ASHTROM GROUP LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2026

UNAUDITED

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Shape the future
with confidence

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

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 June 30, 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six and three months periods then ended. The board of directors and management are responsible for the preparation and presentation of interim financial information for these periods in accordance with IAS 34, "Interim Financial Reporting" and are responsible for the preparation of interim financial information for these periods 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 16% of total consolidated assets as of June 30, 2026, and whose revenues constitute approximately 5% and 4% of total consolidated revenues for the six and three months periods then ended, respectively. Furthermore, we did not review the condensed interim financial information of companies accounted for at equity the investment in which amounted to approximately NIS 53.5 million as of June 30, 2026 and the Group's share of their earnings amounted to approximately NIS 1 million and NIS 0.3 million for the six 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
August 25, 2026

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NIS in thousands

	June 30, 2026 Unaudited	June 30, 2025 Unaudited	December 31, 2025 Audited
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	553,744	868,930	945,552
Short-term investments	556,717	413,500	656,533
Trade and unbilled receivables	1,415,742	1,194,911	1,139,496
Other accounts receivable	291,009	294,568	301,415
Inventories of buildings and retail space for sale	2,316,227	1,448,769	2,079,009
Inventories	172,127	173,738	161,686
Total current assets	**5,305,566**	**4,394,416**	**5,283,691**
NON-CURRENT ASSETS:			
Land for construction	1,429,745	1,996,925	1,424,333
Investment property under construction	1,129,206	725,177	900,206
Receivables from concession arrangements	213,481	228,642	220,813
Payments on account of purchase of investment property	119,608	495,361	494,993
Investment property	9,930,287	8,872,759	9,147,162
Associates	2,223,207	2,170,623	2,227,237
Other receivables and investments	384,772	280,202	150,430
Property, plant and equipment, net	3,374,396	3,104,877	3,144,038
Intangible assets and goodwill	69,422	75,130	71,478
Deferred taxes	82,029	64,636	74,537
Total non-current assets	**18,956,153**	**18,014,332**	**17,855,227**
Total assets	**24,261,719**	**22,408,748**	**23,138,918**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

NIS in thousands

	June 30, 2026 Unaudited	June 30, 2025 Unaudited	December 31, 2025 Audited
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks	1,601,757	797,071	1,007,998
Loans from institutional entities	541,443	400,000	400,000
Current maturities of non-current liabilities	1,895,132	1,540,258	2,058,737
Subcontractors and trade payables	1,051,182	980,021	1,052,408
Liability for exchange transactions	399,765	424,562	439,915
Advances from customers and buyers of apartments and real estate	116,289	86,345	90,714
Other accounts payable	376,218	376,310	392,177
Total current liabilities	**5,981,786**	**4,604,567**	**5,441,949**
NON-CURRENT LIABILITIES:			
Loans from banks	5,110,978	4,144,848	3,896,167
Loans from institutional entities	2,412,635	2,417,322	2,394,824
Debentures	4,525,358	4,583,992	4,731,226
Lease liabilities	379,599	297,191	349,188
Other liabilities	82,938	65,820	66,041
Employee benefit liabilities	26,188	23,187	23,436
Deferred taxes	240,146	314,386	264,058
Total non-current liabilities	**12,777,842**	**11,846,746**	**11,724,940**
Total liabilities	**18,759,628**	**16,451,313**	**17,166,889**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital	57,259	57,259	57,259
Share premium	1,937,580	1,935,156	1,937,580
Retained earnings	3,536,463	3,551,219	3,751,363
Reserves	(427,068)	(34,352)	(200,422)
Total	**5,104,234**	**5,509,282**	**5,545,780**
Non-controlling interests	397,857	448,153	426,249
Total equity	**5,502,091**	**5,957,435**	**5,972,029**
Total liabilities and equity	**24,261,719**	**22,408,748**	**23,138,918**

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: August 25, 2026.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

NIS in thousands

	Six months ended June 30, 2026 Unaudited	Six months ended June 30, 2025 Unaudited	Three months ended June 30, 2026 Unaudited	Three months ended June 30, 2025 Unaudited	Year ended December31, 2025 Audited
Revenues	2,374,284	2,262,205	1,251,856	1,109,198	4,652,436
Cost of revenues	1,897,243	1,766,552	998,250	862,809	3,631,398
Gross profit	**477,041**	**495,653**	**253,606**	**246,389**	**1,021,038**
Appreciation (impairment) of investment property, net	(23,586)	139,953	22,820	127,690	301,072
	453,455	**635,606**	**276,426**	**374,079**	**1,322,110**
Selling and marketing expenses	60,095	57,491	30,129	30,443	125,085
General and administrative expenses	216,038	209,356	113,490	106,924	416,453
Group's share of earnings of associates, net	32,333	47,046	23,991	29,396	116,362
Net income from tax credits	20,909	16,517	12,862	11,636	40,519
Other expenses, net	31,113	4,386	20,743	4,062	33,320
Operating income	**199,451**	**427,936**	**148,917**	**273,682**	**904,133**
Finance expenses	(388,221)	(394,431)	(251,671)	(209,244)	(747,549)
Finance income	68,454	64,921	28,747	33,231	127,318
Income (loss) before taxes on income (tax benefit)	**(120,316)**	**98,426**	**(74,007)**	**97,669**	**283,902**
Taxes on income (tax benefit)	(4,727)	248	1,949	3,794	(3,112)
Net income (loss)	**(115,589)**	**98,178**	**(75,956)**	**93,875**	**287,014**
Net income (loss) attributable to:					
Equity holders of the Company	(114,900)	95,823	(77,830)	93,018	270,655
Non-controlling interests	(689)	2,355	1,874	857	16,359
	(115,589)	**98,178**	**(75,956)**	**93,875**	**287,014**
Net earnings (loss) per share attributable to equity holders of the Company (in NIS):					
Basic and diluted net earnings (loss)	(1.03)	0.86	(0.7)	0.83	2.43

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NIS in thousands

	Six months ended June 30, 2026 Unaudited	Six months ended June 30, 2025 Unaudited	Three months ended June 30, 2026 Unaudited	Three months ended June 30, 2025 Unaudited	Year ended December31, 2025 Audited
Net income (loss)	(115,589)	98,178	(75,956)	93,875	287,014
Other comprehensive income (loss) (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	11,735	(18,844)	8,999	349	(10,944)
Adjustments arising from translating financial statements of foreign operations	(262,268)	(18,742)	(193,135)	(146,179)	(193,343)
Group's share of net other comprehensive income (loss) of associates from adjustments arising from translating financial statements of foreign operations	(8,405)	3,030	(5,519)	(236)	(1,834)
	(258,938)	**(34,556)**	**(189,655)**	**(146,066)**	**(206,121)**
Amounts that will not be reclassified in the future to profit or loss, net of tax:					
Revaluation of property, plant and equipment (land and buildings)	1,375	1,662	666	896	6,983
Remeasurement loss from defined benefit plans, net	-	-	-	-	(460)
	1,375	**1,662**	**666**	**896**	**6,523**
Total other comprehensive loss	**(257,563)**	**(32,894)**	**(188,989)**	**(145,170)**	**(199,598)**
Total comprehensive income (loss)	**(373,152)**	**65,284**	**(264,945)**	**(51,295)**	**87,416**
Total comprehensive income (loss) attributable to:					
Equity holders of the Company	(344,713)	55,312	(245,307)	(48,447)	90,151
Non-controlling interests	(28,439)	9,972	(19,638)	(2,848)	(2,735)
Total	**(373,152)**	**65,284**	**(264,945)**	**(51,295)**	**87,416**

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, 2026 (audited)	**57,259**	**1,937,580**	**25,013**	**3,751,363**	**25,072**	**373,127**	**(582,203)**	**(23,761)**	**(17,670)**	**5,545,780**	**426,249**	**5,972,029**
Loss	-	-	-	(114,900)	-	-	-	-	-	(114,900)	(689)	(115,589)
Total other comprehensive income (loss)	-	-	-	-	-	1,375	(239,365)	8,177	-	(229,813)	(27,750)	(257,563)
Total comprehensive income (loss)	-	-	-	**(114,900)**	-	**1,375**	**(239,365)**	**8,177**	-	**(344,713)**	**(28,439)**	**(373,152)**
Dividend to equity holders of the Company	-	-	-	(100,000)	-	-	-	-	-	(100,000)	-	(100,000)
Cost of share-based payment	-	-	-	-	3,167	-	-	-	-	3,167	-	3,167
Amounts classified to non-controlling interests	-	-	-	-	-	-	-	-	-	-	47	47
Balance at June 30, 2026	**57,259**	**1,937,580**	**25,013**	**3,536,463**	**28,239**	**374,502**	**(821,568)**	**(15,584)**	**(17,670)**	**5,104,234**	**397,857**	**5,502,091**

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	-	-	-	95,823	-	-	-	-	-	95,823	2,355	98,178
Total other comprehensive income (loss)	-	-	-	-	-	1,662	(23,329)	(18,844)	-	(40,511)	7,617	(32,894)
Total comprehensive income (loss)	**-**	**-**	**-**	**95,823**	**-**	**1,662**	**(23,329)**	**(18,844)**	**-**	**55,312**	**9,972**	**65,284**
Issuance of shares	100	583,811	-	-	-	-	-	-	-	583,911	-	583,911
Dividend to equity holders of the Company	-	-	-	(80,000)	-	-	-	-	-	(80,000)	-	(80,000)
Cost of share-based payment	-	-	-	-	2,694	-	-	-	-	2,694	-	2,694
Exercise of share options	1	8,900	-	-	(8,900)	-	-	-	-	1	-	1
Transactions with holders of non-controlling interests	-	-	-	-	-	-	-	-	42,475	42,475	207,969	250,444
Amounts classified to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(182)	(182)
Balance at June 30, 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**

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 April 1, 2026	**57,259**	**1,937,580**	**25,013**	**3,614,293**	**26,693**	**373,836**	**(647,078)**	**(21,931)**	**(17,670)**	**5,347,995**	**417,495**	**5,765,490**
Net income (loss)	-	-	-	(77,830)	-	-	-	-	-	(77,830)	1,874	(75,956)
Total other comprehensive income (loss)	-	-	-	-	-	666	(174,490)	6,347	-	(167,477)	(21,512)	(188,989)
Total comprehensive income (loss)	-	-	-	**(77,830)**	-	**666**	**(174,490)**	**6,347**	-	**(245,307)**	**(19,638)**	**(264,945)**
Cost of share-based payment	-	-	-	-	1,546	-	-	-	-	1,546	-	1,546
Balance at June 30, 2026	**57,259**	**1,937,580**	**25,013**	**3,536,463**	**28,239**	**374,502**	**(821,568)**	**(15,584)**	**(17,670)**	**5,104,234**	**397,857**	**5,502,091**

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 April 1, 2025	**57,259**	**1,927,711**	**25,013**	**3,458,201**	**28,804**	**392,682**	**(289,009)**	**(29,740)**	**(58,419)**	**5,512,502**	**243,214**	**5,755,716**
Net income	-	-	-	93,018	-	-	-	-	-	93,018	857	93,875
Total other comprehensive income (loss)	-	-	-	-	-	896	(142,710)	349	-	(141,465)	(3,705)	(145,170)
Total comprehensive income (loss)	**-**	**-**	**-**	**93,018**	**-**	**896**	**(142,710)**	**349**	**-**	**(48,447)**	**(2,848)**	**(51,295)**
Cost of share-based payment	-	-	-	-	2,752	-	-	-	-	2,752	-	2,752
Exercise of share options	-	7,445	-	-	(7,445)	-	-	-	-	-	-	-
Transactions with holders of non-controlling interests	-	-	-	-	-	-	-	-	42,475	42,475	207,969	250,444
Amounts classified to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(182)	(182)
Balance at June 30, 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**

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, 2025	**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	-	-	-	270,655	-	-	-	-	-	270,655	16,359	287,014
Total other comprehensive income (loss)	-	-	-	(460)	-	6,983	(173,813)	(13,214)	-	(180,504)	(19,094)	(199,598)
Total comprehensive income (loss)	-	-	-	**270,195**	-	**6,983**	**(173,813)**	**(13,214)**	-	**90,151**	**(2,735)**	**87,416**
Issuance of shares	100	583,811	-	-	-	-	-	-	-	583,911	-	583,911
Cost of share-based payment	-	-	-	-	6,079					6,079	-	6,079
Exercise of share options	1	11,324	-	-	(11,324)	-	-	-	-	1	-	1
Dividend to equity holders of the Company	-	-	-	(80,000)	-	-	-	-	-	(80,000)	-	(80,000)
Dividend to holders of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(9,671)	(9,671)
Amounts transferred from revaluation reserve for sale of property, plant and equipment	-	-	-	25,772	-	(25,772)	-	-	-	-	-	-
Issuance to holders of non-controlling interests	-	-	-	-	-	-	-	-	54,988	54,988	214,928	269,916
Acquisition from holders of non-controlling interests	-	-	-	-	-	-	-	-	(14,239)	(14,239)	(5,804)	(20,043)
Amounts classified to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(863)	(863)
Balance at December 31, 2025	**57,259**	**1,937,580**	**25,013**	**3,751,363**	**25,072**	**373,127**	**(582,203)**	**(23,761)**	**(17,670)**	**5,545,780**	**426,249**	**5,972,029**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
NIS in thousands

	Six months ended June 30, 2026 Unaudited	Six months ended June 30, 2025 Unaudited	Three months ended June 30, 2026 Unaudited	Three months ended June 30, 2025 Unaudited	Year ended December 31, 2025 Audited
Cash flows from operating activities:					
Net income (loss)	**(115,589)**	**98,178**	**(75,956)**	**93,875**	**287,014**
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Group's share of earnings of associates, net	(32,333)	(47,046)	(23,991)	(29,396)	(116,362)
Impairment (appreciation) of investment property and investment property under construction	23,586	(139,953)	(22,820)	(127,690)	(301,072)
Interest costs, net	223,650	170,444	131,226	91,090	389,107
Gain from marketable securities	(11,408)	(10,064)	(718)	(6,280)	(25,743)
Depreciation and amortization of property, plant and equipment and intangible assets	75,960	71,325	38,116	38,237	139,800
Deferred taxes, net	(5,812)	(56,425)	(5,466)	(30,523)	(85,490)
Impairment of land for construction	-	2,978	-	2,978	1,725
Revaluation of long-term loans	23,050	30,947	21,000	36,667	90,898
Revaluation of debentures	67,809	79,517	64,360	59,034	140,152
Loss (gain) from sale and appreciation of investments	-	2	-	(1)	-
Change in employee benefit liabilities, net	2,752	4,624	2,220	3,120	4,326
Cost of share-based payment	3,167	2,694	1,546	2,752	6,079
Gain from sale of property, plant and equipment	(96)	(338)	(188)	(163)	(3,105)
Revaluation of long-term receivables and other investments	(7,025)	19,887	306	(12,947)	16,633
Gain from receivables from concession arrangements	(2,687)	(3,855)	(2,913)	(3,147)	(5,782)
Total	**360,613**	**124,737**	**202,678**	**23,731**	**251,166**
Changes in asset and liability items:					
Increase in trade and unbilled receivables and in other accounts receivable	(319,716)	(279,338)	(201,958)	(75,071)	(240,553)
Decrease (increase) in inventories of buildings and retail space for sale less advances from customers and from buyers of apartments and in inventories	140,100	(27,371)	165,185	11,012	32,770
Increase in subcontractors and trade payable and in other accounts payable	40,614	108,658	102,262	45,885	190,953
Total	**(139,002)**	**(198,051)**	**65,489**	**(18,174)**	**(16,830)**
Cash paid and received during the period for:					
Dividend received	2,100	-	600	-	17,900
Taxes paid	(58,569)	(48,791)	(25,900)	(27,964)	(80,594)
Taxes received	1,299	966	-	674	3,642
Total	**(55,170)**	**(47,825)**	**(25,300)**	**(27,290)**	**(59,052)**
Net cash provided by (used in) operating activities before investment in land for construction	**50,852**	**(22,961)**	**166,911**	**72,142**	**462,298**
Investment in land for construction	(439,204)	(94,280)	(37,871)	(67,835)	(177,168)
Net cash provided by (used in) operating activities	**(388,352)**	**(117,241)**	**129,040**	**4,307**	**285,130**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

NIS in thousands

	Six months ended June 30, 2026 Unaudited	Six months ended June 30, 2025 Unaudited	Three months ended June 30, 2026 Unaudited	Three months ended June 30, 2025 Unaudited	Year ended December 31, 2025 Audited
Cash flows from investing activities:					
Investment in investment property	(559,642)	(69,405)	(74,167)	(32,547)	(420,685)
Investment in investment property under construction	(156,462)	(54,431)	(92,862)	(39,246)	(152,479)
Payments on account of investment property	(251,061)	(600)	(102)	(595)	(232)
Sale of (investment in) short-term investments, net	110,711	(25,779)	(15,797)	77,239	(253,133)
Investments in property, plant and equipment	(315,594)	(100,511)	(152,039)	(43,018)	(252,106)
Interest received	13,828	24,318	6,240	8,917	49,357
Collection of long-term loans to associates, net	44,734	34,680	9,612	6,173	14,647
Collection of receivables from concession arrangements	9,385	8,737	4,732	4,413	17,876
Investment in associates and other assets	(17)	-	(17)	-	(400)
Proceeds from sale of property, plant and equipment and investment property	63,706	158,437	337	104,998	218,375
Taxes paid for sale of investment property, net	-	(49,855)	-	(22,449)	(44,135)
Proceeds from sale of other investments	-	-	-	-	96,319
Grant of long-term loans and other investments	(206,001)	(1,928)	(200,633)	(863)	(1,015)
Collection of long-term loans and deposits	9,057	3,424	8,099	3,307	37,350
Net cash provided by (used in) investing activities	**(1,237,356)**	**(72,913)**	**(506,597)**	**66,329**	**(690,261)**
Cash flows from financing activities:					
Issuance of debentures (net of issuance expenses)	-	156,154	-	156,154	959,714
Issuance of shares (net of issuance expenses)	-	583,911	-	-	583,911
Repayment of debentures	(262,608)	(410,517)	(21,272)	(174,767)	(871,732)
Receipt of long-term loans from banks and others	2,396,491	395,101	1,234,826	133,821	1,003,180
Repayment of long-term loans from banks and others	(981,346)	(393,869)	(544,571)	(234,319)	(719,541)
Short-term credit from banks and others, net	539,300	(66,363)	61,324	110,943	(33,850)
Repayment of lease liabilities	(25,534)	(21,366)	(13,622)	(10,680)	(41,103)
Interest paid	(318,447)	(275,992)	(179,401)	(141,836)	(604,190)
Proceeds from exercise of options	-	1	-	-	1
Issuance to holders of non-controlling interests	-	262,957	-	262,957	269,916
Acquisition from holders of non-controlling interests	-	(21,500)	-	(21,500)	(29,030)
Dividend to equity holders of the Company	(100,000)	(80,000)	(100,000)	(80,000)	(80,000)
Dividend to holders of non-controlling interests	-	-		-	(9,671)
Net cash provided by financing activities	**1,247,856**	**128,517**	**437,284**	**773**	**427,605**
Exchange rate differences on balances of cash and cash equivalents	(13,956)	(7,754)	(11,801)	(9,980)	(15,243)
Increase (decrease) in cash and cash equivalents	**(391,808)**	**(69,391)**	**47,926**	**61,429**	**7,231**
Cash and cash equivalents at the beginning of the period	945,552	938,321	505,818	807,501	938,321
Cash and cash equivalents at the end of the period	**553,744**	**868,930**	**553,744**	**868,930**	**945,552**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
NIS in thousands

	Six months ended June 30, 2026 Unaudited	Six months ended June 30, 2025 Unaudited	Three months ended June 30, 2026 Unaudited	Three months ended June 30, 2025 Unaudited	Year ended December 31, 2025 Audited
Significant non-cash transactions:					
Recognition of right-of-use asset and corresponding lease liability	60,031	68,439	4,587	4,863	145,560

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 June 30, 2026 and for the six 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, 2025 and for the year then ended and accompanying notes ("annual consolidated financial statements").

b. Consequences of the Swords of Iron War:

Hamas's combined attack on the State of Israel on October 7, 2023, led to the outbreak of the Swords of Iron War ("the War"), which ended on October 9, 2025 with the signing of an agreement between the State of Israel and the Hamas, pursuant to which all living hostages were released and the remains of the deceased hostages were returned. The War also led to an escalation of hostilities with Iran and its proxies. In June 2025, Israel launched "Operation Rising Lion" against military targets in Iran, which ended with a ceasefire on June 24, 2025.

On February 28, 2026, "Operation Roaring Lion" commenced with a coordinated attack by the State of Israel and the United States on governmental targets in Iran. In response, Iran launched attacks against Israel and against U.S. and civilian targets in the Middle East and Hezbollah resumed attacks on the territory of the State of Israel. Upon the commencement of the Operation, a state of emergency was declared, restrictions were imposed on economic activity and a large-scale mobilization of reservists was announced. On April 8, 2026, the United States and Iran reached a temporary ceasefire agreement, which also applies to Israel and remains in effect as of the reporting date, together with a temporary and partial ceasefire with Hezbollah. As of the date of approval of the financial statements, negotiations regarding the extension of the ceasefire on the various fronts and the formalization of a permanent agreement are ongoing.

As of the date of approval of the financial statements, Operation Roaring Lion has not had a material impact on the Company. However, the Group is unable to estimate the extent of any future implications of the War, including a possible resumption or escalation of hostilities across the various fronts, on the Group's business activities and results of operations, among others, in light of the market volatility, uncertainty regarding the duration and intensity of the war, its effects on the Company's operations and on the Israeli economy, and any other additional measures that may be adopted by the Government of Israel. Nevertheless, based on the Company's assessment, its financial position provide it with sufficient resilience to address the current market conditions while meeting its obligations. In terms of its financial position, the Company is stable and does not anticipate any concerns regarding its financial stability in the future. The Company continues to monitor developments related to the War, performs ongoing assessments of its exposure and impacts on its operations and undertakes appropriate actions as required.

NOTE 1:- GENERAL (Cont.)

c. As of June 30, 2026, the Company had a working capital deficit of approximately NIS 676 million. In the Company's Board estimation, the Company will be able to meet its existing and expected financial liabilities during the two years following the publication of the consolidated financial statements. This assessment is based, among others, on the Company's cash-flow forecast, its ability to generate cash from operating activities, its financing sources and its ability to obtain borrowings, including access to its unused credit facilities of approximately NIS 0.7 billion. In addition, the Company is acting to refinance part of its short-term credit into long-term loans.

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 June 30, 2026 Unaudited	Carrying amount June 30, 2025 Unaudited	Carrying amount December 31, 2025 Unaudited	Fair value June 30, 2026 Unaudited	Fair value June 30, 2025 Unaudited	Fair value December 31, 2025 Audited
Financial assets:						
Receivables from concession arrangements (1)	233,091	247,001	239,789	223,741	235,407	233,219
Financial liabilities:						
Loans with fixed interest (1)	4,484,373	4,151,592	4,194,153	4,324,194	3,982,939	4,074,537
Debentures (2)	5,471,373	5,274,027	5,670,806	5,531,380	5,239,428	5,706,449
	9,955,746	**9,425,619**	**9,864,959**	**9,855,574**	**9,222,367**	**9,780,986**

(1) The fair value of receivables from concession arrangements and loans obtained 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 (Level 3 of the fair value hierarchy).

(2) The fair value is based on quoted prices in active markets (Level 1 of the fair value hierarchy) at the reporting date.

NOTE 3:- FINANCIAL INSTRUMENTS (Cont.)

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 infrastructures 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 Residences.

The data of the operating segments of industries and of investment property, property development through Ashtrom Properties and of residential real estate development in Israel 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 aligning the reported data with management approach.

In the reporting period, the Company reexamined the method of allocating costs to the various segments. Before this reexamination, HQ operating costs were allocated at the Company level to the various segments based on a general evaluation and according to intersegment charges in addition to direct operating costs attributable to each segment. Following the reexamination, the Company's HQ costs are no longer attributed to the segments but rather included in unallocated operating expenses. As a result of the change in allocation method, comparative figures for prior periods were reclassified accordingly.

NOTE 4:- SEGMENT REPORTING (Cont.)

b. Reporting on operating segments:

Six months ended June 30, 2026 (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	1,107,649	518,842	59,817	9,940	143,650	26,806	287,574	434,069	2,588,347	-	(214,063)	2,374,284
Intersegment revenues	240,983	87,910	-	-	-	3,615	434	-	332,942	(332,178)	(764)	-
Total revenues	**1,348,632**	**606,752**	**59,817**	**9,940**	**143,650**	**30,421**	**288,008**	**434,069**	**2,921,289**	**(332,178)**	**(214,827)**	**2,374,284**
Cost of revenues	1,253,301	510,702	7,163	8,957	92,157	15,950	89,642	374,118	2,351,990	(317,519)	(137,228)	1,897,243
Gross profit	**95,331**	**96,050**	**52,654**	**983**	**51,493**	**14,471**	**198,366**	**59,951**	**569,299**	**(14,659)**	**(77,599)**	**477,041**
Appreciation (impairment) of investment property	-	-	(48,875)	-	1,633	-	22,171	15	(25,056)	10,249	(8,779)	(23,586)
Operating expenses *)	42,016	64,833	11,137	4,128	17,406	5,547	50,909	36,640	232,616	438	(13,420)	219,634
Net income from tax credits	-	-	-	-	-	20,909	-	-	20,909	-	-	20,909
Operating income (loss)	**53,315**	**31,217**	**(7,358)**	**(3,145)**	**35,720**	**29,833**	**169,628**	**23,326**	**332,536**	**(4,848)**	**(72,958)**	**254,730**
Unallocated operating expenses *)												56,499
Earnings of associates												32,333
Other expenses												31,113
Operating income												**199,451**
Finance expenses, net												319,767
Loss before taxes on income												**(120,316)**

*) Refer to the comment at the beginning of the note.

NOTE 4:- SEGMENT REPORTING (Cont.)

Six months ended June 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	1,136,322	465,269	62,529	9,579	143,776	32,489	249,185	352,139	2,451,288	-	(189,083)	2,262,205
Intersegment revenues	147,995	84,155	-	-	-	-	458	-	232,608	(232,225)	(383)	-
Total revenues	**1,284,317**	**549,424**	**62,529**	**9,579**	**143,776**	**32,489**	**249,643**	**352,139**	**2,683,896**	**(232,225)**	**(189,466)**	**2,262,205**
Cost of revenues	1,159,226	469,361	13,030	7,190	90,893	20,472	69,533	268,499	2,098,204	(220,356)	(111,296)	1,766,552
Gross profit	**125,091**	**80,063**	**49,499**	**2,389**	**52,883**	**12,017**	**180,110**	**83,640**	**585,692**	**(11,869)**	**(78,170)**	**495,653**
Appreciation (impairment) of investment property	-	-	102,992	-	809	-	59,174	712	163,687	4,551	(28,285)	139,953
Operating expenses *)	38,002	62,095	7,296	3,828	20,432	8,425	51,367	33,957	225,402	621	(12,414)	213,609
Net income from tax credits	-	-	-	-	-	16,517	-	-	16,517	-	-	16,517
Operating income (loss)	**87,089**	**17,968**	**145,195**	**(1,439)**	**33,260**	**20,109**	**187,917**	**50,395**	**540,494**	**(7,939)**	**(94,041)**	**438,514**
Unallocated operating expenses *)												53,238
Earnings of associates												47,046
Other expenses												4,386
Operating income												**427,936**
Finance expenses, net												329,510
Income before taxes on income												**98,426**

*) Refer to the comment at the beginning of the note.

NOTE 4:- SEGMENT REPORTING (Cont.)

Three months ended June 30, 2026 (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	595,986	271,000	31,409	4,962	75,323	14,347	149,644	215,160	1,357,831	-	(105,975)	1,251,856
Intersegment revenues	130,565	49,417	-	-	-	-	150	-	180,132	(179,789)	(343)	-
Total revenues	**726,551**	**320,417**	**31,409**	**4,962**	**75,323**	**14,347**	**149,794**	**215,160**	**1,537,963**	**(179,789)**	**(106,318)**	**1,251,856**
Cost of revenues	677,737	266,351	3,926	4,355	44,494	7,069	46,887	185,884	1,236,703	(173,607)	(64,846)	998,250
Gross profit	**48,814**	**54,066**	**27,483**	**607**	**30,829**	**7,278**	**102,907**	**29,276**	**301,260**	**(6,182)**	**(41,472)**	**253,606**
Appreciation (impairment) of investment property	-	-	1,294	-	1,224	-	25,468	15	28,001	3,545	(8,726)	22,820
Operating expenses *)	22,214	32,806	5,655	1,736	8,505	4,314	26,254	18,426	119,910	307	(6,078)	114,139
Net income from tax credits	-	-	-	-	-	12,862	-	-	12,862	-	-	12,862
Operating income (loss)	**26,600**	**21,260**	**23,122**	**(1,129)**	**23,548**	**15,826**	**102,121**	**10,865**	**222,213**	**(2,944)**	**(44,120)**	**175,149**
Unallocated operating expenses *)												29,480
Earnings of associates												23,991
Other expenses												20,743
Operating income												**148,917**
Finance expenses, net												222,924
Loss before taxes on income												**(74,007)**

*) Refer to the comment at the beginning of the note.

NOTE 4:- SEGMENT REPORTING (Cont.)

Three months ended June 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	555,535	224,686	36,890	4,768	74,280	20,873	127,764	167,804	1,212,600	-	(103,402)	1,109,198
Intersegment revenues	91,249	39,144	-	-	-	-	242	-	130,635	(130,379)	(256)	-
Total revenues	**646,784**	**263,830**	**36,890**	**4,768**	**74,280**	**20,873**	**128,006**	**167,804**	**1,343,235**	**(130,379)**	**(103,658)**	**1,109,198**
Cost of revenues	584,884	227,700	9,495	3,633	43,815	12,960	38,404	128,535	1,049,426	(123,563)	(63,054)	862,809
Gross profit	**61,900**	**36,130**	**27,395**	**1,135**	**30,465**	**7,913**	**89,602**	**39,269**	**293,809**	**(6,816)**	**(40,604)**	**246,389**
Appreciation (impairment) of investment property	-	-	106,681	-	195	-	36,470	712	144,058	3,364	(19,732)	127,690
Operating expenses *)	20,906	30,861	3,241	2,022	9,388	3,513	29,391	18,862	118,184	252	(8,193)	110,243
Net income from tax credits	-	-	-	-	-	11,636	-	-	11,636	-	-	11,636
Operating income (loss)	40,994	5,269	130,835	(887)	21,272	16,036	96,681	21,119	331,319	(3,704)	(52,143)	275,472
Unallocated operating expenses *)												27,124
Earnings of associates												29,396
Other expenses												4,062
Operating income												**273,682**
Finance expenses, net												176,013
Income before taxes on income												**97,669**

*) Refer to the comment at the beginning of the note.

NOTE 4:- SEGMENT REPORTING (Cont.)

Year ended December 31, 2025 (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	2,204,557	964,579	117,273	19,446	320,314	69,034	521,197	839,856	5,056,256		(403,820)	4,652,436
Intersegment revenues	339,817	149,663	-	-	-	2,454	954	-	492,888	(491,793)	(1,095)	-
Total revenues	**2,544,374**	**1,114,242**	**117,273**	**19,446**	**320,314**	**71,488**	**522,151**	**839,856**	**5,549,144**	**(491,793)**	**(404,915)**	**4,652,436**
Cost of revenues	2,313,994	955,131	22,379	15,318	204,117	37,688	152,446	649,062	4,350,135	(480,403)	(238,334)	3,631,398
Gross profit	**230,380**	**159,111**	**94,894**	**4,128**	**116,197**	**33,800**	**369,705**	**190,794**	**1,199,009**	**(11,390)**	**(166,581)**	**1,021,038**
Appreciation (impairment) of investment property	-	-	159,607	-	2,548	-	207,979	712	370,846	14,582	(84,356)	301,072
Operating expenses *)	79,586	124,965	14,123	7,284	40,014	6,424	105,402	80,638	458,436	1,162	(28,152)	431,446
Net income from tax credits	-	-	-	-	-	40,519	-	-	40,519	-	-	40,519
Operating income (loss)	**150,794**	**34,146**	**240,378**	**(3,156)**	**78,731**	**67,895**	**472,282**	**110,868**	**1,151,938**	**2,030**	**(222,785)**	**931,183**
Unallocated operating expenses *)												110,092
Earnings of associates												116,362
Other expenses												33,320
Operating income												**904,133**
Finance expenses, net												620,231
Income before taxes on income												**283,902**

*) Refer to the comment at the beginning of the note.

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

a. As stated in Note 12a(1) to the annual financial statements regarding the project in Neve Ayalon neighborhood, Or Yehuda, construction of the project was completed during Q1 2026, and the partnership paid the seller the remaining consideration of approximately NIS 131 million. To finance the remaining payment, an additional amount of NIS 86 million was obtained from the institutional entity financing the project. As of the date of approval of the financial statements, lease agreements have been signed for all residential units and leasing has commenced. Accordingly, the remaining project costs were classified from "payments on account of investment property" to "investment property", with a carrying amount of approximately NIS 582 million, based on a valuation performed by an independent external appraiser and, as a result, the Company recognized an impairment loss of approximately NIS 46 million in the consolidated statements of profit or loss for Q1 2026.

b. As stated in Note 12a(1) to the annual financial statements, in December 2025, the Company's wholly-controlled limited partnership won a tender issued by Apartment for Rent together with the ILA for the lease of land in Tel HaShomer, Ramat Gan ("the Doctors' Housing complex") intended for the planning, construction, sale and operation of a residential project comprising 1,189 residential units and about 23,000 sq.m. of retail and employment space, covering a total area of about 202,000 sq.m. Of the residential units, 190 are designated for sale, 399 are for long-term rent for 20 years (of which 25% will be rented to eligible tenants at supervised rental fees) and 600 are designated for rent for 40 years to medical staff at reduced rental rates in accordance with the tender terms.

In accordance with the terms of the partnership's bid, the partnership will lease the land (including development expenses) for approximately NIS 394 million (excluding VAT). Based on the Company's estimate, the total investment in the project is expected to be approximately NIS 2.2 billion to be financed through the Company's own resources and external financing.

On March 22, 2026, the partnership entered into a master financing agreement with a bank for a facility of approximately NIS 366 million to finance the purchase of the land for the project. The facility will be available to the partnership until April 2029. The Company provided a guarantee to the bank in respect of the facility. As part of the agreement, the partnership's rights in the project will be pledged to the bank.

In Q1 2026, the Company paid NIS 244 million plus VAT, mainly through a withdrawal under the agreement with the bank. The remaining amount of approximately NIS 150 million plus VAT will be paid in December 2027. In the financial statements as of June 30, 2026, an amount of approximately NIS 143 million relating to the portion designated for sale is presented under "land for construction" and an amount of approximately NIS 120 million is presented under "payments on account of investment property".

On February 9, 2026, the Company received a notice from the Administrative Court in Tel-Aviv-Jaffa, pursuant to which the court ordered the Company to be added as a respondent to an administrative petition filed by a third party against the State of

Israel – the ILA and the Ministry of Defense, among others, in connection with the land subject to the Doctors' Housing tender.

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

According to the petition, the petitioners, heirs of individuals who held historical rights to the land, claim that the land had been previously expropriated for public purposes, and that, following the change of its designation to marketable purposes and the abandonment of the public purposes, they are entitled to restitution and/or a preemptive right to purchase, or, alternatively, to financial compensation. It is further argued that the marketing of the land under the tender process to third parties was conducted unlawfully, thereby preventing the petitioners from exercising their alleged rights. The State's respondents to the petition were granted, with the Company's consent, extensions to submit their responses to the petition and to address the matter before the Court until September 2026.

The Company is reviewing the claims raised in the petition and the potential implications for the project underlying the tender. However, at this stage, prior to submission of the response, the Company and its legal counsel are unable to assess the likelihood of the petition's success. It is clarified that the Company is not a party to the dispute underlying the petition and was joined to the proceedings at the request of the Court, in light of its status as the winning bidder in the tender.

c. In February 2026, a wholly-owned English subsidiary of Ashtrom Properties signed an agreement to acquire a commercial property located in the Newcastle area, England, for approximately £ 102.5 million (approximately NIS 435 million), including transaction costs. The property covers an area of about 36 thousand sq.m. and includes about 1,061 parking spaces. It is leased at a 97% occupancy to about 31 tenants. The acquisition of the property was financed through equity and a bridge loan amounting to 65% of the purchase price, which was subsequently repaid and refinanced with a loan from a bank in England, which is expected to mature in April 2029.

d. On February 5, 2026, Ashtrom Residences received a ruling from the Appeals Committee under the Real Estate Taxation Law (Appreciation and Acquisition), 1963, at the Haifa District Court, which accepted the appeals filed by Ashtrom Residences against the tax administrators of the Haifa and Central districts. The ruling determined that Ashtrom Residences winning of the "Price for Tenants" tenders and the signing of the accompanying contractual framework do not constitute the acquisition of a "right in land" as defined in the Real Estate Taxation Law and the true legal substance of the arrangement between the State and Ashtrom Residences, following its winning of the "Price for Tenants" tenders, is a contract with a prime contractor acting in the name and on behalf of the State for the implementation of its policy within the framework of "Price for Tenants" projects. As part of the ruling, it was determined that Ashtrom Residences is not subject to purchase tax in respect of the land component relating to the residential units designated for "Price for Tenants" in the relevant projects and that the respondents are required to cancel the purchase tax assessments and refund to Ashtrom Residential the purchase tax paid by it in connection with the tenders that were the subject of the appeals.

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

In the Company's assessment, and based on the ruling, to the extent that the Appeals Committee's decision is upheld and implemented, the Company expects to receive a refund of the purchase tax paid in connection with the relevant tenders and to recognize a gain (in respect of projects already recognized in the statement of profit or loss) of approximately NIS 38 million. On June 11, 2026, the Tax Authority filed an appeal with the Supreme Court. A response on behalf of Ashtrom Residential is expected to be filed in November 2026. It should be emphasized that the timing of the refund, its final amount and the timing of recognition of the gain and their accounting implications in the Company's financial statements will dependent, among others, on the additional proceedings described above. In light of the above, the Company has not recognized any gain in respect of the expected refund.

e. As stated in Note 16e to the annual financial statements regarding the El Patrimonio renewable energy project in the United States, on March 11, 2026, a subsidiary of Ashtrom Energy entered into an agreement with a bank to finance the project in the amount of approximately \$ 190-\$ 200 million. According to the financing agreement, the lender will provide the subsidiary with a loan and a guarantee facility in the form of non-recourse project financing during the construction period (which is expected to last until 2027) and this financing will be converted near the project's commercial operation date into a loan for a period of two years, with options to extend for an additional three years, at the lender's discretion. In addition, the lender will provide a facility for issuing guarantees in favor of the project.

On the same date, Ashtrom Energy entered into an agreement with a U.S. institutional entity to sell the project's tax credits for a period of about 10 years from the project's operation date, in a total amount of approximately \$ 135-\$ 140 million.

f. On March 24, 2026, the Company's Board approved a dividend distribution to the Company's shareholders in a total amount of NIS 100 million, reflecting a dividend of approximately NIS 0.89663 per share. The dividend was paid on April 15, 2026.

g. On April 30, 2026, Maalot published a rating report in which the Company's rating was updated to iLA/Stable and its debentures were rated ilA.

h. In further to Note 28c(2) to the annual financial statements regarding a claim filed by a subcontractor of the Company's wholly-owned subsidiary in connection with a project in which the Company served as a performing contractor, which was filed against the Company, the subsidiary and the client, and regarding a counterclaim filed by the Company and the subsidiary after the reporting date, on July 8, 2026, the parties signed a settlement agreement.

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

Pursuant to the settlement agreement and in full, final and irrevocable settlement of all disputes, claims and arguments between the parties in connection with the project and the legal proceedings, the Company and the subsidiary will pay the subcontractor amounts that are immaterial to the Company. Upon fulfillment of the parties' obligations under the settlement agreement, a notice will be filed with the court regarding the termination of the proceedings and the dismissal of the claim and counterclaim without an order as to costs. The settlement agreement was signed without admission of the claims of either party and includes a mutual, final and irrevocable waiver of any claim, demand or argument in connection with the project and the legal proceedings.

i. Further to the binding memorandum of understanding signed on June 29, 2026, after the reporting date, on August 11, 2026, the Company, Ashtrom Technologies Ltd., the general partner of the partnership ("the General Partner") and Ashtrom Residences for Rent Limited Partnership ("the Partnership") signed a binding agreement with Migdal Insurance Company Ltd. and Migdal Makefet Pension and Provident Funds Ltd. (together, "Migdal"), in connection with Migdal's acquisition of a 20% interest in the Partnership ("the agreement" and "the transaction", respectively).

The following are the principal terms of the agreement:

1. The transaction:

Subject to the fulfillment of the conditions precedent set forth in the agreement, on the closing date of the transaction, the Company will sell, transfer and assign to Migdal a 20% interest in the Partnership, as a limited partner, on a fully diluted basis, including, among others, the right to receive 20% of the Partnership's profits from January 1, 2026 and thereafter. In addition, the Company will assign to Migdal its rights in respect of 20% of the capital contributions made and to be made to the Partnership up to the closing date, and will grant Migdal non-tradable options for the Company's shares, all as detailed below.

2. The consideration:

As consideration for the acquisition of the interest in the Partnership and the assignment of the rights in the capital contributions, Migdal will pay the Company an aggregate amount of approximately NIS 451 million (excluding VAT) ("the consideration"). The consideration will be paid in accordance with the payment schedule set forth in the agreement, with the first payment due on the closing date of the transaction and the remaining balance payable on the dates and in the amounts specified in the agreement, linked to the Israeli CPI known as of January 1, 2026. The agreement includes a purchase price adjustment mechanism based on the carrying amount of the Partnership as of the closing date.

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

3. Options:

On the closing date and as a condition to the completion of the transaction, the Company will issue to Migdal, without additional consideration and in equal proportion to the two Migdal companies, options (non-tradable) exercisable into Ordinary shares of the Company, which in the aggregate will represent 0.727% of the Company's issued and outstanding share capital on the closing date, on a non-diluted basis, free and clear of any encumbrances. The options will have an exercise price reflecting a 35% premium over the Company's share price on the Tel-Aviv Stock Exchange on the date of signing the memorandum of understanding, i.e. NIS 86.859 per share (unlinked). The options may be exercised at any time during the four-year period following the closing date. The Company will publish a private placement report in connection with the issuance of the above options shortly prior to the closing date.

4. Management of the Partnership:

The transaction regulates, among others, the relationship between the Company and Migdal, the management of the Partnership (including with respect to the appointment of directors/observers to the General Partner's Board), financing, restrictions on the transfer of interests in the Partnership, rights to participate in the sale by another partner, subject to the terms set forth in the agreement, as well as the right of the limited partners, other than the Company, to replace the General Partner under the circumstances and at the times specified in the new partnership agreement to be signed.

In this framework, it was agreed that, as of the closing date, the parties would provide the capital required for the various projects of the Partnership in proportion to their respective interests in the Partnership, as such interests may change from time to time, in an amount of not less than NIS 600 million (for existing and future projects) and that the Company would be released from guarantees previously provided by it to the Partnership.

In addition, the Company undertook that, as of the closing date, all activities of the Company and its controlled corporations in the Partnership's field of activity (rental housing) would continue to be conducted through the Partnership, and that the Company would continue to serve as the performing contractor for the Partnership's existing and future projects, on the terms set forth in the agreement.

Pursuant to the agreement, Migdal will have a first right to provide loans, on market terms, to the Partnership and/or its investee companies, which will be used by the Partnership to support the construction of projects and to provide long-term financing for the Partnership's income-producing properties.

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

In addition, it was agreed that the Partnership would act, subject to market conditions and in accordance with the provisions of the agreement and the new partnership agreement, to issue debentures to the public in an aggregate amount of approximately NIS 500 million within 12 months of the closing date, and to seek listing of its securities on the Tel-Aviv Stock Exchange on a date to be determined, but no later than 10 years.

5. Conditions precedent to completion of the transaction:

   The completion of the transaction is subject to the satisfaction of customary conditions precedent, including:

   a) Obtaining regulatory approval, to the extent required, including the approval of the Antitrust Commissioner, without qualification or conditions;

   b) Obtaining the approvals of all third parties specified in the agreement in connection with entering into the agreement and completion of the transaction, including the transfer of the acquired interests to Migdal;

   c) The absence of any legal impediment to the completion of the transaction; and

   d) The accuracy of the representations of the Company and Migdal as of the closing date.

6. The closing date:

   Pursuant to the agreement, the closing date will occur seven business days following the satisfaction of the conditions precedent (unless the parties agree to a later date), which, pursuant to the agreement, are expected to be satisfied within 90 days of the signing date. Each party is entitled, at its sole discretion, to extend this period by an additional 30 days if, near the end of such period, there are reasonable grounds to assume that the conditions precedent will be satisfied shortly thereafter. If the conditions precedent are not satisfied by such date, and no further extension is agreed upon in writing by all parties, each party will be entitled to terminate the agreement, all in accordance with the terms set forth therein.

j. After the reporting date, on July 8, 2026, the Company obtained short-term loans from institutional entities in the amount of NIS 350 million, bearing interest at the Bank of Israel rate plus 0.25%.

k. In continuation of the matters discussed in Note 16e to the annual consolidated financial statements regarding the PPA signed with CPS Energy, the municipal electric utility serving the city of San Antonio ("CPS"), for the El Patrimonio project, on August 13, 2026, the parties signed an amendment to the PPA according to which in the first ten years, CPS will commit to purchasing 100% (instead of 70%) of the project's energy outputs and the purchase price for the entire outputs will be raised.

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 an associate – Hutzot HaMifratz Ltd. – in NIS in thousands:

	June 30, 2026 Unaudited	June 30, 2025 Unaudited	December 31, 2025 Audited
Current assets	51,820	30,608	20,464
Non-current assets	1,814,218	1,703,504	1,790,214
Current liabilities	15,564	14,903	11,697
Non-current liabilities	660,451	638,047	651,405
Equity attributable to equity holders of the company	1,190,023	1,081,162	1,147,576
Share of equity in the associate	50%	50%	50%
Excess cost	7,002	7,002	7,002
Carrying amount of investment in associate	602,014	547,583	580,790

	Six months ended June 30, 2026 Unaudited	Six months ended June 30, 2025 Unaudited	Three months ended June 30, 2026 Unaudited	Three months ended June 30, 2025 Unaudited	Year ended December 31, 2025 Audited
Revenues	55,526	48,639	27,962	24,703	106,029
Gross profit	50,636	44,083	25,544	22,754	97,238
Appreciation of investment property	16,492	20,160	14,785	18,251	97,882
Net income	42,447	39,448	25,332	25,166	130,862
Share of equity in the associate	50%	50%	50%	50%	50%
Company's share of earnings of associate	21,224	19,724	12,666	12,583	65,431

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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