ASHTROM GROUP LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2025

UNAUDITED

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Shape the future
with confidence

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Auditors' review report to the shareholders of Ashtrom Group Ltd.

Introduction

We have reviewed the accompanying financial information of Ashtrom Group Ltd. and subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as of September 30, 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine and three months periods then ended. The board of directors and management are responsible for the preparation and presentation of interim financial information for this period in accordance with IAS 34, "Interim Financial Reporting" and are responsible for the preparation of interim financial information for this period in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of subsidiaries, whose assets constitute approximately 15% of total consolidated assets as of September 30, 2025, and whose revenues constitute approximately 5% of total consolidated revenues for the nine and three months periods then ended. Furthermore, we did not review the condensed interim financial information of companies accounted for at equity the investment in which amounted to approximately NIS 72 million as of September 30, 2025 and the Group's share of their earnings amounted to approximately NIS 5 million and NIS 2.5 million for the nine and three months periods then ended, respectively. The condensed interim financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the financial information in respect of those companies, is based on the review reports of other auditors.

Scope of review

We conducted our review in accordance with Review Standard (Israel) 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 and the review reports of other auditors, 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 accordance with IAS 34.

In addition to the abovementioned, based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel-Aviv, Israel
November 20, 2025

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NIS in thousands

	September 30, 2025 Unaudited	September 30, 2024 Unaudited	December 31, 2024 Audited
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	829,147	1,002,739	938,321
Short-term investments	816,401	529,695	377,657
Trade and unbilled receivables	1,179,576	947,664	998,729
Other accounts receivable	340,688	224,799	213,415
Inventories of buildings and retail space for sale	1,682,576	1,490,503	1,499,013
Inventories	164,295	166,391	179,766
Total	**5,012,683**	**4,361,791**	**4,206,901**
Assets held for sale	37,375	-	-
Total current assets	**5,050,058**	**4,361,791**	**4,206,901**
NON-CURRENT ASSETS:			
Lands for construction	1,836,824	1,794,450	1,831,910
Investment property under construction	814,697	636,260	594,870
Receivables from concession arrangements	226,953	238,969	234,258
Payments on account of purchase of investment property	494,963	494,464	494,761
Investment property	8,950,978	8,453,898	8,782,040
Associates	2,189,591	2,064,652	2,129,950
Other receivables and investments	184,465	275,948	302,039
Property, plant and equipment, net	3,060,947	3,161,277	3,125,834
Intangible assets and goodwill	73,299	81,093	79,028
Deferred taxes	78,646	70,957	50,696
Total non-current assets	**17,911,363**	**17,271,968**	**17,625,386**
Total assets	**22,961,421**	**21,633,759**	**21,832,287**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
NIS in thousands

	September 30, 2025 Unaudited	September 30, 2024 Unaudited	December 31, 2024 Audited
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks	837,503	617,156	917,795
Loans from institutional entities	400,000	550,000	400,000
Current maturities of non-current liabilities	1,856,121	1,182,555	1,208,795
Subcontractors and trade payables	938,042	1,017,420	972,936
Liability for combination transactions	468,951	274,130	402,625
Advances from customers and buyers of apartments and real estate	95,373	156,271	124,564
Other accounts payable	376,834	435,455	414,205
Total current liabilities	**4,972,824**	**4,232,987**	**4,440,920**
NON-CURRENT LIABILITIES:			
Loans from banks	3,937,349	4,554,047	4,529,386
Loans from institutional entities	2,412,934	2,421,327	2,428,493
Debentures	5,067,069	4,615,145	4,617,580
Lease liabilities	294,083	268,706	251,054
Other liabilities	66,190	106,809	63,771
Employee benefit liabilities	23,381	21,113	18,563
Deferred taxes	265,707	321,579	347,237
Total non-current liabilities	**12,066,713**	**12,308,726**	**12,256,084**
Total liabilities	**17,039,537**	**16,541,713**	**16,697,004**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital	57,259	57,158	57,158
Share premium	1,937,580	1,341,171	1,342,445
Retained earnings	3,584,919	3,383,583	3,535,396
Reserves	(93,300)	72,942	(30,110)
Total	**5,486,458**	**4,854,854**	**4,904,889**
Non-controlling interests	435,426	237,192	230,394
Total equity	**5,921,884**	**5,092,046**	**5,135,283**
Total liabilities and equity	**22,961,421**	**21,633,759**	**21,832,287**

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

Avraham Nussbaum Chairman of the Board	Gil Gueron Managing Director and Member of the Board	Gal Omer Chief Financial Officer	Yeshayahu Abramovitch Chief Accounting Officer

Date of approval of the financial statements: November 20, 2025.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

NIS in thousands

	Nine months ended September 30, 2025 Unaudited	Nine months ended September 30, 2024 Unaudited	Three months ended September 30, 2025 Unaudited	Three months ended September 30, 2024 Unaudited	Year ended December31, 2024 Audited
Revenues	3,440,848	3,270,082	1,178,643	1,090,463	4,459,489
Cost of revenues	2,682,869	2,547,810	916,317	828,882	3,465,576
Gross profit	**757,979**	**722,272**	**262,326**	**261,581**	**993,913**
Appreciation of investment property, net	176,417	70,890	36,464	20,750	169,725
	934,396	**793,162**	**298,790**	**282,331**	**1,163,638**
Selling and marketing expenses	88,429	77,272	30,938	26,491	106,708
General and administrative expenses	304,658	288,154	95,302	97,227	397,710
Group's share of earnings of associates, net	68,996	46,821	21,950	25,024	114,050
Net income from tax credits	31,241	7,597	14,724	7,597	18,735
Other expenses, net	11,478	10,246	7,092	5,644	28,401
Operating income	**630,068**	**471,908**	**202,132**	**185,590**	**763,604**
Finance expenses	(633,244)	(585,023)	(238,813)	(222,475)	(681,728)
Finance income	102,593	116,313	37,672	38,177	139,187
Income before taxes on income (tax benefit)	**99,417**	**3,198**	**991**	**1,292**	**221,063**
Taxes on income (tax benefit)	(35,499)	(37,679)	(35,747)	(20,122)	19,711
Net income	**134,916**	**40,877**	**36,738**	**21,414**	**201,352**
Net income attributable to:					
Equity holders of the Company	129,523	19,343	33,700	7,671	169,661
Non-controlling interests	5,393	21,534	3,038	13,743	31,691
	134,916	**40,877**	**36,738**	**21,414**	**201,352**
Net earnings per share attributable to equity holders of the Company (in NIS):					
Basic and diluted net earnings	1.16	0.19	0.3	0.08	1.67

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

NIS in thousands

	Nine months ended September 30, 2025 Unaudited	Nine months ended September 30, 2024 Unaudited	Three months ended September 30, 2025 Unaudited	Three months ended September 30, 2024 Unaudited	Year ended December31, 2024 Audited
Net income	134,916	40,877	36,738	21,414	201,352
Other comprehensive income (net of tax effect):					
Amounts that have been reclassified or will be reclassified in the future to profit or loss, net of tax:					
Gain (loss) from cash flow hedges	(18,620)	(3,127)	224	(35,419)	39,945
Adjustments arising from translating financial statements of foreign operations	(84,082)	84,226	(65,340)	46,457	(90,030)
Group's share of net other comprehensive income (loss) of associates from adjustments arising from translating financial statements of foreign operations	1,154	3,314	(1,876)	2,738	(4,854)
	(101,548)	**84,413**	**(66,992)**	**13,776**	**(54,939)**
Amounts that will not be reclassified in the future to profit or loss, net of tax:					
Revaluation of property, plant and equipment (lands and buildings)	2,449	6,438	787	2,193	23,500
Remeasurement loss from defined benefit plans, net	-	-	-	-	1,495
	2,449	**6,438**	**787**	**2,193**	**24,995**
Total other comprehensive income (loss)	**(99,099)**	**90,851**	**(66,205)**	**15,969**	**(29,944)**
Total comprehensive income (loss)	**35,817**	**131,728**	**(29,467)**	**37,383**	**171,408**
Total comprehensive income (loss) attributable to:					
Equity holders of the Company	30,724	103,601	(24,588)	17,472	150,359
Non-controlling interests	5,093	28,127	(4,879)	19,911	21,049
Total	**35,817**	**131,728**	**(29,467)**	**37,383**	**171,408**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

NIS in thousands, unaudited

	Share capital	Share premium	Reserve for transactions with controlling shareholders	Retained earnings	Reserve for share-based payment	Revaluation reserve	Foreign currency translation adjustments	Reserve for hedges	Reserve for transactions with non-controlling interests	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at January 1, 2025 (audited)	**57,158**	**1,342,445**	**25,013**	**3,535,396**	**30,317**	**391,916**	**(408,390)**	**(10,547)**	**(58,419)**	**4,904,889**	**230,394**	**5,135,283**
Net income	-	-	-	129,523	-	-	-	-	-	129,523	5,393	134,916
Total other comprehensive income (loss)	-	-	-	-	-	2,449	(82,547)	(18,701)	-	(98,799)	(300)	(99,099)
Total comprehensive income (loss)	**-**	**-**	**-**	**129,523**	**-**	**2,449**	**(82,547)**	**(18,701)**	**-**	**30,724**	**5,093**	**35,817**
Issue of shares (Note 1c)	100	583,811	-	-	-	-	-	-	-	583,911	-	583,911
Dividend to equity holders of the Company	-	-	-	(80,000)	-	-	-	-	-	(80,000)	-	(80,000)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,497)	(7,497)
Cost of share-based payment	-	-	-	-	4,458	-	-	-	-	4,458	-	4,458
Exercise of share options	1	11,324	-	-	(11,324)	-	-	-	-	1	-	1
Transactions with non-controlling interests (Notes 5b and 5e)	-	-	-	-	-	-	-	-	42,475	42,475	207,969	250,444
Amounts classified to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(533)	(533)
Balance at September 30, 2025	**57,259**	**1,937,580**	**25,013**	**3,584,919**	**23,451**	**394,365**	**(490,937)**	**(29,248)**	**(15,944)**	**5,486,458**	**435,426**	**5,921,884**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

NIS in thousands, unaudited

	Share capital	Share premium	Reserve for transactions with controlling shareholders	Retained earnings	Reserve for share-based payment	Revaluation reserve	Foreign currency translation adjustments	Reserve for hedges	Reserve for transactions with non-controlling interests	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at January 1, 2024 (audited)	57,157	1,339,895	25,013	3,359,572	20,220	373,084	(324,148)	(50,492)	(58,419)	4,741,882	208,408	4,950,290
Net income	-	-	-	19,343	-	-	-	-	-	19,343	21,534	40,877
Total other comprehensive income (loss)	-	-	-	-	-	6,438	80,947	(3,127)	-	84,258	6,593	90,851
Total comprehensive income (loss)	**-**	**-**	**-**	**19,343**	**-**	**6,438**	**80,947**	**(3,127)**	**-**	**103,601**	**28,127**	**131,728**
Cost of share-based payment	-	-	-	-	9,370	-	-	-	-	9,370	-	9,370
Exercise of share options	1	1,276	-	-	(1,276)	-	-	-	-	1	-	1
Amounts transferred from revaluation reserve for sale of property, plant and equipment	-	-	-	4,668	-	(4,668)	-	-	-	-	-	-
Amounts classified to minority interests	-	-	-	-	-	-	-	-	-	-	657	657
Balance at September 30, 2024	**57,158**	**1,341,171**	**25,013**	**3,383,583**	**28,314**	**374,854**	**(243,201)**	**(53,619)**	**(58,419)**	**4,854,854**	**237,192**	**5,092,046**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

NIS in thousands, unaudited

	Share capital	Share premium	Reserve for transactions with controlling shareholders	Retained earnings	Reserve for share-based payment	Revaluation reserve	Foreign currency translation adjustments	Reserve for hedges	Reserve for transactions with non-controlling interests	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at July 1, 2025	**57,259**	**1,935,156**	**25,013**	**3,551,219**	**24,111**	**393,578**	**(431,719)**	**(29,391)**	**(15,944)**	**5,509,282**	**448,153**	**5,957,435**
Net income	-	-	-	33,700	-	-	-	-	-	33,700	3,038	36,738
Total other comprehensive income (loss)	-	-	-	-	-	787	(59,218)	143	-	(58,288)	(7,917)	(66,205)
Total comprehensive income (loss)	**-**	**-**	**-**	**33,700**	**-**	**787**	**(59,218)**	**143**	**-**	**(24,588)**	**(4,879)**	**(29,467)**
Cost of share-based payment	-	-	-	-	1,764	-	-	-	-	1,764	-	1,764
Exercise of share options	-	2,424	-	-	(2,424)	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,497)	(7,497)
Amounts classified to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(351)	(351)
Balance at September 30, 2025	**57,259**	**1,937,580**	**25,013**	**3,584,919**	**23,451**	**394,365**	**(490,937)**	**(29,248)**	**(15,944)**	**5,486,458**	**435,426**	**5,921,884**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

NIS in thousands, unaudited

	Share capital	Share premium	Reserve for transactions with controlling shareholders	Retained earnings	Reserve for share-based payment	Revaluation reserve	Foreign currency translation adjustments	Reserve for hedges	Reserve for transactions with non-controlling interests	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at July 1, 2024	57,158	1,340,685	25,013	3,371,244	25,820	377,329	(286,228)	(18,200)	(58,419)	4,834,402	217,285	5,051,687
Net income	-	-	-	7,671	-	-	-	-	-	7,671	13,743	21,414
Total other comprehensive income (loss)	-	-	-	-	-	2,193	43,027	(35,419)	-	9,801	6,168	15,969
Total comprehensive income (loss)	**-**	**-**	**-**	**7,671**	**-**	**2,193**	**43,027**	**(35,419)**	**-**	**17,472**	**19,911**	**37,383**
Exercise of share options	-	486	-	-	(486)	-	-	-	-	-	-	-
Cost of share-based payment	-	-	-	-	2,980	-	-	-	-	2,980	-	2,980
Amounts transferred from revaluation reserve for sale of property, plant and equipment	-	-	-	4,668	-	(4,668)	-	-	-	-	-	-
Amounts classified to minority interests	-	-	-	-	-	-	-	-	-	-	(4)	(4)
Balance at September 30, 2024	**57,158**	**1,341,171**	**25,013**	**3,383,583**	**28,314**	**374,854**	**(243,201)**	**(53,619)**	**(58,419)**	**4,854,854**	**237,192**	**5,092,046**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

NIS in thousands, audited

	Share capital	Share premium	Reserve for transactions with controlling shareholders	Retained earnings	Reserve for share-based payment	Revaluation reserve	Foreign currency translation adjustments	Reserve for hedges	Reserve for transactions with non-controlling interests	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at January 1, 2024	57,157	1,339,895	25,013	3,359,572	20,220	373,084	(324,148)	(50,492)	(58,419)	4,741,882	208,408	4,950,290
Net income	-	-	-	169,661	-	-	-	-	-	169,661	31,691	201,352
Total other comprehensive income (loss)	-	-	-	1,495	-	23,500	(84,242)	39,945	-	(19,302)	(10,642)	(29,944)
Total comprehensive income (loss)	**-**	**-**	**-**	**171,156**	**-**	**23,500**	**(84,242)**	**39,945**	**-**	**150,359**	**21,049**	**171,408**
Cost of share-based payment	-	-	-	-	12,647	-	-	-	-	12,647	-	12,647
Exercise of share options	1	2,550	-	-	(2,550)	-	-	-	-	1	-	1
Dividend to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(15)	(15)
Amounts transferred from revaluation reserve for sale of property, plant and equipment	-	-	-	4,668	-	(4,668)	-	-	-	-	-	-
Amounts classified to non-controlling interests	-	-	-	-	-	-	-	-	-	-	952	952
Balance at December 31, 2024	**57,158**	**1,342,445**	**25,013**	**3,535,396**	**30,317**	**391,916**	**(408,390)**	**(10,547)**	**(58,419)**	**4,904,889**	**230,394**	**5,135,283**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
NIS in thousands

	Nine months ended September 30, 2025 Unaudited	Nine months ended September 30, 2024 Unaudited	Three months ended September 30, 2025 Unaudited	Three months ended September 30, 2024 Unaudited	Year ended December 31, 2024 Audited
Cash flows from operating activities:					
Net income	134,916	40,877	36,738	21,414	201,352
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Group's share of earnings of associates, net	(68,996)	(46,821)	(21,950)	(25,024)	(114,050)
Appreciation of investment property, net	(176,417)	(70,890)	(36,464)	(20,750)	(169,725)
Interest costs, net	276,495	202,970	106,051	66,196	294,467
Gain from marketable securities	(20,045)	(32,111)	(9,981)	(9,838)	(39,646)
Depreciation and amortization of property, plant and equipment and intangible assets	106,675	87,010	35,350	34,475	130,355
Deferred taxes, net	(112,519)	(100,744)	(56,094)	(40,437)	(38,432)
Impairment (appreciation) of lands for construction	2,978	-	-	-	(9,873)
Revaluation of long-term loans	86,256	67,720	55,309	29,015	80,444
Revaluation of debentures	153,144	168,978	73,627	71,951	173,756
Loss from sale and appreciation of investments	2	(2,102)	-	(2,103)	(2,103)
Change in employee benefit liabilities, net	4,818	(362)	194	(853)	(903)
Cost of share-based payment	4,458	9,370	1,764	2,980	12,647
Loss (gain) from sale of property, plant and equipment	(457)	(1,854)	(119)	(396)	5,588
Revaluation of long-term receivables and other investments	18,385	40,880	(1,502)	12,053	11,282
Gain from receivables from concession arrangements	(7,183)	(8,871)	(3,328)	(4,036)	(8,642)
Total	**267,594**	**313,173**	**142,857**	**113,233**	**325,165**
Changes in asset and liability items:					
Decrease (increase) in trade and unbilled receivables and in other accounts receivable	(307,387)	67,048	(28,049)	(52,347)	10,711
Decrease (increase) in inventories of buildings and retail space for sale less advances from customers and from buyers of apartments and in inventories	(3,731)	150,422	23,640	(18,188)	222,973
Increase (decrease) in subcontractors and trade payable and in other accounts payable	93,329	115,727	(15,329)	104,098	72,491
Total	**(217,789)**	**333,197**	**(19,738)**	**33,563**	**306,175**
Cash paid and received during the period for:					
Dividend received	-	-	-	-	13,413
Taxes paid	(79,136)	(32,261)	(30,345)	(12,441)	(61,905)
Taxes received	975	-	9	-	21,822
Total	**(78,161)**	**(32,261)**	**(30,336)**	**(12,441)**	**(26,670)**
Net cash provided by operating activities before purchase of lands for construction, net	**106,560**	**654,986**	**129,521**	**155,769**	**806,022**
Investment in lands for construction	(133,154)	(311,456)	(38,874)	(223,033)	(320,262)
Proceeds from sale of lands for construction	-	348,000	-	60,900	348,000
Value added tax received on lands for construction	-	-	-	(59,160)	-
Net cash provided by (used in) operating activities	**(26,594)**	**691,530**	**90,647**	**(65,524)**	**833,760**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
NIS in thousands

	Nine months ended September 30, 2025 Unaudited	Nine months ended September 30, 2024 Unaudited	Three months ended September 30, 2025 Unaudited	Three months ended September 30, 2024 Unaudited	Year ended December 31, 2024 Audited
Cash flows from investing activities:					
Investment in investment property	(233,785)	(102,008)	(164,380)	(33,314)	(538,928)
Investment in investment property under construction	(99,403)	(9,572)	(44,972)	(5,494)	(14,459)
Payments on account of investment property	(202)	(3,393)	398	(3,385)	(18,164)
Sale of (investment in) in short-term investments, net	(418,699)	227,080	(392,920)	387,472	386,179
Purchase of property, plant and equipment	(154,446)	(501,675)	(53,935)	(129,058)	(549,542)
Interest received	40,608	28,606	16,290	7,485	41,069
Collection (grant) of long-term loans to associates, net	26,265	(46,910)	(8,415)	(15,398)	(66,349)
Collection of receivables from concession arrangements	13,268	12,234	4,531	4,183	16,512
Investment in associates and other investments	-	(628)	-	111	(1,048)
Proceeds from sale of property, plant and equipment and investment property	183,441	12,287	25,004	10,483	28,168
Taxes paid for sale of investment property	(49,855)	-	-	-	-
Grant of long-term loans and other investments	(2,815)	(20,981)	(887)	(4,521)	(24,148)
Collection of long-term loans and sale of other investments	101,249	36,693	97,825	1,174	40,668
Net cash provided by (used in) investing activities	**(594,374)**	**(368,267)**	**(521,461)**	**219,738**	**(700,042)**
Cash flows from financing activities:					
Issue of debentures (net of issue expenses)	721,073	-	564,919	-	317,604
Issue of shares (net of issue expenses)	583,911	-	-	-	-
Repayment of debentures	(529,496)	(826,040)	(118,979)	(382,060)	(1,070,196)
Receipt of long-term loans from banks and others	712,132	1,227,076	317,031	739,222	1,420,357
Repayment of long-term loans from banks and others	(480,254)	(590,118)	(86,385)	(156,999)	(690,518)
Short-term credit from banks and others, net	(171,233)	(102,864)	(104,870)	(113,900)	16,952
Repayment of lease liabilities	(30,971)	(29,367)	(9,605)	(9,762)	(39,333)
Interest paid	(438,765)	(413,830)	(162,773)	(133,708)	(558,506)
Proceeds from exercise of options	1	1	-	-	1
Issue to non-controlling interests (see Note 5b)	262,957	226	-	(4)	521
Purchase from non-controlling interests (see Note 5e)	(21,500)	-	-	-	-
Dividend to equity holders of the Company	(80,000)	-	-	-	-
Dividend to non-controlling interests	(7,497)	-	(7,497)	-	(15)
Net cash provided by (used in) financing activities	**520,358**	**(734,916)**	**391,841**	**(57,211)**	**(603,133)**
Exchange rate differences on balances of cash and cash equivalents	(8,564)	5,055	(810)	1,452	(1,601)
Increase (decrease) in cash and cash equivalents	**(109,174)**	**(406,598)**	**(39,783)**	**98,455**	**(471,016)**
Cash and cash equivalents at the beginning of the period	938,321	1,409,337	868,930	904,284	1,409,337
Cash and cash equivalents at the end of the period	**829,147**	**1,002,739**	**829,147**	**1,002,739**	**938,321**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

NIS in thousands

	Nine months ended September 30, 2025 Unaudited	Nine months ended September 30, 2024 Unaudited	Three months ended September 30, 2025 Unaudited	Three months ended September 30, 2024 Unaudited	Year ended December 31, 2024 Audited
Significant non-cash transactions:					
Right-of-use asset recognized against lease liability	73,286	15,912	4,847	4,655	16,940

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

NOTE 1:- GENERAL

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

b. The security situation and its consequences:

The combined attack launched by the Hamas organization on October 7, 2023 against the State of Israel initiated the Swords of Iron war ("the war") which ended on October 9, 2025, when an agreement was signed between the State of Israel and the Hamas organization under the auspices of the United States and as part of a regional plan announced by the President of the United States. As part of the agreement, all the living hostages were released and most of the deceased hostages were returned.

The war brought an escalation of tensions with Iran and its proxies, an escalation due to which the State of Israel launched in June a military operation aimed at destroying Iran's nuclear infrastructure and weapons industry, including missile systems and senior military and nuclear officials. The Iranian response to the operation involved the firing of hundreds of missiles and UAVs, which caused damage to multiple sites in Israel, including casualties, and affected economic activity, including the operations of part of the Group's segments.

The security uncertainty and as a result also the economic uncertainty continue to affect Israeli economy which has an effect on the various economic parameters such as the state's international ranking, the state's budget and the smooth functioning of the business sector.

The consequences of the war on the Group were mainly evident in the construction and industrial segments whose operations were impaired due to the increased input costs. However, these segments made the necessary adjustments to overcome this. The residential development segment was also affected by the war, specifically regarding the cost of money and the overall market sentiment, which led to a decrease in the number of apartments marketed, especially in high-demand areas where the Group's residential development activity is concentrated.

In terms of economic parameters, the cost of the operation, including the resulting damage and the ongoing cost of the war, have caused substantial fluctuations in exchange rates and are expected to contribute to an increased budget deficit, slow down economic activity, and delay the reduction in interest rates by the Bank of Israel which currently remains unchanged at a high level of 4.5%.

It is indicated that in November 2025, the rating agency S&P affirmed the "A" credit rating for the State of Israel. However, the rating agency revised its outlook to stable from negative.

NOTE 1:- GENERAL (Cont.)

The Israeli Consumer Price Index rose by approximately 3% (known index) in the first nine months of 2025. The construction input index rose by 4.5% (known index) in the first nine months of 2025.

As of the date of approval of the financial statements, the Group is unable to determine the extent of the war's future implications on the scope of its operations and business results, among others, given the high volatility in the markets, its ramifications for the Company's operations and Israeli economy and any other measures taken by the Israeli Government. However, regarding its financial condition, the Company is stable. Its future financial stability, ability to meet financial covenants, fulfill signed contracts and maintain ongoing ordinary business operations are not at risk due to available cash reserves, access to financing facilities, order backlog, projected steady cash flows and its ability to make necessary adjustments to continue its ordinary business operations. Nonetheless, the ongoing damage to capital markets, including due to Israel's credit rating downgrades by international agencies and entry into a prolonged recession, could impact market liquidity and companies' ability to secure favorable borrowing terms and prices. The Group regularly monitors and evaluates the various developments, examines its exposure and the effects on its operations and will respond with actions as required.

c. In a public tender held on January 9, 2025, the Company issued 10,000,000 Ordinary shares for gross proceeds of approximately NIS 600 million (approximately NIS 584 million net of issue expenses).

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim consolidated financial statements:

The interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in IAS 34, "Interim Financial Reporting", and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The significant accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

NOTE 3:- FINANCIAL INSTRUMENTS

Fair value:

The following table demonstrates the carrying amount and fair value of the groups of financial instruments that are presented in the financial statements not at fair value or whose carrying amount is not an approximation of fair value:

	Carrying amount September 30, 2025 Unaudited	Carrying amount September 30, 2024 Unaudited	Carrying amount December 31, 2024 Unaudited	Fair value September 30, 2025 Unaudited	Fair value September 30, 2024 Unaudited	Fair value December 31, 2024 Audited
Financial assets:						
Receivables from concession arrangements (1)	245,798	256,389	251,883	234,454	242,597	243,003
Financial liabilities:						
Long-term loans with fixed interest (1)	4,249,693	3,136,424	4,262,191	4,104,437	2,905,801	4,083,733
Debentures (2)	5,803,895	5,382,602	5,453,378	5,772,695	5,237,597	5,395,825
	10,053,588	**8,519,026**	**9,715,569**	**9,877,132**	**8,143,398**	**9,479,558**

(1) The fair value of receivables from concession arrangements and long-term loans received with fixed interest is based on the computation of the present value of cash flows using standard interest rate available for loans with similar terms. The fair value measurement is classified at Level 3 of the fair value hierarchy.

(2) The fair value of debentures is based on quoted prices in active markets at the reporting date. The fair value measurement is classified at Level 1 of the fair value hierarchy. The carrying amount includes accrued interest.

The carrying amount of cash and cash equivalents, short-term investments, trade receivables, other accounts receivable, credit from banks and loans from others with variable interest, trade payables and other accounts payable approximates their fair value.

NOTE 4:- SEGMENT REPORTING

a. General:

As stated in the annual consolidated financial statements, the Group has the following operating segments: construction and infrastructure work in Israel, industries, rental housing, concession, foreign operations through Ashtrom International, renewable energy, investment property and property development through Ashtrom Properties and residential real estate development in Israel through Ashtrom Residential (formerly: Ashdar).

The data of the operating segments of industries and of investment property and property development through Ashtrom Properties also include the Company's proportionate share of revenues and results of associates with the same activity as the segment in which they operate, for the purpose of adjusting the reported data to management approach. Starting with the interim financial statements as of March 31, 2025, the data of the operating segment of residential real estate development in Israel through Ashtrom Residential also include the Company's proportionate share of revenues and results of associates with the same activity. Comparative figures for prior periods were corrected accordingly.

NOTE 4:- SEGMENT REPORTING (Cont.)

b. Reporting on operating segments:

Nine months ended September 30, 2025 (NIS in thousands, unaudited):

	Construction and infra-structures in Israel	Industries	Rental housing	Concessions	Foreign operations - Ashtrom International	Renewable energy	Investment property and property development - Ashtrom Properties	Residential real estate development in Israel - Ashtrom Residential	Total before adjustments	Adjustments	Adjustments - associates	Total
Revenues from external customers	1,667,792	717,795	88,940	14,449	217,016	58,499	381,575	595,570	3,741,636	-	(300,788)	3,440,848
Intersegment revenues	230,192	116,995	-	-	-	-	702	-	347,889	(347,081)	(808)	-
Total revenues	**1,897,984**	**834,790**	**88,940**	**14,449**	**217,016**	**58,499**	**382,277**	**595,570**	**4,089,525**	**(347,081)**	**(301,596)**	**3,440,848**
Cost of revenues	1,714,679	711,432	16,909	10,956	135,306	31,649	112,785	458,269	3,191,985	(332,116)	(177,000)	2,682,869
Gross profit	**183,305**	**123,358**	**72,031**	**3,493**	**81,710**	**26,850**	**269,492**	**137,301**	**897,540**	**(14,965)**	**(124,596)**	**757,979**
Appreciation of investment property	-	-	129,478	-	1,295	-	77,301	712	208,786	6,787	(39,156)	176,417
Selling and marketing expenses	5,839	54,775	2,173	-	3,254	-	398	24,270	90,709	-	(2,280)	88,429
General and administrative expenses	97,512	42,450	14,740	7,662	29,761	14,791	81,502	35,405	323,823	866	(20,031)	304,658
Net income from tax credits	-	-	-	-	-	31,241	-	-	31,241	-	-	31,241
Operating income (loss)	**79,954**	**26,133**	**184,596**	**(4,169)**	**49,990**	**43,300**	**264,893**	**78,338**	**723,035**	**(9,044)**	**(141,441)**	**572,550**
Earnings of associates												68,996
Other expenses												11,478
Operating income												**630,068**
Finance expenses, net												530,651
Income before taxes on income												**99,417**

NOTE 4:- SEGMENT REPORTING (Cont.)

Nine months ended September 30, 2024 (NIS in thousands, unaudited):

	Construction and infra-structures in Israel	Industries	Rental housing	Concessions	Foreign operations - Ashtrom International	Renewable energy	Investment property and property development - Ashtrom Properties	Residential real estate development in Israel - Ashtrom Residential *	Total before adjustments	Adjustments	Adjustments - associates	Total
Revenues from external customers	1,545,990	633,632	91,690	13,904	242,881	15,280	340,230	610,462	3,494,069	-	(223,987)	3,270,082
Intersegment revenues	226,925	102,517	-	-	-	2,965	1,345	-	333,752	(332,338)	(1,414)	-
Total revenues	**1,772,915**	**736,149**	**91,690**	**13,904**	**242,881**	**18,245**	**341,575**	**610,462**	**3,827,821**	**(332,338)**	**(225,401)**	**3,270,082**
Cost of revenues	1,596,078	623,416	33,346	11,187	168,053	7,416	96,121	464,921	3,000,538	(337,528)	(115,200)	2,547,810
Gross profit	**176,837**	**112,733**	**58,344**	**2,717**	**74,828**	**10,829**	**245,454**	**145,541**	**827,283**	**5,190**	**(110,201)**	**722,272**
Appreciation (impairment) of investment property	-	-	10,758	-	(788)	-	79,327	545	89,842	2,589	(21,541)	70,890
Selling and marketing expenses	1,855	56,403	6,114	-	3,299	10	239	10,778	78,698	-	(1,426)	77,272
General and administrative expenses	95,642	40,295	13,104	6,635	30,573	12,422	65,078	36,498	300,247	665	(12,758)	288,154
Net income from tax credits	-	-	-	-	-	7,597	-	-	7,597	-	-	7,597
Operating income (loss)	**79,340**	**16,035**	**49,884**	**(3,918)**	**40,168**	**5,994**	**259,464**	**98,810**	**545,777**	**7,114**	**(117,558)**	**435,333**
Earnings of associates												46,821
Other expenses												10,246
Operating income												**471,908**
Finance expenses, net												468,710
Income before taxes on income												**3,198**

*) See comment above.

NOTE 4:- SEGMENT REPORTING (Cont.)

Three months ended September 30, 2025 (NIS in thousands, unaudited):

	Construction and infra-structures in Israel	Industries	Rental housing	Concessions	Foreign operations - Ashtrom International	Renewable energy	Investment property and property development - Ashtrom Properties	Residential real estate development in Israel - Ashtrom Residential	Total before adjustments	Adjustments	Adjustments - associates	Total
Revenues from external customers	531,470	252,526	26,411	4,870	73,240	26,010	132,390	243,431	1,290,348		(111,705)	1,178,643
Intersegment revenues	82,197	32,840	-	-	-	-	244	-	115,281	(114,856)	(425)	-
Total revenues	**613,667**	**285,366**	**26,411**	**4,870**	**73,240**	**26,010**	**132,634**	**243,431**	**1,405,629**	**(114,856)**	**(112,130)**	**1,178,643**
Cost of revenues	555,453	242,071	3,879	3,766	44,413	11,177	43,252	189,770	1,093,781	(111,760)	(65,704)	916,317
Gross profit	**58,214**	**43,295**	**22,532**	**1,104**	**28,827**	**14,833**	**89,382**	**53,661**	**311,848**	**(3,096)**	**(46,426)**	**262,326**
Appreciation of investment property	-	-	26,486	-	486	-	18,127	-	45,099	2,236	(10,871)	36,464
Selling and marketing expenses	1,207	18,497	693	-	1,304	-	-	10,417	32,118	-	(1,180)	30,938
General and administrative expenses	33,148	12,576	4,024	2,034	9,287	4,366	26,129	12,210	103,774	245	(8,717)	95,302
Net income from tax credits	-	-	-	-	-	14,724	-	-	14,724	-	-	14,724
Operating income (loss)	**23,859**	**12,222**	**44,301**	**(930)**	**18,722**	**25,191**	**81,380**	**31,034**	**235,779**	**(1,105)**	**(47,400)**	**187,274**
Earnings of associates												21,950
Other expenses												7,092
Operating income												**202,132**
Finance expenses, net												201,141
Income before taxes on income												**991**

NOTE 4:- SEGMENT REPORTING (Cont.)

Three months ended September 30, 2024 (NIS in thousands, unaudited):

	Construction and infra-structures in Israel	Industries	Rental housing	Concessions	Foreign operations - Ashtrom International	Renewable energy	Investment property and property development - Ashtrom Properties	Residential real estate development in Israel - Ashtrom Residential *	Total before adjustments	Adjustments	Adjustments - associates	Total
Revenues from external customers	533,223	245,116	25,563	4,651	73,955	15,188	135,196	173,712	1,206,604	-	(116,141)	1,090,463
Intersegment revenues	64,524	37,277	-	-	-	1,386	392	-	103,579	(105,040)	1,461	-
Total revenues	**597,747**	**282,393**	**25,563**	**4,651**	**73,955**	**16,574**	**135,588**	**173,712**	**1,310,183**	**(105,040)**	**(114,680)**	**1,090,463**
Cost of revenues	531,630	236,520	4,749	3,863	45,602	5,721	42,440	128,286	998,811	(105,144)	(64,785)	828,882
Gross profit	**66,117**	**45,873**	**20,814**	**788**	**28,353**	**10,853**	**93,148**	**45,426**	**311,372**	**104**	**(49,895)**	**261,581**
Appreciation (impairment) of investment property	-	-	(6,186)	-	(422)	-	36,350	-	29,742	638	(9,630)	20,750
Selling and marketing expenses	560	19,330	2,253	-	1,189	-	-	3,616	26,948	-	(457)	26,491
General and administrative expenses	33,490	13,345	4,582	2,320	10,608	4,005	22,418	11,544	102,312	209	(5,294)	97,227
Net income from tax credits	-	-	-	-	-	7,597	-	-	7,597	-	-	7,597
Operating income (loss)	**32,067**	**13,198**	**7,793**	**(1,532)**	**16,134**	**14,445**	**107,080**	**30,266**	**219,451**	**533**	**(53,774)**	**166,210**
Earnings of associates												25,024
Other expenses												5,644
Operating income												**185,590**
Finance expenses, net												184,298
Income before taxes on income												**1,292**

*) See comment above.

NOTE 4:- SEGMENT REPORTING (Cont.)

Year ended December 31, 2024 (NIS in thousands, audited):

	Construction and infra-structures in Israel	Industries	Rental housing	Concessions	Foreign operations - Ashtrom International	Renewable energy	Investment property and property development - Ashtrom Properties	Residential real estate development in Israel - Ashtrom Residential *	Total before adjustments	Adjustments	Adjustments - associates	Total
Revenues from external customers	2,108,887	865,203	116,879	18,695	362,441	30,482	473,763	789,043	4,765,393	-	(305,904)	4,459,489
Intersegment revenues	297,763	142,541	-	-	-	3,856	1,569	-	445,729	(444,142)	(1,587)	-
Total revenues	**2,406,650**	**1,007,744**	**116,879**	**18,695**	**362,441**	**34,338**	**475,332**	**789,043**	**5,211,122**	**(444,142)**	**(307,491)**	**4,459,489**
Cost of revenues	2,163,989	857,570	34,280	14,767	250,557	15,411	135,561	597,535	4,069,670	(443,304)	(160,790)	3,465,576
Gross profit	**242,661**	**150,174**	**82,599**	**3,928**	**111,884**	**18,927**	**339,771**	**191,508**	**1,141,452**	**(838)**	**(146,701)**	**993,913**
Appreciation (impairment) of investment property	-	-	61,459	-	2,342	-	202,031	(3,605)	262,227	5,975	(98,477)	169,725
Selling and marketing expenses	5,182	76,687	6,622	-	4,374	10	735	15,292	108,902	-	(2,194)	106,708
General and administrative expenses	129,201	56,116	17,602	8,959	42,331	18,124	91,560	49,925	413,818	896	(17,004)	397,710
Net income from tax credits	-	-	-	-	-	18,735	-	-	18,735	-	-	18,735
Operating income (loss)	**108,278**	**17,371**	**119,834**	**(5,031)**	**67,521**	**19,528**	**449,507**	**122,686**	**899,694**	**4,241**	**(225,980)**	**677,955**
Earnings of associates												114,050
Other expenses												28,401
Operating income												**763,604**
Finance expenses, net												542,541
Income before taxes on income												**221,063**

*) See comment above.

NOTE 5:- SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

a. As stated in Note 16e to the annual consolidated financial statements, in February 2023, the Company's wholly-owned SPC, which holds the El Patrimonio project, entered into a Power Purchase Agreement ("PPA") with the San Antonio Municipality through its municipal electric company ("the electric company"). According to the agreement, the electric company will buy about 70% of the electricity generated by the project, along with the corresponding renewable energy certificates, for a period of 20 years. The electric company has an option to increase its purchase of the project's electricity and the corresponding renewable energy certificates from the project company up to 100% of the project's electricity and the corresponding renewable energy certificates at rates specified in the agreement.

On February 18, 2025, all the suspending conditions for the PPA were met. With the signing of the parties on the agreement's final terms (including, among others, deadlines for completion and connection of the project to the electric grid), the PPA agreement became effective.

In January 2025, Ashtrom Renewable Energy Ltd. entered into a credit facility agreement with a bank in a monetary scope of approximately NIS 358 million ("EP Bridging Loan") which will be used to finance part of the equity required in the project and which is available for withdrawal until December 31, 2025. As of the reporting date, Ashtrom Renewable Energy has utilized approximately NIS 69 million of the credit facility. The Company is acting to extend the availability of the facility.

b. As stated in Note 16e to the annual consolidated financial statements, on March 3, 2025, the Company's wholly-owned subsidiaries entered into an investment agreement with two institutional entities. Under this agreement the two institutional entities will be allocated about 36% of Tierra Bonita Partners LLC ("the asset company"), which indirectly holds all rights in the Tierra Bonita project, in consideration for an investment of approximately $ 79 million in the asset company. This investment reflects a value of approximately $ 220 million for the asset company. On June 30, 2025, the agreement was completed and the consideration (less expenses) of approximately NIS 262,957 thousand was received. On the date of completion, the asset company distributed a dividend equal to the consideration amount ($ 79 million) solely to the subsidiary (a company wholly-owned by the Company through the chain).

As a result of the share allocation to institutional entities, a reserve for transactions with controlling shareholders of NIS 54,988 thousand was created. The share of the institutional entities in the asset company's equity, amounting to NIS 207,969 thousand, is included in the financial statements in the item non-controlling interests.

NOTE 5:- SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (Cont.)

c. On March 25, 2025, the Company's Board approved a dividend distribution to the Company's shareholders totaling NIS 80 million, representing approximately NIS 0.71766 per share. The dividend was paid on April 10, 2025.

d. On April 9, 2025, Maalot published a rating report affirming an ilA/Negative rating for the Company and ilA rating for the debentures.

e. Further to the stated in Note 14d(2) to the annual consolidated financial statements regarding the mutual options for the purchase of the remaining shares of STUDS, on May 28, 2025, Ashtrom Industries decided to purchase the remaining shares for NIS 21,500 thousand. As a result of the acquisition, Ashtrom Industries now holds all the shares of STUDS and a negative reserve for transactions with non-controlling interests amounting to NIS 12,513 thousand was created.

f. As part of a public offering tender held on June 16, 2025, Ashtrom Properties issued NIS 70 million par value of debentures (series 11) by series expansion for gross proceeds of approximately NIS 79.3 million (approximately NIS 78.6 million net of issue expenses). In another tender held on the same date, Ashtrom Properties issued NIS 70 million par value of debentures (series 12) by series expansion for gross proceeds of approximately NIS 78.7 million (approximately NIS 77.6 million net of issue expenses).

g. As part of a public offering tender heled on July 2, 2025, the Company issued NIS 518,492 thousand par value of debentures (series E) by series expansion for gross proceeds of approximately NIS 570 million (approximately NIS 565 million net of issue expenses).

h. Further to the stated in Note 28c(2) to the annual consolidated financial statements regarding a claim from a third party where the Company served as a prime contractor in a project that it initiated totaling approximately NIS 55 million and a counterclaim filed by the Company, on July 8, 2025, the Company received an arbitration award determining that the developer has to pay the Company approximately NIS 1 million plus linkage differences and interest.

i. Further to the stated in Note 32c(1) to the annual consolidated financial statements regarding the controlling shareholders of the Company who serve as Chairman of the Company's Board, CEO and Deputy CEO, on May 27, 2025, the Company's Board approved the entitlement of the controlling shareholders to annual bonus in effect from January 2025. The bonus derives from the annual net income of the Company higher than NIS 100 million, based on the following ceilings: the ceiling for the bonus to each of the Company's chairman of the Board and CEO was updated to NIS 3.8 million, the ceiling of the bonus to the deputy CEO was updated to NIS 1.8 million. The monthly salary of the controlling shareholders remained unchanged. These terms of employment were approved by the Company's general meeting of July 24, 2025.

NOTE 5:- SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (Cont.)

In addition, on the same date, the Company's Board approved a private placement of unlisted options which are exercisable into Ordinary shares of the Company of NIS 0.01 par value each to the Company's Deputy CEO. His entitlement to exercise the options will vest in three annual portions from the end of the first anniversary of the grant date and the exercise price of the first, second and third portions being 5%, 7.5% and 10% higher, respectively, than the average closing price of the Company's shares in the 30 trading days before the Board's decision. The options are subject to certain adjustments in the event of dividend distribution, bonus shares and rights issues. Vested options of the first and second portions may be exercised up to three years after vesting and vested options of the third portion may be exercised up to two years after vesting. The fair value of the options that the Company's Board has decided to grant is NIS 2,500 thousand, as calculated using the Black & Scholes model. The allocation of the options was approved by the Company's general meeting on July 24, 2025. Based on the value measured as per an independent external appraiser close to the date of the general meeting, the number of options allocated to the Company's Deputy CEO was 73,446 options. The exercise prices of the first, second and third portions are NIS 59.61, NIS 61.03 and NIS 62.45 per share, respectively, standard deviation of 36.8%, 25.67% and 35.67%, respectively and risk-free interest rate of 3.96%, 3.97% and 3.97%, respectively.

j. On August 14, 2025, a U.S.-incorporated investee, Ashtrom Renewable Energy ("the investee"), received a lawsuit filed in a New York State court by OnPeak Power LLC, an entrepreneurial company with which the investee entered into an investment and cooperation agreement to initiate solar projects in the U.S. ("the plaintiff"). For additional information regarding the cooperation agreement, see Note 16e to the annual consolidated financial statements.

The lawsuit and its amendment from September 17, 2025, which concern various claims by the plaintiff, seek a declaratory judgment against the investee in connection with alleged future payments related to projects in the energy field initiated by the investee, for which the payment date has not yet arrived, delays allegedly caused by the investee, future damages to projects and breach of good faith by the investee, with the total scope of approximately $ 135 million. On October 3, 2025, the Company filed a revised request to dismiss this lawsuit.

According to the Company, based on the opinion of its legal counsel, this lawsuit was filed as a pressure tactic during negotiations regarding the payments to which the plaintiff may be entitled to in the future. The chances of the claim being accepted by the court are remote due to, among others, the following: material flaws in the lawsuit. Chief among these is that, even according to the plaintiff, the payment date, assuming the investee is liable, has not been finalized. As of the date of this report, the investee and/or anyone on its behalf has denied the payment obligation to the plaintiff (to the extent applicable), since no demand for payment has yet been made. Additionally, the lawsuit lacks specific and detailed factual allegations, does not include a calculation of the alleged damages, and the claimed damages are speculative and based, as stated, on future estimates that have not yet been made, as the necessary facts for calculating them do not yet exist according to the agreement between the parties. Considering the above, the Company is preparing to file a request to dismiss the claim in limine.

NOTE 5:- SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (Cont.)

Without derogating from the above, it is clarified that according to the data available to the Company as of the date of this report (which, to the best of the Company's knowledge, are not expected to differ materially at the date of future settlement between the plaintiff and the investee in accordance with the agreement between them), the amounts to which the plaintiff will be entitled in the future, based on the financial data of the project and the terms of the agreement between the investee and the plaintiff, are not material to the Company.

On September 4, 2025, the investee filed a counterclaim totaling approximately $ 174 million against the plaintiff in the New York State court. The main grounds include the plaintiff's violation of the exclusivity right which it undertook toward the investee and was anchored in the agreements, breaches and failures of the plaintiff's responsibilities and obligations regarding projects it developed for the investee, failure to timely obtain some of the required permits for the projects, failure to perform the contractually required development activities for the investee and additional violations of the aforementioned agreements.

k. After the reporting date, on October 27, 2025, the Company's wholly-owned subsidiary operating in the construction segment ("the subsidiary") received a request to allow the filing of a third-party notice against it (and against other parties) by a developer ("the developer") in a project in Jerusalem where the Company serves as the prime contractor. The request relates to a motion to approve a class action claim against the developer, which was filed by some of the apartment buyers in the project, in accordance with the Class Actions Law, 2006, and which was filed with the District Court in Jerusalem ("the motion"). As part of the motion to approve the class action claim, it was argued that the developer allegedly violated the provisions of the sales agreements signed with some of the apartment buyers concerning the date of delivery of the apartments. According to the position of the petitioners in the motion, the estimated damages amount to approximately NIS 41 million.

At this preliminary stage, the Company and its legal counsel are examining the motion and the underlying arguments. However, in the Company's opinion, a preliminary review indicates that it possesses significant defense arguments both against the developer's arguments in the motion and against the arguments raised in the motion to approve the class action claim.

l. In accordance with legislation passed in July 2025 in Germany, the federal tax rate is expected to gradually decrease from 2028 to 2032 to a final tax of 10%. As a result, the Company updated the deferred tax reserves for the temporary differences on the Company's properties in Germany from 15% to 10% and recorded deferred tax income in the amount of approximately NIS 24 million.

NOTE 6:- DISCLOSURE OF SUMMARIZED INFORMATION OF AN ASSOCIATE ACCOUNTED FOR AT EQUITY

Summarized information from the statement of financial position and the statement of profit or loss of Hutzot HaMifratz Ltd. in NIS in thousands:

	September 30, 2025 Unaudited	September 30, 2024 Unaudited	December 31, 2024 Audited
Current assets	39,840	35,483	23,660
Non-current assets	1,721,216	1,555,595	1,667,577
Current liabilities	10,997	32,954	21,797
Non-current liabilities	645,312	603,982	627,726
Equity attributable to equity holders of the company	1,104,747	954,142	1,041,714
Share of equity in the associate	50%	50%	50%
Excess cost	7,002	7,002	7,002
Carrying amount of investment in associate	559,376	484,073	527,859

	Nine months ended September 30, 2025 Unaudited	Nine months ended September 30, 2024 Unaudited	Three months ended September 30, 2025 Unaudited	Three months ended September 30, 2024 Unaudited	Year ended December 31, 2024 Audited
Revenues	78,057	64,508	29,418	22,421	86,816
Gross profit	71,747	57,084	27,664	19,977	77,334
Appreciation of investment property	31,347	24,499	11,187	10,369	122,305
Net income	63,033	47,439	23,585	17,445	135,011
Share of results in the associate	50%	50%	50%	50%	50%
Company's share of earnings of associate	31,517	23,720	11,793	8,723	67,506

The Company did not disclose the financial statements of Hutzot HaMifratz Ltd. because they are immaterial with respect to the Company's consolidated financial statements and do not provide significant additional information for this company.

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