

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

UNAUDITED

INDEX

	Page
Review of Unaudited Interim Financial Statements	2
Interim consolidated Statement of Financial Position	3
Interim consolidated Statement of Profit or Loss	4
Interim consolidated Statement of Changes in Members' Capital	5
Interim consolidated Statement of Cash Flows	6
Notes to Interim Consolidated Financial Statements	7 - 11

Review report

to the members of

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

Introduction

We have reviewed the accompanying financial information of Electra Multifamily Investments Fund II, L.P. ("the Partnership"), which comprises the condensed consolidated statements of financial position as of June 30, 2025, and the related condensed consolidated statements of profit or loss for the six and three months periods then ended, changes in members' capital and cash flows for the six months periods then ended. The Partnerships' board of directors and management are responsible for the preparation and presentation of interim financial information for these periods in conformity with U.S. generally accepted accounting principles. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Review Standard 2410 of 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, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards 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 nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in conformity with U.S. generally accepted accounting principles, which differ in certain respects from the IFRS, as describe in Note 7, to the consolidated financial statements.

Tel-Aviv, Israel
August 24, 2025

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		June 30, 2025	December 31, 2024
		Unaudited	Audited
	Note	U.S. dollars	in thousands
ASSETS			
Real estate, net	3	386,732	467,834
Investments in unconsolidated entities	4	28,570	37,530
Investments in unconsolidated entities - held for sale	4a	7,647	3,875
Cash	2	69,941	54,381
Restricted cash	2	6,945	13,860
Accounts receivable		1,377	1,247
Receivables due from related parties		2,277	2,137
Other assets		1,010	495
Total assets		<u>504,499</u>	<u>581,359</u>
LIABILITIES AND MEMBERS' CAPITAL			
Real estate mortgages, net	6	328,362	381,648
Accounts payable and accrued expenses		9,522	14,989
Accounts payable due to related party		-	160
Security deposits payable		101	-
Other payables (including payables due to related parties) (*)	5	20,735	10,920
Total liabilities		<u>358,720</u>	<u>407,717</u>
MEMBERS' CAPITAL:			
Members' capital		<u>145,779</u>	<u>173,642</u>
Total liabilities and member's capital		<u><u>504,499</u></u>	<u><u>581,359</u></u>

(*) Includes \$18.8 million and \$8.2 million in distributions held back for blockers in 2025 and 2024, respectively.

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

August 24, 2025		
Date of approval of the financial statements	Joseph G. Lubeck Managing Member	James G. Miller Member

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

		Six months ended June 30,		Three months ended June 30,	
		2025	2024	2025	2024
		Unaudited		Unaudited	
	Note	U.S. dollars in thousands			
Revenues:					
Rental income		33,970	36,722	16,971	18,536
Other income		95	-	95	-
Expenses:					
Rental expenses		16,680	17,629	8,387	8,817
General and administrative expenses		2,311	2,515	1,154	1,167
Depreciation		7,542	8,271	3,673	4,147
Total expenses		26,533	28,415	13,214	14,131
Fund's share of profit of entities accounted for at equity		2,917	666	(239)	430
Dividend income		-	-	-	-
Gain on sale of property		35,127	-	34,766	-
Income before interest expense - mortgage loans		45,576	8,973	38,379	4,835
Interest expense - mortgage loans		7,569	8,267	3,930	4,128
Income before interest to related parties		38,007	706	34,449	707
Interest expense to related parties - members' loans and related parties' loans	5	1,340	1,290	702	644
Interest expense to non-related parties		-	-	345	-
Income (loss)		36,667	(584)	33,402	63
Attributable to:					
Equity holders of the Company		30,573	(1,175)	27,608	(288)
Non-controlling interests		6,094	591	5,794	351
Comprehensive income (loss)		36,667	(584)	33,402	63

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

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' CAPITAL

	Members' capital	Non- controlling interest	Total capital
	U.S. dollars in thousands	U.S. dollars in thousands	U.S. dollars in thousands
Balance as of January 1, 2025 (audited)	149,048	24,594	173,642
Members' distributions	(49,690)	(14,840)	(64,530)
Income	30,573	6,094	36,667
Balance as of June 30, 2025 (unaudited)	129,931	15,848	145,779

	Members' capital	Non- controlling interest	Total capital
	U.S. dollars in thousands	U.S. dollars in thousands	U.S. dollars in thousands
Balance as of January 1, 2024 (audited)	156,614	30,345	186,959
Members' distributions	(4,400)	(1,485)	(5,885)
Income	(1,175)	591	(584)
Balance as of June 30, 2024 (unaudited)	151,039	29,451	180,490

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

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2025	2024
<u>Cash flows from operating activities:</u>		
Income (loss)	36,667	(584)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	7,541	8,271
Amortization of deferred financing costs, real estate mortgage loans	482	432
Group's share of earnings of companies accounted for at equity, net	5,425	22,333
Group's share of earnings of companies accounted for at equity, held for sale	(3,773)	(17,493)
Gain on sale of investment in investees	(3,271)	-
Gain on sale of property	(35,127)	-
Increase (decrease) in accounts receivable	(131)	264
Increase (decrease) in accounts payable	(422)	(109)
Increase (decrease) in accrued expenses	(5,043)	(3,503)
Increase (decrease) in security deposits payable	(59)	(32)
Increase (decrease) in other liabilities	(9,015)	(804)
Decrease (increase) in receivables due from related parties	(140)	(17)
Increase in payables due to related parties	18,830	(263)
Increase in prepaid expenses	(516)	(733)
Net cash provided by operating activities	<u>11,448</u>	<u>7,762</u>
<u>Cash flows from investing activities:</u>		
Investments in improvements and equipment	64,430	(979)
Proceeds from sale of investments	51,064	-
Net cash provided by (used in) investing activities	<u>115,494</u>	<u>(979)</u>
<u>Cash flows from financing activities:</u>		
Distribution to the Fund's members	(49,690)	(4,400)
Borrowings on real estate mortgages	(53,767)	
(Repayment) Receipt of real estate mortgages, net	-	(1,487)
Distribution attributable to non-controlling interests	(14,840)	(1,485)
Net cash used in financing activities	<u>(118,297)</u>	<u>(7,372)</u>
Net (decrease) increase in cash and restricted cash	8,645	(589)
Cash and restricted cash at the beginning of the period	68,241	27,413
Cash and restricted cash at the end of the period	<u>76,886</u>	<u>26,824</u>
<u>Cash paid during the period for:</u>		
Interest paid	<u>-</u>	<u>-</u>

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

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

Electra Multifamily Investments Fund II, L.P., a Delaware limited partnership, was incorporated on April 3, 2018 ("the Fund"). The Fund conducts all of its operations through consolidated and investee entities. The Fund is in the business of acquiring and owning a portfolio of quality and growth potential properties in the southeast of the United States. The Fund's properties are managed by American Landmark Management ("the Management Company"), a related party of the Fund.

These financial statements have been prepared in a condensed format as of June 30, 2025, and for the six- and three-month periods then ended ("interim consolidated financial statements"). These financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2024, and for the period that ended and the accompanying notes ("annual consolidated financial statements").

The Fund was formed by the EMIF II Management LLC GP ("the General Partner"), a related party of the Fund. The ownership rights in the Fund are held by EMIF II- Feeder I, L.P., EMIF II- Feeder II, L.P., EMIF II- Feeder IIA, L.P., EMIF II- Feeder III, L.P., EMIF II- Feeder IIIA, L.P., EMIF II- Feeder IV, L.P., and EMIF II- Feeder V, L.P.

In July 2019, the Fund announced on final closing and raise of a total amount of \$ 462 million. The General Partner (along with its related parties) invests a minimum of \$30 million or 10% of the entire investment commitment in the Fund. Moreover, the Fund's agreement determines the investment policy and the entitlement to promote payments to the General Partner, and related parties.

As of June 30, 2025, the Fund owns eighteen properties, ten properties held through consolidated entities with an aggregate of 2,916 apartment units, and eight properties, with an aggregate of 3,453 apartment units, that are held through investee entities in which the Fund does not have control but rather significant influence.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim consolidated financial statements:

The significant accounting policies and methods of computation adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Cash, cash equivalents and restricted cash are included the following:

	June 30, 2025	December 31, 2024
	Unaudited	Audited
	U.S. dollars in thousands	
Cash and cash equivalents as reported on the balance sheet	69,941	54,381
Restricted cash as reported on the balance sheet	6,945	13,860
Cash, cash equivalents, and restricted cash as reported in the statement of cash flow	<u>76,886</u>	<u>68,241</u>

NOTE 3:- REAL ESTATE, NET

a. Real estate, net consisted of the following:

	June 30, 2025	December 31, 2024
	U.S. dollars in thousands	
Land	41,437	49,603
Building, improvements, and equipment	421,757	502,877
Accumulated depreciation	<u>(76,462)</u>	<u>(84,645)</u>
Real estate, net	<u>386,732</u>	<u>467,835</u>

b. The following are consolidated investments:

Name of property	Location	Units	% EMIF II
Evolv	Texas	334	62%
Haven at Liberty Hills	Texas	246	100%
Hilltops	Texas	208	100%
Presley Oaks	North Carolina	318	72%
The View at Lakeside	Texas	360	83%
Luxe at 1820	Florida	300	80%
Alon at Castle Hills	Texas	306	100%
Elite 99 West	Texas	360	83%
The JaXon	Texas	250	100%
Lakefront Villas	Texas	234	100%

c. During the quarter, The Fund sold its rights in 23Hundred at Ridgeview located in Plano, Texas for a gain on sale of proceeds of \$35.1 million. The initial invested capital by the Fund was US\$ 34.5 million.

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3a:- INVESTMENTS IN CONSOLIDATED ENTITIES – HELD FOR SALE

- a. The following are investments classified on the consolidated balance sheets as investments in consolidated entities held for sale:

<u>Name of property</u>	<u>Location</u>	<u>Units</u>	<u>% EMIF II</u>
Haven at Liberty Hills	Texas	246	100%

- b. During the quarter, The Fund signed a “Purchase Sale Agreement to sell its rights in an asset located in Houston, Texas. The initial invested capital by the Fund was US\$ 11.8 million

NOTE 4:- INVESTMENTS IN UNCONSOLIDATED ENTITIES

- a. The following are investments accounted for using the equity method:

<u>Name of property</u>	<u>Location</u>	<u>Units</u>	<u>% EMIF</u>
Sterling Town Center	North Carolina	339	41%
Beck at Wells Branch	Texas	576	50%
Hayden at Enclave	Texas	476	60%
Mezza	Florida	440	41%
The Logan	Texas	490	48%
Laurel Heights at Cityview	Texas	440	48%
The Regent	Texas	460	48%
The Hamilton	Tennessee	232	49%

NOTE 4a:- INVESTMENTS IN UNCONSOLIDATED ENTITIES – HELD FOR SALE

- a. The following are investments classified on the consolidated balance sheets as investments in unconsolidated entities held for sale:

<u>Name of property</u>	<u>Location</u>	<u>Units</u>	<u>% EMIF</u>
The Hamilton	Tennessee	232	49%
Mezza	Florida	440	41%
Sterling Town Center	North Carolina	339	41%

- b. During the quarter, The Fund signed a “Purchase Sale Agreement to sell its rights in an asset located in Hendersonville, Tennessee. The initial invested capital by the Fund was US\$ 6.7 million.
- c. Subsequent to the quarter, The Fund signed a “Purchase Sale Agreement to sell its rights in an asset located in Jacksonville, Florida. The initial invested capital by the Fund was US\$ 9.0 million

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4a:- INVESTMENTS IN UNCONSOLIDATED ENTITIES – HELD FOR SALE (Cont.)

- d. During the quarter, The Fund signed a “Purchase Sale Agreement to sell its rights in an asset located in Raleigh, North Carolina. The initial invested capital by the Fund was US\$ 8.8 million

NOTE 5:- ACCOUNTS AND OTHER PAYABLES TO RELATED PARTIES

Other payables due to related parties on the consolidated balance sheet represent cash held and owed to Feeder Blocker entities from declared distributions of \$18.8 million as of June 30, 2025. The cash is held in an interest-bearing account on behalf of the Blocker entities and amounts due to the Blocker entities from future cash flows.

NOTE 6:- SUBSEQUENT EVENTS

Management has evaluated all events transactions that occurred after June 30, 2025, through August 24, 2025, the date on which the statements were available and issued, and expected for the above-reference, and noted no items requiring adjustments of the statements or additional disclosure.

NOTE 7:- DIFFERENCES BETWEEN U.S. GAAP AND IFRS

The financial statements are prepared in accordance with U.S. GAAP, which differ in certain respects from IFRS. The differences which affect the balance sheets and statements of operations relate principally to the following items:

- a. Reconciliation of consolidated balance sheets from U.S. GAAP to IFRS:

	June 30, 2025			
	As reported	Adjustment	As per IFRS	
	U.S. dollars in thousands			Note
Real estate, net	363,427	219,397	582,824	(1)
Investment in unconsolidated entities	28,570	51,249	79,820	(2)
Investment in unconsolidated entities – Held for sale	7,647	25,042	32,689	
Assets on property held for sale	24,749	11,095	35,844	
Members' capital	145,779	306,783	452,562	

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7:- DIFFERENCES BETWEEN U.S. GAAP AND IFRS (Cont.)

- b. Reconciliation of consolidated profit or loss from U.S. GAAP to IFRS:

	Six months ended June 30, 2025			
	As reported	Adjustment	As per IFRS	
	US dollars in thousands			Note
Depreciation	(7,542)	7,542	-	
Partnership's share of profit of entities accounted for at equity	2,917	(15,531)	(12,614)	
Partnership’s share of valuation				
Gain on sale of property	-	(35,127)	(35,127)	
Valuation	-	(3,699)	(3,699)	
Profit (Loss)	36,667	(46,816)	(10,149)	

- (1) Real estate, net - the investment properties are presented according to their fair value. Thus, for the conversion from U.S. GAAP to IFRS, those depreciation expenses are eliminated, and the real estate properties are presented according to their fair value. In addition, closing costs capitalized and included in the assets carrying value under US GAAP are expensed in accordance with IFRS.
- (2) Investment in unconsolidated entities – the depreciation expenses of the real estate assets are eliminated, and the real estate properties are presented according to their Fair value. In addition, closing costs in association with acquiring the asset are expensed under IFRS and therefore eliminated from the carrying value of the asset. Thus, the investment in unconsolidated entities and the Partnership's share of profits of entities accounted for at equity are adjusted to reflect the elimination of depreciation and the addition of closing costs and valuations.

ALEMIF III REIT HOLDINGS, L.P.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

UNAUDITED

INDEX

	Page
Review of Unaudited Interim financial statements	2
Interim consolidated Statements of Financial Position	3
Interim consolidated Statements of Profit or Loss and Comprehensive Income	4
Interim consolidated Statements of Changes in Members' Capital	5
Interim consolidated Statements of Cash Flows	6-7
Notes to Interim Consolidated Financial Statements	8-11

Review report to the members of ALEMIF III REIT HOLDINGS, L.P.

Introduction

We have reviewed the accompanying financial information of ALEMIF III REIT Holdings, L.P. ("the Partnership"), which comprise the condensed consolidated statements of financial position as of June 30, 2025, and the related consolidated statements of profit or loss and comprehensive income for the six and three-months periods ended June 30, 2025, and changes in members' capital and cash flows for the six-month period ended June 30, 2025.. The Partnerships' board of directors and management are responsible for the preparation and presentation of interim financial information for these periods in conformity with U.S. generally accepted accounting principles. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Review Standard 2410 of 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, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards 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 nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in conformity with U.S. generally accepted accounting principles, which differ in certain respects from the IFRS, as describe in Note 6, to the consolidated financial statements.

Tel-Aviv, Israel
August 24, 2025

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

INTERIM CONSOLIDATED OF FINANCIAL POSITION

		June 30, 2025	December 31, 2024
		Unaudited	Audited
	Note	U.S. dollars in thousands	
ASSETS			
Real estate, net	3	1,912,952	1,937,303
Investments in investees entities		25,751	27,605
Cash	2	14,595	16,000
Restricted cash	2	32,634	40,728
Accounts receivable		4,161	4,318
Receivables due from related parties		1,657	1,179
Prepaid Expenses		3,033	131
Assets on property held for sale		-	242,412
Total assets		1,994,783	2,269,676
LIABILITIES AND MEMBERS' CAPITAL			
Real estate mortgages, net		1,463,870	1,445,656
Loans payable to related parties, net	4	140,407	209,176
Accounts payable		656	1,648
Accrued expenses		25,212	28,094
Security deposits payable		853	947
Other liabilities		2,676	2,246
Liabilities on property held for sale		-	202,977
Total liabilities		1,633,674	1,890,744
COMMITMENTS AND CONTINGENCIES			
MEMBERS' CAPITAL:			
Members' capital		361,109	378,932
Total liabilities and member's capital		1,994,783	2,269,676

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

August 24, 2025

Date of approval of the
financial statements

Joseph G. Lubeck
Managing Member

James G. Miller
Member

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

		Six months ended June 30,		Three months ended June 30,	
		2025	2024	2025	2024
		Unaudited		Unaudited	
	Note	U.S. dollars in thousands			
Revenues:					
Rental income		120,929	127,752	58,101	64,043
Expenses:					
Rental expenses		56,430	59,443	27,623	29,935
General and administrative expenses		3,881	3,536	1,875	1,745
Depreciation		30,762	31,663	14,630	15,869
Total expenses		91,073	94,642	44,128	47,549
Partnership's share of income (loss) of entities accounted for at equity		(618)	(1,918)	(402)	(601)
Interest Income		103	-	-	-
Income before interest expense – mortgage loans		29,341	31,192	13,572	15,893
Gain on sale of properties		34,313	-	-	-
Interest expense - mortgage loans		40,302	37,981	18,839	19,952
Loss before interest expense -related party and other loans		23,352	(6,789)	(5,267)	(4,059)
Interest expense – member and related party loans		10,031	12,090	4,448	6,045
Interest expense - preferred REIT Investors		12	12	4	4
Income (loss)		13,309	(18,891)	(9,719)	(10,108)
Attributable to:					
Equity holders of the Company		16,151	(17,657)	(8,359)	(9,213)
Non-controlling interests		(2,842)	(1,234)	(1,360)	(895)
Comprehensive income (loss)		13,309	(18,891)	(9,719)	(10,108)

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

	Members' capital	Non- controlling interest	Total capital
	Unaudited		
	U.S. dollars in thousands		
Balance as of January 1, 2025 (audited)	144,929	234,003	378,932
Members' contributions, net of capital expenses	-	343	343
Members' distributions	-	(31,475)	(31,475)
Income (loss)	16,151	(2,842)	13,309
Balance as of June 30, 2025 (unaudited)	<u>161,080</u>	<u>200,029</u>	<u>361,109</u>

	Members' capital	Non- controlling interest	Total capital
	Unaudited		
	U.S. dollars in thousands		
Balance as of January 1, 2024 (audited)	185,711	271,426	457,137
Members' contributions, net of capital expenses	-	714	714
Members' distributions	-	(12,354)	(12,354)
Income (loss)	(17,657)	(1,234)	(18,891)
Balance as of June 30, 2024 (unaudited)	<u>168,054</u>	<u>258,552</u>	<u>426,606</u>

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended. June 30,	
	2025	2024
	Unaudited	
	U.S. dollars in thousands	
<u>Cash flows from operating activities:</u>		
Income (loss)	13,309	(18,891)
Adjustments to reconcile loss to net cash provided by operating activities:		
Depreciation	30,762	31,663
Amortization of deferred financing costs, real estate mortgage loans	2,298	1,606
Income of entities accounted for at equity, net	1,854	5,822
Interest to related parties	10,031	12,090
Decrease (Increase) in accounts receivable	308	470
Decrease in accounts payable	(1,022)	-
Increase in accrued expenses	(3,830)	749
Decrease in security deposits payable	(274)	(180)
Increase in other liabilities	312	321
Increase in receivables due from related parties	(446)	(45)
Increase in prepaid expenses	(901)	(2,586)
(Gain) Loss on sale of investment	(34,313)	-
Net cash provided by operating activities	18,089	31,019
<u>Cash flows from investing activities:</u>		
Proceeds from sale of real estate assets	230,440	(7)
Investments in improvements and equipment	(24,571)	(4,592)
Proceeds from sale of investments	58,884	
Net cash used in investing activities	264,753	(4,599)

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended.	
	June 30,	
	2025	2024
	Unaudited	
	U.S. dollars in thousands	
<u>Cash flows from financing activities:</u>		
Repayment of real estate mortgages	(185,786)	(4,392)
Repayment of long-term related party loan	(78,800)	(13,916)
Contributions from non-controlling interests	343	714
Distribution attributable to non-controlling interests	(31,476)	(12,354)
Net cash used in financing activities	(295,718)	(29,948)
Net (decrease) increase in cash and restricted cash	(12,876)	(3,528)
Cash and cash equivalents at the beginning of the period	60,105	59,529
Cash and restricted cash at the end of the period	47,229	56,001
Interest paid	10,328	13,916

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

ALEMIF III REIT Holdings, L.P., a Delaware limited partnership, was incorporated on October 4, 2019 ("the Fund"). The Fund conducts all of its operations through consolidated and investee entities. The Fund is in the business of acquiring and owning a portfolio of quality and growth potential properties in the southeast of the United States. The Fund's properties are managed by American Landmark Management ("the Management Company"), a related party of the Fund.

The Fund was formed by the EMIF III Management LLC GP ("the General Partner"), a related party of the Fund. The ownership rights in the Fund are held by EMIF III – Feeder I, L.P., EMIF III – Feeder II, L.P., EMIF III – Feeder III, L.P., EMIF III – Feeder IV, L.P., and EMIF III – Feeder V, L.P.

The Fund has closed out commitments for a total amount of US\$ 595.5 million as well as an additional US\$ 200.0 million from a leading international investor who has co-invested in the fund effective July 1, 2020, and US\$ 184.7 million from other international investors who have also co-invested in the fund effective October 1, 2020. According to the Fund's agreements, the General Partner (along with its related parties) invested a total of US\$ 64 million in the Fund. Moreover, the Fund agreements determine the investment policy and the entitlement to promote payments to the General Partner and related.

As of June 30, 2025, the Fund owns forty-one properties, thirty-seven properties held through consolidated entities with an aggregate of 11,145 apartment units, four properties, with an aggregate of 1,170 apartment units, are held through investee entities in which the Fund does not have control but rather significant influence.

These financial statements have been prepared in a condensed format as of June 30, 2025, and for the six and three months then ended ("interim consolidated financial statements"). These financial statements should be read in conjunction with the Partnership's annual financial statements as of December 31, 2024, and for the year then ended and the accompanying notes ("annual consolidated financial statements").

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim consolidated financial statements:

The significant accounting policies and methods of computation adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

Cash, cash equivalents and restricted cash are included the following:

	Six months ended June 30, 2025	Year ended December 31, 2024
	Unaudited	Audited
	U.S. dollars in thousands	
Cash and cash equivalents as reported on the balance sheet	14,595	16,000
Restricted cash as reported on the balance sheet	32,634	40,728
Cash and restricted Cash – held for sale	-	3,377
Cash, cash equivalents and restricted cash as reported in statement of cash flow	<u>47,229</u>	<u>60,105</u>

NOTE 3:- REAL ESTATE, NET

a. Real estate net consisted of the following:

	June 30, 2025	December 31, 2024
	Unaudited	Audited
	U.S. dollars in thousands	
Land	241,181	268,654
Building, improvements, and equipment (1)	1,914,968	2,145,064
Accumulated depreciation	<u>(243,197)</u>	<u>(239,563)</u>
Real estate, net	<u>1,912,952</u>	<u>2,174,155</u>

- (1) In Q2-25, Building, improvements, and equipment costs include soft costs in the amount of US\$ 3.8 million and hard costs in the amount of US\$ 84.3 million. Soft costs consist of fees incurred to an entity affiliated by common ownership. The Real estate, net balance of US\$ 1.9 million as of 6/30/2025 includes previously classified held for sale assets at 3/31/2025. Accordingly, comparisons to the prior period balance sheet should consider this reclassification.
- (2) During Q2-25 the Fund sold its rights to an asset located in FL, Parc at Wesley Chapel. The sale of this assets resulted in US\$ 11.0 million in proceeds, US\$ 6.7 million attributable to Fund III.
- (3) During Q2-25 the Fund sold its rights to an asset located in FL, Reunion at 400. The sale of this assets resulted in US\$ 25.9 million in proceeds, US\$ 15.7 million attributable to Fund III.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**NOTE 3:- REAL ESTATE, NET (Cont.)**

- (4) During Q2-25 the Fund sold its rights to an asset located in FL, Midtown 24. The sale of this assets resulted in US\$ 37.3 million in proceeds, US\$ 22.7 million attributable to Fund III
- (5) During Q2-25 the Fund sold its rights to an asset located in FL, Argyle Lake at Oakleaf Town Center. The sale of this assets resulted in US\$ 22.5 million in proceeds, US\$ 13.7 million attributable to Fund III

NOTE 4:- LOANS PAYABLE TO RELATED PARTIES

As of June 30, 2025, loans payable consists of a total amount of US\$ 140.4 million, US\$ 139.3 million consisting of principal and US\$ 1.1 million consisting of interest, provided to the Partnership by EMIF III Feeder I LP, EMIF III Feeder II LP, EMIF III Feeder III LP, EMIF III Feeder IV LP, and EMIF III Feeder V LP, all are related parties of the Fund. The loans bear annual interest of 11%. The outstanding balance of the principal of the notes shall be due and payable, together with accrued and unpaid interest, on the maturity date which was determined as a period of up to six years and in any event will be repaid no later than the date on which the proceeds from the asset's realization will be accepted, subject to the Fund's right to prepay the note principal, at any time, without penalty.

NOTE 5:- SUBSEQUENT EVENTS.

Management has evaluated all events transactions that occurred after June 30, 2025, through August 24, 2025, the date which the statements were available and issued, and expected for the above referenced, noted no items requiring adjustments of the statements or additional disclosures.

NOTE 6:- DIFFERENCES BETWEEN U.S. GAAP AND IFRS

The financial statements are prepared in accordance with U.S. GAAP, which differ in certain respects from IFRS. The differences which affect the balance sheets and statements of operations relate principally to the following items:

- a. Reconciliation of consolidated balance sheets from U.S. GAAP to IFRS:

	June 30, 2025			
	As reported	Adjustment	As per IFRS	
	U.S. dollars in thousands			Note
Real estate, net	1,912,952	595,592	2,508,545	(1)
Investment in unconsolidated entities	25,751	31,740	57,491	(2)
Members' capital	361,109	627,332	988,441	

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**NOTE 6:- DIFFERENCES BETWEEN U.S. GAAP AND IFRS (Cont.)**

- b. Reconciliation of consolidated profit or loss from U.S. GAAP to IFRS:

	Period ended June 30, 2025			
	As reported	Adjustment	As per IFRS	
	US dollars in thousands			Note
Depreciation	(30,762)	30,762	-	(1)
Capitalized Costs	-	-	-	
Partnership's share of profit (loss) of entities accounted for at equity	(618)	1,673	1,055	(2)
Partnership's share of valuation	-	16,006	16,006	
Gain on Sale of properties	-	(34,313)	(34,313)	
Profit (Loss)	13,309	14,128	27,438	

- (1) Real estate, net - the investment properties are presented according to their fair value. Thus, for the conversion from U.S. GAAP to IFRS, those depreciation expenses are eliminated, and the real estate properties are presented according to their fair value. In addition, closing costs capitalized and included in the assets carrying value under US GAAP are expensed in accordance with IFRS.
- (2) Investment in unconsolidated entities – the depreciation expenses of the real estate assets are eliminated, and the real estate properties are presented according to their Fair value. In addition, closing costs in association with acquiring the asset are expensed under IFRS and therefore eliminated from the carrying value of the asset. Thus, the investment in unconsolidated entities and the Partnership's share of profits of entities accounted for at equity are adjusted to reflect the elimination of depreciation and the addition of closing costs.