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Engineer and Real Estate Appraiser
- Naomi Kaplner**
Real Estate Appraiser
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- Raanan David**
Economist (M.A) and Real Estate Appraiser
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- Alon Dolev**
Economist, BA in Business Administration and Real Estate Appraiser
- Matan Yaakov**
BA in Business Administration and Real Estate Appraiser
- Ido Cohen**
Economist (B.A), Real Estate Appraiser and M.A in Legal Studies
- Shir Tray**
Economist (B.A), Real Estate Appraiser, M.B.A specializing in Finance
- Yonatan Al-Hahmi**
B.Sc in Computer Science and Real Estate Appraiser
- Shir Frimer**
Economist (B.A)
- Doron Juchorovitz**
Economist (B.A) and Real Estate Appraiser
- Zahava Zarihan**
Economist and B.A in Business Administration
- Uri Levi**
Economist (B.A), M.B.A and Real Estate Appraiser
- Dorit Gever Doss**
Lawyer (LL.B) and Real Estate Appraiser
- Avner Gazman**
Economist and Real Estate Appraiser
- Eli Cohen**
Economist, Real Estate Appraiser and M.B.A
- Ronen Rosenthal**
Economist (B.A) and Real Estate Appraiser
- Guy Joffe**
Economist (B.A) and Real Estate Appraiser
- Sharon Romi**
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- Or Avitan Shalan**
Economist (B.A) and Real Estate Appraiser
- Yaala Yehudai**
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- Yakir Amar**
Economist, Real Estate Appraiser and M.A in Law
- Yelena Epstein**
Civil Engineer (M.E) and Real Estate Appraiser
- Matan Moshe Hamawi**
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- Mor Dayan**
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- Naama Malka**
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- Hadas Borochoy**
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- Itai Khaylevsky**
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- Amit Solomon**
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- Liron Ben Hayoun**

Valuation Update

"TLV LANDMARK" Project

Corner of HaArba'a and Leonardo da Vinci Streets, Tel Aviv-Yafo

(Block 7101, Parcel 18)



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Valuation as of June 30, 2026

B.S.R. 1 Tower, 2 Ben Gurion Rd, Ramat Gan 5257334, Tel. 03.7553111, Fax.
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July 27, 2026

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Our Ref: 39119.20/30.503

To:

Melisron Ltd.

AFI Properties Ltd.

Dear Sir/Madam,

VALUATION UPDATE - TLV LANDMARK PROJECT
CORNER OF HAARBA'A AND LEONARDO DA VINCI STREETS, TEL AVIV-YAFO
(Block 7101, Parcel 18)

1. Purpose of Valuation

We were requested by Ms. Naomi Shabbat - Head of Real Estate at Melisron Ltd., and Mr. Asher Frieder - Accountant at AFI Properties Ltd. (hereinafter together: "the Companies"), to update the valuation of the Companies' rights in the subject property as of June 30, 2026 - for the purpose of preparing the financial reports of the Companies and/or related companies.

This opinion constitutes an update and continuation of our valuation No. 39119.19 conducted as of December 31, 2025 (hereinafter: "the Comprehensive Opinion").

The Comprehensive Opinion was prepared in accordance with the provisions of Standard No. 17.1 of the Real Estate Appraisers Council (Minimum detail required in real estate appraisals performed for reporting under the Securities Law, 1968 and for the purpose of implementing accounting standards), and for the purpose of determining the "Fair Value" of the property - as defined in International Financial Reporting Standard 13 - Fair Value Measurement (IFRS 13), and for the purpose of implementation in International Accounting Standard 40 - Investment Property (IAS 40).

This opinion was also prepared in accordance with the provisions of Standard No. 17.1 of the Real Estate Appraisers Council regarding the issues examined.

We hereby give our consent that this update be attached to the financial reports of the Companies. We also hereby give our consent that this update be published to the public.

The engagement between the Companies and the firm of Friedman Kaplner Shimkevitz David & Co. - Economics and Real Estate Appraisal was performed on June 22, 2026.

We hereby clarify that the firm of Friedman Kaplner Shimkevitz David & Co. provides real estate appraisal services to the Companies, however there is no dependency between the appraisers and the Companies and/or the client.

We hereby clarify that our fee for the valuation is not contingent upon the results of the valuation.

As part of the engagement, an indemnification commitment letter was provided to us by the Company, subject to agreed terms.

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Following is the update to our opinion:

2. The Effective Date for Valuation - 30.6.2026.

3. Date of Property Inspection - A visit to the property was conducted by Shai Tanari - Real Estate Appraiser, on July 7, 2026.

4. Property Details

Block	7101
Parcel	18
Registered Parcel Area	12,961 sqm
The Project	"TLV LANDMARK" Project, including two towers as follows: Tower A - Built property Tower B - Property under construction The project is mixed-use: commercial, employment and residential
The Subject Property	The Project excluding the residential component
Legal Rights	Capitalized lease from the Israel Land Authority
The Valued Rights	The rights of the companies Melisron and AFI Properties - holding the property in partnership and equal shares
City Address	Corner of HaArba'a and Leonardo da Vinci Streets, Tel Aviv-Yafo

5. General Description of the Project and the Property

The "TLV LANDMARK" project includes two towers A and B, in a mix of uses: commercial, employment, and residential. **The subject property constitutes the project, excluding the residential component.**

Description of the two towers:

- **Tower A** - A 41-story built structure built in two wings, for commercial, public building, and office uses.
- **Tower B** - A 42-story structure under construction built in one wing, for commercial and office uses, with residential uses above.

Construction status at the time of the visit:

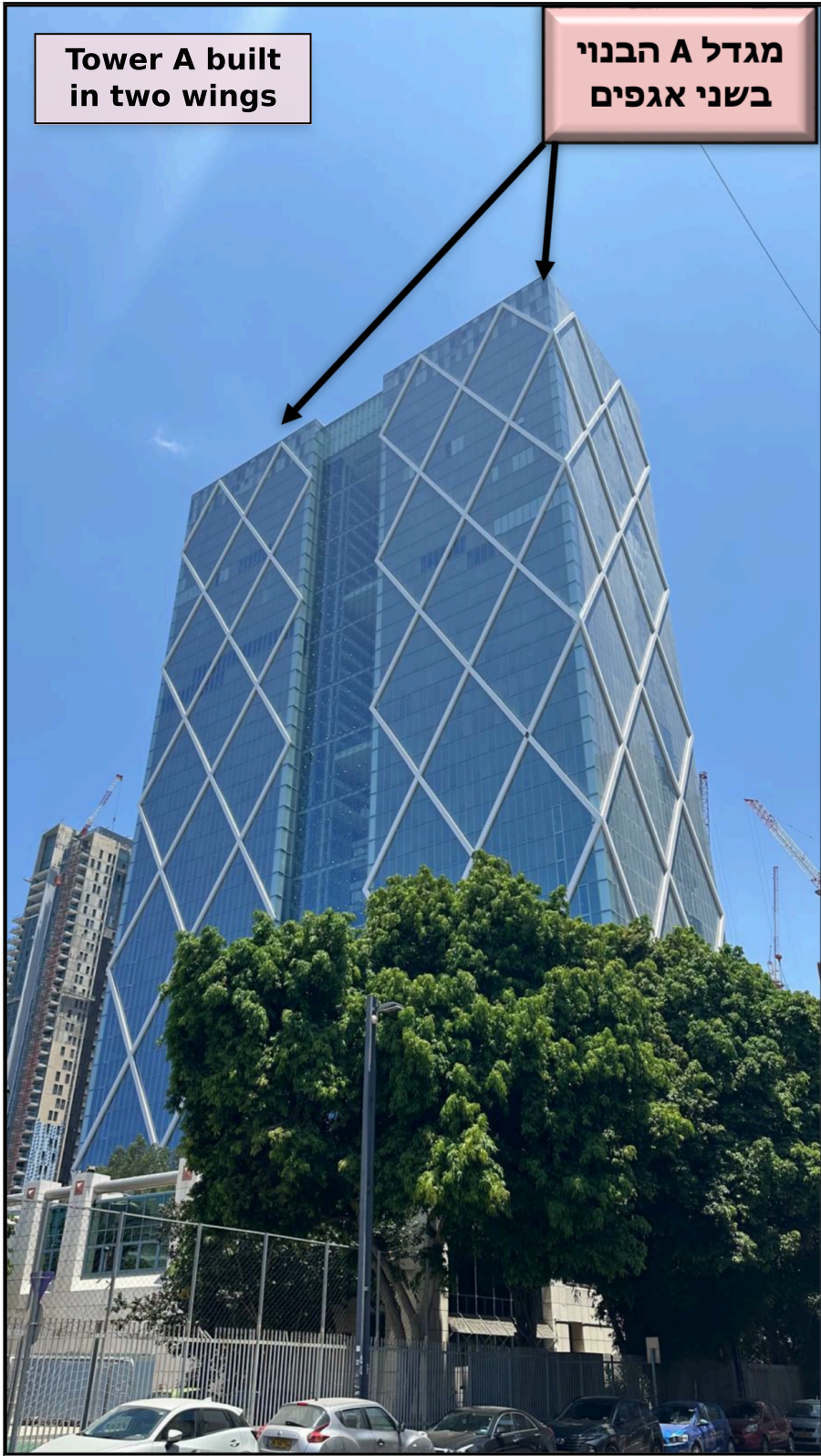
Tower B is in the stages of installing curtain walls on the upper floors, aluminum cladding, and system installation.

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Typical Photos



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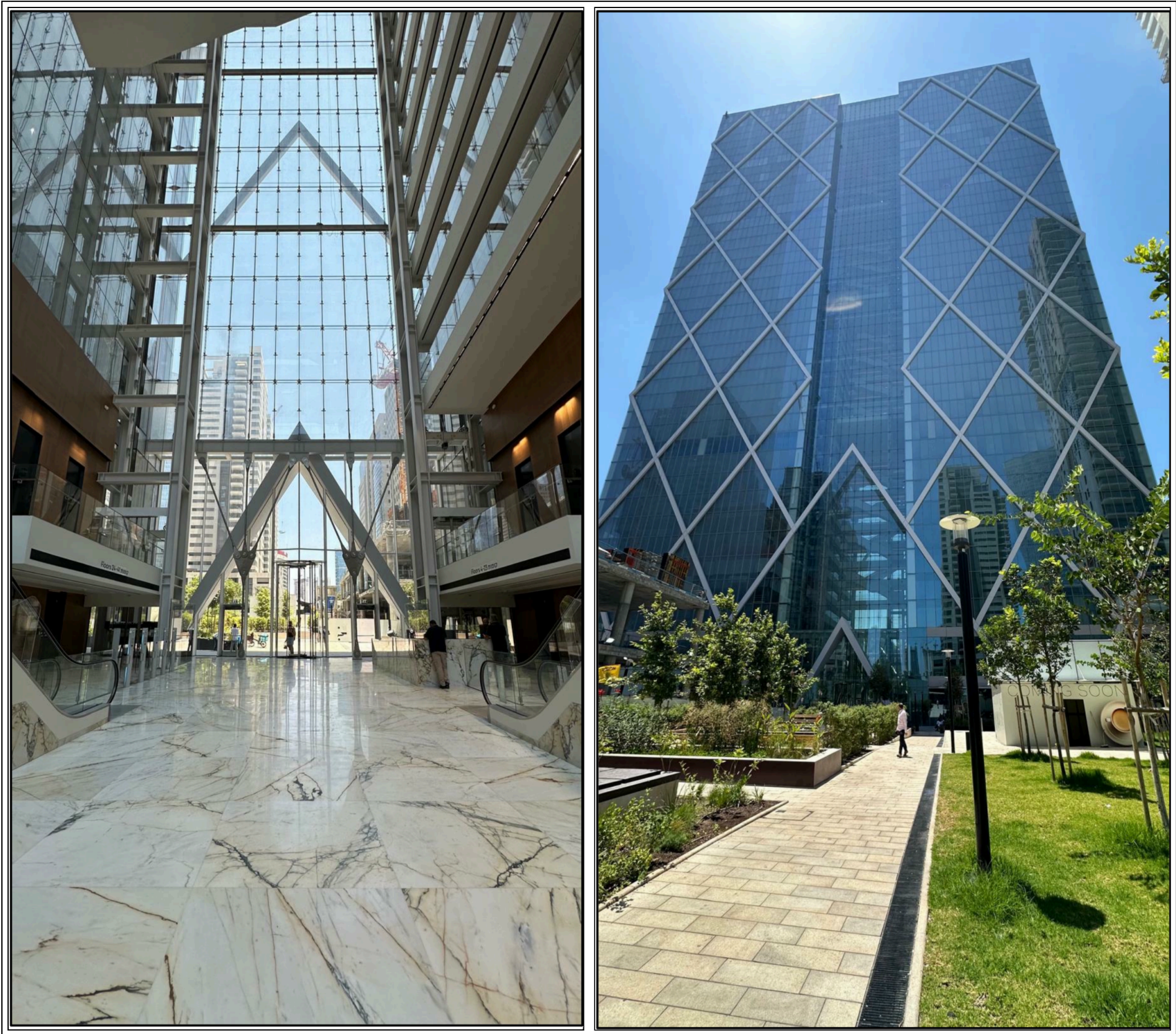
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Friedman Kaplan Simkevich David & Co. Partnership

Economics and Real Estate Appraisal

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Typical Photos in Tower A



6. Planning Status - During the elapsed period, a request for a change permit was submitted, primarily regarding internal changes.

7. Legal Status - No change from the comprehensive opinion as of December 31, 2025.

8. Project Status

8.1 Construction status of Tower B

As informed to us, the construction works for Tower B (excluding residential) are expected to be completed by the end of 2026.

8.2 Marketing status of the appraised project parts

Below are the changes that occurred in the property relative to the comprehensive opinion as of December 31, 2025:

Office Areas:

Tower A - No change.

Tower B - Lease agreements were signed for the full office areas in Tower B, which were in the process of being signed as of the date of the comprehensive opinion on December 31, 2025.

Below is a summary of the income from the leased office areas in the project:

Tower	Marketing Area (sqm)	Average Rent (per sqm/month)
A	101,099	NIS 174
B	47,542	NIS 172
Total	148,641	NIS 173

Commercial Areas:

Tower A - Two lease agreements were signed for a total area of approximately 176 sqm for marketing.

Tower B - One lease agreement was signed for an area of approximately 530 sqm for marketing.

Below is the marketing status for commerce and expected income:

Tower	Marketing Stage	Marketing Area (sqm)	Average Rent (per sqm/month)	Note
A	Signed Contracts	2,437	NIS 179	(1)
	Vacant Areas	259	NIS 150	(2)
B	Signed Contracts	529	NIS 152	(3)
	Vacant Areas	710	NIS 150	(4)

- (1) Approximately 90% of the commercial marketing areas in Tower A have been leased.
- (2) No change from the comprehensive opinion as of December 31, 2025.
- (3) Approximately 43% of the commercial marketing areas in Tower B have been leased.
- (4) No change from the comprehensive opinion as of December 31, 2025.

8.3 Summary of Project Income

Tower A:

Component	Marketing Area per unit (sqm/parking space)	Annual Income
Commercial Areas	2,437	NIS 5,228,196
Office Areas	101,099	NIS 210,794,134
Storage Areas	480	NIS 419,268
Electricity and Management Profits		NIS 4,200,000
Total Leased		NIS 220,641,599
Parking	1,782	NIS 29,937,600

Electricity and management profits and parking - expected income unchanged from the comprehensive opinion as of December 31, 2025.

Tower B:

Component	Marketing Area per unit (sqm/parking space)	Annual Income
Commercial Areas	529	NIS 966,029
Office Areas	47,542	NIS 98,352,177
Storage Areas	263	NIS 245,532
Total Leased		NIS 99,563,739

8.4 Project Budget

Tower A - The remaining costs for completion regarding allowances for signed contracts total **approximately NIS 220 thousand**.

Tower B - The budget includes price increases as of the date of this valuation, and does not include an estimate for allowance costs for potential tenants¹. The remaining construction costs for Tower B (excluding the residential component) is **approximately NIS 152.8 million**.

¹ See reference to the issue of allowances in Tower B in the calculation below.

9. Market Overview and Capitalization Rates

According to the Bank of Israel forecast published in July 2026, GDP is expected to grow by 4.0% in 2026 and by 5.5% in 2027. The inflation rate in the next four quarters (ending in the second quarter of 2027) is expected to be 1.8% and during 2026 it is expected to be 1.8%.

In May 2026, the Bank of Israel reduced the bank of Israel interest by 0.25% to a level of 3.75%, and in July 2026 the Bank of Israel reduced the bank of Israel interest once more by 0.25% to a level of 3.5%, against the backdrop of continued recovery in economic activity following Operation "Lion's Roar", an inflation environment that continues to stay near the center of the target, and a moderation in geopolitical tensions. According to the Bank of Israel forecast, the bank of Israel interest is expected to decrease further and stand at 3.0% on average in the second quarter of 2027.

Regarding income-producing properties, we note that in the first half of the year, very few transactions for the acquisition of income-producing properties were conducted.

In light of the above, and given that there is no support from new transactions for a change in capitalization rates in the market, we have not made any changes to the work assumptions regarding the capitalization rates we used in the comprehensive opinion.

10. Calculations

Value Calculations:

Tower A - Built:

Component	Marketing Area per unit (sqm/parking space)	Annual Income	Weighted Capitalization Rate (1)	Available Value	Weighted Discount Factor	Total Value in Current Values
Commercial areas	2,437	₪ 5,228,196	6.50%	₪ 80,433,791	0.999	₪ 80,324,310
Office areas	101,099	₪ 210,794,134	5.94%	₪ 3,551,629,240	0.999	₪ 3,549,567,674
Storage areas	480	₪ 419,268	5.94%	₪ 7,064,170	0.999	₪ 7,060,070
Electricity and management profits		₪ 4,200,000	10.00%	₪ 42,000,000	1.000	₪ 42,000,000
Total leased		₪ 220,641,599	5.99%	₪ 3,681,127,202	1.00	₪ 3,678,952,054
Parking	1,782	₪ 29,937,600	6.50%	₪ 460,578,462	0.97	₪ 447,711,053
Vacant areas (commercial and storage) ⁽²⁾		₪ 760,556	6.80%	₪ 11,189,055	0.94	₪ 10,476,961
Total at full occupancy (rounded)		₪ 251,339,755	6.05%	₪ 4,152,894,718	1.00	₪ 4,137,100,000

Remaining completion costs for allowances for - ₪ signed contracts ⁽³⁾	220,000
Property value as is	₪ 4,136,880,000
And rounded	₪ 4,137,000,000

Notes:

- (1) Capitalization rate for leased office areas is weighted by the finishing level.
- (2) The available value for vacant areas is according to contracts actually signed in the project and according to the forecast provided to us by the companies.
- (3) Remaining budgets for signed contracts for the leased areas.

The above value calculation (marketing status as of the valuation date) reflects average value values as follows:

- Commercial areas

- Approx. 33,000 ₪ per sqm for marketing.
- Office areas

- Approx. 35,100 ₪ per sqm for marketing (weighted for finishing level - shell/allowance).
- Parking

- Approx. 260,000 ₪ per parking space.

Tower B - Under construction:

Component	Marketing Area per unit (sqm/parking space)	Annual Income	Weighted Capitalization Rate	Value as Finished
Commercial areas	529	966,029 ₪	6.50%	14,861,991 ₪
Office areas	47,542	98,352,177 ₪	6.25%	1,573,634,835 ₪
Storage areas	263	245,532 ₪	6.25%	3,928,518 ₪
Total leased		99,563,739 ₪	6.25%	1,592,425,345 ₪
Vacant commercial areas ⁽¹⁾		1,278,000 ₪	7.00%	18,257,143 ₪
Total at full occupancy (rounded)		100,841,739 ₪	6.26%	1,610,682,487 ₪
Less estimated allowances ⁽²⁾				-210,027,700 ₪
Total value as finished and ready for occupancy - net				1,400,654,787 ₪

Remaining construction costs to complete Tower B (excluding residential):

Project value as finished	1,400,654,787 ₪
Discount factor, risk and uncertainty	0.90
Tower B value as finished according to current stage	<u>1,265,480,459 ₪</u>
Remaining construction costs to complete Tower B (excluding residential)	<u>-152,885,064 ₪</u>
Balance for property value as is	1,112,595,395 ₪
And rounded	1,113,000,000 ₪

(1) The value for vacant areas is according to contracts actually signed in the project and according to the forecast provided to us by the companies.

(2) The estimate of allowances taken into account is according to the agreements signed.

The above value calculation reflects average value values as follows:

- Commercial areas - Approx. 28,100 ₪ per sqm for marketing.
- Office areas - Approx. 33,100 ₪ per sqm for marketing (including allowance).

Sensitivity analyses:

Tower A:

Change in capitalization rate for offices		
+0.25%	-	-0.25%
3,976,000,000 ₪	4,137,000,000 ₪	4,312,000,000 ₪

Tower B:

Change in Tower B value as finished and ready for occupancy			Change in remaining construction costs for Tower B
5%	-	-5%	
1,184,000,000 ₪	1,120,000,000 ₪	1,057,000,000 ₪	-5%
1,176,000,000 ₪	1,113,000,000 ₪	1,049,000,000 ₪	-
1,168,000,000 ₪	1,105,000,000 ₪	1,042,000,000 ₪	5%

11. Valuation

In light of the above, we estimate the value of the property in its current state - in a sale from a willing seller to a willing buyer, clear of any debt, lien, mortgage and third-party rights, except for free tenants - at a total sum of **5,250,000,000 ₪ (Five billion two hundred and fifty million New Israeli Shekels)**, divided as follows:

- Built real estate - **₪ 4,137,000,000**
- Real estate under construction - **₪ 1,113,000,000**

Note:

The estimated value detailed above does not include Value Added Tax.

12. Additional Data

A. Previous valuations by the undersigned:

Date	Valuation (₪ thousands)
31/12/2025	₪ 4,955,000
30/06/2024	₪ 3,666,000
31/12/2023	₪ 3,418,000
30/06/2023	₪ 3,039,000

The increase in value stems mainly from construction progress (additional accumulated investments), recognition of daily profit accumulated, completion of office marketing in Tower B, and an increase in NOI resulting from an increase in the index.

B. As we were informed, the property (excluding the residential component) is recorded in the companies' books as of March 31, 2026, as follows:

- AFI -2,513,692 NIS
Properties thousands
Ltd.
- Melisron -2,573,500 NIS
Ltd. thousands

13. Declarations

- A.** We hereby declare that we possess relevant knowledge and experience to perform the valuation of the property subject to the appraisal.
- B.** We declare that we have no personal interest in the property subject to the appraisal, its rights holders, or the appraisal requester.
- C.** The report was prepared according to the Real Estate Appraisers Regulations (Professional Ethics), 1966.
- D.** The appraisal was prepared for the purposes of the appraisal requester and for the purpose of the appraisal only. The appraisal does not constitute a substitute for legal advice and should not be relied upon for any other purpose.

Sincerely,

Shai Tenne

Economist and Real Estate Appraiser

M.B.A. specializing in Finance

Raanan David

Economist (MA) and Real Estate Appraiser

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