

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025

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Auditors' report

to the Partners of

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

Opinion

We have audited the consolidated financial statements of Electra Multifamily Investments Fund II, L.P (hereinafter- the Partnership), which comprise the consolidated statements of financial position as of December 31, 2025 and the consolidated statements of comprehensive income, changes in equity and cash flows for each of the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Partnership as of December 31, 2025 and its consolidated financial performance and its consolidated cash flows for each of the year then ended, in accordance with U.S. generally accepted accounting principles, which differ in certain respects from the IFRS, as describe in Note 9, to the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditor's Regulations (Auditor's Mode of Performance), 1973. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Partnership, in accordance with the applicable legal provisions in Israel regarding independence and conflict of interest of auditors. Additionally, we have fulfilled our other ethical responsibilities in accordance with the Auditors' Law, 1955 and the regulations thereunder. We believe that the audit evidence we have obtained is appropriate and sufficient to provide a basis for our opinion.

Key Audit Matters

The key audit matters described below are those matters that were communicated, or were required to be communicated, to the board of directors of the Company/Partnership, and that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters include, among others, any matter that (1) relates, or may relate, to significant accounts or disclosures in the consolidated financial statements; and (2) involved our professional judgment that was challenging, subjective or especially complex. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. The communication of these matters below does not change our opinion on the consolidated financial statements as a whole, nor do we provide through such

Examining the need for depreciation of fixed assets

The Partnership through its subsidiaries and equity method investees holds multifamily complexes in the United States that are treated in its financial statements as real estate assets. As part of the requirements of the accounting standards, the Partnership is required to determine whether there are certain indicators for impairment exists. As part of the audit of its consolidated financial statements, the audit team performed procedures related to the examination of whether there are indicators for impairment of real estate assets, including: (1) examination and analysis of valuations in relation to fixed assets properties conducted by external valuers on a sample basis while taking into account qualitative and quantitative considerations in relation to the sample identified; (2) examination of the assumptions that serve as a basis for the valuations, including examination of the NOI the various real estate, examination of the discount rate used in the appraisals, comparison transactions that were taken into account in the basis of the valuation and the methodology applied in the valuation; (3) review of valuations of the real estate, in a sample manner, by an expert department on our behalf with an emphasis on examination of the discount rate in the properties the real estate; (4) asking questions and answers and receiving clarifications, as required, from the appraiser; (5) examining the adequacy of the registration and disclosure format in the company's financial statements.

Responsibilities of Board of Directors and Management for the Consolidated Financial Statements

The board of directors and management are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for such internal control as the board of directors and management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors and management are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors and management either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Israel will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with generally accepted auditing standards in Israel, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- o Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is appropriate and sufficient to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- o Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and management.
- o Conclude on the appropriateness of the use by the board of directors and management of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- o Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the safeguards applied to eliminate identified threats to our independence.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(*) Includes USD 36 million and USD 3.7 million in distributions held back for blockers in 2025 and 2024, respectively.

March 22, 2026		
Date of approval of the financial statements	J. Lubeck Managing Member	James Miller Member

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Note	Year ended December 31,	
		2025	2024
		Audited	
		U.S. dollars in thousands	
Revenues:			
Rental income		60,866	73,349
Other income		152	-
Expenses:			
Rental expenses		30,301	35,469
General and administrative expenses		4,041	4,912
Depreciation		13,403	16,523
Total expenses		47,745	56,904
Partnership's share of profit of entities accounted for using the equity method (*)		29,728	47,110
Gain from sale of assets	3	106,057	20,963
Profit before interest expense - mortgage loans		149,058	84,518
Interest expense - mortgage loans		16,791	16,891
Income before interest to related parties		132,267	67,627
Interest expense to related parties - members' loans and related parties' loans		2,456	2,603
Income		129,811	65,024
Attributable to:			
Equity holders of the Company		110,959	57,494
Non-controlling interests		18,852	7,530
Comprehensive income		129,811	65,024

(*) Includes gain on sale of investment in investees of USD 30 million and USD 47 million in 2025 and 2024, respectively.

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

ELECTRA MULTIFAMILY INVESTMENTS FUND II, L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

	Members'	Non-	Total
	capital	controlling	capital
	U.S. dollars in thousands	interest	U.S. dollars in thousands
Balance as of January 1, 2025 (audited)	<u>149,048</u>	<u>24,594</u>	<u>173,642</u>
Members' distributions	(168,490)	(27,053)	(195,543)
Income	<u>110,959</u>	<u>18,852</u>	<u>129,811</u>
Balance as of December 31, 2025 (audited)	<u><u>91,517</u></u>	<u><u>16,393</u></u>	<u><u>107,910</u></u>
	Members'	Non-	Total
	capital	controlling	capital
	U.S. dollars in thousands	interest	U.S. dollars in thousands
Balance as of January 1, 2024 (audited)	<u>156,614</u>	<u>30,345</u>	<u>186,959</u>
Members' distributions	(65,060)	(13,281)	(78,341)
Income	<u>57,494</u>	<u>7,530</u>	<u>65,024</u>
Balance as of December 31, 2024 (audited)	<u><u>149,048</u></u>	<u><u>24,594</u></u>	<u><u>173,642</u></u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2025	2024
	Audited	
	U.S. dollars in thousands	
<u>Cash flows from operating activities:</u>		
Income	129,811	65,024
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	13,403	16,523
Amortization of deferred financing costs, real estate mortgage loans	1,359	843
Group's share of earnings of companies accounted for at equity, net	(185)	14,709
Group's share of earnings of companies accounted for at equity - Held for Sale	3,874	(3,875)
Gain on sale of investment in investees	(30,941)	(47,393)
Gain on sale of properties	(106,057)	(20,700)
Increase (decrease) in accounts receivable	(2,198)	7
Increase (decrease) in security deposits	(37)	-
Increase (decrease) in accounts payable	759	330
(Decrease) increase in accrued expenses	(4,845)	770
Decrease in security deposits payable	(85)	(71)
(Decrease) increase in other liabilities	(10,437)	90
Increase in receivables due from related parties	(375)	(17)
(Decrease) increase in payables due to related parties	36,211	(263)
Decrease in prepaid expenses	11	(20)
Net cash provided by operating activities	30,268	25,957
<u>Cash flows from investing activities:</u>		
Proceeds from sale of real estate properties	221,600	(3,368)
Proceeds from sale of property	96,699	63,500
Proceeds from sale of investments in unconsolidated entities	39,570	67,110
Net cash provided by (used in) investing activities	357,869	127,242
<u>Cash flows from financing activities:</u>		
Distribution to the Partnership's members	(168,490)	(65,060)
Repayment of real estate mortgages, net	(194,279)	(34,030)
Distribution attributable to non-controlling interests	(27,053)	(13,281)
Net cash used in financing activities	(389,822)	(112,371)
Net increase (decrease) in cash and restricted cash	(1,685)	40,828
Cash and restricted cash at the beginning of the year	68,241	27,413
Cash and restricted cash at the end of the year	66,556	68,241

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

NOTES TO 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 real estate operations through its subsidiaries and equity method investees. 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 II Management LLC GP ("the General Partner"), a related party of the Fund. The Fund is 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) invest a minimum of \$30 million. Moreover, the Fund's agreement determines the investment policy and the entitlement to promote payments to the General Partner, and related parties.

As of December 31, 2025, the Fund owns 11 properties – 5 properties held through subsidiaries with an aggregate of 1,484 apartment units, 1 property that is classified as held for sale with 360 apartment units, and 5 properties, with an aggregate of 2,442 apartment units, are held through equity method investees.

Feeders

The above-mentioned agreement determined that the General Partner shall be permitted to organize one or more limited partnerships or other investment vehicles, each Feeder, in order to facilitate investments in the Fund by person wishing to make indirect investments in the Partnership. The investments by a Feeder in the partnership may be made directly or indirectly through various entities and a Feeder may make loans to the Partnership, without regard to whether such Feeder has a direct or indirect interest in the Partnership. As of December 31, 2023, the limited partners of the Fund are EMIF II Feeder I LP, EMIF II Feeder II LP, EMIF II Feeder IIA LP, EMIF Feeder III LP, EMIF Feeder IIIA LP, EMIF Feeder IV LP and EMIF Feeder V LP which hold 17.17%, 10.60%, 27.77%, 28.01%, 4.05%, 11.10% and 1.30% of the Fund's voting interests, respectively.

The General Partner

The agreement determined that the General Partner is vested with the full, exclusive and complete right, power and discretion to operate, manage and control the affairs of the Partnership and to make all decisions affecting the Partnership's affairs, as deemed proper, convenient or advisable by the General Partner in pursuit of the business of the Partnership. The agreement includes details of decisions that are at the sole discretion of the General Partner and those requiring the consent of the limited partners. In return for the services provided by the General Partner, the General Partner will be entitled to various payments, including a monthly payment for management fees, reimbursement of expenses etc. as stipulated in the agreement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL (Cont.)

Capital contributions, distributions and allocation of profit and loss

The agreement determines that each limited partner shall comply with all drawdown notice given to the limited partners and shall make such capital contributions as it might be required from time to time. Moreover, the General Partner, from time to time after the initial closing date but not prior to the final closing date, may admit one or more new limited partners or permit any limited partner to increase its capital commitment as stipulated in the agreement.

The General Partner shall periodically review the available cash of the Partnership, including interest payments received thereby, and subject to the Partnership's ability to reinvest certain investment proceeds in existing properties, the General Partner shall distribute the portion of such amount which the General Partner reasonably determines is not required by the Partnership for payment of the Partnership's expenses, liabilities and other obligations and establishment reserve for such expenses and obligations. All distributions may be made in cash.

Distributable cash arising from any investment shall initially be apportioned among the Partners in proportion to the amounts invested by each partner with respect to such investment and first shall be distributed to the limited partners until such limited partners achieve an agreed ratio of IRR with respect to their invested capital. The distributable cash is then allocated according to the revenue distribution mechanism set out in the agreement, including payments to the Special Limited Partner.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The summary of significant accounting policies presented below is designed to assist in understanding the Fund's financial statements. These financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"), in all material respects.

Principles of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation.

a. Use of estimates:

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates relate to the impairment and depreciable lives of long-lived assets and measured transactions with related parties according to fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**b. Functional currency and presentation currency:**

The functional currency of the Fund and its investees is the U.S. dollar as it is the currency of the primary economic environment in which the Fund is operating.

The Fund has elected to use the U.S. dollar as its reporting currency for all periods presented.

c. Real estate:

Real estate is stated at historical cost less accumulated depreciation and impairments. Expenditures that significantly improve or extend the life of an asset are capitalized. Maintenance and repairs that do not improve or extend the life of an asset are charged to expense when incurred. When real estate assets are sold or retired, their cost and related accumulated depreciation are removed from the Fund's records, and any gain or loss is reported in the statement of operations.

Depreciation is recorded using the straight-line method over the estimated lives of the related assets as follows:

	<u>Years</u>
Building and building improvements	40
Site improvements	15
Furniture and fixtures	7

d. Impairment of long-lived assets:

The long-lived assets of the Fund and its subsidiaries are reviewed for impairment in accordance with ASC 360, "Property, Plant and Equipment", whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the carrying amount of the assets exceeding the fair value of the assets. As of December 31, 2025, and 2024, no impairment losses have been identified.

e. Restricted cash:

The Fund classifies all cash that is not available for general use by the Fund, due to restrictions in specific agreements, as restricted cash. Restricted cash consists of funds restricted for tenant deposits and funds held in escrow for future rehab, property tax and insurance payments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- f. Debt issuance costs:
Debt issuance costs related to term loans presented as a direct deduction from the carrying amount of the associated debt liability. The debt issuance costs are still amortized on a straight-line basis, which approximates the effective interest method, over the term of the loan.
- g. Revenue recognition:
Rental income
The Fund generates revenues from fixed income real-estate according to ASC 840 which derived from its multifamily apartments' units to residential tenants under leases up to 13 months.
Rental income includes minimum rents which are recognized on an accrual basis over the terms of the related leases on a straight-line basis. Lease revenue recognition commences when lessee is given possession of the leased space and there are no contingencies offsetting the lessee's obligation to pay rent.
- h. Accounts receivable:
Accounts receivable consists of unpaid charges for base rent, services, and other charges to tenants. Accounts receivable are carried at the original invoice amount less any provisions for uncollectable accounts. Provisions for uncollectable accounts are made when there is a risk for non-payments, taking into account aging, previous experience with the tenant, financial condition of the tenant, and other relevant factors. When accounts receivable are determined to be uncollectible, they are written off, firstly against any provision available and then to the statement of operations. As of December 31, 2025, the Fund had no provisions for uncollectible accounts.
- i. Income taxes:
As a limited liability company, the Fund is treated as a partnership for federal and state income tax purposes and, accordingly, is not subject to company-level tax. Taxable income or losses are allocated to the members in accordance with the Operating Agreement.

Therefore, no provision or liability for income taxes has been included in the accompanying financial statements. The Fund is subject to U.S. federal and state examinations by taxing authorities.
- j. Risk and uncertainties:

Real estate companies are subject to various risks and uncertainties that could cause actual results to differ from the estimates made in the Fund's financial statements. The following factor could negatively affect the Fund's accounting estimates as well as the Fund's future operating results, liquidity, and financial condition: inability to access capital, including an inability to obtain financing or refinance maturing loans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- k. Investments in equity method investees:

Unconsolidated entities are companies in which the Fund has significant influence over the financial and operating policies without having control. The investment in those investees is accounted for using the equity method. Under the equity method, the investment in unconsolidated entities is accounted for in the financial statements at cost plus changes in the Group's share of net assets, including other comprehensive income (loss) of the investee.

NOTE 3:- REAL ESTATE, NET

- a. Real estate net consisted of the following:

	December 31,	
	2025	2024
	U.S. dollars in thousands	
Land	20,807	49,603
Building, improvements and equipment (1)	212,825	502,877
Accumulated depreciation	(42,705)	(84,645)
Real estate, net	190,927	467,835

- (1) Building, improvements, and equipment costs include soft costs in the amount of US\$ 0.6 million, and hard costs in the amount of US\$ 13.9 million. Soft costs consist of fees incurred to a related party. Depreciation expense years ended December 31, 2025, and 2024 are US\$ 13.4 million and US\$ 16.5 million respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3:- REAL ESTATE, NET (Cont.)

- b. The following are consolidated investments:

<u>Name of property</u>	<u>Location</u>	<u>Units</u>	<u>% EMIF</u>	<u>Reference</u>
Evolv	Texas	334	62%	(1)
The View at Lakeside	Texas	360	83%	(2)
Alon at Castle Hills	Texas	306	100%	(3)
Elite 99 West	Texas	360	83%	(4)
The JaXon	Texas	250	100%	(5)
Lakefront Villas	Texas	234	100%	(6)

- (1) Evolv - in June 2018, the Fund completed transaction to acquire a portfolio of properties in Mansfield, Texas, USA with 334 apartment units for the total amount of US\$ 52.7 million (representing 100% of the complex). The acquisition was funded partly via equity in the amount of US\$ 19.8 million and partly via a non-recourse loan in an amount of US\$ 32.9million with a fixed UST+ 136 basis points for a period of ten years.
- (2) The View at Lakeside - in December 2018, the Fund completed a transaction to acquire a portfolio of properties in Lewisville, Texas, USA with 360 apartment units for the total amount of US\$ 59.8 million (representing 100% of the complex). The acquisition was funded partly via equity in the amount of US\$ 23.2 million and partly via a non-recourse loan in a total amount of US\$ 36.6 million with a fixed UST+149 basis points for a period of ten years.
- (3) Alon at Castle Hills - in March 2019, the Fund completed a transaction to acquire a portfolio of properties in San Antonio, Texas, USA with 306 apartment units for the total amount of US\$ 39.3 million (representing 100% of the complex). The acquisition was funded partly via equity in the amount of US\$ 15.3 million and partly via a non-recourse loan in an amount of US\$ 24.0 million with a fixed interest rate of 4.50% for a period of ten years.
- (4) Elite 99 West - in September 2019, the Fund completed a transaction to acquire a portfolio of properties in Katy, Texas, USA with 360 apartment units for the total amount of US\$ 60.5 million (representing 100% of the complex). The acquisition was funded partly via equity in the amount of US\$ 20.2 million and partly via a non-recourse loan in an amount of US\$ 40.3 million with a fixed UST+174 basis points for a period of ten years. As of December 31, 2025 this property was classified as held for sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3:- REAL ESTATE, NET (Cont.)

- (5) The JaXon - in October 2019, the Fund completed a transaction to acquire a portfolio of properties in Kingwood, Texas, USA with 250 apartment units for the total amount of US\$ 39.3 million (representing 100% of the complex). The acquisition was funded partly via equity in the amount of US\$ 14.9 million and partly via a non-recourse loan in an amount of US\$ 24.4 million with a variable interest rate, having terms of 30-day LIBOR + 2.20% for a period of seven years.
- (6) Lakefront Villas - in October 2019, the Fund completed a transaction to acquire a portfolio of properties in Houston, Texas, USA with 234 apartment units for the total amount of US\$ 41.0 million (representing 100% of the complex). The acquisition was funded partly via equity in the amount of US\$ 14.7 million and partly via a non-recourse loan in an amount of US\$ 26.3 million with a variable interest rate, having terms of 30-day LIBOR + 2.20% basis points for a period of seven years.
- c. During Q2/25, The Fund sold its rights in 23Hundred at Ridgeview located in Plano, Texas for a gain on sale of proceeds of \$38.2 million. The initial invested capital by the Fund was US\$ 34.5 million.
- d. During Q3/25, The Fund sold its rights in Haven at Liberty Hills located in Houston, Texas for a gain on sale of proceeds of \$10.9 million. The initial invested capital by the Fund was US\$ 11.75 million.
- e. During Q4/25, the Fund sold its rights in Luxe at 1820 located in Tampa, FL, for a gain on sale of proceeds of \$29.4 million. The initial invested capital by the Fund was US\$ 20.9 million.
- f. During Q4/25, the Fund sold its rights in Hilltops located in Conroe, TX, for a gain on sale of proceeds of US\$ 8.1 million . The initial invested capital by the Fund was US\$ 10.3 million.
- g. During Q4/25, the Fund sold its rights in Presley Oaks located in Charlotte, NC, for a gain on sale of proceeds of US\$ 19.3 million. The initial invested capital by the Fund was US\$ 17.8 million.

NOTE 3A:- ASSET 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>
Elite 99 West	Texas	360	83%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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>% EMIFII</u>	<u>Reference</u>
Beck at Wells Branch	Texas	576	50%	(1)
Hayden at Enclave	Texas	476	60%	(2)
The Logan	Texas	490	48%	(3)
Laurel Heights at Cityview	Texas	440	48%	(4)
The Regent	Texas	460	48%	(5)

- (1) Beck at Wells Branch - in April 2019, the Fund completed a transaction to acquire a portfolio of properties in Austin, Texas, USA with 576 apartment units for the total amount of US\$ 90.2 million (representing 100% of the complex). For the benefit of the acquisition, the Fund invested share capital in the amount of US\$ 16.9 million and obtained, through refinance, a non-recourse loan (representing 100% of the financing) in a total amount of US\$ 55.2 million with a fixed UST+150 basis points for a period of seven years. Proceeds from the re-finance in the amount of US\$ 0.4 million contributed to fund this deal.
- (2) Hayden at Enclave - in April 2019, the Fund completed a transaction to acquire a portfolio of properties in Houston, Texas, USA with 476 apartment units for the total amount of US\$ 66.6 million (representing 100% of the complex). For the benefit of the acquisition, the Fund invested share capital in the amount of US\$ 15.4 million and obtained a non-recourse loan (representing 100% of the financing) in a total amount of US\$ 40.2 million with a fixed UST+149 basis points for a period of ten years.
- (3) The Logan - in June 2019, the Fund completed a transaction to acquire a portfolio of properties in Bedford, Texas, USA with 490 apartment units for the total amount of US\$ 64.3 million (representing 100% of the complex). For the benefit of the acquisition, the Fund invested share capital in the amount of US\$ 10.9 million and obtained a non-recourse loan (representing 100% of the financing) in a total amount of US\$ 40.9 million with a fixed UST+139 basis points for a period of ten years.
- (4) Laurel Heights at Cityview - in June 2019, the Fund completed a transaction to acquire a portfolio of properties in Fort Worth, Texas, USA with 440 apartment units for the total amount of US\$ 54.3 million (representing 100% of the complex). For the benefit of the acquisition, the Fund invested share capital in the amount of US\$ 9.7 million and obtained a non-recourse loan (representing 100% of the financing) in a total amount of US\$ 33.4 million with a fixed UST+139 basis points for a period of ten years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- INVESTMENTS IN UNCONSOLIDATED ENTITIES (Cont.)

- (5) The Regent - in June 2019, the Fund completed a transaction to acquire a portfolio of properties in Arlington, Texas, USA with 460 apartment units for the total amount of US\$ 59.1 million (representing 100% of the complex). For the benefit of the acquisition, the Fund invested share capital in the amount of US\$ 10.5 million and obtained a non-recourse loan (representing 100% of the financing) in a total amount of US\$ 36.5 million with a fixed UST+139 basis points for a period of ten years.
- b. During Q1/25, the Fund sold its rights in an asset located in North Carolina, 200 East. for a gain on sale of proceeds of \$13 million. The initial invested capital by the Fund was US\$ 21 million.
- c. During Q3/25, The Fund sold its rights in Sterling Town Center located in Raleigh, North Carolina for a gain on sale of proceeds of \$25.6 million. The initial invested capital by the Fund was US\$ 19 million.
- d. During Q3/25, The Fund sold its rights in The Hamilton located in Henderson, Tennessee for a gain on sale of proceeds of \$13.1 million. The initial invested capital by the Fund was US\$ 14.1 million.
- e. During Q4/25, the Fund sold its rights in an asset located in Jacksonville, FL, Mezza. for a gain on sale of proceeds of \$25.9 million. The initial invested capital by the Fund was US\$ 22.7 million.

NOTE 5:- DEPOSIT ON PROPERTIES AND RESTRICTED CASH

Restricted cash and deposits consists of the following:

	December 31,	
	2025	2024
	U.S. dollars in thousands	
Restricted cash	6,783	13,790
Tenant security deposits	37	70
	<u>6,820</u>	<u>13,860</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

- a. Related parties' balances consist of the following:

	December 31,	
	2025	2024
	U.S. dollars in thousands	
Assets:		
Receivables due from related parties	2,511	2,137
Liabilities:		
Payables due to related parties	36,211	-
Accrued management fees	187	166
	36,398	166

- b. Transactions with related parties during the period consist of the following:

	Year ended December 31,	
	2025	2024
	U.S. dollars in thousands	
Management fees (1)	5,108	6,475

- (1) See c(1) and c(2).

- c. Main agreements with related parties:

1. General partner management agreements:

The agreement determined that the General Partner is vested with the full, exclusive and complete right, power and discretion to operate, manage and control the affairs of the Partnership and to make all decisions affecting the Partnership's affairs, as deemed proper, convenient or advisable by the General Partner in pursuit of the business of the Partnership. The agreement includes details of decisions that are at the sole discretion of the General Partner and those requiring the consent of the limited partners. In return for the services provided by the General Partner, the General Partner will be entitled to various payments, including a monthly payment for management fees, reimbursement of expenses etc. as stipulated in the agreement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont.)

2. Property management agreements:

In connection with the acquisition of the different properties, each of the property owners entered into a property management agreement with American Landmark Management LLC ("ALM"). ALM shall be responsible for the daily management of the property. ALM shall be responsible for the maintenance, repair and operation of the property, including the performance of all duties and responsibilities placed upon the property owner by any lease agreement or other contracts. Pursuant to the property management agreement, ALM is entitled to receive 2.5%-3% of the gross receipts for each of the properties ("the management fees").

Moreover, ALM shall be reimbursed by the property owner for specific expenses detailed in the agreements. The property management agreement shall remain in full force and effect for a period of two years from the commencement date, and thereafter for yearly periods from time to time unless written notice is given.

3. Construction management agreements:

In connection with the acquisition of the different properties, each of the property owners entered into a property management agreement with ALM. ALM shall be responsible for the supervision and management of the construction and rehabilitation of the property in accordance with the scope and budget for construction and rehabilitation. Pursuant to the construction management agreement, ALM is entitled to receive a fee equal to 4.0% of the hard costs of the construction ("the construction fees").

NOTE 7:- REAL ESTATE MORTGAGES, NET

- a. The following is a summary of the Fund's recourse and non-recourse loans as of December 31, 2025:

Property	Loan principal amount in U.S. dollars	Maturity date	Interest rate	Non - recourse/ recourse	Reference
Evolv	31,559,963	July 2028	Fixed 10 UST+136	Non-recourse	(1)
The View at Lakeside	42,700,000	January 2029	Fixed 10 UST+149	Non-recourse	(2)
Alon at Castle Hills	27,672,921	February 2027	4.50%	Non-recourse	(3)
Elite 99 West	39,506,333	October 2029	Fixed 10 UST+174	Non-recourse	(4)
The JaXon	22,949,930	October 2026	Libor +2.20%	Non-recourse	(5)
Lakefront Villas	24,796,476	October 2026	Libor +2.20%	Non-recourse	(6)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7:- REAL ESTATE MORTGAGES, NET (Cont.)

- (1) For the benefit of acquiring the Evolv property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a rate of UST+136 basis points, repayable in monthly installments of interest for the first five years. Principal payments are due in monthly installments for the remaining period of five years.
 - (2) For the benefit of acquiring the View at Lakeside property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a rate of UST+149 basis points, repayable in monthly installments of interest for the first eight years. Principal payments are due in monthly installments for the remaining period of two years.
 - (3) For the benefit of acquiring the Alon at Castle Hills property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears annual interest at a rate of 4.50%, repayable in monthly installments of interest for the first three years. Principal payments are due in monthly installments for the remaining period of seven years.
 - (4) For the benefit of acquiring the Elite 99 West property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a rate of UST+174 basis points, repayable in monthly installments of interest for the first five years. Principal payments are due in monthly installments for the remaining period of five years.
 - (5) For the benefit of acquiring The JaXon property, a mortgage was obtained from a financial institution for a period of 7 years. According to the loan terms, the loan bears annual interest at an adjustable rate with 30-day LIBOR + 2.20% basis points, repayable in monthly installments of interest for the first three years. Principal payments are due in monthly installments for the remaining period of four years.
 - (6) For the benefit of acquiring the Lakefront Villas property, a mortgage was obtained from a financial institution for a period of 7 years. According to the loan terms, the loan bears annual interest at an adjustable rate with 30-day LIBOR + 2.20% basis points, repayable in monthly installments of interest for the first three years. Principal payments are due in monthly installments for the remaining period of four years.
- b. The Fund is required to comply with certain financial covenants for its real estate mortgages as defined in the mortgage agreements such as the following: Loan to Value ratio, occupancy rate in the properties etc. The Fund has performed compliance testing and found that it is in compliance with all financial covenants for its real estate mortgages .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8:- SUBSEQUENT EVENTS

For its financial statements as of December 31, 2025, and for the year then ended, the Fund evaluated subsequent events through March 22, 2026. Subsequent to the year ended December 31, 2025, the Fund sold its rights in Elite 99 West located in Katy, Texas for a gain on sale of proceeds of \$9.5 million. The initial invested capital by the Fund was \$20.2 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9:- 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:

	December 31, 2025			
	As reported	Adjustment	As per IFRS	
	U.S. dollars in thousands			Note
Real estate, net	190,927	75,181	266,108	(1)
Investment in unconsolidated entities	29,086	53,286	82,373	(2)
Assets held for sale	53,615	23,238	76,853	
Members' capital	107,910	151,706	259,616	

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

	Year ended December 31, 2025			
	As reported	Adjustment	As per IFRS	
	US dollars in thousands			Note
Depreciation	(13,403)	13,403	-	
Partnership's share of profit of entities accounted for at equity	29,728	(40,703)	(10,975)	
Partnership's share of valuation	-	(37,556)	(37,556)	
Gain on sale	106,057	(106,057)	-	
Profit (Loss)	129,811	(170,914)	(41,103)	

- (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 assets are expensed under IFRS and therefore eliminated from the carrying value of the asset. Thus, the investment in unconsolidated entities and the Fund's share of profits of entities accounted for at equity are adjusted to reflect the elimination of depreciation, the addition of closing costs and valuations.
