 million, to a held company - Meidar Barak Urban Renewal Ramla - in which the Company held a 50% interest. Under the agreement, the Company was entitled, as at the date of signing, to NIS 8.5 million. Following negotiations with the investors, it was decided that the project would be transferred to Meidar Urban Renewal Ltd., and consequently, as a result of the acquisition of 50% of the shares of Meidar Urban Renewal Company by Profedo, the transaction was cancelled.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 20 - Financing expenses and income:

Composed of:

	For year ending December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
<u>Financing income:</u>		
From related parties	2,890	2,617
From bank corporations	9	8
Exchange rate differentials	1,135	438
Interest from others	1,547	559
	<u>5,580</u>	<u>3,622</u>
<u>Financial expenses:</u>		
Bank commissions	94	50
Loans interest	1,042	2,516
Related parties	3,767	1,195
Exchange rate differentials	164	111
Other financing expenses	794	1,444
	<u>5,860</u>	<u>5,316</u>

Note 21 - Income taxes:

Composed of:

	For year ending December 31	
	2025	2024
	(in NIS 000s)	(in NIS 000s)
Current taxes	-	-
Deferred taxes	1,209	684
	<u>1,209</u>	<u>684</u>

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 22 - Net profit per share:

Details of the number of shares used in the calculation of losses per share from continuing operations.

		For year ending December 31 Profit attributable to the Company's shareholders	
	Weighted No. of shares	2025	2024
		(in NIS 000s)	(in NIS 000s)
For purposes of calculating basic profit/(loss)	100	6,239	(6,212)
Effect of potential diluting shares	-	-	-
For purposes of calculating diluted profit/(loss)	100	6,239	(6,212)

Note 23 - Liens and pending obligations:

Below are details of the liens borne by the Company:

- A capital lien on Meidar shares in the Station Ltd. Corp. No. 516247251 held by the Company, including the rights arising from the above shares, including rights to receive receipts and/or income and/or dividend and/or monetary value, in favor of Barak Tama Yam Suf 8 Ltd., corp. No. 515600245.
- A fixed first-ranking attachment in favor of Bank Leumi, on all rights and funds in account No. 57070087 (or any account replacing it) held at Branch 901 of Bank Leumi.
- A fixed attachment in favor of Archimedes Credit and Ayalon Insurance Company on the rights to a 958 sq.m. parcel of land for the construction of 22 residential units at 55 Mekor Chaim Street, Jerusalem, Block 30130, Parcel 28.
- A fixed attachment in favor of Archimedes Credit and Ayalon Insurance Company on all rights to the land at Block 30130, Parcel 28, including all the borrower's rights under the combination (land-for-construction) agreement, vis-à-vis the contractor and service providers, vis-à-vis the apartment purchasers, refunds, premiums and grants from various sources due to the

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

borrower, indemnification rights and any rights from third parties, tax benefits, utilisation of losses and similar items.

- e. A first-ranking pledge in favor of Bank Leumi L'Israel, on the rights to the land at 8-10 Yakinton Street, Kiryat HaPrachim, Ra'anana, Block 7651, Parcel 559, including all structures that is built and that shall be built and permanently affixed thereto.
- f. An attachment in favor of David Friedler and Arfer Israel Ltd. on a right to the land at 8-10 Yakinton Street, Ra'anana that is not registered in the Land Registry within the meaning of Section 123 of the Land Law, 5729-1969.

Note 24 - Balances and transactions with related parties:

1. Remuneration of senior officers

	For the year ending December 31	
	<u>2025</u>	<u>2024</u>
Salary of controlling owners of the Company	293	399
Number of people for whom the remuneration refers	1	3

2. Balances with associated parties

	To the 31st of December	
	<u>2025</u>	<u>2024</u>
Loans received from associated parties	28,532	17,385
Loans given to associated parties	25,719	31,234

3. Transactions with associated parties

	To December 31	
	<u>2025</u>	<u>2024</u>
Management fee services – 4. below	11,711	1,914
Management fee costs	1,440	983
Interest charges, net	1,165	390

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

Note 24 - Balances and transactions with related parties: (contd.)

4. The Company's agreements to provide management fee services.

- a. On October 3, 2021, the Company signed an agreement to provide management services to affiliated companies Weizmann Dormitory Ltd., corp. No. 515977106 and Had'kalim Real Estate and Investments Ltd., corp. No. 515976777.

Management services were provided as of June 2020 for a project to build student dormitories and commercial accommodation at 56 Derech Yavne Street in Rehovot, known as Block 3702 Parcels 151 & 152.

The companies are controlled by the Company's shareholders and each of the companies will pay management fees in the amount of NIS 51,500 per month that will be paid retroactively from the date the services begin.

- b. The Company entered into an agreement for providing management services to the related companies Meidar Lev Ha'ir Ltd. corp. No. 516244159, Meidar Lev Rehovot Ltd. corp. No. 516624681 and Meidar at the Station Ltd. corp. No. 516247251.

The management services are provided for residential and commercial projects at 178 Herzl Street at the corner of 1 Yakov Street in Rehovot known as Block 3703 Parcel 169 (hereinafter, Lev Ha'ir), and at 196 Herzl Street in Rehovot known as Block 3703 Parcel 761 (hereinafter: Lev Rehovot).

According to the agreement, the Company is entitled to management fees at the rate of 3% on direct construction cost as presented in the feasibility reports for the projects totaling NIS 8.7 million spread over the project life from Meidar Lev Ha'ir and totaling NIS 12 million spread over the project life from Meidar Lev Rehovot Ltd.

- c. Further to Note 5(c) and as part of the share-allocation agreement with Profedo Meidar Ltd., the Company is entitled to management fees from Meidar Renewal at a rate of 3% of the value of the direct construction costs for each of Meidar Renewal's projects.

Meidar Ganei Eden Ltd

Notes to the Consolidated Financial Statements **as of December 31, 2025**

The Company shall be entitled to 0.67% of this rate during the pre-permit and bank-financing period for each project, according to the milestone schedule detailed in the agreement, but it shall collect no more than NIS 1 million per month. The remaining balance shall be collected linearly over the construction period.

Meidar Ganei Eden Ltd

Appendix A to the Financial Statements

List of held corporations:

Company name	Held company	Held company place of registration	Controlling interest and ownership of the Company at the report date	Method of presenting the financial statements
Meidar Lev Ha'ir Ltd.	Meidar Gan Eden Ltd.	(Company registered in Israel)	88%	Consolidated
Meidar Gan Eden Finance GMBH	Meidar Gan Eden Ltd.	(Company registered abroad)	100%	Consolidated
Urban Renewal	Meidar Gan Eden Ltd.	(Company registered in Israel)	50%	Held
Meidar at the Station Ltd.	Meidar Gan Eden Ltd.	(Company registered in Israel)	50%	Held
Meidar Lev Rehovot Ltd.	Meidar Gan Eden Ltd.	(Company registered in Israel)	50%	Held