

Meliron Ltd.
Condensed Interim Financial Statements as at June 30, 2025
(Unaudited)

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DISCLAIMER

The following is an unofficial translation into the English language, for convenience purposes only, of the Annual Supplemental Presentation of Meliron Ltd. ("the Company") for the half year ended June 30, 2025 that was originally prepared in the Hebrew language. The full, legal and binding version of this Presentation, for all intents and purposes, is the Hebrew version, which was filed by the Company with the Israel Securities Authority and published on the MAGNA website: www.magna.isa.gov.il on August 13, 2025.

Auditors' Review Report to the Shareholders of Melisron Ltd.

Introduction

We have reviewed the attached financial information of Melisron Ltd. and its subsidiaries ("the Company"), which includes the condensed consolidated statement of financial position as at June 30, 2025, and the condensed consolidated statements of comprehensive income, changes in equity, and cash flows for the six and three months then ended. The board of directors and the management are responsible for preparation and presentation of the financial information for these interim periods pursuant to IAS 34 - Interim Financial Reporting, and are also responsible for preparation of the interim financial information for these periods pursuant to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial statements of the equity-accounted investee, the investment in which amounts to NIS 541 million as of June 30, 2025, and the share of the Company in its profits is NIS 20 million and NIS 13 million for the six and three months then ended.

The financial information for the condensed interim periods of this company was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the financial information in respect of this company, is based on the review reports of such other auditors.

Scope of the Review

We conducted our review in accordance with (Israeli) Accounting Standard No. 2410 established by the Institute of Certified Public Accountants in Israel – Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, mainly with the persons responsible for financial and accounting matters, and the application of analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with accepted accounting principles in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review report of other accountants, nothing has come to our attention that causes us to believe that this financial information was not prepared, in all material respects, in accordance with IAS 34.

Additionally, based on our review and the review report of other accountants, nothing has come to our attention that causes us to believe that this financial information is not prepared, in all material respects, in accordance with the disclosure provisions in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Brightman Almagor & Co.

Certified Public Accountants

A Firm in the Deloitte Global Network

Tel Aviv, August 13, 2025

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Melisron Ltd.**Condensed Consolidated Statements of Financial Position (in NIS millions)**

	June 30, 2025	June 30, 2024	December 31, 2024
	Unaudited	Unaudited	Audited
Current assets:			
Cash and cash equivalents	1,555	805	862
Short-term financial assets	373	372	375
Restricted loans and deposits	419	54	79
Trade receivables and assets for customer contracts	87	56	87
Other receivables	53	39	71
Inventory of apartments for sale, buildings under construction and land	387	112	309
	<u>2,874</u>	<u>1,438</u>	<u>1,783</u>
Non-current assets:			
Investments and loans to investees	719	1,239	702
Intangible assets and goodwill	868	555	873
Long-term financial assets and other assets	53	23	51
Fixed assets	16	11	12
Inventory of land	2,291	-	2,159
Investment property	26,371	24,717	25,687
	<u>30,318</u>	<u>26,545</u>	<u>29,484</u>
	<u>33,192</u>	<u>27,983</u>	<u>31,267</u>
Current liabilities:			
Liabilities from banks and others	959	135	331
Current maturities of debentures	3,009	1,009	1,482
Trade payables and service providers	247	166	163
Other payables	518	252	456
Provisions for tax	149	133	184
	<u>4,882</u>	<u>1,695</u>	<u>2,616</u>
Non-current liabilities			
Debentures	8,873	9,778	9,947
Long-term liabilities to banks and others	2,522	1,313	2,388
Deferred taxes	3,994	3,622	3,902
Liabilities in respect of employee benefits, net	2	2	2
Other liabilities and provisions	120	101	104
	<u>15,511</u>	<u>14,816</u>	<u>16,343</u>
Equity:			
Equity attributable to the Company's shareholders	12,204	10,954	11,707
Non-controlling interests	595	518	601
Total equity	<u>12,799</u>	<u>11,472</u>	<u>12,308</u>
	<u>33,192</u>	<u>27,983</u>	<u>31,267</u>

August 13, 2025

Date of approval
Financial StatementsLiora Ofer
Chairman of the Board of
DirectorsOphir Sarid
CEOOren Hillinger
CFO

Condensed Consolidated Statements of Comprehensive Income (in NIS millions)

	For the six months ended		Three months ended		Year ended
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	December 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	1,071	956	548	495	2,016
Cost of sales	282	221	153	117	500
Gross profit	789	735	395	378	1,516
General and administrative expenses	52	37	26	19	83
Advertising and marketing expenses	9	4	5	3	11
Operating profit before other income and expenses	728	694	364	356	1,422
Increase in fair value of investment property, net	412	379	386	324	1,086
Company's share in profits of equity-accounted investees, net	20	11	13	8	62
Other expenses, net	20	-	3	-	13
Operating profit after other income and expenses	1,140	1,084	760	688	2,557
Financing expenses	320	342	215	242	666
Financing income	46	47	32	20	99
Profit before deduction of taxes on income	866	789	577	466	1,990
Income tax expenses	162	169	117	99	411
Net profit for the period	704	620	460	367	1,579
Net earnings attributable to:					
Company shareholders	674	603	437	359	1,531
Non-controlling interests	30	17	23	8	48
	<u>704</u>	<u>620</u>	<u>460</u>	<u>367</u>	<u>1,579</u>
Total comprehensive income attributable to:					
Company shareholders	674	603	437	359	1,531
Non-controlling interests	30	17	23	8	48
	<u>704</u>	<u>620</u>	<u>460</u>	<u>367</u>	<u>1,579</u>
Earnings per ordinary share of NIS 1 (in NIS)					
Attributable to shareholders of the Company:					
Basic and diluted earnings	<u>14.16</u>	<u>12.69</u>	<u>9.17</u>	<u>7.56</u>	<u>32.22</u>
Number of shares used to calculate basic earnings per share (thousands)	<u>47,587</u>	<u>47,521</u>	<u>47,591</u>	<u>47,522</u>	<u>47,530</u>

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statements of Changes in Equity (in NIS millions)

Equity attributable to the Company's shareholders								
Paid up share capital	Share premium	Capital reserve for share-based payments	Capital reserve due to translation differences	Capital reserve from transactions with non-controlling interests	Capital surplus	Total	Non-controlling interests	Total
Unaudited								
62	2,160	20	(4)	(9)	9,478	11,707	601	12,308
-	-	-	-	-	674	674	30	704
-	9	(9)	-	-	-	-	-	-
-	-	3	-	-	-	3	-	3
-	-	-	-	-	(180)	(180)	-	(180)
-	-	-	-	-	-	-	(36)	(36)
62	2,169	14	(4)	(9)	9,972	12,204	595	12,799

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Melisron Ltd.

Condensed Consolidated Statements of Changes in Equity (in NIS millions)

Six months ended June 30, 2024 (unaudited)

	Equity attributable to the Company's shareholders								
	Paid up share capital	Share premium	Capital reserve for share- based payments	Capital reserve due to translation differentials	Capital reserve from transactions with non- controlling interests	Capital surplus	Total	Non- controlling interests	Total
	Unaudited								
Balance as at January 1, 2024 (audited)	62	2,152	19	(4)	(9)	8,327	10,547	501	11,048
Changes in the six months ended June 30, 2024:									
Total comprehensive income for the period	-	-	-	-	-	603	603	17	620
Cost of share-based payment	-	-	4	-	-	-	4	-	4
Dividend paid	-	-	-	-	-	(200)	(200)	-	(200)
Balance as at June 30, 2024	62	2,152	23	(4)	(9)	8,730	10,954	518	11,472

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Meliron Ltd.

Condensed Consolidated Statements of Changes in Equity (in NIS millions)

Three months ended June 30, 2025 (unaudited)

	Equity attributable to the Company's shareholders								
	Paid up share capital	Share premium	Capital reserve for share-based payments	Capital reserve due to translation differentials	Capital reserve from transactions with non- controlling interests	Capital surplus	Total	Non- controlling interests	Total
	Unaudited								
Balance as at April 1, 2025	62	2,160	21	(4)	(9)	9,625	11,855	572	12,427
Changes in the three months ended June 30, 2025:									
Total comprehensive income for the period	-	-	-	-	-	437	437	23	460
Issue of shares for employees	-	9	(9)	-	-	-	-	-	-
Cost of share-based payment	-	-	2	-	-	-	2	-	2
Dividend paid	-	-	-	-	-	(90)	(90)	-	(90)
Balance as at June 30, 2025	62	2,169	14	(4)	(9)	9,972	12,204	595	12,799

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Meliron Ltd.

Condensed Consolidated Statements of Changes in Equity (in NIS millions)

Three months ended June 30, 2024 (unaudited)

	Equity attributable to the Company's shareholders							Non-controlling interests	Total
	Paid up share capital	Share premium	Capital reserve for share-based payments	Capital reserve due to translation differentials	Capital reserve from transactions with non-controlling interests	Capital surplus	Total		
					Unaudited				
Balance as at April 1, 2024	62	2,152	21	(4)	(9)	8,451	10,673	510	11,183
Changes in the six months ended June 30, 2024:									
Total comprehensive income for the period	-	-	-	-	-	359	359	8	367
Cost of share-based payment	-	-	2	-	-	-	2	-	2
Dividend announced and paid	-	-	-	-	-	(80)	(80)	-	(80)
Balance as at June 30, 2024	62	2,152	23	(4)	(9)	8,730	10,954	518	11,472

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Meliron Ltd.

Condensed Consolidated Statements of Changes in Equity (in NIS millions)

Year ended December 31, 2024 (audited)

Equity attributable to the Company's shareholders

	Paid up share capital	Share premium	Capital reserve for share-based payments	Capital reserve due to translation differentials	Capital reserve from transactions with non- controlling interests	Capital surplus	Total	Non- controlling interests	Total
Balance as at January 01, 2024	62	2,152	19	(4)	(9)	8,327	10,547	501	11,048
Changes in the year ended December 31, 2024:									
Total comprehensive income for the year	-	-	-	-	-	1,531	1,531	48	1,579
Issue of shares for employees	-	8	(8)	-	-	-	-	-	-
Cost of share-based payment	-	-	9	-	-	-	9	-	9
Consolidation of an investee	-	-	-	-	-	-	-	52	52
Dividend paid	-	-	-	-	-	(380)	(380)	-	(380)
Balance at 31 December 2024	62	2,160	20	(4)	(9)	9,478	11,707	601	12,308

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (in NIS millions)

	For the six months ended		Three months ended		Year ended
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	December 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities					
Net profit for the period	704	620	460	367	1,579
Adjusted for:					
Company's share in profits of equity accounted investees	(20)	(11)	(13)	(8)	(62)
Increase in fair value of investment property	(412)	(379)	(386)	(324)	(1,086)
Depreciation and amortization	10	7	5	4	31
Expenses for share-based payments	3	4	2	2	9
Income tax expenses	162	169	117	99	411
Financing income from loans provided	(5)	(10)	(3)	(5)	(17)
Revaluation of loans from banks and others and changes in accrued interest	11	12	7	7	23
Revaluation of debentures and changes in accrued interest	188	213	181	183	392
Revaluation of short-term financial assets	(14)	(13)	(13)	(2)	(33)
	627	612	357	323	1,247
Changes in asset and liability items:					
Decrease (Increase) in trade receivables and assets for customer contracts	-	12	(1)	(16)	7
Decrease (Increase) in other receivables	18	(9)	13	(9)	(40)
Increase (Decrease) in trade payables	29	1	19	6	(2)
Increase (Decrease) in accounts payable	(3)	(20)	3	(17)	4
Increase in other liabilities	1	-	1	1	1
	45	(16)	35	(35)	(30)
Net income tax paid	(96)	(27)	(15)	(10)	(62)
Net cash from operating activities (before changes in land)	576	569	377	278	1,155
Change in land, net	(144)	-	(93)	-	(52)
Net cash from operating operations	432	569	284	278	1,103

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (in NIS millions)

	For the six months ended		Three months ended		Year ended
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	December 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash flows used for investing activities					
Acquisition of an investee that is consolidated for the first time	-	-	-	-	(592)
Repayment of a loan provided to an equity accounted company	9	-	2	-	8
Short-term investments in financial assets, net	16	(2)	1	-	16
Indirect taxes regarding disposal of investment property	5	-	5	-	-
Proceeds from sale of investment property, net	24	-	24	-	-
Taxes paid for investment property	(6)	(10)	-	-	(25)
Acquisition of and investment in investment property and investment property under construction	(236)	(192)	(116)	(100)	(444)
Investment in property, plant and equipment and intangible assets	(9)	(5)	(6)	(3)	(11)
Repayment (Provision) of short and long-term loans and deposits, net	3	(51)	(15)	-	(28)
Net cash for investment activities	<u>(194)</u>	<u>(260)</u>	<u>(105)</u>	<u>(103)</u>	<u>(1,076)</u>
Cash flows for financing activities					
Dividend paid	(180)	(200)	(180)	(200)	(380)
Dividend to holders of non-controlling interests in a subsidiary	(36)	-	-	-	-
Repayment of long-term loans from banks and others, net	(6)	(19)	(6)	(9)	(33)
Short-term borrowings from banks and others, net	754	(2)	681	(1)	52
Issue of debentures (less issuance expenses)	48	807	48	-	2,186
Repayment of debentures	(125)	(715)	(29)	(535)	(1,615)
Net cash for financing activities	<u>455</u>	<u>(129)</u>	<u>514</u>	<u>(745)</u>	<u>210</u>
Increase (Decrease) in cash and cash equivalents	<u>693</u>	<u>180</u>	<u>693</u>	<u>(570)</u>	<u>237</u>
Cash and cash equivalents at the beginning of the period	<u>862</u>	<u>625</u>	<u>862</u>	<u>1,375</u>	<u>625</u>
Cash and cash equivalents at the end of the period	<u><u>1,555</u></u>	<u><u>805</u></u>	<u><u>1,555</u></u>	<u><u>805</u></u>	<u><u>862</u></u>

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Meliron Ltd.**Condensed Consolidated Statements of Cash Flows (in NIS millions)****Appendix A – Financing and Investing Activities that do not Involve Cash Flows**

	For the six months ended		For the three months ended		Year ended
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	December 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Payables for investment property	107	52	107	52	64
Deposit in trust with respect to a debenture issue	346	620	346	-	620
Redemption of debentures from trust deposit	-	(622)	-	(622)	(622)

Appendix B – Additional Information on Cash Flows

	For the six months ended		For the three months ended		Year ended
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	December 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest paid	184	139	67	64	297
Interest received	23	28	14	15	50

The accompanying notes form an integral part of the Condensed Interim Consolidated Financial Statements.

Melisron Ltd.

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 1 – General

A. Melisron Ltd. (the "Company") was incorporated in Israel on August 5, 1987, as a private company limited in shares. The Company is defined as resident of Israel. The Company owns and manages, directly and indirectly, through companies it controls, shopping malls, retail complexes and one of the largest leading office campuses in Israel. Furthermore, the Company engages in the development and construction of residential real estate and urban renewal through Aviv Melisron Ltd. in which it holds 100% of the share capital.

B. Effects of the War

Shopping Malls and Shopping Centers – In the second quarter, Israel launched a 12-day war against Iran. During this period, the Company's malls were closed for 10 days. Following the end of the war and the reopening of the malls, and through to the end of July, tenant sales increased by 14% (according to RIS data), compared to the corresponding period last year, which was considered a record year in terms of tenant sales. The Company believes that the effect of the war in decreasing the number of Israelis traveling abroad also contributed to the increase in tenant sales.

To ease the burden on tenants and help them cope with the consequences of the security situation, the Company drafted a program that includes spreading rent payments for July 2025 over three installments.

High-Tech Parks and Offices – Recently the market has begun to reflect signs of stability and positive outlook, following a slowdown in 2023 and 2024, and the market is accordingly expected to recover, particularly in high-demand areas such as Tel Aviv.

Construction and Residential – The Company's construction sites are operating at full capacity, excluding during the days of the Iran war when some sites were either shut down or operated at reduced capacity. The labor shortage in certain trades that emerged following the outbreak of the Swords of Iron War has eased and stabilized at most of the Company's construction sites.

C. The Company's Operating Sectors:

Income-Generating Properties – Main Uses:

Shopping malls and retail centers – The Company owns 18 shopping malls and retail centers around the country, most of them in major cities and areas of demand. Of the foregoing number of shopping centers and malls, 15 are wholly owned and controlled by the Company and three are jointly controlled.

Office and high-tech parks and high-rise office buildings – The Company owns five real estate campuses of office space that it rents out, as well as office buildings that form part of the mall complexes.

In addition, the Company has five properties that are rented to a single tenant and real estate projects under construction and development.

Melisron Ltd.

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 1 – General (cont'd)

C. The Company's Operating Sectors (cont'd):

Residential Development and Urban Renewal – This sector includes planning, construction and marketing of residential real estate projects and urban renewal in Israel, mainly through the subsidiary, Aviv Melisron.

The Company has been traded on the Tel Aviv Stock Exchange since July 29, 1992.

The Company's controlling shareholder is Ofer Investments Ltd. ("Ofer Investments"), which as at the Reporting Date, held 50.08% of the issued share capital and voting rights of the Company. As at Reporting Date, Liora Ofer (through a wholly owned private company) owns 100% of Ofer Investments. In addition to the foregoing, Liora Ofer owns (through a wholly owned private company) 0.05% of the Company's issued share capital and voting rights. Subsequent to Reporting Date, on August 10, 2025, pursuant to the notice given to the Company, 380,008 additional shares (the last of five installments) were returned to Ofer Investments out of 1,900,000 shares (so that to date, all 1,900,000 shares have been returned), which were transferred for the purpose of limiting exposure under a financial transaction dated January 20, 2021 between Ofer Investments and JPMorgan, a foreign investment bank, and which, in accordance with the terms of the financial transaction, were returned to Ofer Investments in installments on the dates specified in the agreement on a number of closing dates (starting from the second quarter of 2024 through to the third quarter of 2025). Following the foregoing buyback of the shares on August 10, 2025, the holdings of Ofer Investments increased so that it holds 50.87% of the Company's issued share capital and the voting rights therein.

Company address: 1 Abba Eban Ave., Herzliya Pituah.

Melisron Ltd.**Notes to the Condensed Interim Financial Statements (in NIS millions)****D. Adoption of international financial reporting standards (IFRS):**

The condensed interim financial statements are prepared pursuant to the provisions of International Accounting Standard IAS 34, Interim Financial Reporting.

- E. The condensed interim financial statements comply with the disclosure requirements of Chapter D to the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

F. Information concerning the consumer price index (CPI):

Below is a breakdown of the CPI and rate of changes in the reporting periods:

	<u>June 30, 2025</u>		<u>June 30, 2024</u>		<u>December 31,</u> <u>2024</u>
CPI (points)	110.4		107.1		108.7

	<u>For the six months ended</u>		<u>For the three months ended</u>		<u>Year ended</u> <u>December 31,</u> <u>2024</u>
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>2024</u>
Changes in the CPI (%)	1.56	1.90	1.28	1.61	3.43

Note 2 – Significant Accounting Policies**A. Basis of Preparation of the Financial Statements:**

The Company's condensed interim financial statements were prepared in accordance with the same accounting policies, presentation rules and calculation methods applied in the preparation of the financial statements as at December 31, 2024, and for the year then ended, including the following:

These financial statements have been prepared in condensed format as at June 30, 2025, and for the six and three month periods then ended. These financial statements should be read in conjunction with the Company's annual financial statements as at December 31, 2024, and their accompanying notes.

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 3 – Financial Instruments:

A. Fair value

Financial instruments measured at fair value:

Financial instruments that are measured at fair value, periodic, that were recognized in the statement of financial position.

The table below presents an analysis of the financial instruments measured at fair value, based on the evaluation method. The levels are defined as follows:

Level 1: Fair value measured by using quoted prices (unadjusted) in active markets for identical instruments;

Level 2: Fair value measured by using observable, directly or indirectly, inputs that are not included in Level 1 above;

Level 3: Fair value measured by using inputs that are not based on observable market data (unobservable inputs).

	June 30, 2025	June 30, 2024	December 31, 2024
Financial assets:			
Financial assets at fair value through profit or loss			
Marketable Securities (Level 1)	373	372	375
	373	372	375

B. Fair value of financial instruments whose carrying amount is not necessarily a reasonable approximation of their fair value:

	June 30, 2025		June 30, 2024		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Marketable debentures	11,980	11,640	10,866	10,226	11,524	11,114
Long-term fixed interest loans	541	520	557	517	549	529

- (1) The fair value of the marketable securities is based on prices quoted on an active market at the date of the balance sheet. Furthermore, the fair value measurement takes into account the ex-date that falls prior to balance sheet date.
- (2) The carrying amount of securities include premium/discounting and interest payable.
- (3) The carrying amount of the loans include interest payable.

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 4 – Additional Information and Material Events Subsequent to the Date of the Statement of Financial Position:

A. Revised valuation as at June 30, 2025:

As at June 30, 2025, the Company conducted, as it does every year, a revaluation of its properties by an external appraiser, following which the Company recorded a net increase in value of NIS 386 million in the second quarter. In total in the first half of 2025, the Company recorded a net increase in value of NIS 412 million.

The evaluations included adjustment of the representative NOI of the properties based on the current lease data and the Company's forecast regarding the terms of the rental contracts. The change in NOI was mainly due to the revision of the rental contracts signed during the period and updates regarding the CPI effect on the rental income. Furthermore, the value of projects under construction was revised (timely progress until completion).

B. Declared dividends:

In March 2025, the Company board of directors announced the distribution of a dividend in the amount of NIS 90 million (NIS 1.9 per share). The dividend was paid on April 10, 2025.

In May 2025, the Company board of directors announced the distribution of a dividend in the amount of NIS 90 million (NIS 1.9 per share). The dividend was paid on June 24, 2025.

In August 2025, the Company board of directors announced the distribution of a dividend in the amount of NIS 90 million (NIS 1.9 per share). The dividend will be paid on September 16, 2025.

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 4 – Additional Information and Material Events Subsequent to the Statement of Financial Position (cont.):

C. Share-based payment:

On March 9, 2025, the Company's board of directors approved (after obtaining the approval of the remuneration committee) allotment of 186,440 options (non-negotiable) convertible for Company shares, to 7 officers (who are not directors or CEO) and to 34 additional managers and employees of the Company, as part of the employee plan published on March 13, 2023, and its amendment published on March 10, 2025.

Options will be granted in accordance with and subject to the Company's options plan as approved by the Compensation Committee and the Board of Directors on October 10, 2013, and October 14, 2013, respectively. This will be executed pursuant to Section 102 of the Israeli Income Tax Ordinance under the capital gains track, through a trustee. The entitlement to exercise the proposed options will vest in two equal-value tranches, as follows:

- a. Two years after date on which the options are granted, the offerees will become eligible to receive the first tranche (101,485 options).
- b. Three years after date on which the options are granted, the offerees will become eligible to receive the second tranche (84,955 options). The allotted options will be exercisable within two years from the vesting date.

The exercise price for each option has been set at NIS 326.85 (subject to adjustments), based on the weighted average of the Company's closing share prices over the representative 30 day trading period preceding approval of the granting of options, and reflecting the higher of the following: 1. the closing price per Company share on the last trading day prior to the date on which the Board of Directors approved the allocation of the options. 2. the weighted average of the closing prices for the Company's share over a representative period of 30 trading days preceding the date of the Board of Directors' approval of the allocation of options. The fair value of the benefit inherent in the options is estimated at NIS 13 million. This amount will be recognized in profit or loss over the vesting period.

The conversion of the options into company shares will be executed using the cashless method.

D. Aviv Melisron's win of a tender in the northern Sde Dov area E in Tel Aviv

In March 2025, the Company announced that Aviv Melisron had won a tender in the northern Sde Dov area E in Tel Aviv, for 6 dunams of land designated for the construction of 320 residential units, 3,800 sq.m of office space, and 1,000 sq.m of retail space. According to the tender terms, the expected cost for acquiring the land, including development expenses, amounts to NIS 605 million, plus duly added purchase tax and VAT. To exercise the tender award, Aviv Melisron must comply with certain conditions within 90 days from the date on which the local outline plan comes into effect, including full payment of the consideration and development costs, as well as fulfillment of all obligations outlined in the tender booklet. On June 30, 2025, a final confirmation of the win was received, and the transaction is expected to be completed, including full payment, within 90 days of that date, i.e., by September 28, 2025.

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 4 – Additional Information and Material Events Subsequent to the Statement of Financial Position (cont.):

E. Expansion of Debentures and Partial Early Redemption:

- In June 2025, the Company issued NIS 359.2 million par value Debentures (Series S), which are secured by a second-degree lien on Ofer Kiryon, by way of expansion of an existing debenture series. The issuance was made at a price of NIS 1.111 per share for each NIS 1 par value Debentures (Series S), for a gross consideration of NIS 399 million and at effective interest rate of 3.28%, CPI-linked.

The Company deposited NIS 346 million of the issuance proceeds with the trustee of Debentures (Series J and S) to be used as financial collateral and for final redemption of Debentures (Series J), that was in practice carried out on July 10, 2025.

- Subsequent to balance sheet date, in July 2025, the Company issued NIS 629.5 million par value Debentures (Series U) by way of expansion of an existing debenture series. The issuance was made at a price of NIS 1.127 per share for each NIS 1 par value Debentures (Series U), for a gross total consideration of NIS 709 million and at effective interest of 2.95%, CPI-linked.

The Company announced that the net proceeds from the issuance will be used for partial early redemption of Debentures (Series N) on August 14, 2025, in an amount of NIS 585 million par value (The total proceeds amounted to NIS 704 million).

F. Commercial Paper (Series 5):

In June 2025, the Company issued NIS 676.3 million par value CP (Series 5) that bear annual interest at the Bank of Israel rate plus margin of 0.09%. The issuance was made at a price of NIS 1 per NIS 1 par value of CP (Series 5). The principal of CP (Series 5) and the interest on it are repayable in a single installment to be paid on June 5, 2026. At the same time, the Company engaged in a swap transaction with banks for the full amount issued, under which it committed to pay the banks an index-linked interest rate of 2.36% upon maturity of the commercial paper (Series 5), and in return receive an annual interest rate equivalent to the Bank of Israel rate plus a margin of 0.09%.

G. Bank loan and credit facilities:

- In June 2025, an amendment to an existing credit facility of NIS 850 million was signed and the deadline for its utilization was extended to July 1, 2027.
- In June 2025, an amendment to an existing credit facility of NIS 147 million was signed and the deadline for its utilization was extended to April 30, 2027.
- On March 26, 2025, a subsidiary signed an amendment to an existing loan agreement in the amount of NIS 896 million, extending the loan's maturity date to October 1, 2026.

Melisron Ltd.**Notes to the Condensed Interim Financial Statements (in NIS millions)****Note 5 – Segmental Reporting:****General:**

The reporting system forwarded to the Company's chief operating decision maker (CODM), as defined under IFRS 8, for allocation of resources and performance assessment of the operating segments, is based on the various operating sectors in which the Company operates. Until and including the financial statements as at September 30, 2024, the Company reported two segments: the income-generating properties segment and the "other" segment, which included residential real estate development and construction, urban renewal activity, as well as the Company's digital operations. As set out in Note 11 to the financial statements as at December 31, 2024, in the fourth quarter of 2024, the Company completed the acquisition of 100% of the shares of Aviv Melisron. In view of the strategic significance that the Company attributes to this investment, it began presenting the development operations (including residential real estate development and urban renewal) as a reporting segment starting from the financial statements as at December 31, 2024, while the CODM reviews the results of the development segment without deducting excess cost. Comparative figures were adjusted retrospectively so that in the comparable periods, this segment is presented as a reporting segment and Aviv Melisron's results are shown at 100% (by canceling the contribution of Aviv Melisron with respect to periods during which the Company held only a 50% stake in the Adjustment column). The segmental figures also include the operations of equity-accounted associates, according to the Company's share of these companies (other than the foregoing regarding Aviv Melisron), and are canceled in the Adjustments column.

A. Analysis of results by operating segment:**For the period of six months ended June 30, 2025 (unaudited)**

	Income generating properties	Residential development	Total	Adjustments	Consolidated
Revenue from external sources	1,042	55	1,097	(26)	1,071
Expenses	225	50	275	7	282
Sector results (gross profit)	817	5	822	(33)	789
Increase in value of investment property, net	422	-	422	(10)	412
General and administrative expenses					52
Advertising and marketing expenses					9
Other expenses					20
Company's share of profits of equity-accounted companies, net					<u>20</u>
Operating profit					1,140
Financing expenses, net					<u>274</u>
Profit before income tax					<u>866</u>

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 5 – Segmental Reporting (Cont'd):

A. Analysis of results by operating segment (cont'd):

For the period of six months ended June 30, 2024 (unaudited)

	Income generating properties	Residential planning	Total	Adjustments	Consolidated
Revenue from external sources	979	76	1,055	(99)	956
Expenses	218	65	283	(62)	221
Sector results (gross profit)	761	11	772	(37)	735
Increase in value of investment property, net	386	-	386	(7)	379
General and administrative expenses					37
Advertising and marketing expenses					4
Company's share of profits of equity-accounted companies, net					11
Operating profit					1,084
Financing expenses, net					295
Profit before income tax					<u>789</u>

For the period of three months ended June 30, 2025 (unaudited):

	Income generating properties	Residential planning	Total	Adjustments	Consolidated
Revenue from external sources	525	36	561	(13)	548
Expenses	117	31	148	5	153
Sector results (gross profit)	408	5	413	(18)	395
Increase in value of investment property, net	395	-	395	(9)	386
General and administrative expenses					26
Advertising and marketing expenses					5
Other expenses					3
Company's share of profits of equity-accounted companies, net					13
Operating profit					760
Financing expenses, net					183
Profit before income tax					<u>577</u>

Melisron Ltd.**Notes to the Condensed Interim Financial Statements (in NIS millions)****Note 5 – Segmental Reporting (Cont'd):****Analysis of results by operating segment (cont'd):****For the period of three months ended June 30, 2024 (unaudited)**

	Income generating properties	Residential planning	Total	Adjustments	Consolidated
Revenue from external sources	507	26	533	(38)	495
Expenses	113	22	135	(18)	117
Sector results (gross profit)	394	4	398	(20)	378
Increase in value of investment property, net	330	-	330	(6)	324
General and administrative expenses					19
Advertising and marketing expenses					3
Company's share of profits of equity-accounted companies, net					<u>8</u>
Operating profit					688
Financing expenses, net					<u>222</u>
Profit before income tax					<u>466</u>

Year ended December 31, 2024

	Income generating properties	Residential planning	Total	Adjustments	Consolidated
Revenue from external sources	2,040	129	2,169	(153)	2,016
Expenses	472	112	584	(84)	500
Sector results (gross profit)	1,568	17	1,585	(69)	1,516
Increase in value of investment property, net	1,147	-	1,147	(61)	1,086
General and administrative expenses					83
Other expenses					11
Advertising and marketing expenses					13
Company's share of profits of equity-accounted companies, net					<u>62</u>
Operating profit					2,557
Financing expenses, net					<u>567</u>
Profit before income tax					<u>1,990</u>

Notes to the Condensed Interim Financial Statements (in NIS millions)

Note 5 – Segmental Reporting (Cont'd):

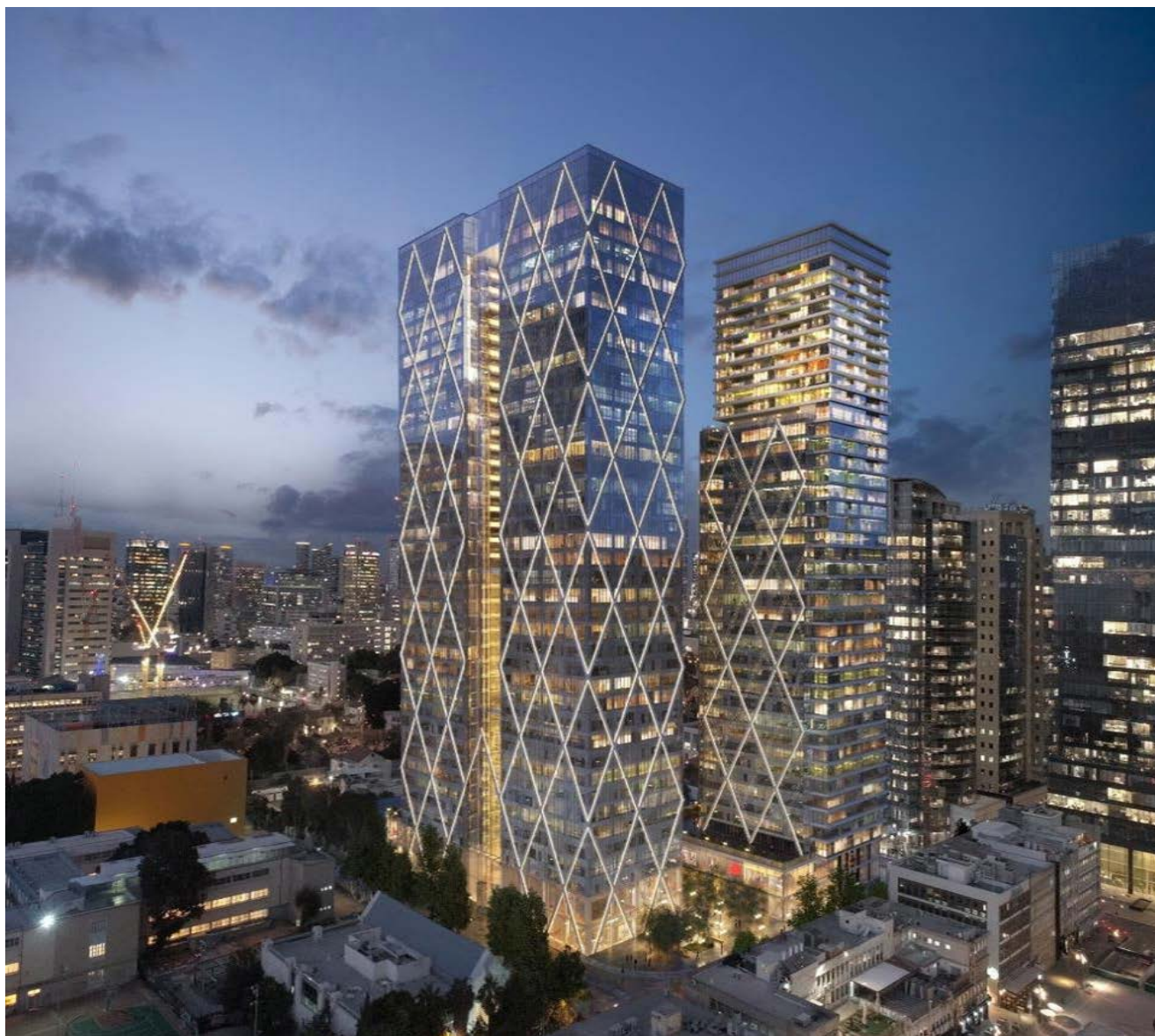
B. Analysis of revenue by type of use:

	<u>Six months</u> <u>ended June</u> <u>30, 2025</u> <u>(Unaudited)</u>	<u>Six months</u> <u>ended June 30,</u> <u>2024</u> <u>(Unaudited)</u>	<u>Three months ended</u> <u>June 30, 2025</u> <u>(Unaudited)</u>	<u>Three months ended</u> <u>June 30, 2024</u> <u>(Unaudited)</u>	<u>Year ended</u> <u>December 31, 2024</u> <u>(Audited)</u>
Retail	749	731	377	373	1,501
Offices and hi-tech	267	225	135	122	490
Residential development	<u>55</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>25</u>
Total	<u>1,071</u>	<u>956</u>	<u>548</u>	<u>495</u>	<u>2,016</u>

Chapter B

Board of Directors' Report on the State of the Company's Affairs

for the period ended June 30, 2025






















Landmark Tower Tel Aviv – Rendering

DISCLAIMER

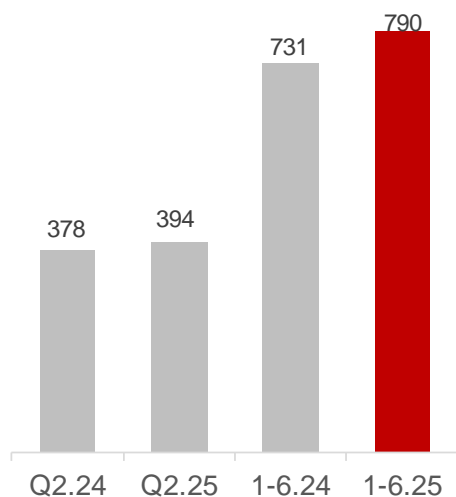
The following is an unofficial translation into the English language, for convenience purposes only, of the Annual Supplemental Presentation of Melisron Ltd. ("the Company") for the half year ended June 30, 2025 that was originally prepared in the Hebrew language. The full, legal and binding version of this Presentation, for all intents and purposes, is the Hebrew version, which was filed by the Company with the Israel Securities Authority and published on the MAGNA website: www.magna.isa.gov.il on August 13, 2025.

Melisron- In numbers

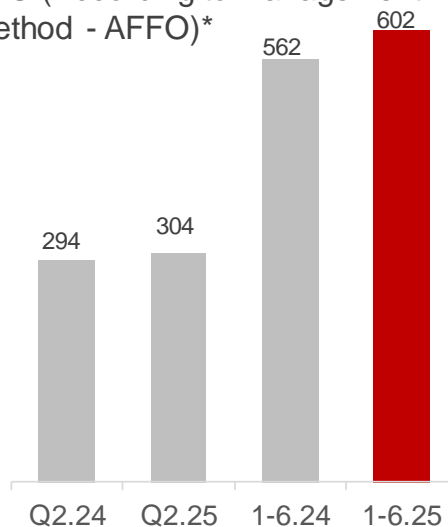
Value and Debt Data	NIS 18 billion Market value at August 13, 2025	AA/Stable Credit rating	3.01 Average duration of debt	2.37% Average effective linked interest
				
18 Shopping Malls	536 thousand sq. m + 20,000 parking spaces GLA	2,400 Tenants	NIS 18.5 billion AUM	98.9% Occupancy rate
				
6 High-Tech Parks + Offices in Malls	484 thousand sq. m + 8,000 parking spaces GLA	370 Tenants	NIS 9.4 billion AUM	95.2% Occupancy rate
				
5 Single-Tenant Properties	41 thousand sq. m GLA	NIS 1.2 billion AUM	100% Occupancy rate	
				
Properties under Construction	62 thousand sq. m GLA (Company's share)	NIS 105 million Expected NOI at full income generation (Company's share)		
				
Properties under Development	84 thousand sq. m GLA (Company's share)	NIS 117–128 million Expected NOI at full income generation (Company's share)		
				
Residential	4,700 Estimated apartments for construction	NIS 15.2 billion Estimated revenue from development (100%)	NIS 2.5 billion Estimated gross profit (100%)	

Company's results for Q2 2025 and for H1/2025 compared to corresponding periods in 2024 (NIS millions)

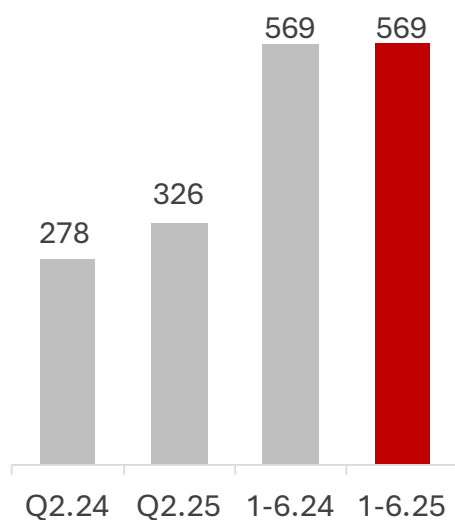
NOI (Owners' share)



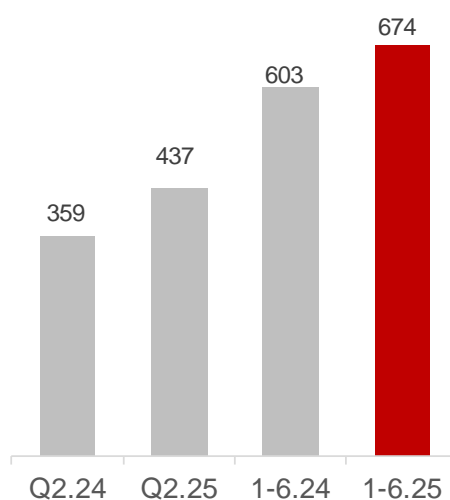
FFO (According to management method - AFFO)*



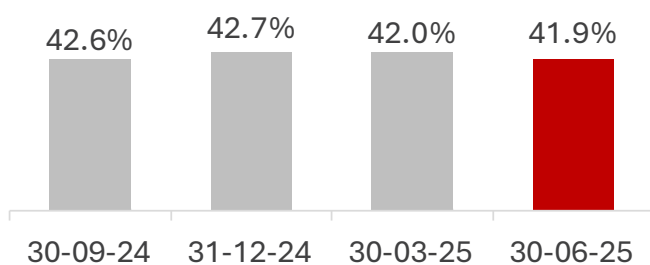
Cash flow from operating activities – Income-generating properties**



Profit for the period – Owners' share



LTV rate



* FFO according to ISA's approach in first half and second quarter of 2025 amounted to NIS 425 million and NIS 160 million, respectively. See page 30 of this Directors' Report.

** Current cash flows used for residential activities amounted to NIS 137 million, which was mainly used for investing in inventory of land under development for the construction of apartments for sale.

Statement by the CEO

Throughout the year, the State of Israel continued to face the challenges of war and its consequences, and in addition to the ongoing campaign in Gaza and along the northern border, a 12-day campaign broke out with Iran. While the war in Gaza had limited impact on the Company's operations during the Reporting Period, the 12-day conflict with Iran disrupted business activity across the economy, including the closure of the Company's malls for ten days (excluding essential businesses). Nonetheless, also thanks to the IDF soldiers and security forces, Israeli citizens continue to demonstrate resilience and fortitude, and maintained daily routines alongside the conflict. As we have seen time and again in recent years, mall sales show a rapid and strong recovery following periods of forced closures. Thus, since the end of the war on June 25, 2025, until shortly before the publication of this Report, sales increased by 14% compared to the corresponding period last year (according to RIS data).

Tenants' sales in the Company's malls in the first five months of the year were the same compared with the corresponding period in 2024 (which was a record year for the Company's tenants' proceeds), and 11% higher than proceeds in the corresponding period in 2023.

In the first half of 2025, the Company presented continued growth across all operational indices compared to the corresponding period last year: Net operating income (NOI) – shareholders' share – increased by 8% and amounting annually to NIS 1.6 billion, and funds from operations (AFFO) increased by 7% to an annual NIS 1.2 billion. In the Reporting Period, real growth in leasing fees recorded in previous years continued, and rose by an average rate of 7% (in new contracts, contract renewals and exercise of options).

The Company's growth and development momentum continues, with operating stability based on a strong operational foundation, a diverse and high-quality asset portfolio, and extensive pipeline of projects in development.

Key business developments during the period include:

- Continuing occupancy of the Landmark Tower A, which has been marketed in full, primarily to leading high-tech companies; and ongoing construction of Tower B, which comprises 42,500 sq. m of office space, 3,800 sq. m of retail space, and 116 residential units, which the Company intends to begin marketing in the near future.
- Further expansion of the Ofer Nof Hagalil Mall, which will become the Company's ninth regional mall, which will enable the inclusion of large-scale anchor tenants and diversification of the complex, (the expected NOI of the expanded complex is expected to be NIS 68 million (100%). Most of the spaces have been successfully marketed.
- The continuation of construction on the Ofer Yavne Mall, which will include 17,000 sq. m of retail space and 7,300 sq. m of office space. Most of the retail spaces have been successfully marketed.
- Construction of the additional floor in the Ofer Ramat Aviv Mall is progressing, and it is nearing completion. This additional floor will enable the introduction of new luxury brands, a new fast-food court, and the addition of food and restaurant establishments, enhancing the overall customer experience at the mall.
- In the coming months, the Company is preparing for the construction of an additional 11,000 sq. m of office space and 200 parking spaces at the Ofer Rehovot Mall. At the same time, significant efforts are underway to improve the tenant mix at this mall, including introduction of new brands and relocation of existing stores to upgraded, modern retail spaces.
- Aviv Melisron won a tender in the northern Sde Dov area E in Tel Aviv, to acquire a 6-dunam plot for the development of 320 residential units, 3,800 sq. m for businesses, and 1,000 sq. m of retail space, for a total consideration of NIS 605 million, plus duly added purchase tax and VAT. The Company estimates that the total cost of the project will be NIS 1.5 billion, with expected gross profit of NIS 320 million.
- Aviv Melisron continued its expansion in the urban renewal sector, securing projects throughout the year that represent a total of 560 residential apartments, thereby increasing the Company's residential apartment pipeline to 9,550 units, of which 4,700 are in advanced stages of development and 4,850 are in early planning stages. Aviv Melisron currently has five projects under construction and is preparing to launch five additional projects, so that in 2025, there will be 10 projects in various stages of development, with a total of 1,270 residential apartments.

In addition, the Company continued to revamp the appearance and appeal of its existing properties and to improve and diversify the tenant mix in its malls. As part of this effort, the Company is investing in enhancing the tenant mix at Ofer Kiryon. The Company is preparing to renovate the public areas at the Ofer Grand Mall in Petah Tikva, with an investment of NIS 65 million. At the same time, the Company continues to promote the outline plans and permits for other projects that it owns, such as Ofer Carmel and Ofer Yokne'am, and the property on Lincoln Street in Tel Aviv.

Effects of the War

Shopping Malls and Shopping Centers – During the second quarter, Israel launched a 12-day war against Iran. During this period, the Company's malls were closed for 10 days. Following the end of the war and the reopening of the malls, and through to the end of July, tenant sales increased by 14% (according to RIS data), compared to the corresponding period last year, which was considered a record year in terms of tenant sales.

The Company believes that the effect of the war in decreasing the number of Israelis traveling abroad also contributed to the increase in tenant sales.

To ease the burden on tenants and help them cope with the consequences of the security situation, the Company drafted a plan that includes spreading rent payments for July 2025 over three installments.

High-Tech Parks and Office – The market has recently begun to reflect signs of stability and a positive outlook, following a slowdown in 2023 and 2024, and the market is accordingly expected to recover, particularly in high-demand areas such as Tel Aviv.

Construction and Residential – The Company's construction sites are operating at full capacity, excluding during the days of the Iran war when some sites were either shut down or operating at reduced capacity. The labor shortage in certain trades that emerged following the outbreak of the Iron Swords has eased and stabilized at most of the Company's construction sites.



Company Goals and Objectives

The Company operates and manages its business affairs with the aim of creating value for its investors by generating cash flows from income-generating properties and sale of residential apartments, appreciation of its properties, and developing new businesses. To achieve these goals the Company operates as follows:

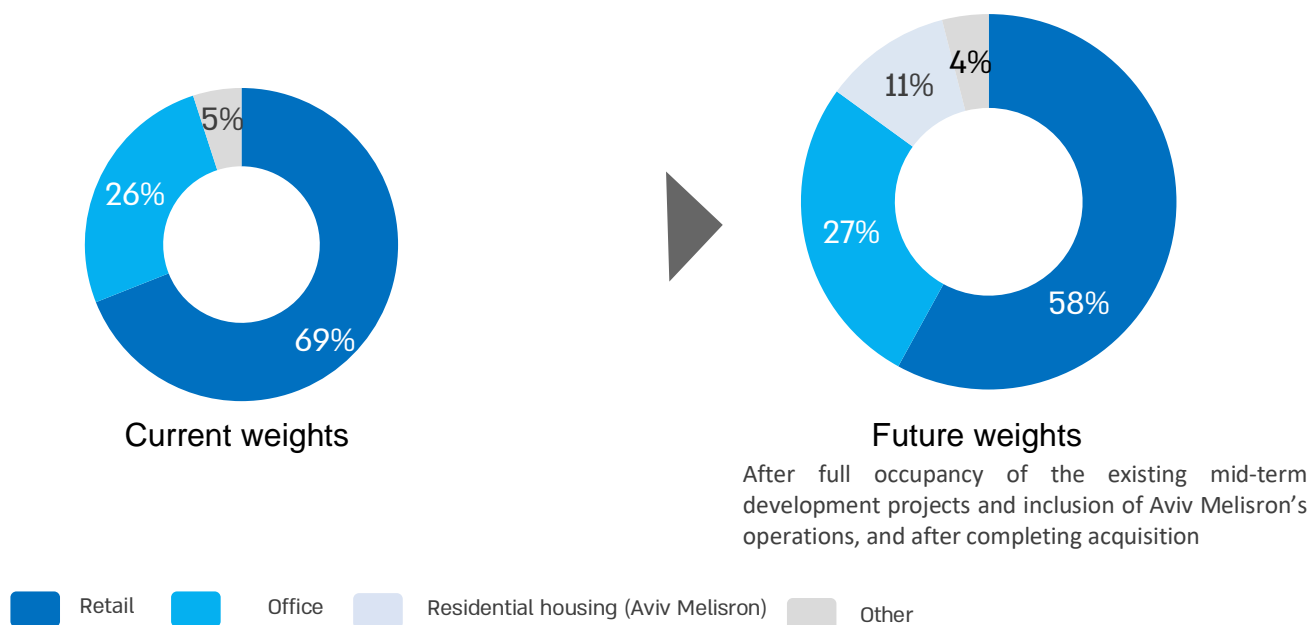
- Frequent investments in renewing and improving of the appearance and appeal of its properties, diversifying and adjusting the store mixes, improving existing properties, and utilizing the existing rights in them;
- Development and construction of projects, including residential and urban renewal projects;
- Seeking opportunities to acquire new properties and land in the Company's operating segments;
- Creating digital and technological innovation to strengthen customer relations, improve the shopping experience and increase tenant sales
- Maintaining and improving financial robustness by extending the debt duration and maintaining direct access to the capital market and banks.

The Company implements its strategic plan to reinforce and maintain its core operations through improving the shopping malls and office parks, and promoting measures to support its core operations while at the same time developing operations by improving existing properties through mixed uses and through development of residential development and urban renewal projects.

It should be emphasized that the CEO's statement concerning assessments, forecasts and expectations regarding the continuation of the Company's operations, the renovation and development of properties, including Ofer Ramat Aviv, Landmark Tower (including the planned start of residential marketing), beginning construction of the Ofer Rehovot expansion, Aviv Melisron's operations (including expected construction starts in 2025 and estimates regarding the total cost and expected gross profit of the Sde Dov project), as well as the Company's foregoing goals and objectives and expected NOI and AFFO, and construction completion dates, developments at Ofer Nof Hagalil and Ofer Yavne, preparations and projected investment for the renovation of the Petah Tikva Ofer Grand Mall, progress regarding the outline plans and permits for Ofer Hcarmel, Ofer Yokne'am and the Lincoln Street project in Tel Aviv, as well as the Company's review of the effects of the war on its operations and financial results, including with regard to the value of its properties, constitute forward-looking information as this term is defined in the Securities Law, 1968, are based on the Company's subjective assessments as at the reporting date and there is no certainty that they will materialize, in whole or in part, or they may materialize differently (including materially), among other things, due to factors that are not in the Company's control, including changes in market conditions, the length of time it will take to approve building plans and the prices of construction inputs, the uncertainty caused by the nature and duration of the war, as well as the manifestation of risk factors as described in section 30 of Chapter A in the Company's Periodic Report for 2024 as published on March 11, 2025 (Ref. No.: 2025-01-016144), the details of which are included here by way of reference ("The Company's Periodic Report").

Company operations by category

According to NOI and NOI after completion of existing mid-term development and Aviv Melisron operations



Notes:

- The Company's share in the residential housing segment is accounted according to projected average gross profit in the years 2026–2031.
- The office located in or adjacent to the malls are included under the office space segment.
- The Other category refers to buildings leased to a single tenant.

The Company's assessments regarding the weight of the Company's various operations (based on existing and expected NOI and inclusion of the residential housing segment) constitute forward-looking information, as defined in the Securities Law, 1968, and are based, among other things, on the information available to the Company concerning its various operations, including the completion dates of development and occupancy of Aviv Melisron projects that are currently in planning and future development. The Company's foregoing estimates and plans may not materialize, in whole or in part, or may materialize differently to expected, even substantially, due to, among other things, factors or effects that cannot be estimated in advance and/or are not in the Company's control, including, among others, changes in market conditions, time required to obtain approval of building plans for execution, changes in construction costs and/or project time schedules, actual gross profit from projects, their actual scope and marketing, a changing economic and geopolitical environment, changes in government policy and the authorities acting on its behalf, Aviv Melisron's ability to complete the urban renewal projects on the dates and in the scope forecast, and to obtain the required consent from the owners of the rights in urban renewal projects and/or factors and risks involved in the operations of the Company and/or of Aviv Melisron that are not in the Company's control, each of which, or any combination thereof, may adversely affect the results of the Company's operations and in any case the materialization of such estimates and forecasts.



Income-generating property

Income-generating properties

	Area (Company's share) .sq. m thousands	Occupancy rate %	Value attributable to income- generating properties NIS millions	Value attributed to rights and construction NIS millions	NOI for reporting period NIS millions	Weighted capitalization rate %	Percentage of NOI %
Regional Malls	274	99.3%	12,105	220	398	6.99%	50%
Outlets and Power Centers	91	97.0%	2,101	385	69	7.02%	9%
Urban Malls	41	98.5%	785	104	27	7.53%	3%
Neighborhood Malls	68	99.3%	1,509	44	54	7.15%	7%
High-tech Parks and Office	388	95.2%	6,796	983	206	6.83%	26%
Single-Tenant Properties	42	100%	1,203	4	36	6.08%	5%
Total	904	97.3%	24,499	1,740	790	6.93%	100%

Notes:

1. The figures for high-tech and office parks include office space in or adjacent to the shopping mall buildings.
2. The occupancy rate in the high-tech and office parks does not include the F office building in Ofer Nof Hagalil, which was recently completed and has an occupancy rate of 24%.
3. A 15,000 sq. m building (the Company's share is 11,000 sq. m), located in Ofer West Park that was leased in recent years to IBM, was excluded from the area and occupancy data. The building is scheduled for major renovations (including replacement of the building's exterior cladding), which the Company estimates will take two years.

By category

Regional complexes			Local malls		Office
Regional malls	Outlets and Power Centers	Urban Malls	Neighborhood Malls	High-tech Parks and Office	Single-Tenant Properties
Ofer Ramat Aviv	Ofer Bilu Center	Ofer Hasharon Mall Netanya	Ofer Edumim	Ofer Park Petah Tikva	IKEA Rishon LeZion
Ofer Kiryon	Hutzot Hamifratz	Ofer Lev Hadera	Ofer Harel	Ofer Park Yokne'am	Residential Clusters in Ashdod
Ofer Grand Haifa	Ofer Nof Hagalil		Ofer Kenyoter	Ofer Park Carmel	Hamashbir Zion Square
Ofer Grand Mall Petah Tikva	Ofer HaGiva		Ofer Sirkin	Ofer Millennium House buildings	BE Store Eilat Promenade
Ofer Rehovot			Ofer Marom Center	Tower A Landmark Tel Aviv	Sport and Country Club in Haifa
Ofer Grand Mall Be'er Sheva			Ofer Nahariya		

New contracts, contract renewals and exercise of options in the Reporting Period

In the Reporting Period, the Company signed 352 new contracts, as follows:

Office	Exercise of options and renewal of contracts	Tenant churn	Retail	Exercise of options and renewal of contracts	Tenant churn
No. of contracts	15	5	No. of contracts	207	50
GLA (sq. m thousands)	22	7	GLA (sq. m thousands)	40	8
Annual income (NIS millions)	22	4	Annual income (NIS millions)	90	19
Real PRG (percent rental growth)	2%	29%	Real PRG (percent rental growth)	4%	27%

New contracts for space unoccupied for over a year and new ventures	Retail	Office
No. of contracts	59	16
GLA (sq. m thousands)	16	15
Annual revenue (NIS millions)	28	14*

* Company's share

Key information regarding the Company's material income-generating properties as at June 30, 2025

Property, location	Company's effective holding in the property	Total gross leasable area (GLA) (sq. m)	NOI for reporting period (NIS millions)	Occupancy rate (%)	Cumulative repayment load for the period *) (%)	Adjusted annual NOI (**)	Value of income-generating properties (NIS millions)	Value of properties under construction and rights (NIS millions)
Ofer Shopping Mall, Ramat Aviv	100%	33,766	92	100%	10.8%	194	2,981	133
Ofer Shopping Mall, Kiryat Bialik ***)	100%	92,499	90	98.3%	10.4%	195	2,866	43
Ofer Grand Mall, Petah Tikva	100%	55,447	72	99.6%	10.7%	146	2,151	52
Ofer Grand Mall, Haifa	100%	58,707	74	100%	9.9%	146	2,089	5
Ofer Grand Mall, Be'er Sheva	100%	55,252	53	98.9%	8.8%	114	1,621	11
Ofer Mall, Rehovot	100%	43,562	49	99.7%	9.6%	108	1,488	15
Ofer Bilu Center, Bilu Junction	72%	45,630	43	98.1%	8.8%	90	1,309	-
Ofer Park, Petah Tikva ****)	74%	132,790	59	88.3%	-	139	2,219	2
Landmark Tower A, Tel Aviv *****)	50%	<u>51,933</u>	<u>52</u>	<u>97%</u>	-	<u>115</u>	<u>1,813</u>	<u>341</u>
Total material properties		569,586	584	96.9%		1,247	18,537	602
Other income-generating properties		383,245	234	98.0%		474	6,938	1,139
Net of non-controlling interests		(48,725)	(28)	-		(64)	(976)	(1)
Total income-generating properties, net		904,106	790	97.3%		1,657	24,499	1,740

Total value of investment property, Company's effective share (consolidated extended)(NIS millions) **26,239**

*) The cumulative debt burden is the ratio between rentals and revenue for the first six months of 2025.

**) Adjusted NOI includes the annualized effect of revenue from new contracts that have been signed and not yet generated revenue over a full year.

***) Ofer Kiryon is undergoing a significant modification to its store mix and new construction that resulted in stores being temporarily relocated or closed, which causes a temporary decline in NOI. In the second quarter of 2025, the major renovations were completed, and several stores opened in June. As a result, the Company estimates that the actual NOI will increase in the coming quarters and will be similar to the adjusted NOI.

****) Including Ofer West Park and Ofer East Park. A 15,000 sq. m building (the Company's share is 11,000 sq. m), located in Ofer West Park that was leased in recent years to IBM, was excluded from the inventory of properties. The building is scheduled for major renovations, which the Company estimates will take two years.

*****) The figures represent the Company's share (50%). Value of building rights under construction refers to Tower B in the project (excluding the residential section).

The Company's estimates regarding the completion of construction in Ofer Kiryon and the Ofer Park West and expected annual adjusted NOI constitute forward-looking information, as this term is defined in the Securities Law, 5728-1968, and are based, among other things, on the information available to the Company at the time of the report. The Company's foregoing estimates may not materialize, in whole or in part, or may materialize otherwise than expected, even substantially, due to various factors including factors or effects that cannot be estimated in advance and/or are not in the Company's control.



Portfolio of income-generating properties under construction

The Company views the development of properties as the best potential source of growth and profit generation in its core area of operations in the shopping mall and office space sector and frequently explores opportunities for executing such activities.

As part of this, the Company (together with a partner) is developing its flagship Landmark project, in the Sarona complex in Tel Aviv. Construction of Tower A was completed in April 2024, and handed over to the tenants for modifications, and occupancy is underway as at the reporting date. As of the second quarter of 2024, the Company recognizes income for part of the space handed over to tenants.

Tower A – comprises 101,000 sq. m of office space, 2,400 sq. m of retail space, 6,800 sq. m of public buildings and 2,015 parking spaces. As at the reporting date, the Tower has been marketed in full.

Tower B – comprises 42,500 sq. m of office space, 3,800 sq. m of retail space and 11,500 sq. m of residential apartments (8,100 for sale, 116 rental units). Construction of Tower B began in November 2023, and its construction is expected to be completed at the end of 2026 (construction of the residential part is expected to be completed in early 2027). The Company is conducting negotiations regarding significant areas of spaces in the tower. The Company intends to begin marketing the residential apartments in the project in the third quarter of 2025.

In addition, in 2024 the Company began construction of an additional 21,000 sq. m in Ofer Nof Hagalil, which will become the Company's ninth regional mall and will allow the addition of large-scale anchor tenants into the complex, as well as the construction of the Ofer Yavne complex comprising 17,000 sq. m of retail space and 7,300 sq. m of office space, in collaboration with a partner (30%). In the second quarter, the Company completed the occupancy of the new buildings in Hutzot Hamifratz covering a total area of 14,000 sq. m (11,500 sq. m were occupied in 2024), which generate annual NOI of NIS 12 million (the Company's share is 50%).

Breakdown of projects in various stages of construction and occupancy that are expected to increase Melisron's income and properties (NIS millions):

Property	Ownership	Primary use	GLA (sq. m)	% Rented space	Development stage	Construction completion date (Form 4) actual/expected	Estimated project cost (100%)	Net project value as at June 30, 2025 (100%)	Estimate to complete (100%)	NOI at full occupancy (100%)	Actual NOI 1–6.25 (100%)
Completed projects – occupancy in progress:											
Landmark – Tower A*	50%	Office	103,866	100%	Occupancy	Completed	1,733	3,628	186	238	104
Ofer Nof Hagalil – Building F	90.9%	Office	6,000	24%	Occupancy	Completed	36	60	–	4	–
Projects under development:											
Ofer Ramat Aviv	100%	Retail	3,000	100%	Under construction	2025	87	116	15	10	–
Landmark – Tower B**	50%	Office	46,300	–	Under construction	2026	868	681	420	85	–
Ofer Yavne	70%	Retail & office space	24,300	***	Under construction	2027	401	120	303	32	–
Ofer Nof Hagalil	90.9%	Retail	21,000	–****	Under construction	2026	360	106	310	33	–
Company's share			120,000				2,028	2,505	812	227	52

* Costs and NOI include the construction of a parking facility that will also serve Tower B, excluding the specific parking spaces designated for the residential apartments. As of the second quarter of 2024, the Company recognizes income for part of the space handed over to tenants.

** Not including the residential section of the Landmark project, which is expected to generate income of NIS 523 million and gross profits of NIS 137 million (100%).

*** Commercial agreements with tenants for most of the retail space (17,000 sq. m) are in place.

**** Retail agreements tenants for most of the retail space are in place.

As seen from the foregoing table, according to the Company's estimates, the expected rate of return on development projects is 11% on project cost.

Future development of the Company's income-generating properties

The Company owns several plots of land and projects that are in the planning stage to change the urban building plan or obtain building permits for mixed uses and combinations of residential apartments, retail and office space, rental apartments and hotels. Below is a breakdown of projects (NIS millions):

Property	Ownership	Primary use	GLA (sq. m)	Status	Expected construction start date	Expected construction completion date	Net value at June 30, 2025	Estimated project cost	Estimate NOI at full occupancy
Ofer Rehovot*	100%	Office	11,000	Urban Building Plan approved, building permit received	2025	2027	15	115-125	12-13
Ofer Edumim	100%	Retail	3,400	Urban Building Plan approved	2025	2027	9	35-40	5-7
Ofer Carmel**	100%	Office	18,000	Urban Building Plan approved	2026	2028	40	270-280	18-20
Ofer Yokne'am	100%	Office	26,500	Urban Building Plan approved	2026	2029	-	370-380	26-28
Ofer Lincoln, Tel Aviv	100%	Office	25,500	Urban Building Plan approved	2026	2029	328	760-770	56-60
Company's share			84,400				392	1,550-1,595	117-128

Projects whose construction start date and accompanying estimates are to be determined:

Property	Ownership	Primary use	GLA (sq. m)	Status	Net value at June 30, 2025
Ofer Ramat Aviv	100%	Retail, office space, hotels and rental housing	90,000	Urban Building Plan pending	74
Ofer Yokne'am	100%	Office	50,000	Urban Building Plan approved for deposit for objections	-
Ofer Hasharon	100%	Retail and office space	7,000	Urban Building Plan approved, excavation and shoring permit issued	43
Ofer Harel	100%	Retail and office space	8,700	Urban Building Plan approved	25
Ofer Mall Petach Tikva	100%	Office and hotels	25,000	Urban Building Plan approved	53
Ofer Be'er Sheva	100%	Office and clinics	14,000	Urban Building Plan approved, permit issued	11
Ofer Grand Haifa	100%	Retail, office space, residential apartments and hotels	30,500 + 300 units	CBP pending	5
Ofer Kiryon	100%	Office	23,000	Urban Building Plan approved	43
Ofer Mall Petach Tikva	100%	Retail	7,000	Urban Building Plan approved	-
Ofer Carmel	100%	Office and employment	23,000	Urban Building Plan approved	22
Nof Hagalil	91%	Office, maintenance and hotels	16,000	Urban Building Plan approved	25
Hutzot Hamifratz	50%	Logistics and office space	122,000	Urban Building Plan approved	365
Land in the Kanot Junction area	100%	Logistics	24,000	Urban Building Plan pending	49
Ofer Carmel	100%	Office and employment	16,000	Urban Building Plan approved	16
Ofer Carmel	100%	Server farm	18,000	Urban Building Plan approved	17
Company's share			411,744		563
Total Company share (of all properties)***			496,144		955

The Company's estimates regarding the expected construction completion dates for the projects under planning and development as described in this section and in the first table above, the estimated cost for each project, the estimated cost to complete construction for each project, and the expected rates of return on the projects and beginning of marketing, the expected income and gross profit for the residential section of the Landmark project, the Company's estimates regarding the future development of the Company's properties, the expected project construction start and completion dates, and the estimated cost for each project and estimated NOI at full occupancy as set out in the second table above, constitute forward-looking information as this term is defined under the Securities Law, 5728-1968. Actual results may differ (or differ substantially) from the estimates set out above and as implied by them, for various reasons, including reasons beyond the control of the Company, including changes in the construction costs of the projects, in the project schedules for the projects, their effective scope and marketing, the time that will be required to approve the building plans for execution, to obtain permits from the relevant authorities and to obtain consent of third parties and due to the effects of the war, and the materialization of risk factors as described in section 30 of Chapter A of the Company's Period Report for 2024.

* Not including the cost of expanding of the existing parking facility, estimated at NIS 35 million.

** Including cost of land regarding which the Company intends to file application for additional building rights.

*** Not including land designated for residential building in Be'er Sheva (293 apartments) and in Netanya (92 units), which are currently classified as investment property.

Residential

As part of the implementation of the Company's strategic plan to engage in new activities in the real estate sector and to diversify its sources of income, the Company holds 100% of the shares of Aviv Melisron, whose financial statements are consolidated into the Company's financial reports. Aviv Melisron is a private company specializing in development, construction, and sale of residential properties, focusing on large-scale projects and urban renewal. Aviv Melisron is a reputed company with years of experience in the real estate and housing sector, it has a C5 registered contractor license and execution capacities that allow control of construction quality and high-end finishing. As of January 1, 2025, Mr. Tzachi Didi serves as the CEO of Aviv Melisron.

Aviv Melisron strategy is to:

- focus on urban renewal projects and to increase the number of projects.
- compete in tenders for land and seek combination transactions, focusing on high-demand areas.
- extend the geographic area in which the Company operates to new areas in the vicinity of high-demand areas.

Inventory of apartments for sale, buildings under construction, and land

	Company's share			
	Carrying amount as at June 30,	No. of	No. of	Expected gross profit
	2025 (in NIS millions)	apartments for sale (Developer's share)	apartments sold	(net of recognized profit) (in NIS millions)
Urban renewal projects	639	1,802	235	792
Land	1,654	1,206	-	990
Inventory of apartments in Landmark project	119	58	-	69
Total	2,412	3,066	235	1,850

Notes:

1. The balance of urban renewal projects and land as at the reporting date includes excess costs of NIS 385 million. This is based on purchase price allocation (PPA) work performed as at October 31, 2024 (date of acquisition of the additional 50% rights in Aviv Melisron). Accordingly, the gross profit in these two categories is presented according to accounting standards in the consolidated statement of profit or loss net of such excess costs. The Company's expected cash flows when releasing the reserves from the projects is NIS 385 million higher and as at June 30, 2025, amounts to NIS 2,235 million (compared with NIS 1,850 million presented in the foregoing table).
2. As at the reporting date, the land includes the Aviv Melisron projects: Aviv at Shchakim (Herzliya), Aviv at Shirat Hayam (Netanya) and Aviv at Tabenkin (Tel Aviv). Additional land in Sde Dov is included in the number of units designated for sale and in the expected gross profit (the current carrying amount reflects only NIS 28 million, which the Company paid as an advance payment out of an estimated total cost of NIS 635 million, excluding VAT payments).
3. For a complete list of urban renewal projects, see the breakdown of projects in Appendix D of this report.
4. In addition, the Company owns two plots that, as at the reporting date, the Company expects to be zoned for residential uses, one in Be'er Sheva (293 units) and the second in Netanya (92 units), which are currently classified as income-generating properties as part of the entire income-generating asset. To date, the commencement date for the projects on these plots has not yet been determined.

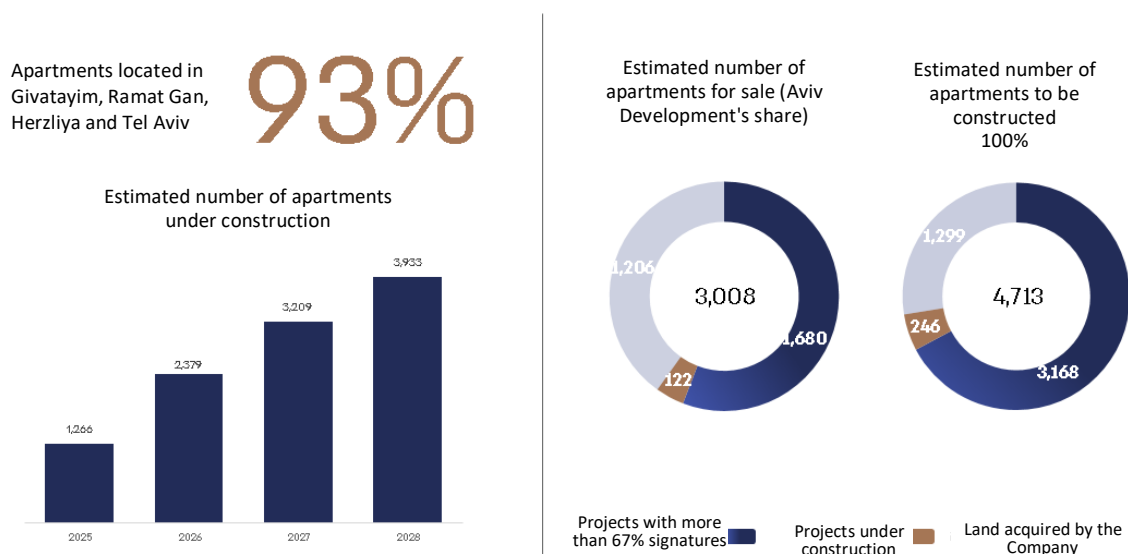
As of the date of publication of the report, Aviv Melisron has five active projects in stages of execution: Aviv at Podim (Ramat Gan), Aviv at Makor (Ramat Gan), Aviv at Hefetz Chaim (Tel Aviv), Reading (Tel Aviv), and Histadrut Complex C (Giv'atayim). In addition, the Company is preparing to begin construction on five additional projects in the second half of 2025, with marketing already underway for three of them. From the beginning of the year until the date of the signing of the report, Aviv Melisron sold 60 apartments for NIS 309 million, and has received 17 additional registration applications from potential buyers.

Aviv Melisron won the following tenders in the first six months of 2025:

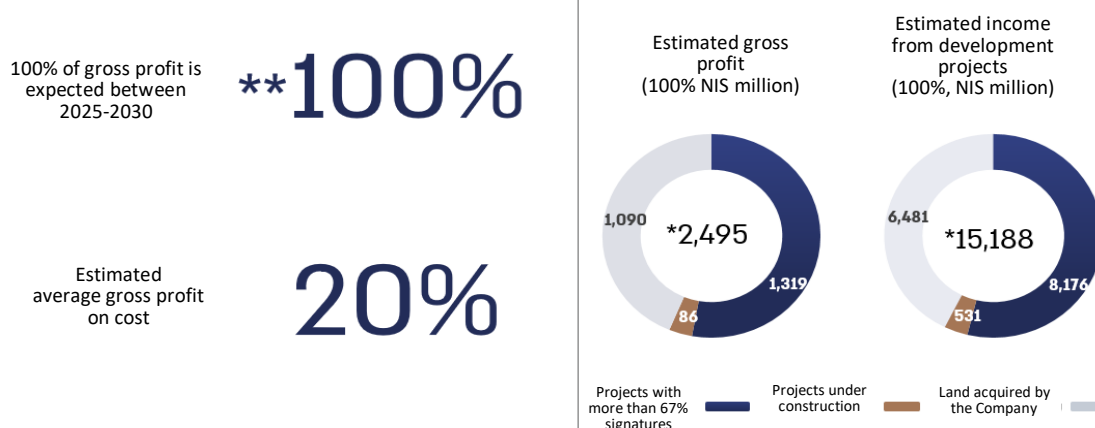
- A. In March 2025, the Company announced that a subsidiary of Aviv Melisron had won a tender in the northern Sde Dov area E in Tel Aviv, for 6 dunams of land designated for the construction of 320 residential units, 3,800 sq. m of office space, and 1,000 sq. m of retail space. According to the tender terms, the expected cost for acquiring the land, including development expenses, amounts to NIS 605 million, plus duly added purchase tax and VAT. To exercise the award of the tender, Aviv Melisron must comply with certain conditions within 90 days from the date on which the local master plan comes into effect, including full payment of the consideration and development costs, as well as fulfillment of all obligations outlined in the tender booklet. On June 30, 2025, a final confirmation of the award was received, and the transaction is expected to be completed, including full payment, within 90 days of that date, i.e., by September 28, 2025. Aviv Melisron intends to finance the transaction and the execution of the project through a combination of equity and financing from a financial institution. The total estimated cost of the project amounts to NIS 1.5 billion, with expected gross profit of NIS 320 million.
- B. Two urban renewal projects in Giv'atayim and Tel Aviv, comprising 560 residential apartments.

In addition, Aviv Melisron continues to consistently explore market opportunities, whether from new tenders or land offered for sale or in urban renewal projects in high-demand areas.

Aviv Melisron | Residential Apartments



Aviv Melisron | Expected Revenue and Profit



* Over the life of the projects. The Company's share of income is NIS 13.1 billion and gross profit is NIS 2.2 billion. Approximately a third of which in projects under construction or the construction of which will begin during the year.

** In addition, Aviv Melisron is promoting several projects that are not presented above, for which at this time there is no planning certainty and/or minimal signatures obtained. Total number of apartments expected in these projects (including apartments designated for the existing owners) 5,000 apartments.

In addition, Aviv Melisron is promoting several projects that are not presented above, for which at this time there is no planning certainty and/or minimal signatures obtained. Total number of apartments expected in these projects (including apartments designated for the existing owners) 5,000 apartments. The figures include, for the first time, the contribution of the Sde Dov project as described above. As at the reporting date, the transaction for the acquisition of the Sde Dov land has not yet been completed.

The Company's estimates and plans to develop the residential development properties and urban renewal projects, its estimates concerning expected operations of Aviv Melisron and its plans, the estimated number of apartments for construction and sale, the commencement of construction, and estimated income and gross profit of Aviv Melisron constitute forward-looking information as defined in the Securities Law, 5728-1968, and are based, among other things, on the information the Company has regarding Aviv Melisron. The Company's foregoing estimates and plans may not materialize, in whole or in part, or may materialize otherwise than expected, even substantially, due to, among other things, factors or effects that cannot be estimated in advance and/or are not in the Company's control, including a changing economic and geopolitical environment, changes in government policy and authorities acting on its behalf relating to Aviv Melisron's areas of operation, Aviv Melisron's ability to complete the urban renewal projects on the estimated dates and numbers, and to obtain the required consent from the owners of the rights in the foregoing projects and/or factors and risks involved in Aviv Melisron's operations that are not in the Company's control, each of which, or any combination thereof, may adversely affect the results of the Company's operations and in any case the materialization of such estimates and forecasts.

Financial debt

Highlights

Financial management

From the beginning of 2024 to the publication date of this report, the Company raised NIS 4.7 billion in debentures and marketable securities. The Company maintains financial flexibility by raising debt at good terms and with long duration, which supports continued planning, development, and appreciation of additional projects and exploitation of new business opportunities while maintaining financial stability and robustness in the most challenging times.

The guiding principles of its financial debt management are:

1. Maintaining sufficient liquidity;
2. Extending debt duration;
3. Maintaining strong stable balance sheet data; and
4. Maintaining a high credit rating.

The Company's debt mix includes publicly traded debenture series, private loans from institutional investors, bank loans and credit facilities, and marketable securities. For further information regarding the effects of the war, see p. 5 of this Board of Directors' Report.

The Company's financial leverage

The Company engages in two operating segments with different characteristics – income-generating properties and residential development and construction – which also have different acceptable leverage rates. The Company believes that as at reporting date, the correct target leverage (LTV) for the Company, which measures the investment in Aviv Melisron as an investment account, is 50%, and the consolidated leverage target that is impacted by the higher leverage levels acceptable in the residential development and construction sector, is 52%.

Consequently, the Company presents the LTV ratio in the following two ways:

1. LTV measuring Aviv Melisron as an investment account (assets less liabilities, net) is 41.9%, a decrease of 0.8% compared with December 31, 2024.
2. The consolidated LTV ratio, measuring the ratio of liabilities of the Company and of Aviv Melisron to the assets of the Company and of Aviv Melisron, is 44.1%, a decrease of 1% compared to December 31, 2024.

Financial challenges

In 2012–2022, the Company managed to reduce its financing costs by extending the average duration of its debts and exploiting opportunities when interest rates were lower. In the current market and interest environment, the Company focuses primarily on extending the duration of its debts.

As at the reporting date, the Company is required to repay the principal of NIS 3.7 billion over the coming year (by June 30, 2026), of which NIS 1.2 billion were repaid in July 2025.

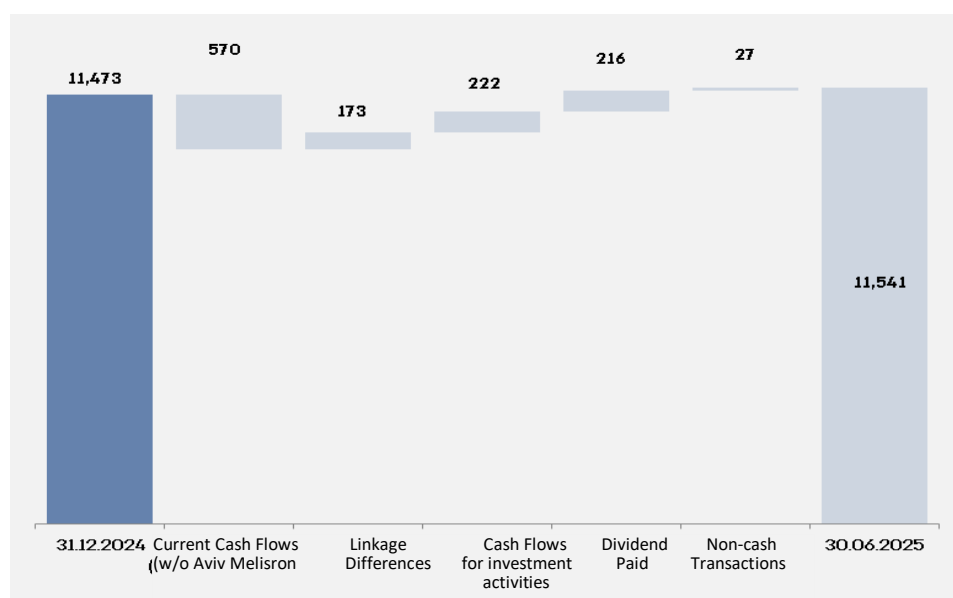
Subsequent to the balance sheet date, the Company issued Debentures (Series 21) in the amount of NIS 709 million (gross). The Company intends to use the proceeds from this issue for partial early repayment of Debentures (Series 14) in a total amount of NIS 704 million, scheduled to be paid on August 14, 2025. Based on the foregoing actions, the remaining debt to be repaid by the Company over the coming year (by June 30, 2026) amounts to NIS 1.7 billion, of the total debt of NIS 3.7 billion.

As at June 30, 2025, the Company has a cash balance and a financial asset portfolio that can be liquidated immediately, amounting to NIS 1.9 billion.

In addition, the Company has unutilized binding bank credit facilities of NIS 500 million.

Changes in the net financial debt (consolidated expanded), excluding the net financial debt of Aviv Melisron

As at June 30, 2025, the Company's net debt balance is NIS 11.5 billion.



The Company's loans, excluding Aviv Melisron loans

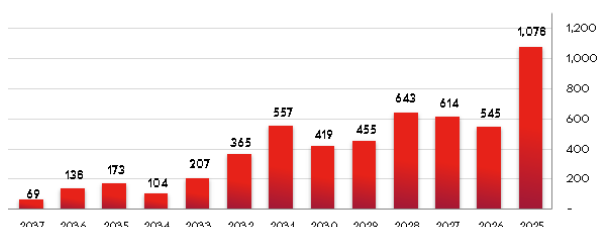
			Debt principal repayment schedule (NIS millions)											
Source of financing	Type of loan	Average duration	Weighted effective interest	7-12 2025	2026	2027	2028	2029	2030	2031	2032	2033 and onward	Total nominal linked balance June 30, 2025	
Bank	Bank①	1.89	6.05%	-	-	642	-	-	-	-	-	-	642	
	Bank①	1.73	6.30%	-	-	147	-	-	-	-	-	-	147	
Institutional lenders	Batch of loans	5.24	1.92%	16	33	33	33	33	33	33	326	-	540	
Public	Series 10	0.03	1.91%	320	-	-	-	-	-	-	-	-	320	
	Series 11	0.03	2.51%	946	-	-	-	-	-	-	-	-	946	
	Series 14	0.81	1.49%	17	1,371	-	-	-	-	-	-	-	1,388	
	Series 16	1.68	2.15%	13	26	1,047	-	-	-	-	-	-	1,086	
	Series 17	3.29	2.16%	32	317	317	317	317	317	317	158	-	2,092	
	Series 18	2.85	1.41%	7	14	14	596	-	-	-	-	-	631	
	Series 19	3.68	2.45%	25	50	50	50	2,106	-	-	-	-	2,281	
	Series 20	4.66	1.01%	18	36	36	36	36	1,392	-	-	-	1,554	
	Series 21	5.44	3.38%	4	69	164	207	69	69	207	207	691	1,687	
	Commercial paper (CP)	Series 3*	3.32	4.65%	-	-	-	99	-	-	-	-	-	99
Series 5****		0.93	2.36%	-	676	-	-	-	-	-	-	-	676	
Total repayments		3.01	2.37%**	1,398	2,592	2,450	1,338	2,561	1,811	557	691	691	14,089	
of which a balloon payment is secured by a lien				320②	1,371③	1,836④	596⑤	2,106⑥	1,392 ⑦	-	326⑧	-	7,947	
Value of pledged property				2,909	2,203	5,074	851	-	2,094	-	1,309	-	-	
LTV of pledged property				83%⑨	62%	36%	70%	-	66%	-	25%	-	-	
Annual payments less balloon payments secured by a lien and marketable securities				1,078	545	614	643	455	419	557	365	691	5,367	
Source of financing	Type of loan	Weighted effective interest		7-12 2025	2026	2027	2028	2029	Total balance June 30, 2025					
Bank	Corporate loans①	6.79%		111	-	-	-	-	111					
Bank	Credit for projects①	6.49%		31	1,165***	-	7	62	1,265					
Total		6.52%		142	1,165	-	7	62	1,376					

Aviv Melisron Loans

- *) Marketable securities and/or binding credit facilities are usually used for short-term needs as an interim solution until public debt is raised or long-term loans are received. As such, they were not included in the calculations for the interest rate and the effective interest rate of the Company's total gross financial debt, and they were also not included in the calculation of current repayments after deducting balloon components guaranteed by lien.
- **) It should be noted that the average effective interest rate includes index-linked debt, debt at NIS-linked interest and debt at prime-linked interest. The effective linked interest rate, assuming a CPI of 2.7%, is 2.21%.
- ***) The Company intends to refinance this debt in 2026 through project-based bank financing, thereby deferring loan repayment until project completion.
- ****) The effective interest rate reflects the index-linked rate set in the swap transaction, (Commercial Paper) CP (Series 5) bears nominal interest of Bank of Israel + 0.09%.

When repaying the balloon loan, the Company has the option of releasing the lien on the property or refinancing the debt against the lien.

Current principal repayment rate, net of balloon components secured by lien



The financing component is one of the significant factors contributing to the Company's success. By diversifying its sources of funding and maintaining high liquidity, the Company can sustain its development momentum while retaining its financial robustness and stability.

1. The bank loans are not linked to the CPI. During the quarter, the Company extended its credit facilities for an additional year (until 2027).
2. Balloon components on debts against a pledge on Ofer Kiryon.
3. Balloon components on debts against a pledge on Ofer Grand Mall Petach Tikva.
4. Balloon components on debts against a pledge on Ofer Grand Mall Be'er Sheva, Ofer Ramat Aviv and Ofer Lincoln.
5. Balloon components on debts against a pledge on the Company's share in the Huzot Hamifratz Outlet Mall.
6. Balloon components on debts against a second-degree lien on Ofer Kiryon (that will become a first-degree lien due to the final redemption of Debentures (Series 10) in July 2025).
7. Balloon components on debts against a pledge on Ofer Grand Mall Haifa.
8. Balloon components on debts against a pledge on Ofer Bilu Center and the shares of Azo-Rit Center Ltd., which holds the property.
9. The LTV ratio calculation includes balloon components that are secured by a second-degree lien on the Ofer Kiryat Bialik Mall, which are due for repayment in 2029 (this lien becomes a first-degree lien after the final redemption of Debentures (Series 10) in July 2025).

Total Blended Cost of Debt

Below is a breakdown of the weighted effective cost of debt (real interest attributed to profit and loss) and the nominal cost of debt (cash flow interest) as at reporting date and for each year and over the repayment period of Melisron's financial liabilities (excluding Aviv Melisron loans) for that year.

	Debt principal repayment schedule (NIS millions)								Total
	7-12 2025	2026	2027	2028	2029	2030	2031	2032 and onward	
Total debt repayments	1,398	1,916	2,450	1,239	2,561	1,811	557	1,382	13,314*
Effective interest	2.32%	1.70%	3.49% **	1.98%	2.41%	1.32%	2.60%	2.98%	2.37%
Nominal interest	2.14%	2.18%	3.58%	1.65%	2.37%	0.76%	2.74%	3.16%	2.34%

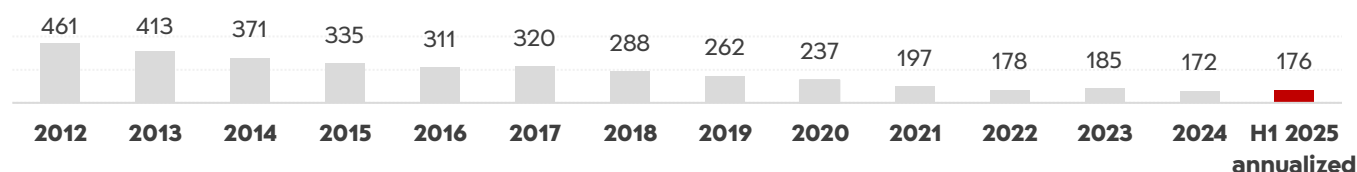
* Excluding marketable securities

** Note that the average effective interest rate includes index-linked debt, debt at shekel-linked interest and debt at prime-linked interest. The real effective interest rate for the debt to be repaid in 2027, assuming CPI of 2.7%, is 2.62%.

As can be seen, despite the increase in interest rates in Israel and worldwide, the effective weighted interest rate on the Company's debt maturities through the end of 2027 (that amount to NIS 5.8 billion) is 2.24%, (net of the CPI on shekel loans), compared to the yield to maturity of unsecured debentures currently trading at 2.68% (based on Melisron linked Debentures [Series 20] that are secured by a first-degree lien, with a duration of 4.6 years) and unsecured debentures at 2.92% (based on Melisron linked debentures [Series 21], with duration of 5.5 years). Therefore, the Company estimates that if the long-term interest does not increase and debenture yields will not increase, no significant change in its financing expenses are expected in this period.

It should be clarified that the Company's assessments concerning the effects of the rise in interest, including its assessment regarding an immaterial increase in financing costs, and the effects of the Company's financing costs in scenarios involving rising interest rates and bond yields, including substantial effects on the Company and its financial stability, constitute forward-looking information as this term is defined in the Securities Law, 5728-1968, based on the Company's subjective assessments at reporting date and there is no certainty that they will materialize, in whole or in part, or they may materialize otherwise (including materially), among other things, due to factors that are not in the Company's control, including as noted in sections 6 (the financial environment and the effects of external factors on the Company's operations) and 31 (discussion on the risk factors regarding the Company's operations) of the chapter on the Description of the Company's Business in its 2024 Periodic Report.

Real interest on the financial debt by year (Melisron's share excluding Aviv Melisron loans)*



* Net of real non-cash flow financing expenses to reduce excess costs.

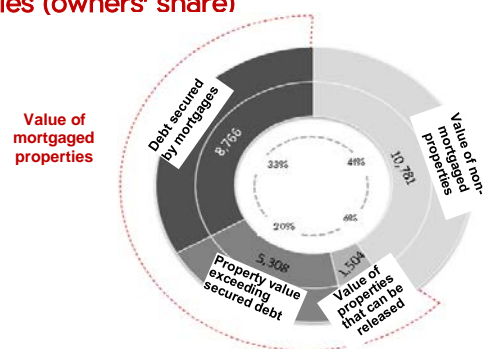
** The increase in financing expenses for 2025 (based on the first six months of 2025, annualized) was primarily due to a decline in financing income compared to 2024. Financing income for 2025 (based on the first half of 2025, annualized) amounted to NIS 58 million, compared to NIS 70 million in 2024.

Breakdown of the value of the pledged income-generating properties (owners' share)

The Company owns properties worth NIS 10.8 billion that are not pledged at all and pledged properties worth NIS 1.5 billion under which credit facilities were granted that, as at balance sheet date, are unused and therefore the liens can be released.

Most of the pledged properties can be used to increase the debt as the average LTV of the secured debt is currently 62% and can be increased to 70%-80%.

- In addition, Aviv Melisron has an inventory of land whose balance in its financial statements is NIS 2.1 billion, against which are loans in the amount of NIS 1.43 billion.



Loan to Value of the Company's properties: LTV

	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
	NIS millions				
Total financial debt (consolidated)	15,364	14,148	11,947	11,198	11,934
Less Aviv Melisron share of the debt	(1,376)	(1,281)	-	-	-
Less non-controlling share in consolidated debt	(46)	(47)	(48)	(49)	(63)
Less accounting differences	104	83	7	(38)	(101)
Total outstanding financial debt (consolidated expanded)	14,046	12,903	11,906	11,111	11,770
Less balances (from consolidated expanded)					
Cash	(1,549)	(834)	(614)	(554)	(1,065)
Less Aviv Melisron's share of the cash	22	36	-	-	-
Deposits in trust	(347)	(15)	-	-	(1,116)
Marketable financial assets	(373)	(375)	(358)	(325)	(355)
Financial assets backed by lien	(258)	(242)	(256)	(429)	(422)
Total Company's share:					
In net financial debt *)	11,541	11,473	10,678	9,803	8,812
Investment property, inventory of land under development and investment in Aviv Melisron					
Investment property and inventory of land under development (consolidated expanded **)	26,365	25,676	24,068	22,306	20,356
Investment in Aviv Melisron***)	1,194	1,209	594	603	-
Total assets	27,559	26,885	24,662	22,909	20,356
LTV (with Aviv Melisron as an investment)	41.9%	42.7%	43.3%	42.8%	43.3%
Company's share of the net financial debt (including Aviv Melisron liabilities)	12,656	12,543	11,142	9,661	-
Company's share in assets (including Aviv Melisron assets)***	28,681	27,783	24,838	22,502	
LTV (with Aviv Melisron assets and liabilities added)	44.1%	45.1%	44.9%	42.9%	-

*) The financial debt presented in the above table is net of the accounting differences included in the financial debt in the Company's balance sheet.

**) The investment property presented in the table includes the "inventory of land under development for the construction of apartments for sale" in Sarona, Tel Aviv (excluding Aviv Melisron's inventory).

***) As at June 30, 2025 and December 31, 2024 – 100% of Aviv Melisron's assets; As of December 31, 2023 and December 31, 2022 – 50% of Aviv Melisron's assets.

Changes in leverage in the Reporting Period

LTV as at December 31, 2024	42.7%
Cash flow from current operations for the Reporting Period	(2.1%)
Investments in investment property, net of valuation	0.1%
Dividend paid	0.6%
Increase in value of liabilities with respect to changes in the CPI	0.6%
LTV as at June 30, 2025	41.9%

Explanation for the decrease in the LTV (with Aviv Melisron measured as an investment account) in the period:

Current cash flows generated by the Company during the reporting period in the amount of NIS 569 million (excluding the effect of Aviv Melisron) offset by a 1.6% increase in the CPI, which led to an increase in the financial debt of NIS 173 million, and distribution of a dividend of NIS 180 million.

Credit rating

In February 2025, Maalot upgraded the Company's issuer rating from "ilAA-" to "ilAA" with stable outlook due to the consistent improvement in the Company's business profile and maintaining stable and appropriate financial ratios over time.

The rating for all the Company's debenture series, secured and unsecured, is "ilAA".

Review of our performance indices

(Net Operating Income) NOI

The Company believes that the NOI is one of the most important parameters in estimating the value of income-generating properties. Furthermore, the NOI is used to measure free cash flows available to service financial debt assumed to finance the acquisition of a property, when the total NOI is calculated, after deducting current maintenance expenses to maintain the existing level. It is hereby emphasized that the NOI:

- does not present cash flows from current operations in accordance with GAAP.
- does not reflect cash for financing all the Company's cash flows, including its ability to make distributions.
- does not constitute an alternative for net profit for the purpose of valuating the results of Melisron's operations.
- refers to all properties, including properties under joint control that are included in the financial statements as equity accounted.

Breakdown of the development of quarterly NOI (NIS millions):

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
NOI from existing properties (same properties)	408	410	410	398	392
NOI from new properties constructed	-	-	-	-	-
Total NOI for the period	408	410	410	398	392
Non-controlling interest in NOI	(14)	(14)	(14)	(15)	(14)
NOI - Owners' share	394	396	396	383	378

The owners' share in the NOI in the second quarter of 2025 amounted to NIS 394 million, an increase of 4% (NIS 16 million), compared to the corresponding period last year. The increase in NOI is primarily due to the further occupancy of Tower A in the Landmark Tel Aviv project, contributing NIS 9 million (the Company's share), the signing of new lease agreements at increased rent, the increase in the CPI, and further occupancy of existing spaces, partially offset by a decline in turnover-based rent additions, mainly due to the 10-day period in June during which the Company's malls were closed as a result of the war with Iran, as well as the temporary effect of activities to improve the tenant mix at Ofer Rehovot and Ofer Ramat Aviv, which required the temporary closure of several stores.

Reconciliation between NOI for the Reporting Period and gross profit presented in the financial statements (NIS millions):

	1–6 2025	1–6 2024
NOI – owners' share	790	731
Non-controlling interest in NOI	28	29
Aviv's share in gross profit	(2)	-
Share of equity-accounted companies and others in NOI	(27)	(25)
Gross profit presented in financial statements	789	735

FFO (Funds From Operations)

To provide additional information on the operating results, presented below is FFO (Funds From Operations), an index that is commonly used worldwide, and provides an adequate basis for comparing income-generating real estate companies. The index is published by NAREIT (National Association of Real Estate Investment Trusts in the US) and as it is defined, it presents net reported income, net of income and expenses from increase/impairment of the value of real estate and non-recurring income/expenses, with addition of depreciation. The Company assumes that, in addition to the foregoing, deferred tax expenses for previous years and financing income/expenses with respect to CPI linkage of financial liabilities and assets should also be omitted from the FFO calculation.

It should be emphasized that the FFO index does not represent cash flows from current operations, does not reflect cash held by the Company and is not a substitute for net profit reported according to GAAP.

The Company deems it appropriate to analyze the elements that make up the FFO gains (top-down) to increase transparency and increase understanding of the factors that affect the FFO index. For information concerning the FFO index pursuant to the Israel Securities Authority's guidelines, which amounted to NIS 160 million and NIS 425 million in the second quarter and first half of 2025, respectively, see Appendix A to this Report.

The FFO according to the management method (AFFO) for the first half of 2025 amounted to NIS 602 million (the annualized FFO rate management method [AFFO] is NIS 1.2 billion based on Q2 2025), compared with NIS 562 million in the corresponding period in 2024, an increase of 7% which is mainly due to:

an increase of NIS 59 million in the owners' share of NOI, offset by an increase in real net interest expenses of NIS 3 million, an increase in current tax expenses of NIS 12 million, and an increase in general, administrative, and marketing expenses of NIS 4 million.

NIS millions	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
NOI – owners' share	394	396	396	383	378	353
Net of the owners' share in the following expenses:						
Administrative and general (net of depreciation and share-based payment)	(18)	(18)	(18)	(18)	(18)	(16)
Marketing and branding expenses	(3)	(3)	(3)	(4)	(3)	(1)
Real interest expenses on the financial debt *)	(44)	(44)	(45)	(42)	(45)	(40)
Current tax expenses **)	(25)	(33)	(28)	(23)	(18)	(28)
Total representative real FFO according to the management method (AFFO)	304	298	302	296	294	268

- *) Real interest expenses on the financial debt less interest attributable to real estate under construction and investment property in Aviv Melisron (based on the Company's weighted effective interest rate)
- **) The high current tax expenses in the first quarter of 2025 are primarily due to the CPI, which was 0.3%, lower than most preceding quarters, and to the full utilization of carry-forward tax losses as a result of the increase in operating profits for some of Melisron's subsidiaries. This trend reversed in the second quarter of 2025, when the CPI reached 1.3%.
- ***) FFO does not include the results of Aviv Melisron.

EPRA Indexes

EPRA is an association of European income-generating and public real estate companies. The purpose of EPRA indexes is to increase uniformity, transparency and comparability of the financial information among the real estate companies included in the index.

EPRA Vacancy Rate Index

The EPRA vacancy rate index reflects the fair value of vacant space of the total value of the rental areas, including vacant space, excluding properties under construction and rights.

NIS millions	June 30, 2025	December 31, 2024
The value of the vacant space as at the reporting date	591	680
The total value of leased space (including vacant space, excluding properties under construction and rights)	24,499	23,885
EPRA Vacancy Rate	2.4%	2.8%

EPRA LTV Index

The EPRA LTV index reflects the Company's leverage.

	Company's share	
NIS millions	June 30, 2025	December 31, 2024
Loans from banks	2,475	2,573
Marketable securities	775	99
Debentures	11,882	11,429
Trade payables	246	162
Total liabilities	15,378	14,263
Net of:		
Cash	1,542	834
Deposits in trust	347	-
Available-for-sale financial assets:	373	375
Total cash and cash equivalents	2,262	1,209
Total net financial debt	13,116	13,054
Value of investment property	24,505	23,889
Inventory of apartments for sale	2,436	2,434
Value of properties under construction and rights	1,740	1,673
Goodwill and other assets	868	873
Trade receivables	82	88
Financial assets	52	51
Total assets	29,683	29,008
EPRA LTV	44.2%	45.0%

Weighted Cap Rate

Below is the calculation used to estimate the weighted cap rate based on Melisron's entire portfolio of income-generating properties as at June 30, 2025:

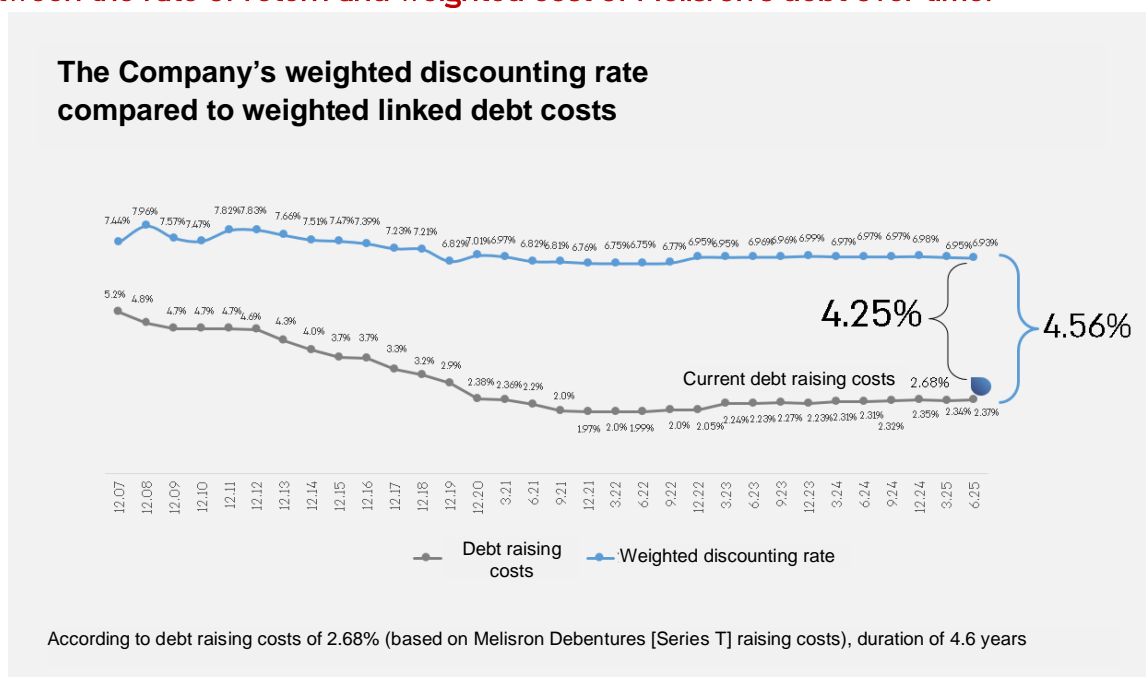
Owners' share (consolidated expanded)	(in NIS millions)
Carrying amount of investment property*	26,239
Net of the value attributed to vacant space	(591)
Net of the value attributed to projects under construction and rights	(1,740)
Net value attributed to income-generating properties	23,908
Actual NOI in Q2/2025	394
Annualized actual NOI in Q2/2025	1,576
Expected NOI adjustments **	81
Standardized expected NOI***	1,657
Standardized NOI to net value ratio attributed to investment property	6.93%

* Including properties of equity-accounted companies under joint control presented in the financial statements (excluding Aviv Melisron).

** Additional NOI refers to additional rents based on rental contracts signed and full contribution of extensions and development projects that were completed in the period. The additional expected NOI excludes the expected NOI from vacant space that has not yet been marketed and expected NOI from completion of projects under construction. Primarily includes: Signed lease agreements for Tower A in the Landmark Tel Aviv project, for Petah Tikva Ofer Park, for the deep tenant mix restructuring at the Kiryat Bialik Mall, and for stores currently under renovation at the Ofer Rehovot Mall.

*** Expected adjusted NOI cash flow does not constitute the Company's forecast.

Margin between the rate of return and weighted cost of Melisron's debt over time:



The above graph indicates that the margin between the weighted rate of return on income-generating properties and the Company's weighted cost of debt has increased from 2007 to 2021. While the Company's weighted financing costs declined significantly over those years, the weighted rate of return on properties remained stable.

*) It should be noted that 89% of the Company's total financial debt (excluding Aviv Melisron's debt) is linked to the CPI.

**) The yield to maturity of secured debentures currently traded (based on Debentures Series 20 - 4.6 years maturity).

Financial review of the Company's results

The Company's financial statements are prepared in accordance with IFRS, according to which after tax profit of jointly controlled companies are presented in a single item as "the Company's share of profits of equity-accounted companies, net" and the net investments in such companies are presented in the balance sheet under investments in equity-accounted companies. The Company analyzes its business performance according to its relative share in the assets and liabilities that it manages, based on the consolidation of its relative share in its jointly controlled companies.

Profit and loss (NIS millions)	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Consolidated (Audited)	With addition of jointly controlled companies and net of non- controlling share	Consolidated expanded	Consolidated (Audited)	With addition of jointly controlled companies and net of non- controlling share	Consolidated expanded
Gross profit from property rental	791	(6)	785	735	(9)	726
Gross profit from sale of apartments and others	(2)	3	1	-	2	2
Total gross profit	789	(3)	786	735	(7)	728
General and administrative expenses	(52)	(2)	(54)	(37)	(7)	(44)
Advertising, sales and marketing expenses	(9)	1	(8)	(4)	(1)	(5)
Operating profit before other income	728	(4)	724	694	(15)	679
Company's share in earnings of equity-accounted investees, net	20	(20)	-	11	(11)	-
Increase in fair value of investment property, net	412	(12)	400	379	3	382
Other expenses, net	(20)	-	(20)	-	-	-
Operating profit after other income	1,140	(36)	1,104	1,084	(23)	1,061
Financing expenses, net	(274)	3	(271)	(295)	5	(290)
Profit before deduction of taxes on income	866	(33)	833	789	(18)	771
Taxes on income	(162)	3	(159)	(169)	1	(168)
Profit for the period	704	(30)	674	620	(17)	603
Non-controlling share in profit	(30)	30	-	(17)	17	-
Profit for the period - owners' share	674	-	674	603	-	603

The increase in gross profit from property rentals – of NIS 58 million is mainly due to an increase in rents driven by an increase in real rental rates and an increase in the CPI during the period, and the contribution of the Landmark Tel Aviv project Tower A in both quarters (compared to the first quarter last year) in an amount of NIS 35 million.

The increase in administrative and general, and marketing expenses – of NIS 13 million is mainly due to full first-time consolidation of Aviv Melisron's results (compared to 50% consolidation in the corresponding period last year) amounting to NIS 8 million in general and administrative expenses and NIS 2 million in marketing expenses.

Increase in the rise in value of investment property – an increase in value of investment property in the amount of NIS 400 million was recorded in the period, mainly as a result of the effects of the CPI increase in the period that contributed NIS 270 million, real increase in rents as a result of contract renewals and options exercised, as well as progress in the marketing, construction and occupancy of projects under development, net of investments in properties that were not reflected in the valuation.

Changes in owners' share in' profit compared to last year.	NIS millions
Attributable to 1–6.2024	603
Increase in gross profit from property rentals and apartment sales	58
Increase in administrative and general and marketing expenses	(13)
Increase in the fair value of investment property	18
Increase in other expenses	(20)
Decrease in net financing expenses	19
Decrease in tax expenses on income	9
Attributable to 1–6.2025	674

Increase in other expenses – in the amount of NIS 20 million, is primarily due to a provision for purchase tax resulting from the merger of a subsidiary in an amount of NIS 15 million, and the amortization of surplus cost attributed to the acquisition of Aviv Melisron, in an amount of NIS 3 million.

Decrease in net financing expenses – amounting to NIS 19 million, is mainly due to a decrease in linkage differentials of NIS 24 million (the CPI rose by 1.6% during the period, compared to 1.9% in the corresponding period last year).

Decrease in income tax expenses – in the amount of NIS 9 million, is mainly due to a decrease in deferred tax expenses of NIS 20 million resulting from the recognition of a tax asset related to expected carry-forward losses deductions, offset by an increase in current tax expenses in an amount of NIS 12 million resulting from an increase in pre-tax profits (mainly due to the increase in NOI, net of increased financing expenses) and the utilization of carry-forward tax losses in certain subsidiaries.

Exposure to inflation – All the Company's lease agreements with tenants, as well as 89% of the Company's overall financial debt, are linked to the CPI. When the CPI increases, the Company's income is expected to increase at similar rates, while on the other hand, the Company's financing expenses also increase. The increase in income (ignoring other effects) leads to a corresponding increase in the value of the properties, while the balance of the CPI-linked financial debt also increased. Accordingly, the Company believes that as at reporting date, the inflation hedges that are an inherent part of its rental contracts, as aforesaid, are effective and therefore the Company's exposure in this regard is not high.

It should be clarified that the Company's assessments concerning its exposure to inflation, including exposure due to the inherent hedging in the rent contracts, constitute forward-looking information as this term is defined in the Securities Law, 5728-1968, based on the Company's subjective assessments at reporting date and there is no certainty that they will materialize, in whole or in part, or they may materialize otherwise (including materially), among other things, due to factors that are not in the Company's control, including as noted in section 6 (the financial environment and the effects of external factors on the Company's operations) and section 30 (the discussion on the risk factors regarding the Company's operations) of the chapter on the description of the Company's businesses in its 2024 periodic report.



Building J Ofer Carmel – rendering

Financial position

(NIS millions)

	As at June 30, 2025			As at December 31, 2024		
	Consolidated	With addition of jointly controlled companies, net of non- controlling share	Consolidated expanded	Consolidated	With addition of jointly controlled companies, net of non- controlling share	Consolidated expanded
Cash and cash equivalents	1,555	(13)	1,542	862	(38)	824
Restricted Cash	71	(11)	60	61	(12)	49
Short-term financial assets	373	-	373	375	-	375
Short-term loans and deposits	348	(1)	347	18	-	18
Trade receivables	87	(5)	82	87	(7)	80
Other receivables and deferred expenses	53	(5)	48	71	(1)	70
Inventory of development properties for the construction of apartments for sale	387	(49)	338	309	(40)	269
Total current assets	2,874	(84)	2,790	1,783	(98)	1,685
Long-term loans and payables	-	258	258	-	242	242
Investments in equity-accounted companies	719	(718)	1	702	(699)	3
Intangible assets and goodwill	868	-	868	873	-	873
Long-term inventory	2,291	(217)	2,074	2,159	(205)	1,954
Long-term financial assets and other assets	53	(1)	52	51	(1)	50
Property plant and equipment	16	-	16	12	-	12
Investment property	26,371	(126)	26,245	25,687	(126)	25,561
Total non-current assets	30,318	(804)	29,514	29,484	(789)	28,695
Total assets	33,192	(888)	32,304	31,267	(887)	30,380
Liabilities to banks and others	959	(11)	948	331	(7)	324
Current maturities of debentures	3,009	-	3,009	1,482	-	1,482
Trade payables and service providers	247	(1)	246	163	(1)	162
Other payables	424	(56)	368	389	(57)	332
Advance customer payments from apartments sales	94	(5)	89	67	(14)	53
Provisions for tax	149	-	149	184	-	184
Total current liabilities	4,882	(73)	4,809	2,616	(79)	2,537
Debentures	8,873	-	8,873	9,947	-	9,947
Liabilities to banks and others	2,522	(220)	2,302	2,388	(206)	2,182
Deferred taxes	3,994	5	3,999	3,902	3	3,905
Liabilities in respect of employee benefits, net	2	-	2	2	-	2
Other liabilities	120	(5)	115	104	(4)	100
Total non-current liabilities	15,511	(220)	15,291	16,343	(207)	16,136
Equity attributable to the Company's shareholders	12,204	-	12,204	11,707	-	11,707
Non-controlling interests	595	(595)	-	601	(601)	-
Total equity	12,799	(595)	12,204	12,308	(601)	11,707
Total equity and liabilities	33,192	(888)	32,304	31,267	(887)	30,380
EPRA NAV			16,203			15,612
EPRA NAV per share (NIS)			340			328

Explanations regarding material changes in the financial position (expanded and consolidated) in H1/ 2025:

Inventory of land under development for the construction of apartments for sale in the short and long term – Short-term and long-term inventory of land as at June 30, 2025 amounted to NIS 2.4 billion (Melisron's effective share), an increase of NIS 0.2 billion from December 31, 2024. The increase is mainly due to an investment in Aviv Melisron's inventory.

Investment property – The value of investment property as at June 30, 2025 amounted to NIS 26.2 billion (Melisron's effective share), an increase of NIS 684 million compared to December 31, 2024. The increase is mainly due to investments in the amount of NIS 253 million in properties and properties under construction, and an increase of NIS 400 million in value mainly due to an increase in the representative NOI of the properties as resulting from CPI effects and an increase in contracts signed in the period, and the progress made in the marketing and construction of projects under construction and in occupancy.

Financial debt, net (debt less cash, short-term financial assets, and deposit in trust) – The net financial debt as at June 30, 2025 amounted to NIS 12.8 billion, an increase of NIS 0.1 billion compared to December 31, 2024. The increase is primarily due to investments made in the period by the Company in investment property under construction and in inventory, a dividend distribution of NIS 180 million, and the effect of the rise in the CPI, offset by cash flows generated by the Company in the amount of NIS 432 million.

Liquidity and Sources of Finance

Net cash flows from operating activities

Operating cash flow generated from income-generating properties in the period amounted to NIS 569 million (operating cash flows including the residential sector amounted to NIS 432 million¹), compared to NIS 569 million in the previous year. The increase is attributed to a rise in operating profit of NIS 36 million, primarily due to an increase in rentals from Tower A in the Landmark Tel Aviv project (which began generating income only in April 2024), as well as an increase in real rental rates and increase in working capital of NIS 36 million offset by a net increase in tax payments of NIS 59 million (mainly one-off payments related to previous years) and a net increase in interest payments of NIS 11 million.

Cash flows used for investment activities

Cash flows used for investment activities in the period amounted to NIS 194 million, compared with cash flows of NIS 260 million used for investment activities last year. Cash flows used for investing activities in the reporting period included mainly the investment in investment property and investment property under construction in an amount of NIS 236 million, investment in plant property and equipment and in intangible assets in an amount of NIS 9 million, and real estate related tax payments of NIS 6 million, offset by proceeds from the disposal of investment property (payment for expropriated land) in a net amount of NIS 24 million, investments in short-term financial assets in a net amount of NIS 16 million, loan repayments and deposits amounting to NIS 12 million, and indirect taxes for the sale of a property in an amount of NIS 5 million. In the corresponding period last year most of the cash flows used for investment activities included mainly investment in investment property and investment property under construction in the amount of NIS 192 million, payment of taxes with respect to real estate in the amount of NIS 10 million, investment in plant property and equipment and in intangible assets in the amount of NIS 5 million, cash deposited with the trustee for Debentures (Series 19) in the amount of NIS 51 million, and net investment in short-term financial assets in the amount of NIS 2 million.

¹ The consolidated operating cash flow is adversely affected by the consolidation of Aviv Melisron's operations, due to the accelerated growth in the scope of Aviv Melisron's operations and increasing investment in inventory of land under development for the construction of apartments for sale. This effect reduces these cash flows.

Cash flows from financing activities

Cash flows generated from financing activities in the period amounted to NIS 455 million, compared with cash flows used for financing activities in an amount of NIS 129 million last year. The materials components of cash flows from financing activities in the Reporting Period include mainly a net increase in short-term credit from banks and others in an amount of NIS 754 million, issue of debentures in an amount of NIS 48 million, offset by a dividend distribution of NIS 180 million, a dividend distribution to non-controlling interests of NIS 36 million, repayment of debentures in an amount of NIS 125 million, and long-term loan repayments in the amount of NIS 6 million. The material components of the cash flows from financing activities in the corresponding period last year included mainly repayment of debentures and settlement of loans to banks and others in the amount of NIS 736 million, and the distribution of a dividend in the amount of NIS 200 million, offset by the issue of debentures in an amount of NIS 807 million.

Liquidity risk

As at June 30, 2025, the Company had a working capital deficit of NIS 2,008 million (consolidated), compared with a working capital deficit of NIS 844 million as at December 31, 2024. The increase in the deficit is mainly due to the Company issuing a Commercial Paper (CP) in the second quarter, for an amount of NIS 676 million (gross). After the balance sheet date, the Company issued Debentures (Series 21) for a total amount of NIS 709 million (gross) and announced its intention to use the proceeds for partial early redemption of Debentures (Series 14) in an amount of NIS 704 million, originally scheduled for final redemption in the upcoming year.

Below is a breakdown of the unpledged properties as at the reporting date:

Total unpledged investment property	NIS 10.8 billion
Unpledged investment property to total value of investment property	41%
Secured debt to total value of investment property	32%
Secured debt to value of pledged investment property (LTV of pledged properties)*	62%

* In addition, the company has property valued at NIS 1.5 billion that is pledged against unutilized credit facilities (including the above balance, the secured debt rate is 56%).

Due to the foregoing and following the assessment of the Company's Board of Directors, among other things, of the sources for settling the existing and expected liabilities, with emphasis on repayment of liabilities that the Company is required to settle in the two-year period beginning on June 30, 2025, the Company's existing sources of credit and unused credit facilities, the high access the Company has to the capital market, cash flows from operating activities generated by the Company, investments which the Company intends to make and the value of the unpledged properties, the Company's Board of Directors believes that despite having a working capital deficit as at June 30, 2025, in the amount of NIS 2,008 million (consolidated), the Company does not have a liquidity problem. Furthermore, the Company's Board of Directors estimates that there is no reasonable concern that the Company will default on its existing and expected liabilities when they become due.

Main developments in the operating segments in and after the Reporting Period

A. Revised valuation as at June 30, 2025:

As at March 31, 2025, the valuations were revised internally by Company management.

The Company recorded in its financial statements a net increase in the value of investment property in the amount of NIS 26 million, mainly as a result of the CPI increase in the period and revision of the fair value of projects under construction, mainly due to progress in their construction and marketing, offset by the Company's investments in existing properties that were not expressed in evaluations.

As at June 30, 2025, the Company conducted, as it does every year, a revaluation of its properties by an external appraiser, following which the Company recorded a net increase in value of NIS 386 million in the second quarter. In total in the first half of 2025, the Company recorded a net increase in value of NIS 412 million.

The evaluations included adjustment to the representative NOI of the properties based on the current lease data and the Company's forecast regarding the terms of the rental contracts. The change in NOI was mainly due to the revision of the rental contracts signed during the period and updates regarding the CPI effect on the rental income. Furthermore, the value of projects under construction was revised (progress until income generation).

B. Dividend declared

In March 2025, the Company's Board of Directors announced a dividend distribution in the amount of NIS 90 million, which was paid on April 10, 2025.

In May 2025, the Company's Board of Directors announced a dividend distribution in the amount of NIS 90 million, which was paid on June 24, 2025.

In March 2025, the Company's Board of Directors declared the distribution of dividends amounting to NIS 90 million, which will be paid on September 16, 2025.

C. Allotment of options to senior officers and employees

On March 9, 2025, the Company's Board of Directors approved allotment of 186,440 (non-marketable) options convertible for Company shares to 7 officers of the Company (who are not directors or the CEO) and to other managers and employees of the Company and subsidiaries, under the employee plan published on March 13, 2023, and its amendment published on March 10, 2025, pursuant to the approval of the TASE to list for trade the exercise shares resulting from exercise of the options.

D. Negotiations for purchase of land in Bat Yam

Further to the Company's immediate report dated February 18, 2025, regarding its intention to advance the acquisition of a land reserve in the city of Bat Yam, negotiations were terminated in May 2025 without reaching a binding agreement.

E. Expansion of debentures and partial early redemption

- In June 2025 the Company issued NIS 359.2 million par value Debentures (Series 19), which are secured by a second-degree lien on Ofer Kiryon, by way of expansion of an existing debenture series. The issuance was made at a price of NIS 1.111 per each NIS 1 par value Debentures (Series 19), for a gross consideration of NIS 399 million and at effective interest rate of 3.28%, CPI-linked.

The Company deposited NIS 346 million of the issuance proceeds with the trustee of Debentures (Series 10 and 19), which was used as financial collateral and for partial early redemption of Debentures (Series 10), that was effectively performed on July 10, 2025. Following the final repayment of the debenture series (Series 10), the lien on the Ofer Kiryat Bialik Mall in favor of Debentures (Series 19) will be modified from a second-degree lien to a first-degree lien.

- In July 2025 the Company issued NIS 629.5 million par value Debentures (Series 21) by way of expansion of an existing debenture series. The issuance was made at a price of NIS 1.127 per each NIS 1 par value Debentures (Series 21), for a gross total consideration of NIS 709 million and at effective interest of 2.95%, CPI-linked.

The Company announced that the net proceeds from the issuance will be used for partial early redemption of Debentures (Series 14) on August 14, 2025, in an amount of NIS 585 million par value (gross NIS 704 million).

F. Commercial paper (Series 5)

In June 2025, the Company issued NIS 676.3 million par value CP (Series 5) (marketable) that bear annual interest at the Bank of Israel rate plus a margin of 0.09%. The issuance was made at a price of NIS 1 per NIS 1 par value of Commercial Paper (Series 5). The principal of CP (Series 5) and the interest on it are due in a single installment to be paid on June 5, 2026. The Company engaged in a swap transaction with banks to convert the nominal interest rate on its CP (Series 5) into an annual index-linked interest rate of 2.36%.

G. Aviv Melisron won a tender in the northern Sde Dov area E in Tel Aviv

For further information regarding Aviv Melisron's win of the tender, see page 17 of this Directors' Report.

Corporate Governance

A. Appointment of directors:

On April 22, 2025, the general meeting of the Company's shareholders approved renewal of the term in office of external director Shlomo Zohar for a third three-year term, commencing upon the conclusion of his second term, i.e., as of May 6, 2025. For further information, see the Company's immediate reports dated March 10, 2025 and April 23, 2025 (Ref. No. 2025-01-0125622 and 2025-01-028735), the details of which are included here by way of reference.

On August 13, 2025, the Company's Board of Directors approved the appointment of Mr. Avi Ya'akovovitz as an independent director, effective as of the date of approval. For further information see the immediate report issued by the Company together with this Report, the details of which are included here by way of reference.

B. Conclusion of directors' service:

On April 22, 2025, Ms. Dorit Salinger concluded her term in office as an independent director of the Company. For further information, see the immediate report issued by the Company on April 23, 2025 (Ref. No.: 2025-01-028740), the details of which are included here by way of reference.

On May 25, 2025, Ms. Rinat Gazit concluded her term in office as an external director of the Company, ending a nine year term. For further information, see the immediate report issued by the Company on May 26, 2025 (Ref. No.: 2025-01-037104), the details of which are presented here by way of reference.

C. Directors' and officers' liability insurance

On May 18, 2025 and May 20, 2025, the Company's Remuneration Committee and Board of Directors, respectively, approved authorizing Company management to negotiate the renewal of the liability insurance policy for directors and officers who serve now and will serve from time to time in the Company and/or its subsidiaries, including directors and officers who are controlling shareholders of the Company or in whom the controlling shareholder has a personal interest in engaging with, as may be from time to time, that was expected to expire on May 31, 2025 (the "Previous Insurance Policy"), in accordance with the terms of the Company's compensation policy and prevailing market conditions, and to take steps to renew the policy for a further 12-month term beginning from June 1, 2025. For further information see the immediate report issued by the Company together with this Report, the details of which are noted here by way of reference.

D. Charitable donations

As a large and leading company operating in Israel and as part of its corporate responsibility, the Company maintains a donation policy that was set for an annual amount of up to 0.5% of its net profit.²

As at the date of publication of this report, the Company's donation policy emphasizes mainly providing support to the education of children and youth at risk and the health of children and youth. In 2025, until the date of publication of this Report, Melisron has donated an amount of NIS 500 thousand.

Furthermore, in August 2024, the Company's Board of Directors approved a donation in the amount of NIS 8.2 million to be spread over three years (2024–2026) to the non-profit association that manages Zoharim Youth Village, an educational therapeutic village for youth at risk founded by Israel Prize winner, Rabbi Yitzhak David Grossman, (the "Association") for the construction of a residential building for the village staff, counselors and their families.³ As part of this commitment, the Company transferred one third of the donation amount to the Association. As at the reporting date, construction of the building has started. The Company also intends to continue donating to various other associations according to its donation policy, up to the above maximum amount set.

² "Net profit" means net profit attributed to shareholders of the Company in its most recent annual consolidated financial statements.

³ To complete the picture, it should be noted that Ofer Investments Ltd., the controlling shareholder of the Company, also made charitable donations to associations managed by Rabbi Grossman from time to time (as part of its philanthropic activities for various associations and other activities), including the association that manages Zoharim Village.

Financial reporting

1. Critical accounting estimates:

The revised valuations of the following properties are attached to this quarterly Report as follows: Ofer Ramat Aviv Mall and Ofer Kiryon, which are classified as very material valuations according to Legal Position No. 105-23: Parameters for Examination of Materiality of Valuations. For information about these properties, which are classified as very material under the proposed amendment to the Securities Regulations to anchor a disclosure directive regarding investment real estate operations, see sections 3.1 and 3.2, respectively, in the amendment of the chapter on the description of the Company's businesses, Chapter A of this Report. In addition, in accordance with Legal Position No. 103-29: Findings on the Adequacy of Disclosure regarding Collateral and/or Pledges Given by Reporting Corporations to Secure Settlement of Promissory Notes, revisions to the valuations for Ofer Grand Mall Haifa, Ofer Grand Mall Petach Tikva, Ofer Grand Canyon Beer-Sheva and Hutzot Hamifratz complex were attached to this periodic Report. For information about these properties, in accordance with the proposed amendment to the Securities Regulations to anchor a disclosure directive regarding investment real estate operations, see section 4 of the chapter on the description of the Company's businesses, Chapter A of this Report. For the disclosure regarding valuation in accordance with Regulation 8B of the Securities Law (Periodic and Immediate Reports), 1970, see Appendix C of this Directors' Report.

2. Events subsequent to the date of the statement of financial position

See Note 4 to the financial statements as at June 30, 2025.

We thank the Company's management and staff for their enormous contribution and dedicated work.

Liora Ofer
Chairman of the Board of Directors

Ophir Sarid
CEO

Date: August 13, 2025

Appendexes

Appendix A - Detailed reference tables

Appendix B - Special disclosure to Melisron's debenture holders

Appendix C - Disclosure regarding valuation in accordance with Regulation 8B of the Securities Law (Periodic and Immediate Reports), 5730-1970

Appendix D - Breakdown of Aviv Melisron projects

Appendix A - Detailed reference tables

Expanded consolidated statement of income (in NIS millions)

	Six months ended		Three months ended		Year ended
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	December 31, 2024
Rental and other income	1,050	969	535	498	2,026
Maintenance and operating costs	264	241	141	123	526
Gross profit	786	728	394	375	1,500
Marketing and advertising expenses	(8)	(5)	(4)	(3)	(14)
General and administrative expenses	(54)	(44)	(28)	(22)	(93)
Operating profit before other income (expenses)	724	679	362	350	1,393
Increase in value of investment property, net	400	382	374	327	1,124
Other expenses, net	(20)	-	(3)	-	(13)
Operating profit after other income (expenses)	1,104	1,061	733	677	2,504
Financing expenses	(317)	(337)	(214)	(239)	(657)
Financing income	46	47	32	20	99
Profit before deduction of taxes on income	833	771	551	458	1,946
Taxes on income	(159)	(168)	(114)	(99)	(415)
Profit for the period	674	603	437	359	1,531

Expanded consolidated gross financial debt schedule

Below are the Company's liabilities (expanded consolidated) due after June 30, 2025 (in NIS millions):

	Debentures	Loans from banks and financial institutions	Aviv Melisron loans	Less non-controlling interests in consolidated loans	Marketable securities and short-term loans	Loans granted against collateral	Total
First year	3,009	33	142	(3)	676	-	3,859
Second year	1,593	180	979	(3)	-	-	2,749
Third year	602	675	-	(3)	-	-	1,274
Fourth year	1,130	33	7	(3)	-	-	1,167
Fifth year and onward	5,651	408	62	(34)	99	(258)	5,928
Total repayments	11,985	1,329	1,191	(46)	775	(255)	14,977
Discount							(104)
Total gross financial debt (consolidated expanded)							14,874

FFO (funds from operations) pursuant to Israel Securities Authority Guidelines

To provide additional information on the operating results, presented below is FFO (Funds From Operations). This index is commonly used worldwide, and provides an adequate basis for comparing income-generating real estate companies.. The index is published by NAREIT (the association of REIT companies in the US) and as it is defined, presents net reported income, net of income and expenses from increase/impairment of the value of real estate and non-recurring income/expenses, with addition of depreciation. The Company believes that in addition to the above, deferred tax expenses, tax expenses for previous years, and financing expenses/income for CPI linkage of financial liabilities and assets should also be deducted.

It should be emphasized that the FFO index does not represent cash flows from current operations or cash held by the Company and is not a substitute for net profit reported according to GAAP.

In NIS millions	1–6 2025	1–6 2024	2024
Net profit for the period	704	620	1,579
<u>Adjustments:</u>			
Loss from secondary operations ^①	31	-	16
Depreciation and amortization	6	7	27
Gains or loss from changes in fair value of investment property	(412)	(379)	(1,086)
Gain or loss from changes in fair value of financial instruments	(10)	2	(16)
Adjustments with regard to equity-accounted investees or joint ventures	(2)	5	(31)
Non-recurring expenses	17	-	31
Effects of current and deferred taxes due to foregoing adjustments	110	124	325
Total nominal FFO pursuant to ISA guidelines	444	379	845
Net of non-controlling interest share in FFO	(19)	(19)	(39)
Total nominal FFO pursuant to ISA guidelines attributable to shareholders	425	360	806
Plus recognition of a benefit in respect of an employee option plan	3	4	9
Linkage differentials on financial assets and liabilities	174	198	345
Total real FFO according to the management method (AFFO)	602	562	1,160

^① For the first six months of 2025 and the year 2024, excluding the results of Aviv Melisron (including the amortization of excess cost).

Appendix B – Special Disclosure to Holders of Debentures: Melisron, as at June 30, 2025

Series	Rating agency	As at the issuance	Rating at date of publication of the report	Total par value as at the issuance date (including expansions and exchanges) in NIS thousands	Type of interest	Nominal interest	Effective interest rate as at the issuance date	Listed on the Stock Exchange Yes/No	Interest payment dates	Par value nominal June 30, 2025 (NIS millions)	Par value CPI-linked June 30, 2025 (NIS millions)	Carrying amount June 30, 2025 (NIS millions)	Interest payable June 30, 2025 (NIS millions)	Market value, June 30, 2025 (NIS millions)	Materiality
Debentures (Series 10)															
March 31, 2015 Exchange: January 28, 2017 October 23, 2017 Expansions: February 24, 2019 April 16, 2020	Maalot	A+	AA	1,528,817	Fixed	1.76%	1.33%-2.29%	Yes	Fixed semi-annual interest, January 10, July 10, in 2016-2025	269	320	320	3	323	Immaterial
Debentures (Series 11)															
March 31, 2015 Expansions: April 19, 2016 January 12, 2017 June 08, 2017	Maalot	A+	AA	1,469,530	Fixed	2.3%	2.19%-2.82%	Yes	Fixed semi-annual interest, January 10, July 10, in 2016-2025	796	946	946	10	956	Material
Debentures (Series 14)															
April 19, 2016 Exchange: March 05, 2018 April 11, 2018 Expansions: October 30, 2019 April 16, 2020	Maalot	AA-	AA	1,370,403	Fixed	2.15%	0.52%-2.29%	Yes	Fixed semi-annual interest - April 27 and October 27 in 2016-2026 (in 2016, one payment on October 27 only, and in 2026, one payment on April 27 only)	1,164	1,388	1,394	5	1,399	Material
Debentures (Series 16)															
January 12, 2017 Exchange: March 05, 2018 Expansion: September 06, 2018 September 13, 2023	Maalot	AA-	AA	1,054,482	Fixed	2.35%	2.66%-1.69%	Yes	Fixed semi-annual interest, April 1, October 1, in 2017-2027	917	1,086	1,089	6	1,086	Material

Appendix B - Special Disclosure to Holders of Debentures: Melisron as at June 30, 2025 (contd.)

Series	Rating agency	As at the issuance	Rating at date of publication of the report	Total par value as at the issuance date (including expansions and exchanges) in NIS thousands	Type of interest	Nominal interest	Effective interest rate as at the issuance date	Listed on the Stock Exchange Yes/No	Interest payment dates	Par value nomina June 30, 2025 (NIS millions)	Par value CPI-linked June 30, 2025 (NIS millions)	Carrying amount June 30, 2025 (NIS millions)	Interest payable June 30, 2025 (NIS millions)	Market value June 30, 2025 (NIS millions)	Material
Debentures (Series 17) March 06, 2018 Expansions: October 30, 2019 March 01, 2021 April 21, 2021 September 13, 2023 October 13, 2024	Maalot	AA-	AA	2,194,697	Fixed	2.25%	0.75%-3.23%	Yes	See notes to Appendix B below	1,764	2,091	2,095	23	2,020	Material
Debentures (Series 18) March 03, 2020 Expansion: March 27, 2023 Exchange: December 24, 2024	Maalot	AA	AA	586,771	Fixed	0.65%	0.79%-2.93%	Yes	Fixed semi-annual interest - January 1 and July 1 in 2020-2028 (in 2020, one payment on July 1 only)	541	631	619	2	591	Immaterial
Debentures (Series 19) August 18, 2020 Expansion: February 20, 2024 June 05, 2025 Exchange: December 24, 2024	Maalot	AA	AA	2,009,183	Fixed	1.43%	1.57%-3.28%	Yes	Fixed semi-annual interest, January 1 and July 1, in 2021-2029	1,950	2,282	2,202	16	2,146	Material
Debentures (Series 20) August 17, 2021 Expansion: November 1, 2022 October 13, 2024	Maalot	AA	AA	1,524,995	Fixed	0.25%	3.19%-0.38%	Yes	Fixed semi-annual interest, January 1 and July 1, 2022-2030 (2030 payment on January 1 only)	1,352	1,553	1,505	2	1,370	Material
Debentures (Series 21) March 27, 2023 Expansion: February 20, 2024 December 19, 2024	Maalot	AA	AA	1,591,216	Fixed	3.61%	3.78%-3.19%	Yes	See notes to Appendix B below	1,572	1,688	1,711	30	1,750	Material

Notes to Appendix B:

1. On July 10, 2025, Debentures (Series 10) that were secured by a first-degree lien on the Company's rights in the Kiryon complex in Kiryat Bialik and Debentures (Series 11) were repaid in full.
2. Repayment of Debentures (Series 14) - will be made in 20 installments that will be paid as follows: 19 installments equivalent to 1% each of the debenture principal will be repaid semi-annually, on April 27 and October 27, starting on October 27, 2016 and ending on October 27, 2025 (inclusive), and a final principal payment of 81% of the debenture principal will be paid on April 27, 2026.
3. Repayment of Debentures (Series 16) - will be made in 21 installments as follows: 20 equal installments of 1% of the principal each, which will be paid twice a year, on April 1 and October 1, from April 1, 2017 to April 1, 2027 (inclusive). The balance of the principal (80%) will be repaid in a lump sum on April 1, 2027.
4. Repayment of debentures (Series 17) - will be made in 27 unequal installments, semi-annually on January 1 and July 1, as set out in the principal repayment schedule below:

Principal repayment date (in January and July)	Rate of principal repayment (semi-annual)
2019	1.5%
2020	1.0%
2021–2022	2.0%
2023–2024	5.0%
2025	1.0%
In 2026–2032 (one payment only in 2032 on January 1)	5.0%

The interest on the debentures is payable twice a year, on January 1 and July 1, from July 1, 2018 to January 1, 2032 (inclusive).

5. Repayment of Debentures (Series 18) - will be made in 17 installments as set out below: 16 equal installments of 1% of the principal each, which will be paid twice a year, on January 1 and July 1, starting on July 1, 2020 and ending on January 1, 2028 (inclusive). The balance of the principal (84%) will be repaid in a lump sum on July 1, 2028.
6. Repayment of Debentures (Series 19) - will be made in 18 installments as follows: 17 equal installments of 1% of the principal each, which will be paid twice a year, on January 1 and July 1, starting on January 1, 2021 and ending on January 1, 2029 (inclusive). The balance of the principal (83%) will be repaid in a lump sum on July 1, 2029.
7. Repayment of Debentures (Series 20) - will be made in 18 installments as follows: 6 equal installments of 2% of the debt principal each to be paid semi-annually on January 1 and July 1, starting from January 1, 2022 and ending on July 1, 2024 (inclusive), 11 equal installments of 1% of the debt principal each to be paid semi-annually on January 1 and July 1, starting on January 1, 2025 and ending on January 1, 2030 (inclusive). The balance of the principal (77%) will be repaid in a lump sum on July 1, 2030.
8. Repayment of debentures (Series 21) - will be made in 27 unequal installments, semi-annually on January 1 and July 1, as set out in the principal repayment schedule below:

Principal repayment date (in January and July)	Rate of principal repayment (semi-annual)
2024	1%
2025	0.25%
2026	2.0%
2027	4.75%
2028	6%
2029–2030	2%
2031–2033	6%
2034	3%
2035	5%
In 2036–2037 (one payment only in 2037 on January 1)	4%

The interest on the debentures is payable twice a year, on January 1 and July 1, from July 1, 2023 to January 1, 2037 (inclusive).

9. For further information concerning the right to early redemption of Debentures (Series 14), see section 7 of the deed of trust for the Debentures (Series 14) attached as **Appendix A** to the shelf offering memorandum dated April 18, 2016 (Ref. No. 2016-01-050488).

10. For further information concerning the right to early redemption of Debentures (Series 16), see section 7 of the deed of trust for the Debentures (Series 16) attached as **Appendix A** to the shelf offering memorandum dated January 11, 2017 (Ref. No. 2017-01-005040).
11. For further information concerning the right to early redemption of Debentures (Series 17), see section 9 of the deed of trust for the Debentures (Series 17) attached as **Appendix A** to the shelf offering memorandum dated March 4, 2018 (Ref. No. 2018-01-017334).
12. For further information concerning the right to early redemption of Debentures (Series 18), see section 7 of the deed of trust for the Debentures (Series 18) attached as **Appendix A** to the shelf offering memorandum dated March 1, 2020 (as revised on March 1, 2020 and March 3, 2020 (Ref. Nos: 2020-01-017572, 2020-01-017623 and 2020-01-01780, respectively).
13. For further information concerning the right to early redemption of Debentures (Series 19), see section 7 of the deed of trust for the Debentures (Series 19) attached as **Appendix A** to the shelf offering memorandum dated August 16, 2020 (Ref. No. 2020-01-079504).
14. For further information concerning the right to early redemption of Debentures (Series 20), see section 7 of the deed of trust for the Debentures (Series 20) attached as **Appendix A** to the shelf offering memorandum dated August 15, 2021 (Ref. No. 2021-01-065470).
15. For further information concerning the right to early redemption of Debentures (Series 21), see section 8 of the deed of trust for the Debentures (Series 21) attached as **Appendix A** to the shelf offering memorandum dated March 26, 2023 (Ref. No. 2023-01-027175).
16. The trustee for debenture series 14, 16, 18, 19, and 20 - Reznik Paz Nevo Trustee Company Ltd., the contact person for the series with the Trustee is Adv. Michal Avtalion-Rishoni, Contact information: Telephone: 03-6389200; Fax: 03-6389222; email: michal@rpn.co.il; Postal address: 14 Yad Harutzim Street, Tel Aviv 67778.
17. The trustee for debentures series 17 and 21 - Hermetic Trust (1975) Ltd. Contact person is Adv. Dan Avnon, Tel: 03-5274867 Email: hermetic@hermetic.co.il, Postal address: 113 Yarkon Street, Tel Aviv POB 3524 Tel Aviv 61034
18. As at reporting date and during the Reporting Period, the Company was and continues to be in compliance with all the terms and obligations under the deeds of trust for the Company's debentures and there were no terms that could constitute grounds for calling the Company's debentures for immediate repayment.
19. During the Reporting Period the trustees for the Company's debentures did not require the Company to execute any actions with respect to the debentures.
20. As at the date of approval of the financial statements all the unsecured debentures of the Company as well as the debentures secured by the Company's real estate properties were rated as iIAA. For further information, see the immediate report dated February 18, 2025 (Ref. No.: 2025-01-011373), the details of which are included here by way of reference. The Company's debentures (Series 17) and (Series 21) are not secured.
21. To secure the Company's debentures (Series 14) a first-degree charge unlimited in amount was created on the entire rights of Avnat Ltd. (a wholly owned subsidiary of the Company that was merged into the Company in December), in the Ofer Grand Mall, Petah Tikva and including the adjacent Tower (below jointly, "the Mall") and including the right to receive proceeds from the property and insurance payments with regard to the Mall.
22. To secure debentures (Series 16), a first-degree charge was created on the ownership rights of MLA in land attributed to the Ofer Grand Mall in Be'er Sheva and including MLA's rights to receive proceeds from the property and insurance payments with respect to the pledged property. For further information concerning the collateral mechanism for Debentures (Series 16), see section 6 of the deed of trust for the Debentures (Series 16) attached as Appendix A to the shelf offering memorandum issued by the Company on January 11, 2017 (Ref. No. 2017-01-005040).
23. To secure debentures (Series 18) Hutzot Hamifratz Haifa Ltd. (A 50% held investee of the Company) (the "Mortgagor") pledged non-specific 50% of its rights in Hutzot Hamifratz Mall (as defined in the deeds of trust), including 50% of the Mortgagor's rights to receive insurance payments and 50% of the Mortgagor's rights to receive proceeds from Hutzot Hamifratz (all from the rental agreements) including proceeds that may be due if any from the exercise of additional, existing or future building rights, in Hutzot Hamifratz and/or any of the properties permitted to be pledged as collateral that will be added as collateral and/or that will replace Hutzot Hamifratz as may be at such time. For further information concerning the collateral mechanism for Debentures (Series 18), see section 6 of the deed of trust for the Debentures (Series 18) attached as Appendix A to the shelf offering memorandum issued by the Company on March 1, 2020 (as amended on March 1, 2020 and March 3, 2020 (Ref. Nos.: 2020-01-017572, 2020-01-017623 and 2020-01-017860, respectively).
24. To secure debentures (Series 19), the Company registered a subordinated lien on the Company's rights in the Kiryon Mall, including the sub-complexes Kiryon Mall, Bialik City, the gas station, and Kiryon Towers in Kiryat Bialik (after full repayment of Series 10, as specified above, the lien will become a first-degree lien). For further

information concerning the collateral mechanism for Debentures (Series 19), see section 6 of the deed of trust for the Debentures (Series 19) attached as Appendix A to the shelf offering memorandum dated August 16, 2020 (Ref. No. 2020-01-079504).

25. To secure debentures (Series 20) a caveat and undertaking to register a mortgage were recorded and the Company registered a first-degree pledge on the proceeds, insurance payments and rights to be registered as owners on the Grand Mall in Haifa, which is wholly owned (100%) by a subsidiary of the Company. For further information concerning the collateral mechanism for Debentures (Series 20), see section 6 of the deed of trust for the Debentures (Series 20) attached as Appendix A to the shelf offering memorandum dated August 15, 2021 (Ref. No. 2021-01-065470).
26. The collateral provided to secure the Company's debentures as set out above are valid under any law and pursuant to the Company's incorporation documents.
27. Below is a breakdown of the Company's compliance with the financial covenants based on the provisions of the deeds of trust for the debentures as set out below, and it is noted that as at reporting date, the Company is in compliance with all the foregoing financial covenants:

Series	Financial covenant	Test date - June 30, 2025	Test date - March 31, 2025
Debentures (Series 14), (Series 16), (Series 17), (Series 18), (Series 19), (Series 20), (Series 21)	The Company's equity pursuant to its latest consolidated financial statements will not drop below NIS 2.5 - 3.5 billion (according to the relevant series) for two consecutive quarters or more. "Equity" in this context means the Company's equity based on its consolidated balance sheet, including non-controlling interests.	Equity - 12.8 NIS billion	Equity - 12.4 NIS billion
Debentures (Series 16), (Series 17), (Series 18), (Series 19), (Series 20), (Series 21)	The Company's equity including non-controlling interests based on the latest consolidated financial statements with addition of net deferred tax liabilities will not drop below 20%-25% (according to the relevant series) of the Company's total balance sheet as per its latest consolidated financial statements for two consecutive quarters or more. For this purpose, "total balance sheet" means the total balance sheet of the Company, less cash, cash equivalents, and marketable securities. With respect to several series, "total balance sheet" means the Company's total balance sheet less cash (unrestricted), cash equivalents (unrestricted), marketable securities, short-term financial assets and current assets such as short-term loans and deposits (unrestricted).	Equity to balance sheet ratio - 54%	Equity to balance sheet ratio - 54%

28. Debentures (Series 14) are linked (principal and interest) to the published CPI for February 2016.
29. Debentures (Series 16) are linked (principal and interest) to the published CPI for November 2016.
30. Debentures (Series 17) are linked (principal and interest) to the published CPI for January 2018.
31. Debentures (Series 18) are linked (principal and interest) to the published CPI for January 2020.
32. Debentures (Series 19) are linked (principal and interest) to the published CPI for January 2020.
33. Debentures (Series 20) are linked (principal and interest) to the published CPI for July 2021.
34. Debentures (Series 21) are linked (principal and interest) to the published CPI for February 2023.

Appendix C – Disclosure regarding Valuation in accordance with Regulation 8B of the Securities Law (Periodic and Immediate Reports), 5730-1970

The revisions to the valuations of the Company's properties in the second and fourth quarters of each year are conducted for the Company by an external appraiser. Also see the breakdown in section A of the chapter on the Main Developments in the Operating Sectors In and After the Reporting Period.

Subject of the valuation	Ofer Ramat Aviv
Date of the valuation	June 30, 2025
Carrying amount of evaluated property (NIS millions)	3,114
Value of the evaluated property based on the valuation (NIS millions)	3,114
Valuator's identity and profile	<p>Friedman Kapelner Shimkevitz David & Co. Real Estate Economics and Appraisal The firm engages in the valuation of real estate properties and serves as an advisor on real estate matters to public companies and entities, local councils, construction companies, financial institutions and insurance companies.</p> <p>The valuations for the relevant opinion were conducted by real estate appraisers Moshe Friedman and Raanan David. Below are particulars of their education and experience:</p> <ol style="list-style-type: none"> 1. Moshe Friedman - civil engineer, graduate of the Technion and of Tel Aviv University's real estate appraisal and property management program. Engaged in real estate appraisal and property valuation since 1991 and registered in the real estate appraisers register since 1993. 2. Raanan David - real estate appraiser with a MA in economics from the Hebrew University of Jerusalem. Graduate of the real estate appraisal and property management program at the Technion's External Studies Unit. Engaged in real estate appraisal and property valuation since 2004 and registered in the real estate appraisers register since 2005. <p>- There is no dependency between the appraisers and the Company.</p> <p>As part of the engagement, the appraiser was granted a letter of indemnification according to which the Company undertakes to indemnify the appraisers in the even that a financial liability is imposed on them as a result of this assessment, except in cases of negligence.</p>
Valuation model according to which the appraiser worked	<ul style="list-style-type: none"> - Discounted cash flow (DCF) to evaluate the property. - The comparison approach to the rest of the building rights.
Assumptions used by the valuator in the valuation	<ul style="list-style-type: none"> - Discount rate of 6.25%–7.25% for rental income. - Discount rate of 7.25%–10% for other income.

Subject of the valuation	Ofer Kiryon
Date of the valuation	June 30, 2025
Carrying amount of evaluated property (NIS millions)	2,909
Value of the evaluated property based on the valuation (NIS millions)	2,909
Valuator's identity and profile	<p>Friedman Kapelner Shimkevitz David & Co. Real Estate Economics and Appraisal The firm engages in the valuation of real estate properties and serves as an advisor on real estate matters to public companies and entities, local councils, construction companies, financial institutions and insurance companies. The valuations for the relevant opinion were conducted by real estate appraisers Moshe Friedman and Raanan David. Below are particulars of their education and experience:</p> <ol style="list-style-type: none"> 1. Moshe Friedman - civil engineer, graduate of the Technion and of Tel Aviv University's real estate appraisal and property management program. Engaged in real estate appraisal and property valuation since 1991 and registered in the real estate appraisers register since 1993. 2. Raanan David - real estate appraiser with a MA in economics from the Hebrew University of Jerusalem. Graduate of the real estate appraisal and property management program at the Technion's External Studies Unit. Engaged in real estate appraisal and property valuation since 2004 and registered in the real estate appraisers register since 2005. <ul style="list-style-type: none"> - There is no dependency between the appraisers and the Company. <p>As part of the engagement, the appraiser was granted a letter of indemnification according to which the Company undertakes to indemnify the appraisers in the even that a financial liability is imposed on them as a result of this assessment, except in cases of negligence.</p>
Valuation model according to which the appraiser worked	<ul style="list-style-type: none"> - Discounted cash flow (DCF) to evaluate the property. - The comparison approach to the rest of the building rights.
Assumptions used by the valuator in the valuation	<ul style="list-style-type: none"> - Discount rate of 6.75%–7.75% for rental income. - Discount rate of 8.25%–10.08% for other income. - An area of 5,100 sq. m that is leased to government bodies was discounted at a rate of 5.5%.

Subject of the valuation	Ofer Grand Mall, Petah Tikva
Date of the valuation	June 30, 2025
Carrying amount of evaluated property (NIS millions)	2,203
Value of the evaluated property based on the valuation (NIS millions)	2,203
Valuator's identity and profile	<p>Friedman Kapelner Shimkevitz David & Co. Real Estate Economics and Appraisal The firm engages in the valuation of real estate properties and serves as an advisor on real estate matters to public companies and entities, local councils, construction companies, financial institutions and insurance companies.</p> <p>The valuations for the relevant opinion were conducted by real estate appraisers Moshe Friedman and Raanan David. Below are particulars of their education and experience:</p> <ol style="list-style-type: none"> 1. Moshe Friedman - civil engineer, graduate of the Technion and of Tel Aviv University's real estate appraisal and property management program. Engaged in real estate appraisal and property valuation since 1991 and registered in the real estate appraisers register since 1993. 2. Raanan David - real estate appraiser with a MA in economics from the Hebrew University of Jerusalem. Graduate of the real estate appraisal and property management program at the Technion's External Studies Unit. Engaged in real estate appraisal and property valuation since 2004 and registered in the real estate appraisers register since 2005. <p>- There is no dependency between the appraisers and the Company.</p> <p>As part of the engagement, the appraiser was granted a letter of indemnification according to which the Company undertakes to indemnify the appraisers in the even that a financial liability is imposed on them as a result of this assessment, except in cases of negligence.</p>
Valuation model according to which the appraiser worked	<ul style="list-style-type: none"> - Discounted cash flow (DCF) to evaluate the property. - The comparison approach to the rest of the building rights.
Assumptions used by the valuator in the valuation	<ul style="list-style-type: none"> - Discount rate of 6.5%–7.5% for rental income. - Discount rate of 7.5%–8.5% for other income.

Subject of the valuation	Ofer Grand Mall Haifa
Date of the valuation	June 30, 2025
Carrying amount of evaluated property (NIS millions)	2,094
Value of the evaluated property based on the valuation (NIS millions)	2,094
Valuator's identity and profile	<p>Friedman Kapelner Shimkevitz David & Co. Real Estate Economics and Appraisal The firm engages in the valuation of real estate properties and serves as an advisor on real estate matters to public companies and entities, local councils, construction companies, financial institutions and insurance companies.</p> <p>The valuations for the relevant opinion were conducted by real estate appraisers Moshe Friedman and Raanan David. Below are particulars of their education and experience:</p> <ol style="list-style-type: none"> 1. Moshe Friedman - civil engineer, graduate of the Technion and of Tel Aviv University's real estate appraisal and property management program. Engaged in real estate appraisal and property valuation since 1991 and registered in the real estate appraisers register since 1993. 2. Raanan David - real estate appraiser with a MA in economics from the Hebrew University of Jerusalem. Graduate of the real estate appraisal and property management program at the Technion's External Studies Unit. Engaged in real estate appraisal and property valuation since 2004 and registered in the real estate appraisers register since 2005. <p>- There is no dependency between the appraisers and the Company.</p> <p>As part of the engagement, the appraiser was granted a letter of indemnification according to which the Company undertakes to indemnify the appraisers in the even that a financial liability is imposed on them as a result of this assessment, except in cases of negligence.</p>
Valuation model according to which the appraiser worked	<ul style="list-style-type: none"> - Discounted cash flow (DCF) to evaluate the property. - The comparison approach to the rest of the building rights.
Assumptions used by the valuator in the valuation	<ul style="list-style-type: none"> - Discount rate of 6.20%–7.75% for rental income. - Discount rate of 8.25%–8.5% for other income.

Subject of the valuation	Ofer Grand Mall, Be'er Sheva
Date of the valuation	June 30, 2025
Carrying amount of evaluated property (NIS millions)	1,632
Value of the evaluated property based on the valuation (NIS millions)	1,632
Valuator's identity and profile	<p>Friedman Kapelner Shimkevitz David & Co. Real Estate Economics and Appraisal The firm engages in the valuation of real estate properties and serves as an advisor on real estate matters to public companies and entities, local councils, construction companies, financial institutions and insurance companies.</p> <p>The valuations for the relevant opinion were conducted by real estate appraisers Moshe Friedman and Raanan David. Below are particulars of their education and experience:</p> <ol style="list-style-type: none"> 1. Moshe Friedman - civil engineer, graduate of the Technion and of Tel Aviv University's real estate appraisal and property management program. Engaged in real estate appraisal and property valuation since 1991 and registered in the real estate appraisers register since 1993. 2. Raanan David - real estate appraiser with a MA in economics from the Hebrew University of Jerusalem. Graduate of the real estate appraisal and property management program at the Technion's External Studies Unit. Engaged in real estate appraisal and property valuation since 2004 and registered in the real estate appraisers register since 2005. <p>- There is no dependency between the appraisers and the Company.</p> <p>As part of the engagement, the appraiser was granted a letter of indemnification according to which the Company undertakes to indemnify the appraisers in the even that a financial liability is imposed on them as a result of this assessment, except in cases of negligence.</p>
Valuation model according to which the appraiser worked	<ul style="list-style-type: none"> - Discounted cash flow (DCF) to evaluate the property. - The comparison approach to the rest of the building rights.
Assumptions used by the valuator in the valuation	<ul style="list-style-type: none"> - Discount rate of 6.75%–7.75% for rental income. - Discount rate of 8.25%–8.5% for other income.

Subject of the valuation	Hutzot Hamifratz
Date of the valuation	June 30, 2025
Carrying amount of evaluated property (NIS millions)	851
Value of the evaluated property based on the valuation (NIS millions)	1,702
Valuator's identity and profile	<p>Friedman Kapelner Shimkevitz David & Co. Real Estate Economics and Appraisal The firm engages in the valuation of real estate properties and serves as an advisor on real estate matters to public companies and entities, local councils, construction companies, financial institutions and insurance companies.</p> <p>The valuations for the relevant opinion were conducted by real estate appraisers Moshe Friedman and Raanan David. Below are particulars of their education and experience:</p> <ol style="list-style-type: none"> 1. Moshe Friedman - civil engineer, graduate of the Technion and of Tel Aviv University's real estate appraisal and property management program. Engaged in real estate appraisal and property valuation since 1991 and registered in the real estate appraisers register since 1993. 2. Raanan David - real estate appraiser with a MA in economics from the Hebrew University of Jerusalem. Graduate of the real estate appraisal and property management program at the Technion's External Studies Unit. Engaged in real estate appraisal and property valuation since 2004 and registered in the real estate appraisers register since 2005. <ul style="list-style-type: none"> - There is no dependency between the appraisers and the Company. <p>As part of the engagement, the appraiser was granted a letter of indemnification according to which the Company undertakes to indemnify the appraisers in the even that a financial liability is imposed on them as a result of this assessment, except in cases of negligence.</p>
Valuation model according to which the appraiser worked	<ul style="list-style-type: none"> - Discounted cash flow (DCF) to evaluate the property. - The comparison approach to the rest of the building rights.
Assumptions used by the valuator in the valuation	<ul style="list-style-type: none"> - Discount rate of 6.75% for rental income. - Discount rate of 7.25%–8.5% for other income.

Appendix D - Breakdown of Aviv Melisron's Residential Housing Projects

Projects under construction

Project	Company's effective share in the project	Date of commencement of construction	Estimated construction completion date	Total number of units under construction	Total number of units for marketing in the project	Total number of residential apartments sold	Percentage of completion (%)	Total expected income from the project (NIS millions)	Total expected costs (NIS millions)	Total expected gross profit (NIS millions)	Expected surplus balance, including equity invested in the project (NIS millions)	Equity invested in the project	Gross profit recognized by June 30, 2025
Aviv at Podim	80%	April 2022	December 2025	111	74	73	92%	232	184	48	62	26	36
Aviv at Hefetz Chaim	70%	November 2024	Q1.2028	63	31	18	15%	130	114	16	26	14	1
Aviv at Makor	85%	April 2025	2028	72	48	31	6%	170	147	23	46	28	-
Total				246	153	122		531	445	87	134	68	37
Total Aviv Melisron's share				194	122	97		421	352	68	107	54	30

Projects in planning

Project	Company's effective share in the project	Commencement of construction	Percentage of tenants that signed contracts	Planning status	Total number of existing apartments in building	Total number of apartments in building after construction	Total number of apartments designated for sale	Total expected income from the project (NIS millions)	Total expected costs (NIS millions)	Total expected gross profit (NIS millions)	% gross profit on costs
Reading, Tel Aviv*	85%	2025	100%	Construction started in July	36	84	48	207	175	32	18%
Histadrut Complex C, Givatayim*	85%	2025	100%	Construction started in July	118	332	214	1,046	866	180	21%
Histadrut Complex D, Givatayim*	85%	2025	93%	The committee's decision concerning the terms of the excavation and reinforcement permit and the complete permit has been received	48 + 8 stores	136 + +8 stores	88	406	332	74	22%
Histadrut Complex E, Givatayim*	85%	2025	100% *	The committee's decision concerning the terms of the excavation and reinforcement permit and the complete permit has been received	50	133	83	395	327	68	21%
Histadrut Complex F, Givatayim	85%	2027	86%	The urban building plan has been approved for validation	208	582	374	1,680	1,404	276	20%
Histadrut Complex K, Givatayim	85%	2025	96%	The committee's decision concerning the terms of the excavation and reinforcement permit and the complete permit has been received	50	160	110	453	371	82	22%
Histadrut Complex I, Givatayim	85%	2025	100% *	The committee's conditional decision to the excavation and reinforcement permit and the complete permit has been received	50	160	110	455	376	79	21%
Maoz Aviv, Tel Aviv*	80%	2026	97%	The committee's conditional decision to the excavation and reinforcement permit has been received	96	260	164	666	524	142	27%
Sokolov, Ramat Gan	85%	2028	91%	The committee's decision to approve the plans has been received	33 + 5 retail units	110 + 5 retail units	77	278	248	30	12%
Ma'ale Hashuava, Ramat Gan	85%	2027	95%	The urban building plan has been approved for validation	47	163	116	405	348	57	16%

*Subject to registration arrangements.

Projects in planning (cont.)

Project	Company's effective share in the project	Commencement of construction	Percentage of tenants that have signed contracts	Planning status	Total number of existing apartments in building	Total number of apartments in building after construction	Total number of apartments designated for sale	Total expected income from the project (NIS millions)	Total expected costs (NIS millions)	Total expected gross profit (NIS millions)	% gross profit on costs
Haroeh Hagat, Ben Gurion Street, Ramat Gan	85%	2029	80%	The district committee's conditional approval to the urban building plan was received	58 + 10 retail units	186 + 10 retail units	128	463	404	59	15%
Yaffet, Tel Aviv.	43%	2028	69%	The urban building plan has been approved for validation	97	272	175	501	432	69	16%
Kugel, Holon	80%	2028	69%	The urban building plan has been approved for validation	62	241	179	482	420	62	15%
Herzl Sharet, Ramat Gan	80%	Unknown	74%	Planning procedures	80 +13 retail use units	264 + 13 retail use units	184	559	478	81	17%
Bnei Ephraim, Tel Aviv	85%	2027	75%	Application for building permit was submitted	40	85	45	181	153	28	18%
Total					1,073	3,168	2,095	8,177	6,858	1,319	19%
Total Aviv Melisron's share					859	2,540	1,681	6,655	5,577	1,078	19%

* Sale of apartments has started in Aviv at Reading, Aviv at Histadrut C, D and E and Maoz Aviv. By the publication date of this Report, 172 apartments were sold and 6 registration applications were received.

Land purchased by the Company

Project	Company's effective share in the project	Commencement of construction	Planning status	Total number of apartments in the project	Total expected income from the project (NIS millions)	Total expected costs (NIS millions)	Total expected gross income (NIS millions)	% gross profit on costs
Shchakim project, Herzliya	88%	2026	Construction plan was approved by the municipality. Urban building plan for additional floors was conditionally approved for deposit. Reinforcement and excavation permit is being promoted.	733 + 1,170 sq. m retail use	3,443	2,872	571	20%
Aviv on Shirat Hayam, Netanya	100%	2025	Reinforcement and excavation plan and complete permit is being promoted in stages	126	685	534	151	28%
Tabenkin, Tel Aviv	95%	2026	Application for design plan approval was filed	120	475	429	46	11%
Sde Dov, Tel Aviv	100%	2028	Initial planning procedures	320 + 1,000 sq. m and 3,000 sq. m retail space and office space (respectively)	1,878	1,557	321	21%
Total				1,299	6,481	5,392	1,089	20%
Total Aviv Melisron's share				1,205	6,044	5,026	1,018	20%
Total Aviv Melisron's share in all projects				3,008	13,120	10,955	2,165	20%

- The sale of apartments has started in the Aviv on Shirat Hayam project. As at the publication date of this Report, 2 apartments were sold and 11 registration applications were received

*** Urban renewal projects in initial stages**

Project	Company's effective share in the project	Percentage of tenants that have signed contracts	Planning status	Total number of existing apartments in building	Total number of apartments in building after construction	Total number of apartments designated for sale
Halamed Hei, Givatayim	42%	72%	Promotion of urban building plan by the municipality	152	395	243
Hamaapil and Hamavdil, Ramat Gan	80%	69%	Under planning for filing of urban building plan	112	325	213
Arlozorov and Frug, Ramat Gan	85%	68%	Initial planning procedures	110	286	176
Katzenelson, Givatayim	80%	64%	In process of receiving urban building plan	150	345	195
Beit Horon, Ramat Gan	80%	62%	Initial planning procedures	114	296	182
Arlozorov and Bialik, Ramat Gan	80%	7%	Not yet started	99	257	158
Jabotinsky, Ramat Gan	Allocation not yet made	Signatures not yet started	Not yet started	60	156	96
Hapodim and Sokolov, Ramat Gan	80%	13%	Not yet started	90	234	144
Katzenelson, Givatayim	Allocation not yet made	20%	Promotion of urban building plan by the municipality	60	138	78
Katzenelson, Givatayim	Allocation not yet made	Signatures not yet started	Promotion of urban building plan by the municipality	130	299	169
Sirkin, Givatayim	Allocation not yet made	Signatures not yet started	In process of receiving urban building plan	50	115	65
Jabotinsky, Ramat Gan	85%	65%	Initial planning procedures	80	208	128
Hapodim, Ramat Gan	Allocation not yet made	Signatures not yet started	Not yet started	60	156	96
Hata'as, Givatayim	Allocation not yet made	Signatures not yet started	In process of receiving urban building plan	60	156	96
Katzenelson, Givatayim	Allocation not yet made	Signatures not yet started	In process of receiving urban building plan	80	184	104
Katzenelson, Givatayim	Allocation not yet made	Signatures not yet started	In process of receiving urban building plan	104 + 14 retail/office space	260	156
Ben Gurion Brener, Herzliya	Allocation not yet made	65%	Promotion of urban building plan by the state	22	104	82
Sderot Yerushalayim, Ramat Gan	Allocation not yet made	Signatures not yet started	Initial planning procedures	44 + 10 retail/office space	123	79
Hama'alot complex, Givatayim	Allocation not yet made	Signatures not yet started	Promotion of urban building plan by the municipality	163	424	261
Uziel, Ramat Gan	85%	Signatures not yet started	Initial planning	48 + 2 retail units	130	82
Jabotinsky, Ramat Gan	85%	68%	Initial planning	53	138	85
Yitzhak Sadeh, Tel Aviv	100%	50%	Not yet started	54	140	86
Total				1,895	4,869	2,974

The Company's assessments and plans concerning Aviv Melisron's urban renewal projects in initial stages, including maturation and realization of the said projects, as well as its assessments regarding the total number of apartments that there will be after construction and/or concerning the total number of apartments for sale, constitute forward-looking information as defined in the Securities Law, 5728-1968, which is based, among other things, on the information in the Company's possession about Aviv Melisron. The Company's foregoing estimates and plans may not materialize, in whole or in part, or may materialize otherwise than expected, even substantially, due to, among other things, factors or effects that cannot be estimated in advance and/or are not in the Company's control, including a changing economic and geopolitical environment, changes in government policy and authorities acting on its behalf relating to Aviv Melisron's areas of operation, Aviv Melisron's ability to complete the urban renewal projects on the estimated dates and numbers, and to obtain the required consent from the owners of the rights in the foregoing projects and/or factors and risks involved in Aviv Melisron's operations that are not in the Company's control, each of which, or any combination thereof, may adversely affect the results of the Company's operations and in any case the materialization of such estimates and forecasts.

The following is quarterly disclosure on the residential and urban renewal development operating sector pursuant to bill to amend securities regulations regarding the real estate development sector in February 2016:

The tables below include forward-looking information as defined in the Securities Law, 5728-1968, based on information currently in the Company's possession and relies on the Company's estimates and experience gained. These estimates may not materialize or may change due to a range of circumstances, including the market terms, regulatory and other delays in schedules, changes in inputs, breach of commitments by third parties or other factors that are not in the Company's control, including realization of any of the risk factors described in section 30 of the Periodic Report for the Year 2024.

As at the reporting date, Aviv Melisron has projects in Israel in the planning stages, projects under construction, land reserves, and urban renewal projects according to the following breakdown:

Type of project	Q2 2025		Q1 2025	
	Total number of apartments for construction	Company's share*	Total number of apartments for construction	Company's share*
Projects under Development	246	122	246	122
Projects in planning	2,124	1,459	1,265	686
Land reserves	440	434	979	885
Land reserves (urban renewal)	986	560	986	560
Urban renewal projects in which the special majority has been obtained and the urban building plan has not yet been approved	1,736	755	1,455	722
Urban renewal projects in which the special majority has not yet been obtained and the urban building plan has not yet been approved	4,020	2,052	4,316	2,083
Total	9,552	5,384	9,247	5,058

(*) The Company's share refers to the number of units for sale (excluding apartments of owners) less the partners' share, if relevant. In projects in which Aviv Melisron's share has not yet been determined, the assumption is that its final share will be 85%. Furthermore, in projects in which the number of apartments to be constructed has not yet been determined, a multiplier of 2.6 relative to the number of existing apartments was taken into account.

"Project under construction" in this context means - The construction of the project started before the end of the relevant reporting period and there is no impediment to continuing its construction continuously, and the construction of the project was not completed by the last day of the relevant reporting period.

"Project in planning" - in this context means - On the last day of the relevant reporting period, its construction has not started yet and Company management estimates that its construction is expected to start in the year following the Reporting Period, or a building permit has been received for it (including an excavation and reinforcement permit).

"Land reserve" in this context means - land presented as inventory or as inventory of land on which construction has not yet started, excluding land that is not a "project in planning".

"Urban renewal projects" in this context means - evacuation and construction or NOP 38/2 projects.

The following is quarterly disclosure concerning real estate projects classified as real estate projects that are not very material in which marketing activity is underway as at the reporting date:

Project		Q2 2025	Q1 2025	2024
Aviv at Podim	Number of contracts signed in the period	1	-	12
	Company's share of the project	80%	80%	80%
	Areas for which agreements were signed in the period (sq. m)	98	-	1,506
	Average price per sq. m (excluding VAT) in signed contracts (in NIS)	31,011	-	30,196
Aviv at Hefetz Chaim	Number of contracts signed in the period	-	-	18
	Company's share of the project	70%	70%	70%
	Areas for which agreements were signed in the period (sq. m)	-	-	1,457
	Average price per sq. m (excluding VAT) in signed contracts (in NIS)	-	-	43,723
Aviv at Makor	Number of contracts signed in the period	-	-	31
	Company's share of the project	85%	85%	85%
	Areas for which agreements were signed in the period (sq. m)	-	-	2,811
	Average price per sq. m (excluding VAT) in signed contracts (in NIS)	-	-	32,239
Aviv at Reading	Number of contracts signed in the period	1	3	9
	Company's share of the project	85%	85%	85%
	Areas for which agreements were signed in the period (sq. m)	63	227	773
	Average price per sq. m (excluding VAT) in signed contracts (in NIS)	46,613	48,055	48,832
Histadrut Complex D	Number of contracts signed in the period	5	11	-
	Company's share of the project	85%	85%	85%
	Areas for which agreements were signed in the period (sq. m)	456	1,258	-
	Average price per sq. m (excluding VAT) in signed contracts (in NIS)	39,134	38,183	-
Histadrut Complex E	Number of contracts signed in the period	9	9	-
	Company's share of the project	85%	85%	85%
	Areas for which agreements were signed in the period (sq. m)	828	1,267	-
	Average price per sq. m (excluding VAT) in signed contracts (in NIS)	38,825	35,010	-
Aviv at Maoz Aviv	Number of contracts signed in the period	5	4	38
	Company's share of the project	80%	80%	80%
	Areas for which agreements were signed in the period (sq. m)	500	386	2,504
	Average price per sq. m (excluding VAT) in signed contracts (in NIS)	44,678	48,468	45,256

The following is quarterly disclosure concerning real estate projects classified as very material real estate projects in which marketing activity is underway as at the reporting date:

Histadrut C in Givatayim

Costs that were and will be invested in the project (NIS millions):

(Data represent 100%, the Company's share of the project is 85%)	June 30, 2025	Mar 31, 2025	2024
Costs invested			
Cumulative land costs at the end of the period	-	-	-
Cumulative costs of development, taxes and levies	38	23	23
Cumulative construction costs	-	-	-
Cumulative costs of planning and others	43	34	18
Cumulative costs of financing (discounted)	8	6	-
Total cumulative cost	89	63	41
Carrying amount of total cumulative cost	91	77	41
Costs not yet invested and completion rate			
Costs of land not yet invested (estimate)	-	-	-
Costs of development, taxes and levies not yet invested (estimate)	62	77	78
Costs of construction not yet invested (estimate)	524	524	524
Cumulative costs of planning and others expected to be discounted in future (estimate)	127	136	151
Cumulative costs of financing expected to be discounted in future (estimate)	64	66	72
Total cost remaining to be completed	777	803	825
Financial completion rate, excluding land (%)	The project started in July 2025		
Expected construction completion date	2029	2029	2029

Marketing of the project:

(Data represent 100%, the Company's share of the project is 85%)	June 30, 2025	Mar 31, 2025	2024
Contracts signed in the current period	Housing units	-	70
	Housing units (sq. m)	-	7,079
	Retail space (sq. m)	-	-
Average price per sq. m in contracts signed in the current period	Housing units	-	38,888
	Retail space	-	-
Cumulative contracts up to the end of the period	Housing units	70	70
	Housing units (sq. m)	7,079	7,079
	Retail space (sq. m)	-	-
Cumulative average price per sq. m in contracts signed up to the end of the period	Housing units	38,888	38,888
	Retail space	-	-
Rate of sales of residential housing units in the project	Total expected income from the entire project (NIS millions)	979	979
	Total expected cumulative income from signed contracts (NIS millions)	276	276
	Sales as at the last day of the period (%)	33%	33%
Space for which contract have not yet been signed	Housing units	144	144
	Housing units (sq. m)	30,697	30,697
	Retail space (sq. m)	1,311	1,311
Total cumulative cost (inventory balance) attributed to space for which binding contracts have not yet been signed, in the Statement of Financial Position (in NIS millions)	60	42	28
Number of contracts signed from end of the period until publication date of the report / sq. m	-	-	-
Average price per sq. m in contracts signed from end of the period until publication date of the report	-	-	-

⁴ Expected income does not include income from retail (including retail parking) and income from upgrades.

Aviv at Shchakim, Herzliya

Costs that was and will be invested in the project (NIS millions):

(Data represent 100%, the Company's share of the project is 88.17%)	June 30, 2025	Mar 31, 2025	2024
Costs invested			
Cumulative land costs at the end of the period	1,122	1,122	1,122
Cumulative costs of development, taxes and levies	55	55	55
Cumulative construction costs	-	-	-
Cumulative costs of planning and others	8	6	5
Cumulative costs of financing (discounted) ⁵	142	127	112
Total cumulative cost	1,327	1,310	1,294
Total cumulative cost in books	1,327	1,310	1,294
Costs not yet invested and completion rate			
Costs of land not yet invested (estimate)	-	-	-
Costs of development, taxes and levies not yet invested (estimate)	25	25	25
Costs of construction not yet invested (estimate)	1,037	1,037	1,037
Cumulative costs of planning and others expected to be discounted in future (estimate)	217	219	220
Cumulative costs of financing expected to be discounted in future (estimate)	266	281	296
Total cost remaining to be completed	1,545	1,562	1,578
Financial completion rate, excluding land (%)	Construction has not yet started		
Expected construction completion date	2030	2030	2030

Marketing: The Company has not yet started to market the project.

- The figures included in the tables of the Histadrut C and Aviv at Shchakim projects regarding costs not yet invested, the project marketing and construction, expected construction completion date, expected income, and expected costs, constitute forward-looking information as defined in the Securities Law, based on Company management's assessments, based on the Company's contracts and work plans and its knowledge of the housing market in Israel in general and in the areas of the projects in particular, and based on the Company's assessment concerning the duration of planning procedures, approval, marketing and construction of the projects, construction cost of projects and market selling prices. These assessments may not materialize, in whole or in part, or they may materialize otherwise, including materially, as a result (among other things and as applicable) of changes in apartment prices in the vicinity of the projects or in the entire market, prolonging of the planning, marketing and construction procedures, the economic situation of the economy (including financing difficulties, tightening of mortgage granting policy, changes in taxation policy and decrease in demand), changes in cost of construction inputs, decisions of planning or regulatory authorities regarding land, changes in planning policy, statutory changes, changes in the security situation (including war) and political situation in Israel and their implications and/or realization of all or part of the risk factors set out in the Company's Periodic Report for the Year 2024.

⁵ Financing expenses include intercompany interest pursuant to the Income Tax Ordinance.