

ALEMIF III REIT HOLDINGS, L.P.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2026

UNAUDITED

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Auditors' 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 comprises the condensed consolidated financial position as of March 31, 2026 and the related condensed consolidated statements of comprehensive income, changes in members' capital and cash flows for the three months period then ended. The Partnerships' management is 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 2401 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 8, to the consolidated financial statements.

Tel-Aviv, Israel
May 27, 2026

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		March 31, 2026	December 31, 2025
		Unaudited	Audited
	Note	U.S. dollars in thousands	
ASSETS			
Real estate, net	4	1,876,787	1,889,012
Investments in investees entities		8,935	10,405
Cash		13,257	23,186
Restricted cash		21,594	37,234
Deposit		453	453
Accounts receivable		5,161	4,524
Receivables due from related parties	5	3,174	2,784
Prepaid Expenses		4,863	1,656
Assets on property held for sale		-	9,659
Total assets		1,934,224	1,978,913
LIABILITIES AND MEMBERS' CAPITAL			
Real estate mortgages, net	6	1,483,579	1,482,308
Loans payable to related parties, net	5	103,612	131,921
Accounts payable		579	5,125
Accrued Expenses		17,010	28,227
Security deposits payable		686	722
Other liabilities		4,586	2,521
Total liabilities		1,610,052	1,650,824
COMMITMENTS AND CONTINGENCIES			
MEMBERS' CAPITAL:			
Members' capital		324,172	328,089
Total liabilities and member's capital		1,934,224	1,978,913

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

May 27, 2026

Date of approval of the
financial statements

Joseph G. Lubeck
Managing Member

James G. Miller
Member

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Three months ended March 31,	
	2026	2025
	Unaudited	
	U.S. dollars in thousands	
Revenues		
Rental income	55,479	62,828
Expenses:		
Rental expenses	26,417	28,807
General and administrative expenses	1,810	2,006
Depreciation	14,707	16,132
Total expenses	42,934	46,945
Partnership's share of loss of entities accounted for at equity	(1,093)	(199)
Income before interest expense - mortgage loans	11,452	15,684
Gain from sales of assets and investment in investee entity (see note 4.b)	22,778	-
Interest expense - mortgage loans	19,327	21,463
Income (Loss) before interest to related parties	14,903	(5,779)
Interest expense to related parties - members' loans and related parties' loans	3,086	5,583
Interest expense to Preferred REIT Investors	8	8
Income (Loss)	11,809	(11,370)
Attributable to:		
Equity holders of the Company	18,645	(9,888)
Non-controlling interests	(6,836)	(1,482)
Comprehensive income (loss)	11,809	(11,370)

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
	U.S. dollars in thousands		
Balance as of January 1, 2026 (audited)	146,498	181,591	328,089
Members' contributions, net of capital expenses	-	62	62
Members' distributions	-	(15,788)	(15,788)
Comprehensive Income (loss)	18,645	(6,836)	11,809
Balance as of March 31, 2026 (unaudited)	<u>165,143</u>	<u>159,029</u>	<u>324,172</u>

	Members' capital	Non- controlling interest	Total capital
	U.S. dollars in thousands		
Balance as of January 1, 2025 (audited)	144,929	234,003	378,932
Members' contributions, net of capital expenses	-	275	275
Members' distributions	-	(4,491)	(4,491)
Comprehensive Loss	(9,888)	(1,482)	(11,370)
Balance as of March 31, 2025 (unaudited)	<u>135,041</u>	<u>228,305</u>	<u>363,346</u>

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,	
	2026	2025
	Unaudited	Unaudited
	U.S. dollars in thousands	
<u>Cash flows from operating activities:</u>		
Loss	11,809	(11,370)
Adjustments to reconcile loss to net cash provided by operating activities:		
Depreciation	14,707	16,132
Amortization of deferred financing costs, real estate mortgage loans	954	890
Income of entities accounted for at equity, net	1,137	898
Interest payable to related parties	3,086	5,583
Decrease in accounts receivable	(637)	1,043
Decrease (Increase) in accounts payable	(4,545)	(1,591)
Decrease in accrued expenses	(10,613)	(10,119)
Decrease in security deposits payable	(38)	(49)
Increase in other liabilities	2,066	185
Increase in receivables due from related parties	(391)	(68)
Increase in prepaid expenses	(3,205)	(2,994)
Gain on sale of investment in investee entity	(22,778)	-
Net cash used in operating activities	(8,448)	(1,460)
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investment in investee	32,399	-
Investments in improvements and equipment	(2,111)	(2,267)
Net cash provided by (used in) investing activities	30,288	(2,267)

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,	
	2026	2025
	Unaudited	Unaudited
	U.S. dollars in thousands	
<u>Cash flows from financing activities:</u>		
Receipt (repayment) of real estate mortgages	317	(594)
Repayment of long-term loans from related parties	(32,000)	(4,100)
Contribution attributable to non-controlling interests	62	275
Distribution attributable to non-controlling interests	(15,788)	(4,491)
Net cash used in financing activities	(47,409)	(8,910)
Net decrease in cash and restricted cash	(25,569)	(12,637)
Cash and restricted cash at the beginning of the period	60,420	60,105
Cash and restricted cash at the end of the period	34,851	47,468
Interest paid	3,120	3,589

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 March 31, 2026, the Fund owns Thirty-six properties, forty-one properties held through consolidated entities with an aggregate of 12,083 apartment units, four properties, with an aggregate of 609 apartment units, 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 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.

These financial statements have been prepared in a condensed format as of March 31, 2026, and for the 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, 2025 and for the year then ended and the accompanying notes ("annual consolidated financial statements").

Principles of consolidation:

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

b. Functional currency and presentation currency:

c.

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 March 31, 2026, no impairment losses have been identified.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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.

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

	March 31, 2026	December 31, 2025
	Unaudited	Audited
	U.S. dollars in thousands	
Cash and cash equivalents as reported on the balance sheet	13,257	23,186
Restricted cash as reported on the balance sheet	21,594	37,234
	<u>34,851</u>	<u>60,420</u>

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. As of March 31, 2026 and March 31, 2025 the total amortization expenses were approximately US\$ 954.1 thousand and US\$ 889.7 thousand, respectively.

g. Revenue recognition:

Rental income

The Fund generates revenues from fixed income real-estate according to ASC 842 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 March 31, 2026 and March 31, 2025 the Fund had no provisions for uncollectible accounts.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

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:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION

- a. In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This amendment introduces a practical expedient for the application of the current expected credit loss ("CECL") model to current accounts receivable and contract assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2025-05.
- b. In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-11.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**NOTE 4:- REAL ESTATE, NET**

- a. Real estate net consisted of the following:

	March 31, 2026	December 31, 2025
	Unaudited	Audited
	U.S. dollars in thousands	
Land	241,181	241,181
Building, improvements, and equipment (1)	1,923,291	1,921,180
Accumulated depreciation	(287,685)	(273,349)
Real estate, net	<u>1,876,787</u>	<u>1,889,012</u>

- (1) 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 (2025- US\$ 4.1 million and US\$ 90.9 million). Soft costs consist of fees incurred to an entity affiliated by common ownership.

Depreciation expense years ended March 31, 2026, are US\$ 14.7 million (2025- US\$ 16.1 million).

- b. During January 2026, the Fund sold its interest in investment in investee known as Elevate JV located in Summerville, SC. The Fund capital gain from the sale is US\$ 22.7 million. The initial capital contribution invested by the Fund in the property was US\$ 19 million

NOTE 5:- ACCOUNTS AND OTHER PAYABLES TO RELATED PARTIES

Other payables due to related parties on the consolidated statements of financial position represent cash held and owed to Fund's Blocker entities from declared distributions. As of March 31, 2026 the balance is \$66.7 million. The cash is held in an interest-bearing account on behalf of the Fund's Blocker entities.

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

	March 31, 2026	December 31, 2025
	Unaudited	Audited
	U.S. dollars in thousands	
Assets:		
Receivables due from related parties	<u>3,174</u>	<u>2,784</u>
Liabilities:		
Payables due to related parties		
Accrued management fees	<u>-</u>	<u>-</u>
	<u>3,174</u>	<u>2,784</u>

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**NOTE 5:- ACCOUNTS AND OTHER PAYABLES TO RELATED PARTIES**

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

	March 31,	March 31,
	2026	2025
	Unaudited	Unaudited
	U.S. dollars in thousands	
Management fees (1)	1,470	1,652

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

- c. Main agreements with related parties:

1. 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 3% fee 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.

2. 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").

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- REAL ESTATE MORTGAGES, NET

- a. The following is a summary of the Fund's recourse and non-recourse loans as of March 31, 2026:

Property	Loan principal amount in U.S. dollars	Maturity date	Interest rate	Non - recourse/ recourse	Reference
Canopy on Central	70,000,000	Oct-31	UST+1.46%	Non-Recourse	(1)
Compass	20,540,000	Jan-30	UST+1.74%	Non-Recourse	(2)
Cavalier @ 100	29,830,000	Jan-30	UST+1.74%	Non-Recourse	(3)
Finley West	18,762,000	Jan-30	UST+1.74%	Non-Recourse	(4)
Lodge @1550	16,612,000	Jan-30	UST+1.74%	Non-Recourse	(5)
McAlister	17,972,000	Jan-30	UST+1.74%	Non-Recourse	(6)
Ranch at Hudson Xing	22,538,000	Jan-30	UST+1.74%	Non-Recourse	(7)
The Elysian	66,000,000	Sep-31	UST+1.55%	Non-Recourse	(8)
Opal at Barker Cypress	42,900,000	Sep-31	UST+1.56%	Non-Recourse	(9)
The Bentley at Marietta	22,805,000	Jun-26	TCM+2.08%	25% Recourse	(10)
The Braxton	44,148,000	Nov-29	UST+1.61%	Non-Recourse	(11)
Fairway at Feather Sound	48,672,000	Nov-32	SOFR+2.21%	Non-Recourse	(12)
Onyx Winter Park	55,580,000	Dec-29	UST+1.64%	Non-Recourse	(13)
Shelby at Northside	39,500,000	Jan-28	TSOFR+2.90%	Non-Recourse	(14)
Eddison at Deerwood Park	40,877,000	Nov-29	UST+1.65%	Non-Recourse	(15)
The Everette at East Cobb	45,386,000	Jun-30	UST+1.05%	Non-Recourse	(16)
The Franklin at East Cobb	48,140,000	Jun-30	UST+1.05%	Non-Recourse	(17)
1801 MetroWest	44,005,000	Oct-29	UST+1.97%	Non-Recourse	(18)
The Pearl	45,874,000	Oct-32	UST+1.84%	Non-Recourse	(19)
Stone Creek at the Woodlands	25,480,000	Jun-31	SOFR+2.81%	Non-Recourse	(20)
Waterford Trails	38,155,000	Apr-27	UST+1.77%	Non-Recourse	(21)
Emerson at Ford Park	38,627,000	Oct-29	UST+1.48%	Non-Recourse	(22)
The Aidan	30,305,000	Oct-29	UST+1.48%	Non-Recourse	(23)
The Mason	39,710,000	Jul-32	UST+1.54%	Non-Recourse	(24)
The Isaac	41,881,000	Sep-32	UST+1.77%	Non-Recourse	(25)
The ReVe	28,220,000	Mar-33	UST+1.73%	Non-Recourse	(26)
Domain at Founder's Parc	42,200,000	Apr-26	UST+2.05%	Non-Recourse	(27)
Macallan on Ross	49,075,000	Aug-28	UST+1.57%	Non-Recourse	(28)
Mercantile River District	44,403,000	Oct-32	UST+1.65%	Non-Recourse	(29)
Central Station on Orange	42,445,000	Sep-32	UST+1.76%	Non-Recourse	(30)
8 Metro Station	51,019,000	Sep-32	UST+1.71%	Non-Recourse	(31)
Celsius	68,674,000	Nov-30	UST+1.08%	Non-Recourse	(32)
Palmetto Pointe	42,750,000	Nov-26	SOFR+3.85%	Non-Recourse	(33)
City Harbor	20,600,000	Apr-32	3.49%	Non-Recourse	(34)
Artistry at Bethesda Park	34,951,000	Dec-31	UST+1.75%	Non-Recourse	(35)
Latitude at Mallard Creek	75,450,000	Dec-28	UST+1.63%	Non-Recourse	(36)
Switchyard	29,987,000	Dec-28	UST+1.77%	Non-Recourse	(37)

- (1) For the benefit of acquiring the Canopy on Central property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest at UST + 146 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 six years contingent on the option being exercised

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- REAL ESTATE MORTGAGES, NET (Cont.)

- (2) For the benefit of acquiring the Compass property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest at 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 four years.
- (3) For the benefit of acquiring the Cavalier @ 100 property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest at 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 four years.
- (4) For the benefit of acquiring the Finley 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 fixed interest at 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 four years.
- (5) For the benefit of acquiring the Lodge @ 1550 property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest at 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 four years.
- (6) For the benefit of acquiring the McAlister property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest at 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 four years.
- (7) For the benefit of acquiring the Ranch at Hudson Xing property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest at 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 four years.
- (8) For the benefit of acquiring The Elysian property, a mortgage was obtained from a financial institution for a period of ten years. According to the loan terms, the loan bears annual interest at a fixed interest rate of UST +155 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 six-years.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- REAL ESTATE MORTGAGES, NET (Cont.)

- (9) For the benefit of acquiring the Opal at Barker Cypress property, a mortgage was obtained from a financial institution for a period of ten years. According to the loan terms, the loan bears a fixed interest at UST + 156 basis points, repayable in monthly installments of interest for the five years. Principal payments are due in monthly installments for the remaining period of six-years.
- (10) For the benefit of acquiring The Bentley at Marietta property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at a fixed interest rate with 5 Year TCM + 2.08%), repayable in monthly installments of interest for the first two years. Principal payments are due in monthly installments for the remaining period of three-months.
- (11) For the benefit of acquiring The Braxton property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at a fixed interest rate of UST+161+25 flex prepay. Principal payments are due in monthly installments for the remaining period of four-years.
- (12) For the benefit of acquiring Fairways at Feather Sound 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 an adjustable rate with SOFR + 221 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 seven-years.
- (13) For the benefit of acquiring Onyx Winter Park property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, loan bears annual interest at a fixed interest rate of UST + 164 basis points. Principal payments are due in monthly installments for the remaining period of four-years.
- (14) For the benefit of acquiring Shelby at Northside property, a mortgage was obtained from a financial institution for a period of 3 years with an option for a 12-month extension. The property was extended for a period of 1 year. According to the loan terms, the loan bears annual interest at an adjustable rate with ARM TSOFR + 2.90%, repayable in monthly installments of interest for one year. Principal payments are due in monthly installments for the remaining period of two-year.
- (15) For the benefit of acquiring Eddison at Deerwood Park property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest of a fixed with UST + 165 basis points + 33 flex prepay, repayable in monthly installments of interest for the first five years. Principal payments are due in monthly installments for the remaining period of four-years.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- REAL ESTATE MORTGAGES, NET (Cont.)

- (16) For the benefit of acquiring The Everette at East Cobb property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at an adjustable interest rate, having terms of Fixed UST + 105 (45 bps 2% buydown from 150) 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 four years.
- (17) For the benefit of acquiring The Franklin at East Cobb property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at an adjustable interest rate, having terms of Fixed UST + 105 (45 bps 2% buydown from 150) 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 four years.
- (18) For the benefit of acquiring the 1801 MetroWest property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at a fixed interest rate of UST +197 (+28bps flex prepay YM 1-3) basis points. Principal payments are due in monthly installments for the remaining period of four-years.
- (19) For the benefit of acquiring The Pearl property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest at UST + 184 basis points, repayable in monthly installments of interest for the five years. Principal payments are due in monthly installments for the remaining period of seven-years.
- (20) For the benefit of acquiring the Stone Creek at the Woodlands 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 an adjustable interest rate, having terms of SOFR + 281 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.
- (21) For the benefit of acquiring the Waterford Trails property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at a fixed rate, having terms of UST + 177 basis points, repayable in monthly installments of interest for the first two years. Principal payments are due in monthly installments for the remaining period of one year.
- (22) For the benefit of acquiring the Emerson at Ford Park property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at a fixed interest rate, having terms of UST + 148 basis points repayable in monthly installments of the remaining period of four-years.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- REAL ESTATE MORTGAGES, NET (Cont.)

- (18) For the benefit of acquiring The Aidan property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at a fixed interest rate, having terms of UST + 148 basis points, repayable in monthly installments of the remaining period of four-years.
- (19) For the benefit of acquiring The Mason 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 fixed rate, having terms of UST + 154 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 six-years.
- (20) For the benefit of acquiring The Isaac property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest rate of UST + 177 (flex prepay), repayable in monthly installments of interest for the first five years. Principal payments are due in monthly installments for the remaining period of seven years.
- (21) For the benefit of acquiring The ReVe property, a mortgage was obtained from a financial institution for a period of 10 years. According to the loan terms, the loan bears a fixed interest rate of UST + 173, repayable in monthly installments of interest for the first five years. Principal payments are due in monthly installments for the remaining period of seven years.
- (22) For the benefit of acquiring the Domain at Founder's Parc property, a mortgage was obtained from a financial institution for a period of 3 years with two one-year extensions. According to the loan terms, the loan bears annual interest at a fixed rate, having terms of UST + 205 basis points, repayable in monthly installments of interest for a remaining month.
- (23) For the benefit of acquiring the Macallan on Ross 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 a fixed interest rate of UST +157 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 two years.
- (24) For the benefit of acquiring the Mercantile River District property, a mortgage was obtained from a financial institution for a period of ten years. According to the loan terms, the loan bears annual interest at a fixed interest rate of UST +165 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 seven years.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6:- REAL ESTATE MORTGAGES, NET (Cont.)

- (18) For the benefit of acquiring the Central Station on Orange property, a mortgage was obtained from a financial institution for a period of ten years. According to the loan terms, the loan bears annual interest at a fixed interest rate of UST +176 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 seven years.
- (19) For the benefit of acquiring the 8 Metro Station property, a mortgage was obtained from a financial institution for a period of ten years. According to the loan terms, the loan bears annual interest at a fixed interest rate of UST +171 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 seven years
- (20) For the benefit of acquiring the Celsius property, a mortgage was obtained from a financial institution for a period of 5 years. According to the loan terms, the loan bears annual interest at a Fixed interest rate, having terms of Fixed 5 UST + 108 (28 bps 1.25% buydown from 136) basis points, repayable in monthly installments of interest for five months.
- (21) For the benefit of acquiring the Palmetto Pointe property, a mortgage was obtained from a financial institution for a period of 2 years with a one-year extension. According to the loan terms, the loan bears annual interest at an adjustable interest rate, having terms of SOFR + 385 basis points, repayable in monthly installments of interest for the remaining seven months.
- (22) For the benefit of acquiring the City Harbor property, a mortgage was obtained from a financial institution for a period of 12 years. According to the loan terms, the loan bears annual interest at a fixed interest rate of 3.49%, repayable in monthly installments of interest for the first five years. Principal payments are due in monthly installments for the remaining period of six years.
- (23) For the benefit of acquiring the Artistry at Bethesda Park 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 fixed interest rate, having terms of UST + 175 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 six years.
- (24) For the benefit of acquiring the Latitude at Mallard Creek 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 a fixed interest rate, having terms of UST + 163 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 three years.
- (23) For the benefit of acquiring the Switchyard 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 a fixed interest rate, having terms of UST + 177 basis points, repayable in monthly installments of interest for the remaining three years.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7:- SUBSEQUENT EVENTS.

Management has evaluated all events transactions that occurred after March 31, 2026, through May 27, 2026, the date which the statements were available and issued, and noted no items requiring adjustments of the statements or additional disclosures.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**NOTE 8:- 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:

	March 31, 2026			
	As reported	Adjustment	As per IFRS	
	U.S. dollars in thousands			Note
Real estate, net	1,876,787	670,909	2,547,696	(1)
Investment in investees entities	9,268	15,089	24,357	(2)
Members' capital	324,172	685,998	1,010,170	

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

	Period ended March 31, 2026			
	As reported	Adjustment	As per IFRS	
	US dollars in thousands			Note
Depreciation	(14,707)	14,707	-	(1)
Partnership's share of profit of entities accounted for at equity	(1,093)	354	(739)	(2)
Partnership's share of valuation	-	2,689	2,689	
Gain from sale of investment in investee	<u>22,778</u>	<u>(22,778)</u>	<u>-</u>	
Profit (Loss)	11,809	(5,028)	6,781	

- (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.