

Not for distribution in the United States of America



Meidar GanEden Finance GmbH

(incorporated as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany)

Prospectus

for the issue of up to EUR 15,000,000 7.00 % Fixed Rate Notes due 2027

International Securities Identification Number (ISIN): DE000A30VGV1; German Securities Code (*Wertpapierkennnummer*, WKN): A30VGV

Issue Price 100.00 %

unconditionally and irrevocably guaranteed by

MEIDAR GAN EDEN LTD

(incorporated as a limited liability company under the laws of Israel, registration number 516200441)

Meidar GanEden Finance GmbH, Legal Entity Identifier (“LEI”) 984500A7TBFA80CMC221, with registered office at Taunusanlage 9-10, 60329 Frankfurt am Main, registered with the commercial register (*Handelsregister*) in Germany at the local court of Frankfurt am Main under registration number HRB 126706 (the “Company” or the “Issuer”) will issue up to EUR 15,000,000 7.00 % fixed rate notes due 2027 (the “Notes”) in the form of bearer notes with a denomination of EUR 1,000.00 each. The Notes will be governed by the laws of the Federal Republic of Germany (“Germany”). The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law. The Notes will bear interest at a rate of 7.00 % per annum, payable annually on 7 December of each year, commencing on 7 December 2022 (as set forth in the terms and conditions of the Notes, the “Terms and Conditions”). Payments of all amounts which become due in respect of the Notes are guaranteed by a guarantee of the Company’s sole shareholder MEIDAR GAN EDEN LTD, a limited company having its registered office at Hartom 16, Jerusalem, Israel (the “Guarantor” and together with its consolidated subsidiaries at the respective time and the Issuer “MEIDAR GANEDEN”).

This Prospectus (the “Prospectus”) relates to an offering of the Notes to the public in Germany and the Grand Duchy of Luxembourg (“Luxembourg”) in the context of a cash subscription offer (the “Subscription Offer”) in the period from 18 November 2022 (inclusive) to 16 November 2023 (inclusive) (the “Subscription Period”) (the “Public Offer”).

This Prospectus constitutes a prospectus within the meaning of Art. 6 para. 3 of the Prospectus Regulation. This Prospectus has been approved by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier* - “CSSF”) as the competent authority under the Prospectus Regulation. In accordance with Article 25 (1) of the Prospectus Regulation, the Issuer has requested the CSSF to provide the competent authority in Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) with a certificate of such approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer and the Guarantor that are the subject of this Prospectus nor of the quality of the securities that are the subject of this Prospectus. By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer and of the Guarantor.

Application will be made for the Notes to be admitted to trading on the Open Market (Quotation Board) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), which is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, “MiFID II”).

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and are being offered and sold in transactions outside the United States of America (“United States”) to non-U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)) in reliance on Regulation S. The Notes are not being offered in the United States. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

Prospective investors should be aware that an investment in the Notes involves risks and that if certain risks, in particular those described under “I. RISK FACTORS”, occur, investors may lose all or a substantial part of their investment. Investors should make their own assessment as to the suitability of investing in the Notes.

THIS PROSPECTUS IS VALID UNTIL 17 NOVEMBER 2023. THE OBLIGATION TO SUPPLEMENT THIS PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID

Paying Agent
ODDO BHF

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The date of this Prospectus is 17 November 2022

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NOTICE

This Prospectus should be read and construed with any supplement thereto.

No person has been authorized to provide any information or to make any representation concerning the Issuer or the Notes (other than as contained in this Prospectus) and, if provided or made, any such information or representation should not be relied upon as having been authorized by the Issuer or the Paying Agent, or their respective affiliates. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. Any decision to purchase Notes should solely be based on this Prospectus.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information contained herein for any purpose other than considering an investment in the Notes is prohibited. Each offeree of the Notes, by accepting delivery of this Prospectus, agrees to the foregoing.

The Issuer is not making any representation to any offeree or purchaser of the Notes regarding the legality of an investment in the Notes by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should not construe anything in this Prospectus as legal, tax, business or financial advice. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of purchase of Notes.

The Notes have not been and will not be registered under the Securities Act and are subject to tax law requirements of the United States. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons; see “9.9 - Selling Restrictions”.

The distribution of this Prospectus as well as the offering, sale, and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any Notes in any jurisdiction in which such offer, exercise or invitation would be unlawful. The Issuer does not accept any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions.

Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see “9.9 - Selling Restrictions”.

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to form an independent opinion whether to invest in the Notes.

An investment in the Notes is only suitable for investors who:

- (i) possess sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the chances and risks of an investment in the Notes and the information contained in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor’s particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- (iii) fully understand the terms of the Notes and are familiar with the behavior of the financial markets;
- (iv) are capable of bearing the economic risk of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- (v) know that it may not be possible to dispose of the Notes for a substantial period of time, if at all, before maturity; and

- (vi) are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect a potential investor's investment and ability to bear the applicable risks.

Investments by certain investors are subject to investment laws and regulations and the supervision or regulation by certain authorities.

Any potential investor should consult a financial advisor to determine if and to what extent

- (i) the Notes constitute a suitable investment for such an investor,
- (ii) the Notes may be used as collateral for different forms of borrowing, and
- (iii) other restrictions are applicable to any purchase or pledging of the Notes. Financial institutions should consult their legal advisors or regulator to determine how the Notes are to be classified according to applicable risk capital rules or comparable provisions.

On 31 October 2022, the Bank of Israel foreign exchange rate for Euro (€) was 3.4980 New Israeli Shekels, or NIS, per Euro. References to “€”, “€”, “**EUR**” or “**Euro**” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the Euro, as amended and references to “**NIS**” or “**shekel**” are to New Israeli Shekels.

Where financial information in tables in this Prospectus is labelled “audited”, this means that it has been taken from the (i) audited opening balance sheet of the Issuer as of 3 March 2022 (being the date of its incorporation) (the “**Audited Issuer Opening Balance Sheet**”) and (ii) from the audited consolidated financial statements of the Guarantor as of and for the financial years ended 31 December 2021 and 2020 (the “**Audited Consolidated Guarantor Financial Statements**”) each as included in this Prospectus. The label “unaudited” is used in tables in this Prospectus to indicate financial information is taken from the unaudited IFRS consolidated interim financial statements of the Guarantor as of and for the six-months period ended 30 June 2022 (the “**Unaudited Consolidated Guarantor Interim Financial Statements**”) or the Guarantor's internal reporting system or is based on calculations of figures from the abovementioned sources.

This Prospectus contains figures denoted in Euros. Figures denoted in Euros are indicated with “**EUR**” or “**€**” preceding the amount. In addition, certain financial information regarding MEIDAR GAN EDEN LTD is presented in Israeli Shekel. Figures denoted in New Israeli Shekels are indicated with “**NIS**” and/or “**ILS**” preceding the amount.

Certain financial information (including percentages) in this Prospectus is rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) in tables in this Prospectus may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Prospectus. Furthermore, the total figures appearing in the tables may not be exact summations of the rounded numbers contained therein. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial information set out in this Prospectus, a dash (“-”) signifies that the relevant figure is not available, while a zero (“0.0”) signifies that the relevant figure is available but has been rounded to zero.

References to “**CET**” in this Prospectus refer to Central European Time, as the case may be. References to time in this Prospectus refer to CET, unless stated otherwise.

The legally binding language of this Prospectus is English. Any part of the Prospectus in German constitutes a translation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Prospectus is for distribution only to persons who (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (b) are persons falling within Article 49(2)(a) to (d) (“high net worth companies”, “unincorporated associations”, etc.) of the Financial Promotion Order, (c) are outside the United Kingdom, or (d) are persons to whom an invitation or inducement to engage in investment

activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) in connection with the issue or sale of the Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. Recipients of this Prospectus are not permitted to transmit it to any other person. Persons distributing this Prospectus must satisfy themselves that it is lawful to do so. The Notes are not being offered to the public in the United Kingdom.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects”, “targets” and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on the future plans and expectations regarding MEIDAR GANEDEN’s business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that MEIDAR GANEDEN makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results, including MEIDAR GANEDEN’s financial condition and results of operations, to differ materially from, and be worse than, results that have expressly or implicitly been assumed or described in these forward-looking statements. MEIDAR GANEDEN’s business is also subject to a number of risks and uncertainties that could cause actual developments to differ from the forward-looking statements, estimates or predictions in this Prospectus.

In light of the uncertainties and assumptions, it is also possible that the future events mentioned in this Prospectus may not occur or may differ materially from actual events. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third party sources could prove to be inaccurate. The foregoing may prevent MEIDAR GANEDEN from achieving its financial and strategic objectives.

See “*1 - RISK FACTORS*” for further description of some of the factors that could influence MEIDAR GANEDEN’s forward-looking statements.

The forward-looking statements contained in this Prospectus speak only as of the date on which they were made. Investors are advised that the Issuer does not assume any obligation and does not intend to, except as required by law, publicly release any updates or revisions to these forward-looking statements to reflect any change in MEIDAR GANEDEN’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based or to adjust them in line with future events or developments.

APPRAISER

The independent, external valuer Shalom Steinberg, Haifa, Israel has prepared condensed valuation reports on the fair value of the investment properties of the MEIDAR GANEDEN with a valuation date as of 31 December 2021 (the “**Valuation Reports**”).

The Issuer affirms that, as of the date of this Prospectus, no material change in the value of the investment properties appraised in the Valuation Reports has occurred since the above valuation date.

SOURCES OF MARKET DATA

Furthermore, this Prospectus contains industry related data taken or derived from industry and market research reports published by third parties (“**External Data**”) regarding the market environment, market developments, growth rates, market trends and competition in the markets in which MEIDAR GANEDEN operates, in particular, with respect to the real estate market in Israel, which are based on MEIDAR GANEDEN’s assessments. These assessments, in turn, are based in part on internal observations of the market and on various market studies. Commercial publications generally state that the information they contain originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations

contained therein are based on a series of assumptions. The External Data have not been independently verified by MEIDAR GANEDEN. The External Data was reproduced accurately by MEIDAR GANEDEN in the Prospectus, and as far as MEIDAR GANEDEN is aware and is able to ascertain from information published by any third party, no facts have been omitted that would render the reproduced External Data inaccurate or misleading. MEIDAR GANEDEN does not have access to the underlying facts and assumptions of numerical and market data and other information contained in publicly available sources. Consequently, such numerical and market data or other information cannot be verified by MEIDAR GANEDEN.

Irrespective of the assumption of responsibility for the content of this Prospectus by MEIDAR GANEDEN, the Issuer has not independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, MEIDAR GANEDEN makes no representation or warranty as to the accuracy of any such information from third-party studies. Prospective investors should note that MEIDAR GANEDEN's own estimates and statements of opinion and belief are not always based on studies of third parties.

To the extent information contained in this Prospectus has been sourced from third parties, such information has been accurately reproduced and as far as MEIDAR GANEDEN is aware and able to ascertain information published by that respective third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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SUMMARY OF THIS PROSPECTUS

Section A - Introduction containing warnings

This Prospectus (the “**Prospectus**”) relates to the offer of fixed-interest, non-subordinated, unsecured notes to the public issued in Euro with the International Securities Identification Number (“**ISIN**”) DE000A30VGV1 in the Federal Republic of Germany (“**Germany**”) and in the Grand Duchy of Luxembourg (“**Luxembourg**”).

Issuer and offeror of the Notes is Meidar GanEden Finance GmbH, Germany, Legal Entity Identifier (“**LEI**”) 984500A7TBFA80CMC221 having its registered office in Taunusanlage 9-10, 60329 Frankfurt am Main, Germany. Its telephone number is +49 69 505 060 4916 and its E-Mail address is: ir@ganeden.de) (the “**Issuer**” or the “**Company**”).

This Prospectus has been approved on 17 November 2022 by the competent authority for the approval of this Prospectus, the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) 283, route d'Arlon, L-1150 Luxembourg, (telephone: +352 26 25 1 - 1 (switchboard), facsimile: +352 26 25 1 - 2601, E-Mail: direction@cssf.lu) in Luxembourg.

This summary (the “**Summary**”) should be read as an introduction to this Prospectus. Any decision to invest in the securities of the Company should be based on consideration of the Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the Summary including any translations thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section B - Key information on the issuer

B.1 Who is the issuer of the securities?

Domicile, legal form, LEI, legislation, country of incorporation

The Issuer has its registered office at Taunusanlage 9-10, 60329 Frankfurt am Main, Germany. The Issuer was incorporated in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung - GmbH*) as a shelf company (*Vorratsgesellschaft*) under the corporate name “Youco F22-H251 Vorrats-GmbH” on 3 March 2022 in Germany and was entered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 126706. The Issuer's LEI number is 984500A7TBFA80CMC221. With resolution of the general meeting of the Issuer dated 3 June 2022, the Issuer was economically activated (*wirtschaftliche Neugründung*) and its corporate name was changed into “Meidar GanEden Finance GmbH”. The Issuer also operates in the market under the trade name “Meidar GanEden”.

The issuer's principal activities

The Issuer serves as a special purpose vehicle for financing purposes of real estate projects initiated by Meidar GanEden Ltd., Israel (“**Parent Company**”) and thus, the Issuer does not conduct relevant transactions or undertake any other own operational business. Therefore, the Issuer is dependent on the Parent Company.

Identity of the issuer's key managing directors

The Company's managing director (*Geschäftsführer*) with the sole power of representation (*Einzelvertretungsbefugnis*) is Mr. Doron Schneider.

The issuer's major shareholders, including whether it is directly or indirectly owned or controlled and by whom

As at the date of this Prospectus, the entire share capital of the Issuer is held by the Parent Company.

Identity of the issuer's statutory auditor

The Issuer's statutory auditor is Mr. Christian Theobald, partner of Küpper, Schaub & Partner mbB Wirtschaftsprüfer – Steuerberater, Ravenéstrasse 40, 56812 Cochem, Germany.

B.2 What is the key financial information regarding the issuer?

The following selected financial information of the Issuer has been taken or derived from the audited opening balance sheet of the Issuer as of 3 March 2022 (the “**Opening Balance Sheet**”). The Opening Balance Sheet was prepared in accordance with provisions of the German Commercial Code (*Handelsgesetzbuch* – “**HGB**”). The Opening Balance Sheet was audited by Mr. Christian Theobald, partner of Küpper, Schaub & Partner mbB - Wirtschaftsprüfer - Steuerberater, Germany, who issued an unqualified audit opinion (*Prüfungsvermerk*) thereon. Mr. Christian Theobald is a member of the Chamber of public auditors (*Wirtschaftsprüferkammer*), Berlin, Germany.

The Issuer's historical financial results are not necessarily indicative of the results that should be expected in the future.

Opening balance sheet information of the Issuer (balances in EUR) as at 3 March 2022 (date of incorporation)

ASSETS	EUR	LIABILITIES	EUR
Current assets		Equity	
Cash, bank balances	12,500.00	Subscribed capital ./.	25,000.00
		outstanding, uncalled deposits	12,500.00
Total assets	12,500.00	Total liabilities	12,500.00

B.3 What are the key risks that are specific to the issuer?

- The Issuer serves as a special purpose vehicle (“**SPV**”) for financing real estate projects for its Parent Company in Israel and bears risks arising from the financing structure of the Parent Company and its subsidiaries and is therefore dependent e.g. on financial resources and contributions of its Parent Company.
- Given that the Issuer was incorporated as a shelf-company, it only has a very limited operating history and may be subject to risks inherent in early stage companies, which may make it difficult for investors to evaluate its business and prospects.
- The Issuer may face challenges in planning and forecasting accurately as a result of its limited historical data and inexperience in implementing and evaluating its business strategies. The potential inability to successfully address these risks, difficulties and challenges as a result of its inexperience and limited operating history may have a negative impact on the Issuer's ability to implement its strategic initiatives, which may have a material adverse effect on its business, prospects, financial condition and results of operations.
- The Issuer's managing director (*Geschäftsführer*), Mr. Doron Schneider, is also a shareholder of the Issuer's direct shareholder, Meidar GanEden Ltd., Jerusalem, Israel. Hence, the interests of Mr. Doron Schneider could generally deviate from, or conflict with, the interests of the Issuer and the Noteholders. This could have adverse effects on MEIDAR GANEDEN's financial condition and operating results assets, and the ability of the Issuer to fulfil its payments under the Terms and Conditions of the Notes.

Section C – Key information on the securities

C.1 What are the main features of the securities?

Type, class and ISIN of the securities offered

The securities ((ISIN): DE000A30VGV1; (WKN): A30VGV) are fixed-interest bearer notes (in accordance with §§ 793 et seqq. German Civil Code (*Bürgerliches Gesetzbuch* - *BGB*)).

Currency, denomination, par value, the number of securities issued and the term of the securities

The currency of the securities issue is Euro/€. The Issuer issues up to 15,000 bearer notes with a principal amount of EUR 1,000.00 (the “**Principal Amount**”) (the “**Notes**” or each note the “**Note**”). The Notes are due on 7 December 2027.

Rights attached to the securities

Interest rate

Noteholders of the Notes are entitled to interest payments. The Notes will bear interest from 7 December 2022 (the “**Issue Date**”) (inclusive) until 7 December 2027 (exclusive) (the “**Maturity Date**”) at a rate of 7.00 % per annum. The interest shall be paid annually in arrears on 7 December of each year, *i.e.* initially on 7 December 2023. If the due date for the payment of interest is not a business day, the interest shall be payable on the next business day.

Repayment procedure

The Issuer will redeem the Notes on the Maturity Date at 100.00 % of their Principal Amount unless previously redeemed.

Early redemption rights of Noteholders

In the event of a change of control of the Issuer, the holders of the Notes (the “**Noteholders**”) have the right to require the Issuer to make an offer to redeem the Notes at a purchase price equal to 100.00 % of their principal amount, plus accrued and unpaid interest, if any, until, but excluding, the Redemption Date. The Terms and Conditions of the Notes also provide for a series of events of default entitling each holder of the Notes, if any such event of default continues, to declare all of its rights under the Notes due and payable by giving notice to the Issuer of its intention to redeem the Notes and (subject to certain exceptions) to demand immediate redemption of the principal amount of the Notes together with accrued and unpaid interest, if any, until (but excluding) the date of actual redemption. In particular, a default event occurs under the terms of the Notes if the Issuer defaults on payment.

Early termination rights of the Issuer

The Notes can be previously redeemed (Call) by the Issuer in accordance with the terms and conditions of the Notes at its discretion. In this case, repayment will be made in accordance with the terms and conditions of the Notes, depending on the choice of Call redemption date, either at 102.00 % (after three (3) years) or at 101.00 % (after four (4) years) (each a Call redemption amount) of the principal amount plus interest accrued before the date of repayment. In addition, the Issuer also has a right of early redemption for tax reasons and due to the insignificance of the outstanding principal amount in accordance with the terms and conditions of the Notes. If the Issuer exercises its right of early redemption of the Notes, the Noteholders of the Notes could achieve a lower yield than expected. This is particularly the case if investors can only reinvest the amount received from the redemption of the Notes at less favourable terms.

Ranking

The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other direct, unconditional and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

Limitations

If the tax laws applicable to the Issuer change in such a way that the Issuer is obliged to pay additional taxes or fees and this obligation cannot be avoided by taking reasonable measures, the Notes may be redeemed, in whole but not in part, at the Issuer's option at any time at their Principal Amount together with the interest accrued up to the date fixed for the redemption.

Restrictions on the free transferability of the securities

There are no restrictions on the free transferability of the Notes.

C.2 Where will the securities be traded?

The inclusion of the Notes to trading on the unregulated market (*Open Market – Quotation Board*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), which does not qualify as a regulated market for purposes of the Markets in Financial Instruments Directive II (Directive 2014/65/EU, “**MiFID II**”), is expected to take place on or around 14 December 2022.

C.3 Is there a guarantee attached to the securities?

Nature and scope of the guarantee

Meidar GanEden Ltd., Israel, being the parent company of the Issuer acts as guarantor (the “**Guarantor**” or “**Parent Company**”), unconditionally and irrevocably guarantees the due payment of interest and principal and additional amounts, if any, for the Notes under a guarantee for the benefit of the holders of the Notes dated 17 November 2022 (the “**Guarantee**”). The Guarantee is governed by German law.

Description of the Guarantor

The Guarantor is Meidar GanEden Ltd., Israel, a company with limited liability which was incorporated in June 2020 as a property holding company in Israel under Israel’s Companies Law 5769 – 1999 and is registered under registration number 516200441. The Guarantor has its registered office in Hartom 16, Jerusalem, Israel. The Guarantor’s LEI is 984500CEB2B77D69DE24.

Key financial information regarding the Guarantor

The following selected financial information of the Guarantor has been taken or derived from the audited consolidated financial statements of the Guarantor prepared in accordance with IFRS covering the fiscal year ended 31 December 2020 (year of incorporation) (the “**Audited Consolidated Guarantor Financial Statements 2020**”) and from the audited consolidated financial statements of the Guarantor prepared in accordance with IFRS covering the fiscal year ended 31 December 2021 (the “**Audited Consolidated Guarantor Financial Statements 2021**” the Audited Consolidated Guarantor Financial Statements 2020 and the Audited Consolidated Guarantor Financial Statements 2021 together the “**Audited Consolidated Guarantor Financial Statements**”) and the unaudited consolidated interim financial statements of the Guarantor as of and for the six-month period ended 30 June 2022 (the “**Unaudited Consolidated Guarantor Interim Financial Statements**”). The Consolidated Guarantor Financial Statements were audited by MOORE ISRAEL LION ORLTZKI, ELEPHANT MAHALLA CPA, 8 Hartom St. Har Hotzvim POB 45183 Jerusalem, which is a partnership registered in Israel with the I.D. No.: 540256773 and member of the Institute of Certified Public Accountants in Israel (ICPAI), 1 Montefiore Street, PO Box 29281, 61292 Tel-Aviv, Israel, who issued an unqualified audit opinion thereon. The Audited Consolidated Guarantor Financial Statements were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) applicable on the reporting date. The Unaudited Consolidated Guarantor Interim Financial Statements were prepared in accordance with IAS 34 International Accounting Standard. The aforementioned audited Consolidated Guarantor Financial Statements and the respective independent auditor’s report thereon as well as the Consolidated Guarantor Interim Financial Statements are included in this Prospectus.

Figures as set out in the Consolidated Guarantor Financial Statements are each presented in New Israeli Shekel. For ease of reference these figures are presented in Euro (EUR) and are calculated from NIS to EUR based on the exchange rate of the European Central Bank of NIS to Euro of 0.2545 and 0.2828 and 0.258 and 0.2748 as of 31 December 2020, as of 31 December 2021, as of 30 June 2021 and as of 30 June 2022, respectively.

Selected consolidated income information

	As of and for the fiscal year ended 31 December 2021 (in EUR) ¹ (audited)	As of and for the fiscal year ended 31 December 2020 (in EUR) ² (audited)	As of and for the six-month period ended 30 June 2022 (in EUR) ³ (unaudited)	As of and for the six-month period ended 30 June 2021 (in EUR) ⁴ (unaudited)
Operating profit (loss)	503,088	609,998	(376,033)	1,616
Revenue.....	1,488,107	772,756	204,271	302,204
Net profit per period (loss)	38,253	488,147	(591,533)	(60,560)

1 Based on exchange rate NIS into EUR of 0.2828 as of 31 December 2021.

2 Based on exchange rate NIS into EUR of 0.2545 as of 31 December 2020.

3 Based on exchange rate NIS into EUR of 0.2748 as of 30 June 2022.

4 Based on exchange rate NIS into EUR of 0.258 as of 30 June 2021.

Selected consolidated balance sheet information

	As at 31 December 2021 (in EUR) ¹ (audited)	As at 31 December 2020 (in EUR) ² (audited)	As at 30 June 2022 (in EUR) ³ (unaudited)
Net financial debt (long term debt plus short term debt minus cash)	9,756,481	507,549	10,431,595
Current and Non-current assets	14,472,822	4,804,449	14,607,001
Long-term loans	4,324,377	344,436	6,425,108
Equity	2,526,552	1,124,732	1,892,202

1 Based on exchange rate NIS into EUR of 0.2828 as of 31 December 2021.

2 Based on exchange rate NIS into EUR of 0.2545 as of 31 December 2020.

3 Based on exchange rate NIS into EUR of 0.2748 as of 30 June 2022.

Selected cash flow information

	As of and for the fiscal year ended 31 December 2021 (in EUR) ¹ (audited)	As of and for the fiscal year ended 31 December 2020 (in EUR) ² (audited)	As of and for the six-month period ended 30 June 2022 (in EUR) ³ (unaudited)	As of and for the six-month period ended 30 June 2021 (in EUR) ⁴ (unaudited)
Net cash flows from operating activities	(5,144,007)	(462,064)	(315,517)	(297,195)
Net cash flows from financing activities ...	11,521,243	1,102,030	1,096,307	1,637,464
Net cash flows from investment activities..	(5,123,876)	(580,646)	(548,558)	(496,716)

1 Based on exchange rate NIS into EUR of 0.2828 as of 31 December 2021.

2 Based on exchange rate NIS into EUR of 0.2545 as of 31 December 2020.

3 Based on exchange rate NIS into EUR of 0.2748 as of 30 June 2022.

4 Based on exchange rate NIS into EUR of 0.2583 as of 30 June 2021.

Most material risk factors specific to the Guarantor and the Guarantee

Risks related to the Guarantor's business

- The Guarantor is dependent on the availability of suitable real estate properties, in particular the availability of residential and/or commercial properties as well as land with optimization potential, when selecting and designing real estate projects. Natural limitation of land and correspondingly of suitable properties in Israel may lead to a significant price increase, which may in turn result in the unavailability of suitable properties at reasonable prices for a certain period of time or at all.
- When acquiring residential properties for the purpose of building a profitable residential real estate portfolio, the Guarantor could overestimate earning potential and underestimate development potential,

rental and cost risks, in particular, investment needs and, as a result, the Guarantor could pay an inflated purchase price.

- Under the purchase agreements entered into by the Guarantor with the sellers of the respective real estate or interest of the respective project company, various representations and warranties are normally made by the sellers. It is possible, however, that such representations and warranties do not cover risks and losses connected therewith or do not cover risks and losses connected therewith to the extent required.
- The Guarantor is exposed to risks relating to holding assets in different project companies.
- The Guarantor could wrongly perceive the attraction of a property to suitable tenants and as a result thereof fail to realize expected rental income.
- The Guarantor could be exposed to tenants demanding compensation payments for costs incurred as apartments were under renovation and/or construction.

Risks related to the Guarantor's market

- The Guarantor is dependent on the condition of the real estate market in Israel, which may deteriorate due to the overall economic environment and the economic development in its markets as well as other factors.
- The COVID-19 pandemic has led to significant volatility in financial and other markets and could materially adversely affect the Guarantor's business, financial condition and results of operations.
- The Guarantor is exposed to competition at all locations of its current operations from other real estate companies that also focus on the development and commercialization of residential and commercial real estate. It cannot be excluded that competitors may have greater financial resources or better financing capabilities in order to realize larger real estate projects or significantly more differentiated real estate projects in terms of use, or may have other competitive advantages.

C.4 What are the key risks that are specific to the securities?

- A market for the Notes does not exist prior to their issue. Furthermore, there is a lack of certainty of whether a solvent secondary market will emerge for the Notes, or - in the event of the emergence of such a market - whether the market will persist. In case of an illiquid market, an investor might not at any time be able to dispose of his Notes at an appropriate market price.
- A holder of the fixed-interest notes is particularly exposed to the risk that the price of these notes will fall due to changes in the market interest rate.

Section D – Key information on the offer of securities to the public and/or admission to trading on a regulated market

D.1 Under which condition and timetable can I invest in this security?

The offer is composed of a public offer in Luxembourg and Germany to be carried out exclusively by the Issuer via a subscription functionality on the Issuer's website under <https://ganden.de/bond> for the collection and processing of subscription orders (the "**Subscription Functionality**") and in Luxembourg additionally by placing an advertisement in the daily newspaper "*Tageblatt*" (the "**Public Offer**").

There will be no public offer outside Luxembourg and Germany. There are no pre-determined tranches of the Notes for the Offering. The minimum amount for subscription offers in the Public Offer is EUR 1,000.00 (corresponding to the nominal amount of one note). There is no maximum amount for subscription offers for Notes. There are no subscription or preferential subscription rights. There is therefore no procedure for the negotiability of subscription rights and the treatment of unexercised subscription rights. The purchase of the Notes is subject to the existence of a securities account into which the Notes can be booked. If no such securities account exists, it may be established at a credit institution or bank ("**Custodian**").

The period during which the Offer is made (the “**Offer Period**”) will commence on 18 November 2022 and will end (subject to early closure) on 16 November 2023 (at 12:00 noon CEST).

The Issuer reserves the right to shorten the Offer Period or to cancel the Public Offer ahead of schedule. The result of the offer will be published on the website of the Issuer (www.ganeden.de/bond) on or around 20 November 2023.

Plans for Distribution

The Public Offer is made to all potential investors in Germany and Luxembourg and is not restricted to specific categories of potential investors.

Estimate of the total expenses of the issue and/or the offer, including estimated expenses charged to the investor by the issuer or the offeror

The total costs of the issue amount to approximately EUR 250,000 (the “**Total Issue Costs**”). The Issuer will not charge the investor any costs incurred in connection with the issue of the Notes. The Depositaries will generally charge fees to the Noteholders for the execution of subscription orders. Potential Noteholders should obtain information on the amount of the respective fees in advance from their Custodian.

D.2 Why is this Prospectus being produced?

Reasons for the offer

The reason for the offer is to generate proceeds from the issuance of the Notes, which are subject matter of this Prospectus.

Purpose of proceeds and estimated net proceeds

After deduction of the Total Issue Costs, the Issuer will be left with Net Issue Proceeds in the amount of approximately **EUR 14,750,000** (the “**Net Issue Proceeds**”). The Issuer intends to use the Net Issue Proceeds for the following purposes:

- MEIDAR GANEDEN intends to use **approximately EUR 4,500,000** of the Net Proceeds to finance the development costs, especially the direct planning and construction costs, associated with its project in its Project Development Area and Holdings and Management Area in Herzel Street in Rehovot.
- MEIDAR GANEDEN intends to use **approximately EUR 3,000,000** of the Net Proceeds to finance the development costs associated with its project in its Project Development Area and Holdings and Management Area in Zabutinsty Street in Bnei Brak Batachana.
- MEIDAR GANEDEN intends to use **approximately EUR 1,400,000** of the Net Proceeds to finance its project in its Urban Renewal Area in Jerusalem Armon Hanatziv, especially for the planning and approval costs.
- MEIDAR GANEDEN intends to use **approximately EUR 4,800,000** of the Net Proceeds to finance its project in Ashdod, especially the costs to set up the property for operations (e.g. fences, offices and equipment).
- MEIDAR GANEDEN intends to use **approximately EUR 1,050,000** for financing current costs.

To the extent and as long as the Net Proceeds will only amount approximately EUR 4,750,000, MEIDAR GANEDEN intends to use **approximately EUR 1,500,000** for the Project Rehovot Herzel Street, **approximately EUR 1,000,000** for the Project Bnei Brak Batachana, **approximately EUR 500,000** for the Project Armon Hanatziv, **approximately EUR 750,000** for the Project Ashdod and **approximately EUR 1,000,000** for the financing of the current costs.

To the extent and as long as the Net Proceeds will only amount approximately EUR 9,750,000, MEIDAR GANEDEN intends to use **approximately EUR 3,000,000** for the Project Rehovot Herzel Street, **approximately EUR 2,000,000** for the Project Bnei Brak Batachana, **approximately EUR 1,000,000** for the Project Armon Hanatziv, **approximately EUR 2,750,000** for the Project Ashdod and **approximately EUR 1,000,000** for the financing of the current costs.

Underwriting agreement

The issue of the Notes is not subject to an underwriting agreement.

Interests material to the issuer/offering including conflicting interests

The interests of the Issuer's direct shareholder, Meidar GanEden Limited, do not necessarily correspond to the interests of the Noteholders. The entire share capital of the Issuer is held by Meidar GanEden Limited. The interests of the Issuer's shareholder could conflict with the interests of the holders of the Notes.

As a managing director of the Issuer and a shareholder of the Issuer's parent company (Meidar GanEden Limited), Mr. Doron Schneider has significant influence on the Issuer's governance, and the interests of the Issuer's parent company could conflict with the interests of the Noteholders. The Issuer's managing director (Geschäftsführer), Mr. Doron Schneider, is also a shareholder of the Issuer's direct shareholder, Meidar GanEden Limited. Hence, the interests of Mr. Doron Schneider could generally deviate from, or conflict with, the interests of the Issuer and the Noteholders.

The Issuer has appointed ODDO BHF SE, Frankfurt am Main, Germany, with business address at Bockenheimer Landstraße 10, 60323 Frankfurt am Main ("**ODDO BHF**"), *inter alia*, to assist in the technical processing of the purchase orders via the Subscription Functionality and as paying agent. ODDO BHF therefore has a contractual relationship with the Issuer in connection with the offer and the listing of the Notes. Upon successful completion of the offer, ODDO BHF will receive a remuneration, the amount of which depends, *inter alia*, on the total nominal amount of Notes placed in the offer. In this respect, ODDO BHF also has an economic interest in the successful implementation of the offer, from which a potential conflict of interest may arise.

DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG DES PROSPEKTS

Abschnitt A – Einleitung und Warnhinweise

Dieser Prospekt (der „**Prospekt**“) bezieht sich auf das öffentliche Angebot von festverzinslichen, nicht nachrangigen, besicherten Schuldverschreibungen in Euro mit der internationalen Wertpapierkennnummer („**ISIN**“) DE000A30VGV1 in der Bundesrepublik Deutschland („**Deutschland**“) und im Großherzogtum Luxemburg („**Luxemburg**“).

Emittentin und Anbieterin der Schuldverschreibungen ist Meidar GanEden Finance GmbH, Legal Entity Identifier („**LEI**“) 984500A7TBFA80CMC221, mit satzungsmäßigem Sitz in Frankfurt am Main und Geschäftsadresse in Taunusanlage 9–10, 60329 Frankfurt am Main, Deutschland. Die Telefonnummer lautet +49 69 505 060 4916, und die E-Mail-Adresse lautet ir@ganeden.de (die „**Emittentin**“ oder die „**Gesellschaft**“).

Dieser Prospekt wurde am 17. November 2022 von der zuständigen Behörde für die Genehmigung dieses Prospektes, der Commission de Surveillance du Secteur Financier („**CSSF**“) 283, route d'Arlon, L-1150 Luxemburg, (Telefon: +352 26 25 1 - 1 (Telefonzentrale), Fax: +352 26 25 1 - 2601, E-Mail: direction@cssf.lu) in Luxemburg gebilligt.

Diese Zusammenfassung („**Zusammenfassung**“) sollte als Einleitung zu diesem Prospekt verstanden werden. Bei jeder Entscheidung, in die Wertpapiere, die Gegenstand dieses Prospekts sind zu investieren, sollte sich der Anleger auf den Prospekt als Ganzes stützen. Die Anleger können ihr investiertes Kapital ganz oder teilweise verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in einem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

Abschnitt B - Wichtige Informationen über den Emittenten

B.1 Wer ist die Emittentin der Wertpapiere?

Sitz, Rechtsform, LEI, Jurisdiktion, Gründungsland

Die Emittentin hat ihren satzungsmäßigen Sitz in Taunusanlage 9–10, 60329 Frankfurt am Main, Deutschland. Die Emittentin wurde in der Rechtsform einer Gesellschaft mit beschränkter Haftung (GmbH) als Vorratsgesellschaft unter der Firma „Youco F22-H251 Vorrats-GmbH“ am 3. März 2022 in Deutschland gegründet und in das Handelsregister des Amtsgerichts Frankfurt am Main unter der Registernummer HRB 126706 eingetragen. Der Emittentin LEI Nummer lautet 984500A7TBFA80CMC221. Mit Gesellschafterbeschluss der Gesellschafterversammlung der Emittentin vom 3. Juni 2022 hat diese ihre wirtschaftliche Neugründung beschlossen und ihre Firma geändert in „Meidar GanEden Finance GmbH“. Die Emittentin tritt auch im Markt unter dem Handelsnamen „Meidar GanEden“ auf.

Die Haupttätigkeit der Emittentin

Die Emittentin dient als Zweckgesellschaft für die Finanzierung von Immobilienprojekten der Meidar GanEden Ltd., Israel („**Muttergesellschaft**“), sodass die Emittentin keinen entsprechenden Betrieb führt und auch sonst kein eigenes operatives Geschäft unternimmt. Daher ist die Emittentin von der Muttergesellschaft abhängig.

Identität der wichtigsten Geschäftsführer der Emittentin

Der Geschäftsführer mit Alleinvertretungsbefugnis ist Herr Doron Schneider.

Der Hauptgesellschafter der Emittentin, einschließlich der Angabe, ob sie sich direkt oder indirekt in seinem Besitz oder unter seiner Kontrolle befindet und von wem

Zum Zeitpunkt der Erstellung dieses Prospektes ist die Muttergesellschaft Alleingesellschafterin der Emittentin.

Identität des satzungsgemäßen Abschlussprüfers der Emittentin

Der satzungsgemäße Abschlussprüfer der Emittentin ist Herr Christian Theobald, Partner der Kanzlei Küpper, Schaub & Partner mbB Wirtschaftsprüfer — Steuerberater, Ravenéstrasse 40, 56812 Cochem, Deutschland.

B.2 Was sind die wichtigsten Finanzinformationen über die Emittentin?

Die folgenden ausgewählten Finanzinformationen der Emittentin sind der geprüften Eröffnungsbilanz der Emittentin zum 3. März 2022 (die „**Eröffnungsbilanz**“) entnommen oder daraus abgeleitet. Die Eröffnungsbilanz wurde nach den Vorschriften des deutschen Handelsgesetzbuches (HGB) aufgestellt.

Die Eröffnungsbilanz wurde von Herrn Christian Theobald, Partner der Kanzlei Küpper, Schaub & Partner mbB Wirtschaftsprüfer – Steuerberater, Deutschland, geprüft, der hierzu einen uneingeschränkten Bestätigungsvermerk erteilt hat. Herr Christian Theobald ist Mitglied der Wirtschaftsprüferkammer, Berlin, Deutschland.

Die historischen Finanzergebnisse der Emittentin sind nicht notwendigerweise ein Indikator für die zu erwartenden Ergebnisse in der Zukunft.

Angaben zur Eröffnungsbilanz der Emittentin (Salden in EUR) zum 3. März 2022 (Tag der Gründung)

AKTIVA	EUR	PASSIVA	EUR
Umlaufvermögen		Eigenkapital	
Kassenbestand, Guthaben bei Kreditinstituten	12.500,00	gezeichnetes Kapital	25.000,00
		./. ausstehende, nicht eingeforderte Einlagen	12.500,00
Summe Aktiva	12.500,00	Summe Passiva	12.500,00

B.3 Welche sind die Hauptrisiken, die dem Emittenten innewohnen?

- Die Emittentin dient als Zweckgesellschaft („**SPV**“) zur Finanzierung von Immobilienprojekten für ihre Muttergesellschaft in Israel und trägt Risiken, die sich aus der Finanzierungsstruktur der Muttergesellschaft und ihrer Tochtergesellschaften ergeben, und ist daher u.a. von finanziellen Mitteln und Beiträgen ihrer Muttergesellschaft abhängig, beispielsweise von finanziellen Ressourcen und Beiträgen der Muttergesellschaft.
- Da die Emittentin ursprünglich als Vorratsgesellschaft erworben wurde, hat sie nur auf eine sehr begrenzte Geschäftstätigkeit zurückblicken und trägt die Risiken, die für Unternehmen in der Frühphase inhärent sind, was es den Anlegern erschweren kann, die Geschäftstätigkeit und die Aussichten zu beurteilen.
- Die Emittentin könnte sich Herausforderungen in Planung und genaue Vorhersagen gegenüber sehen, welche aus den beschränkten historischen Daten und der Unerfahrenheit im Einführen und Bewerten ihrer Unternehmensstrategien ergeben. Die potenzielle Unfähigkeit, diese Risiken, Schwierigkeiten und Herausforderungen aufgrund ihrer Unerfahrenheit und begrenzten Betriebserfahrung erfolgreich zu bewältigen, kann sich negativ auf die Fähigkeit der Emittentin auswirken, ihre strategischen Initiativen umzusetzen, was erhebliche nachteilige Auswirkungen auf ihre Geschäftstätigkeit, ihre Aussichten, ihre Finanzlage und ihr Betriebsergebnis haben kann.
- Der Geschäftsführer der Emittentin, Herr Doron Schneider, ist auch Gesellschafter der Muttergesellschaft, Meidar GanEden Ltd., Jerusalem, Israel. Daher könnten die Interessen von Herrn Doron Schneider im Allgemeinen von den Interessen der Emittentin und der Anleihegläubiger abweichen oder mit diesen in Konflikt geraten. Dies könnte nachteilige Auswirkungen auf die Finanzlage und das Betriebsergebnis von MEIDAR GANEDEN sowie auf die Fähigkeit der Emittentin haben, ihre Zahlungen gemäß den Anleihebedingungen zu erfüllen.

Abschnitt C – Wichtige Informationen zu den Wertpapieren

C.1 Was sind die wichtigsten Merkmale der Wertpapiere?

Art, Gattung und ISIN der angebotenen Wertpapiere

Die Wertpapiere ((ISIN): DE000A30VGV1; (WKN): A30VGV) sind festverzinsliche Inhaberschuldverschreibungen (gem. §§ 793 ff. BGB).

Währung, Stückelung, Nennwert, Anzahl der ausgegebenen Wertpapiere und Laufzeit der Wertpapiere

Die Währung der Wertpapieremission ist Euro/€. Die Emittentin begibt bis zu 15.000 Inhaberschuldverschreibungen mit einem Nennbetrag von jeweils EUR 1.000,00 (der „**Nennbetrag**“). Die Schuldverschreibungen sind am 7. Dezember 2027 fällig.

Mit den Wertpapieren verbundene Rechte

Zinssatz

Die Inhaber der Schuldverschreibungen haben Anspruch auf Zinszahlungen. Die Schuldverschreibungen werden vom 7. Dezember 2022 (der „**Begebungstag**“) (einschließlich) bis zum 7. Dezember 2027 (ausschließlich) (der „**Fälligkeitstag**“) mit einem Zinssatz von 7,00 % p. a. verzinst. Die Zinsen sind jährlich nachträglich am 7. Dezember eines jeden Jahres, d. h. erstmals am 7. Dezember 2023, zu zahlen. Fällt der Fälligkeitstag für die Zahlung der Zinsen nicht auf einen Geschäftstag, so sind die Zinsen am nächsten Geschäftstag zu zahlen.

Rückzahlungsverfahren

Die Emittentin wird die Schuldverschreibungen am Fälligkeitstag zu 100,00 % ihres Nennbetrags zurückzahlen, sofern sie nicht vorher zurückgezahlt werden.

Vorzeitige Rückzahlungsrechte der Anleihegläubiger

Im Falle eines Kontrollwechsels bei der Emittentin haben die Inhaber der Schuldverschreibungen (die „**Anleihegläubiger**“) das Recht, von der Emittentin ein Angebot zur Rückzahlung der Schuldverschreibungen zu einem Kaufpreis in Höhe von 100,00 % ihres Nennbetrags zuzüglich etwaiger aufgelaufener und nicht gezahlter Zinsen bis zum Rückzahlungstag, jedoch ausschließlich, zu verlangen. Die Schuldverschreibungsbedingungen sehen auch eine Reihe von Verzugsereignissen vor, die jeden Inhaber der Schuldverschreibungen berechtigen, bei Fortbestehen eines solchen Verzugsereignisses alle seine Rechte aus den Schuldverschreibungen für fällig und zahlbar zu erklären, indem er der Emittentin seine Absicht mitteilt, die Schuldverschreibungen zurückzuzahlen, und (vorbehaltlich bestimmter Ausnahmen) die sofortige Rückzahlung des Nennbetrags der Schuldverschreibungen zuzüglich aufgelaufener und gegebenenfalls nicht gezahlter Zinsen bis zum Tag der tatsächlichen Rückzahlung (jedoch ausschließlich) zu verlangen. Ein Ausfallereignis tritt nach den Bedingungen der Schuldverschreibungen insbesondere dann ein, wenn die Emittentin mit der Zahlung in Verzug gerät.

Vorzeitige Kündigungsrechte der Emittentin

Die Schuldverschreibungen können von der Emittentin in Übereinstimmung mit den Schuldverschreibungsbedingungen nach eigenem Ermessen vorzeitig zurückgezahlt werden (Call). In diesem Fall erfolgt die Rückzahlung gemäß den Schuldverschreibungsbedingungen je nach Wahl des Call-Rückzahlungstermins entweder zu 102,00 % (nach drei (3) Jahren) oder zu 101,00 % (nach vier (4) Jahren) (jeweils ein Call-Rückzahlungsbetrag) des Nennbetrags zuzüglich der bis zum Rückzahlungstermin aufgelaufenen Zinsen. Darüber hinaus hat die Emittentin ein Recht auf vorzeitige Rückzahlung aus steuerlichen Gründen und wegen Geringfügigkeit des ausstehenden Kapitalbetrags gemäß den Anleihebedingungen. Sollte die Emittentin von ihrem Recht auf vorzeitige Rückzahlung der Schuldverschreibungen Gebrauch machen, könnten die Inhaber der Schuldverschreibungen eine geringere Rendite als erwartet erzielen. Dies ist insbesondere dann der Fall, wenn die Anleger den aus der Rückzahlung der Schuldverschreibungen erhaltenen Betrag nur zu ungünstigeren Bedingungen wieder anlegen können.

Rangfolge

Die Verpflichtungen aus den Schuldverschreibungen stellen unmittelbare, unbedingte, besicherte und nicht nachrangige Verpflichtungen der Emittentin dar, die untereinander gleichrangig sind, einer Besicherung unterliegen und gleichrangig mit allen anderen unmittelbaren, unbedingten und nicht nachrangigen Verpflichtungen der Emittentin sind, sofern diesen Verpflichtungen nicht aufgrund zwingender gesetzlicher Vorschriften ein Vorrang eingeräumt wird.

Einschränkungen

Ändern sich die auf die Emittentin anwendbaren Steuergesetze in der Weise, dass die Emittentin zur Zahlung zusätzlicher Steuern oder Gebühren verpflichtet ist und diese Verpflichtung nicht durch zumutbare Maßnahmen vermieden werden kann, können die Schuldverschreibungen nach Wahl der Emittentin jederzeit ganz, jedoch nicht teilweise, zu ihrem Nennbetrag zuzüglich der bis zu dem für die Rückzahlung festgesetzten Tag aufgelaufenen Zinsen zurückgezahlt werden.

Beschränkungen der freien Übertragbarkeit der Schuldverschreibungen

Es gibt keine Beschränkungen der freien Übertragbarkeit der Schuldverschreibungen.

C.2 Wo werden die Wertpapiere gehandelt?

Die Einbeziehung der Schuldverschreibungen in den Handel im Freiverkehr (Open Market - Quotation Board) der Frankfurter Wertpapierbörse, der nicht als geregelter Markt im Sinne der Richtlinie über Märkte für Finanzinstrumente II (Richtlinie 2014/65/EU, „**MiFID II**“) gilt, wird voraussichtlich am 14. Dezember 2022 erfolgen.

C.3 Ist mit den Wertpapieren eine Garantie verbunden?

Art und Umfang der Garantie

Meidar GanEden Ltd. Israel, die Muttergesellschaft der Emittentin, handelt als Garantin (die „**Garantin**“ oder „**Muttergesellschaft**“) und garantiert bedingungslos und unwiderruflich die fällige Zahlung von Zinsen und Kapital sowie etwaiger zusätzlicher Beträge für die Schuldverschreibungen im Rahmen einer Garantie zugunsten der Inhaber der Schuldverschreibungen vom 17. November 2022 (die „**Garantie**“). Die Garantie unterliegt deutschem Recht.

Beschreibung der Garantin

Die Garantin ist die Meidar GanEden Ltd., Israel, eine Gesellschaft mit beschränkter Haftung, die im Juni 2020 als Immobilien-Holdinggesellschaft gegründet wurde und in Israel gemäß dem israelischen Unternehmensgesetz 5769 - 1999 unter der Registrierungsnummer 516200441 registriert ist. Die Garantin hat ihren satzungsmäßigen Sitz in Hartom 16, Jerusalem, Israel. Die LEI der Garantin lautet 984500CEB2B77D69DE24.

Wichtige Finanzinformationen über die Garantin

Die folgenden ausgewählten Finanzinformationen der Garantin wurden dem geprüften, nach IFRS erstellten konsolidierten Jahresabschluss der Garantin für das am 31. Dezember 2020 (Jahr der Gründung) endende Geschäftsjahr (der „**Geprüfte Konzernabschluss 2020 der Garantin**“) und dem geprüften, nach IFRS erstellten konsolidierten Jahresabschluss der Garantin für das am 31. Dezember 2021 endende Geschäftsjahr (der „**Geprüfte Konzernabschluss 2021 der Garantin**“, der Geprüfte Konzernabschluss 2020 der Garantin und der Geprüfte Konzernabschluss 2021 der Garantin zusammen die „**Geprüften Konzernabschlüsse der Garantin**“) sowie dem ungeprüften Konzernzwischenabschluss der Garantin zum und für den Sechs-Monatszeitraum zum 30. Juni 2022 (der „**Ungeprüfte Konzernzwischenabschluss der Garantin**“) entnommen oder daraus abgeleitet. Die Geprüften Konzernabschlüsse der Garantin wurden von MOORE ISRAEL LION ORLTZKI, ELEPHANT MAHALLA CPA, 8 Hartom St. Har Hotzvim POB 45183 Jerusalem, die als Partnerschaft in Israel unter der I.D. Nummer: 540256773 registriert ist und Mitglied des Institute of Certified Public Accountants in Israel (ICPAI), 1 Montefiore Street, PO Box 29281, 61292 Tel-Aviv, Israel, ist, geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen. Die Geprüften Konzernabschlüsse der Garantin wurden in Übereinstimmung mit den „International Financial Reporting Standards“, wie sie von der Europäischen Union übernommen wurden („**IFRS**“), wie am

jeweiligen Stichtag gültig, erstellt. Der Ungeprüfte Konzernzwischenabschluss der Garantin wurde in Übereinstimmung mit IAS 34 International Accounting Standards erstellt. Die Konzernabschlüsse der Garantin und die entsprechenden Bestätigungsvermerke der unabhängigen Wirtschaftsprüfer sowie der Ungeprüfte Konzernzwischenabschluss der Garantin sind in diesem Prospekt enthalten.

Die Zahlen in den Konzernabschlüssen der Garantin sowie dem Ungeprüften Konzernzwischenabschluss der Garantin sind jeweils in Neue Israelischen Schekel („NIS“) angegeben. Der Einfachheit halber werden diese Zahlen in Euro (EUR) angegeben und auf der Grundlage des Wechselkurses der Europäischen Zentralbank von NIS zu Euro von 0,2545 bzw. 0,2828 bzw. 0,258 bzw. 0,2748 zum 31. Dezember 2020 bzw. zum 31. Dezember 2021 bzw. zum 30. Juni 2021 bzw. zum 30. Juni 2022 berechnet.

Ausgewählte konsolidierte Einkommensinformationen

	Für das Geschäftsjahr zum 31. Dezember	Für das Geschäftsjahr zum 31. Dezember	Für den Sechs- Monatszeitraum zum 30. Juni	Für den Sechs- Monatszeitraum zum 30. Juni
	2021	2020	2022	2021
	(in EUR) ¹	(in EUR) ²	(in EUR) ³	(in EUR) ⁴
	(geprüft)	(geprüft)	(ungeprüft)	(ungeprüft)
Operativer Gewinn / (Verlust)	503.088	609.998	(376.033)	1616
Umsatz	1.488.107	772.756	204.271	302.204
Reingewinn / Verlust pro Periode	38.253	488.147	(591.533)	(60.560)

1 Basierend auf einem Wechselkurs von NIS in EUR von 0,2828 zum 31. Dezember 2021.

2 Basierend auf einem Wechselkurs von NIS in EUR von 0,2545 zum 31. Dezember 2020.

3 Basierend auf einem Wechselkurs NIS in EUR von 0,2748 zum 30. Juni 2022.

4 Basierend auf einem Wechselkurs NIS in EUR von 0,258 zum 30. Juni 2021.

Ausgewählte Informationen zur konsolidierten Bilanz

	Zum 31. Dezember	Zum 31. Dezember	Zum 30. Juni
	2021	2020	2022
	(in EUR) ¹	(in EUR) ²	(in EUR) ³
	(geprüft)	(geprüft)	(ungeprüft)
Nettofinanzverbindlichkeiten (Langzeitschulden plus Kurzeitschulden minus Bargeld)	9.756.481	507.549	10.431.595
Kurz- und langfristige Vermögenswerte	14.472.822	4.804.449	14.607.001
Langfristige Verbindlichkeiten	4.324.377	344.436	6.425.108
Eigenkapital	2.526.552	1.124.732	1.892.202

1 Basierend auf einem Wechselkurs NIS in EUR von 0,2828 zum 31. Dezember 2021.

2 Basierend auf einem Wechselkurs NIS in EUR von 0,2545 zum 31. Dezember 2020.

3 Basierend auf einem Wechselkurs NIS in EUR von 0,2748 zum 30. Juni 2022.

	Für das Geschäftsjahr zum 31. Dezember	Für das Geschäftsjahr zum 31. Dezember	Für den Sechs- Monatszeitraum zum 30. Juni	Für den Sechs- Monatszeitraum zum 30. Juni
	2021	2020	2022	2021
	(in EUR) ¹	(in EUR) ²	(in EUR) ³	(in EUR) ⁴
	(geprüft)	(geprüft)	(ungeprüft)	(ungeprüft)
Netto Kapitalfluss aus operativer Tätigkeit	(5.144.007)	(462.064)	(315.517)	(297.195)
Netto Kapitalfluss aus Finanzierungstätigkeit	11.521.243	1.102.030	1.096.307	1.637.464
Netto Kapitalfluss aus Investitionstätigkeit	(5.123.879)	(580.646)	(548.558)	(496.716)

1 Basierend auf einem Wechselkurs NIS in EUR von 0,2828 zum 31. Dezember 2021.

2 Basierend auf einem Wechselkurs NIS in EUR von 0,2545 zum 31. Dezember 2020.

3 Basierend auf einem Wechselkurs NIS in EUR von 0,2748 zum 30. Juni 2022.

4 Basierend auf einem Wechselkurs NIS in EUR von 0,2583 zum 30. Juni 2021

Wesentliche Risikofaktoren der Garantin und der Garantie

Risiken im Zusammenhang mit der Geschäftstätigkeit der Garantin

- Die Garantin ist abhängig von der Verfügbarkeit von geeigneten Immobilien, insbesondere der Verfügbarkeit von Wohn- und/oder Gewerbeimmobilien sowie von Grundstücken mit Optimierungspotenzial, bei der Auswahl und Gestaltung von Immobilienprojekten. Die natürliche Verknappung von Grund und Boden und damit auch von geeigneten Immobilien in Israel kann zu einem erheblichen Preisanstieg führen, was wiederum dazu führen kann, dass geeignete Immobilien zu angemessenen Preisen für einen bestimmten Zeitraum oder überhaupt nicht verfügbar sind.
- Beim Erwerb von Wohnimmobilien zum Aufbau eines rentablen Wohnimmobilienportfolios könnte die Garantin das Ertragspotenzial überschätzen und das Entwicklungspotenzial, die Miet- und Kostenrisiken und insbesondere den Investitionsbedarf unterschätzen, so dass die Garantin einen überhöhten Kaufpreis zahlen könnte.
- In den Kaufverträgen, die die Garantin mit den Verkäufern der jeweiligen Immobilie oder Beteiligung der jeweiligen Projektgesellschaft abschließt, werden normalerweise verschiedene Zusicherungen und Gewährleistungen von den Verkäufern abgegeben. Es ist jedoch möglich, dass diese Zusicherungen und Garantien die damit verbundenen Risiken und Verluste nicht oder nicht in dem erforderlichen Umfang abdecken.
- Die Garantin ist Risiken im Zusammenhang mit dem Halten von Vermögenswerten in verschiedenen Projektgesellschaften ausgesetzt.
- Die Garantin könnte die Attraktivität einer Immobilie für geeignete Mieter falsch einschätzen und dadurch die erwarteten Mieteinnahmen nicht erzielen.
- Die Garantin könnte damit konfrontiert werden, dass Mieter Entschädigungszahlungen für Kosten verlangen, die während der Renovierung und/oder des Baus von Wohnungen entstanden sind.

Risiken in Bezug auf den Markt der Garantin

- Die Garantin ist abhängig von der Situation des Immobilienmarktes in Israel, die sich aufgrund des allgemeinen wirtschaftlichen Umfelds und der wirtschaftlichen Entwicklung in ihren Märkten sowie aufgrund anderer Faktoren verschlechtern kann.
- Die COVID-19-Pandemie hat zu einer erheblichen Volatilität auf den Finanz- und anderen Märkten geführt, und könnte wesentlich nachteilig die Geschäft- Finanz und Ertragslage beeinflussen.
- Die Garantin ist dem Wettbewerb an allen Standorten ihrer derzeitigen Geschäftstätigkeit durch andere Immobilienunternehmen ausgesetzt, die sich ebenfalls auf die Entwicklung und Vermarktung von Wohn- und Gewerbeimmobilien konzentrieren. Es kann nicht ausgeschlossen werden, dass Konkurrenten über größere finanzielle Ressourcen oder bessere Finanzierungsmöglichkeiten verfügen, um größere Immobilienprojekte oder hinsichtlich der Nutzung wesentlich differenziertere Immobilienprojekte zu realisieren, oder andere Wettbewerbsvorteile haben.

C.4 Welches sind die Hauptrisiken, die mit den Wertpapieren verbunden sind?

- Ein Markt für die Schuldverschreibungen existiert vor ihrer Emission nicht. Darüber hinaus besteht keine Gewissheit darüber, ob sich ein solventer Sekundärmarkt für die Schuldverschreibungen herausbilden wird, oder – im Falle des Entstehens eines solchen Marktes – ob der Markt bestehen wird. Im Falle eines illiquiden Marktes könnte ein Anleger nicht zu jeder Zeit in der Lage sein, seine Schuldverschreibungen zu einem angemessenen Marktpreis zu veräußern.
- Ein Inhaber der festverzinslichen Schuldverschreibungen ist insbesondere dem Risiko ausgesetzt, dass der Kurs dieser Schuldverschreibungen aufgrund von Änderungen des Marktzinssatzes fällt.

Abschnitt D – Wichtige Informationen über das öffentliche Angebot von Wertpapieren und/oder die Zulassung zum Handel an einem geregelten Markt

D.1 Unter welchen Bedingungen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Das Angebot setzt sich zusammen aus einem öffentlichen Angebot in Luxemburg und Deutschland, das ausschließlich durch den Emittenten über eine Zeichnungsfunktionalität auf der Website des Emittenten unter <https://ganneden.de/bond> zur Erfassung und Abwicklung von Zeichnungsaufträgen (die „**Zeichnungsfunktion**“) und in Luxemburg zusätzlich durch Schaltung einer Anzeige in der Tageszeitung „*Tageblatt*“ durchgeführt wird (das „**Öffentliche Angebot**“).

Es wird kein öffentliches Angebot außerhalb von Luxemburg und Deutschland geben. Für das Angebot gibt es keine vorher festgelegten Tranchen der Schuldverschreibungen. Der Mindestbetrag für Zeichnungsangebote im Rahmen des öffentlichen Angebots beträgt EUR 1.000,00 (entspricht dem Nennbetrag einer Schuldverschreibung). Es gibt keinen Höchstbetrag für Zeichnungsangebote für Schuldverschreibungen. Es bestehen keine Bezugs- oder Vorzugszeichnungsrechte. Es gibt daher kein Verfahren für die Handelbarkeit von Bezugsrechten und die Behandlung von nicht ausgeübten Bezugsrechten. Der Erwerb der Schuldverschreibungen setzt das Vorhandensein eines Wertpapierdepots voraus, in das die Schuldverschreibungen eingebucht werden können. Falls ein solches Depot nicht existiert, kann es bei einem Kreditinstitut oder einer Bank („**Depotbank**“) eingerichtet werden.

Der Zeitraum, in dem das Angebot unterbreitet wird (der „**Angebotszeitraum**“), beginnt am 18. November 2022 und endet (vorbehaltlich einer vorzeitigen Schließung) am 16. November 2023 (um 12:00 Uhr MESZ).

Die Emittentin behält sich das Recht vor, den Angebotszeitraum zu verkürzen oder das Öffentliche Angebot vorzeitig zu beenden. Das Ergebnis des Angebots wird am oder um den 20. November 2023 auf der Website des Emittenten (www.ganneden.de/bond) veröffentlicht werden.

Pläne für den Vertrieb

Das öffentliche Angebot richtet sich an alle potenziellen Investoren in Deutschland und Luxemburg und ist nicht auf bestimmte Kategorien von potenziellen Investoren beschränkt.

Schätzung der Gesamtkosten der Emission und/oder des Angebots, einschließlich der geschätzten Kosten, die dem Anleger von der Emittentin oder dem Bieter in Rechnung gestellt werden

Die Gesamtkosten der Emission belaufen sich auf etwa EUR 250.000 (die „**Gesamtemissionskosten**“). Die Emittentin wird dem Anleger keine Kosten in Rechnung stellen, die im Zusammenhang mit der Emission der Schuldverschreibungen anfallen. Die Verwahrstellen werden den Anleihegläubigern in der Regel Gebühren für die Ausführung von Zeichnungsaufträgen in Rechnung stellen. Potenzielle Anleihegläubiger sollten sich vorab bei ihrer Depotbank über die Höhe der jeweiligen Gebühren informieren.

D.2 Weshalb wird dieser Prospekt erstellt?

Gründe für das Angebot

Der Grund für das Angebot ist die Erzielung von Erlösen aus der Emission der Schuldverschreibungen, die Gegenstand dieses Prospekts sind.

Zweck der Erlöse und geschätzte Nettoerlöse

Nach Abzug der gesamten Emissionskosten verbleibt der Emittentin ein Nettoemissionserlös in Höhe von ca. **EUR 14.750.000** (der „**Nettoemissionserlös**“). Die Emittentin beabsichtigt, den Nettoemissionserlös für die folgenden Zwecke zu verwenden:

- MEIDAR GANEDEN beabsichtigt, **ca. EUR 4.500.000** des Nettoerlöses zur Finanzierung der Entwicklungskosten im Zusammenhang mit dem Projekt in der Herzel Street in Rehovot zu verwenden, insbesondere für die direkten Planungs- und Konstruktionskosten.

- MEIDAR GANEDEN beabsichtigt, **ca. EUR 3.000.000** des Nettoerlöses zur Finanzierung der Entwicklungskosten im Zusammenhang mit dem Projekt in der Zabutinsty Straße in Bnei Brak Batachana zu verwenden.
- MEIDAR GANEDEN beabsichtigt, **ca. EUR 1.400.000** des Nettoerlöses zur Finanzierung des Projects in Jerusalem Armon Hanatziv zu verwenden, insbesondere für die Planung und das Genehmigungsverfahren.
- MEIDAR GANEDEN beabsichtigt, **ca. EUR 4.800.000** des Nettoerlöses zur Finanzierung des Projekts in Ashdod zu verwenden, insbesondere um die Immobilie betriebsbereit zu machen (z.B. Umzäunung, Büro- und Materialkosten).
- MEIDAR GANEDEN beabsichtigt, **ca. EUR 1.050.000** des Nettoerlöses zur Finanzierung der laufenden Kosten zu verwenden.

Soweit und solange der Nettoerlös nur **ca. EUR 4.750.000** beträgt, beabsichtigt MEIDAR GANEDEN, **ca. EUR 1.500.000** für das Projekt Rehovot Herzel Street, **ca. EUR 1.000.000** für das Projekt Bnei Brak Batachana, **ca. EUR 500.000** für das Projekt Armon Hanatziv, **ca. EUR 750.000** für das Projekt Ashdod und **ca. EUR 1.000.000** für die Finanzierung der laufenden Kosten zu verwenden.

Soweit und solange der Nettoerlös nur **ca. EUR 9.750.000** beträgt, beabsichtigt MEIDAR GANEDEN, **ca. EUR 3.000.000** für das Projekt Rehovot Herzel Street, **ca. EUR 2.000.000** für das Projekt Bnei Brak Batachana, **ca. EUR 1.000.000** für das Projekt Armon Hanatziv, **ca. EUR 2.750.000** für das Projekt Ashdod und **ca. EUR 1.000.000** für die Finanzierung der laufenden Kosten zu verwenden.

Emissionsübernahmevertrag

Die Emission der Schuldverschreibungen ist nicht Gegenstand eines Emissionsübernahmevertrag.

Für die Emittentin/das Angebot wesentliche Interessen, einschließlich Interessenkonflikte:

Die Interessen der Gesellschafterin der Emittentin, Meidar GanEden Limited, müssen nicht mit den Interessen der Inhaber der Schuldverschreibung übereinstimmen. Die Interessen der Gesellschafterin der Emittentin können in Konflikt mit den Interessen der Inhaber Schuldverschreibungen geraten.

Als Geschäftsführer der Emittentin und Anteilseigner der Muttergesellschaft der Emittentin (Meidar GanEden Limited), hat Herr Doron Schneider signifikanten Einfluss auf die Verwaltung der Emittentin, und die Interessen der Muttergesellschaft der Emittentin, dies könnte zu einem Konflikt mit den Interessen der Inhaber der Schuldverschreibungen führen. Herr Doron Schneider, ist außerdem Gesellschafter der direkten Gesellschafterin der Emittentin, Meidar GanEden Limited. Daher können die Interessen von Herrn Doron Schneider allgemein abweichen, oder in Konflikt geraten, mit den Interessen der Inhaber der Schuldverschreibungen.

Die Emittentin hat ODDO BHF SE, Frankfurt am Main, Deutschland, mit Geschäftsanschrift Bockenheimer Landstraße 10, 60323 Frankfurt am Main („**ODDO BHF**“) u.a. mit der technischen Abwicklung der Kaufaufträge über die Zeichnungsfunktionalität und als Zahlstelle beauftragt. ODDO BHF steht daher im Zusammenhang mit dem Angebot und der Notierung der Schuldverschreibungen in einem Vertragsverhältnis mit der Emittentin. Bei erfolgreichem Abschluss des Angebots erhält ODDO BHF eine Vergütung, deren Höhe unter anderem von dem Gesamtnennbetrag der im Angebot platzierten Schuldverschreibungen abhängt. Insofern hat ODDO BHF auch ein wirtschaftliches Interesse an der erfolgreichen Durchführung des Angebots, woraus sich ein potentieller Interessenkonflikt ergeben kann.

1 RISK FACTORS

Before deciding to invest in notes (the "Notes") issued by Meidar GanEden Finance GmbH (the "Company" or the "Issuer"), investors should carefully read and consider the material risk factors described below along with the other information contained in this Prospectus. The following risks, alone or together with additional risks and uncertainties not currently known to the Company or MEIDAR GANEDEN LTD, Jerusalem, Israel (the "Guarantor" and together with the Issuer and the Guarantor's consolidated subsidiaries at the respective time, "MEIDAR GANEDEN"), or that the Company or the Guarantor might currently deem immaterial, could have a material adverse effect on the business, assets, financial condition, and results of operations of the Company and the Guarantor and which may affect the ability of the Issuer to fulfil their respective obligations under the Notes and the Guarantors ability to fulfil its obligations under the Guarantee and which are material to the Notes in order to assess the market risks associated with the Notes. If any of such risks should occur, the price of the Company's Notes may decline and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in Notes or other securities issued by the Company is suitable for them in the light of the information in the Prospectus and their personal circumstances.

Based on a qualitative as well as a quantitative assessment, the Company has divided the following risks in several categories and has, within each category, and in a descending order set out the two most material risks first taking into account the probability of their occurrence and the expected magnitude of their negative impact on the Company and the Notes. However, it shall be taken into account that such an assessment made by the Company is based on assumptions which may in hindsight turn out to be incorrect. The risks mentioned herein may materialize individually or cumulatively.

1.1 Risks Relating to the Issuer

The Issuer serves as a special purpose vehicle ("SPV") for MEIDAR GANEDEN financing real estate projects in Israel and bears risks arising from the financing structure of MEIDAR GANEDEN and is therefore dependent e.g. on financial resources and contributions of MEIDAR GANEDEN. MEIDAR GANEDEN also has a limited operating history.

Since Meidar GanEden Finance GmbH is purely a financing SPV, it does not have any significant human and material resources of its own and does not engage in any operational business activities to ensure the repayment of the amounts owed under the Notes (interest and principal amount). Therefore, the satisfaction of the Noteholders as to any outstanding payments which become due for payment under the Notes depends solely on the distributions and/or contributions of MEIDAR GANEDEN which in turn, depend on its business success (see: "1.2 Risks Relating to the Guarantor"). The business success of MEIDAR GANEDEN is depending on the realization of the different projects and on whether such projects will be conducted and generate such income as planned or not. The business success of MEIDAR GANEDEN therefore has a strong influence on the ability of the Issuer to pay the interests of the Notes and to repay the Notes.

MEIDAR GANEDEN's assets are on the one hand based upon its shares held in its operating subsidiaries in the individual business areas and on the other hand, are assets directly held by MEIDAR GANEDEN and especially the Guarantor. If the Guarantor and the subsidiaries of MEIDAR GANEDEN are unable to distribute sufficient profits to the Issuer and the Guarantor or are unable to repay the loan granted from the Issuer to the Guarantor by providing the proceeds of this issuance of notes for the purposes described in this prospectus, this could have a materially detrimental impact on the ability of the Issuer to make payments and may also have a material adverse effect on MEIDAR GANEDEN's financial condition and operating results.

The risk factors directly applicable to the Guarantor and described in this prospectus in 1.2 Risks relating to the Guarantor therefore also apply to the Issuer, as the Issuer's financial condition is exclusively dependant on the financial condition of the Guarantor and therefore are the risks applicable to the Guarantor also applicable to the Issuer. The realisation of such risks may have a materially detrimental impact on the ability of the Issuer to make payments and may also have a material adverse effect on the Issuer's financial condition and operating results.

Furthermore, the Issuer was incorporated as a shelf-company on 3 March 2022 with no operational business since its shares were acquired by MEIDAR GANEDEN on 3 June 2022. Since then, the Issuer operates as a financing vehicle for purposes of financing MEIDAR GANEDEN's real estate projects in Israel. Thus, the Issuer has only a very limited operating history and may be subject to risks inherent in early stage companies, which may make it difficult for investors to evaluate its business and prospects. In addition, the Issuer may face challenges in planning

and forecasting accurately as a result of its limited historical data and inexperience in implementing and evaluating its business strategies. The potential inability to successfully address these risks, difficulties and challenges as a result of its inexperience and limited operating history may have a negative impact on the Issuer's ability to implement its strategic initiatives, which may have a material adverse effect on its business, prospects, financial condition and results of operations.

The interests of the Issuer's direct shareholder, Meidar Gan Eden Limited, do not necessarily correspond to the interests of the Noteholders.

The entire share capital of the Issuer is held by Meidar Gan Eden Limited. The interests of the Issuer's shareholder could conflict with the interests of the holders of the Notes ("Noteholders" or each a "Noteholder"), particularly if the Issuer encounters financial difficulties or if it is unable to pay its debts when due. The Issuer's shareholder could also pursue acquisitions, divestitures, financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investment, although such transactions might involve risks to the Noteholders. Finally, the Issuer's shareholder may have strategic objectives or business interests that could conflict with the Issuer's own strategies or interests. If the interests of the Issuer's shareholder conflict with its interests or the interests of the Noteholders of the Notes, or if the Issuer's shareholder engage in activities or pursue strategic objectives that conflict with its interests or the interest of the Noteholders, the Issuer and the Noteholders could be disadvantaged. Any of these factors could have an adverse effect on the Issuer's business, financial condition and results of operations.

As a managing director of the Issuer and a shareholder of the Issuer's parent company (Meidar Gan Eden Limited), Mr. Doron Schneider has significant influence on the Issuer's governance, and the interests of the Issuer's parent company could conflict with the interests of the Noteholders.

The Issuer's managing director (*Geschäftsführer*), Mr. Doron Schneider, is also a shareholder of the Issuer's direct shareholder, Meidar Gan Eden Limited. Hence, the interests of Mr. Doron Schneider could generally deviate from, or conflict with, the interests of the Issuer and the Noteholders. This could have adverse effects on MEIDAR GANEDEN's financial condition and operating results, and the ability of the Issuer to fulfil its payments under the Terms and Conditions of the Notes.

1.2 Risks Relating to the Guarantor

1.2.1 Risks related to the Guarantor's business

MEIDAR GANEDEN is dependent on the availability of suitable real estate.

Due to its business model, MEIDAR GANEDEN is dependent on the availability of suitable real estate properties, in particular the availability of residential and/or commercial properties as well as land with optimization potential, when selecting and designing real estate projects. Due to the special laws in Israel which MEIDAR GANEDEN benefits from (*see especially Section 6.9 Regulatory Environment*) and due to the fact that land in Israel is limited by nature, the variety of suitable properties and land for their projects is limited. Thus, the increased demand for suitable real estate projects with optimization and development potential at the locations selected by the Issuer may lead to a significant price increase. Such developments may result in the unavailability of suitable properties at reasonable prices for a certain period of time or at all. As a result, a situation could arise in which MEIDAR GANEDEN is temporarily unable to perform its property development activities to the same extent as before or at all. MEIDAR GANEDEN also benefits from the increase in prices of potential real estate property in Israel because while MEIDAR GANEDEN needs to pay higher prices for the real estate it plans to develop, MEIDAR GANEDEN as a consequence of such price increase is also able to sell their flats and real estate properties at higher prices. However, this development can stop and MEIDAR GANEDEN might suffer high price decreases of developed and built real estate properties, even though MEIDAR GANEDEN planned and calculated to sell such real estate properties at much higher prices. All these developments may have material adverse effects on MEIDAR GANEDEN's net assets, financial position and results of operations.

MEIDAR GANEDEN may inaccurately assess the value of the real estate properties and pay an inflated purchase price for such properties. When acquiring an ownership interest in real estate companies, MEIDAR GANEDEN might overestimate the value of the acquired interest. In addition, the acquisition of real estate may entail risks, such as defects, legal and financial constraints, missing permits, licenses and certificates, which cannot be fully ruled out although a legal, tax, zoning and economic risk assessment has been carried out prior

to such acquisition. Furthermore, the transaction costs expended for such an acquisition could prove to be useless if the transaction is not completed.

When acquiring residential properties for the purpose of building a profitable residential real estate portfolio, MEIDAR GANEDEN could overestimate earning potential and underestimate development potential, rental and cost risks, in particular, investment needs and, as a result, MEIDAR GANEDEN could pay an inflated purchase price. Residential properties or residential real estate portfolios could also be appraised inaccurately for other reasons, even if they were acquired on the basis of expert appraisals and due diligence, and therefore a particular target return may not be obtained from rentals, or, if applicable, a certain price cannot be obtained upon resale or from the sale of newly developed apartments or flats. In such a case, the market value of individual residential properties or entire residential real estate portfolios could be lower than the purchase price paid by MEIDAR GANEDEN. This would result in a reduction of income and the need for impairments.

MEIDAR GANEDEN acquires real estate properties only by carrying out several risk assessments. The risk assessments are conducted by MEIDAR GANEDEN itself or by third parties and partners from MEIDAR GANEDEN's network. Consequently, MEIDAR GANEDEN may assess real estate properties wrong. MEIDAR GANEDEN may also not have been able to thoroughly carry out assessments/surveys and other investigations itself or obtain findings in this respect from third parties. Accordingly, when acquiring land for building projects, it is possible that specific risks have not been identified or have been wrongly assessed. For example, legal constraints and/or economic burdens may have been overlooked or incorrectly evaluated. There is also the risk that a seller of real estate or land does not represent or warrant that the information which is provided when a risk assessment is carried out is adequate or accurate or that such information is still accurate between the time of completion of the risk assessment and the legal transfer of the respective real estate to MEIDAR GANEDEN.

Under the purchase agreements entered into by MEIDAR GANEDEN with the sellers of the respective real estate or interest of the respective project company, various representations and warranties are normally made by the sellers. It is possible, however, that such representations and warranties do not cover risks and losses connected therewith or do not cover risks and losses connected therewith to the extent required. Moreover, representations and warranties made by a seller may not be enforceable or valuable for various reasons, including the seller's inability to pay. There might also be the risk that such purchase agreements and any further purchase agreement of real estate might be terminated before the closing of such purchase has been occurred or such transactions needs to be rewinded in which case costs incurred do not pay off or amortize.

MEIDAR GANEDEN could also be subject to risks relating to ownership interests in real estate companies. MEIDAR GANEDEN could overestimate the earning potential of the interest to be acquired, or underestimate the liabilities and risks brought by such target and, as a result, pay an inflated purchase price for the interest. In the context of planned acquisitions, unforeseen problems such as significant economic or legal obstacles to the acquisition may arise. This could also cause MEIDAR GANEDEN to withdraw from a planned transaction despite time-consuming and financial efforts, which may sometimes be significant, for example, for consultants and the use of internal human resources. As a result, MEIDAR GANEDEN's efforts may turn out to be useless or MEIDAR GANEDEN might suffer partial or full losses of the money already invested.

Any inaccurate evaluation in the appraisal of individual parcels of land, residential properties or residential real estate or investments in real estate companies, the existence of latent defects and additional remediation costs, or a considerable number of terminated transactions and a substantial amount of useless expenses could have material adverse effects on the business operations of MEIDAR GANEDEN, its net assets, financial condition and results of operations.

MEIDAR GANEDEN is exposed to risks relating to holding assets in different project companies.

Most of MEIDAR GANEDEN's assets are held by various project companies registered in Israel, which are subsidiaries of MEIDAR GANEDEN and subject to ring-fenced financing on a local level. Each project company could be adversely affected if access to debt finance was to be constrained by lenders or any new loans were only available on more onerous (including as to interest rates) terms, and, as a result, the project company could not refinance its debt or raise new debt to fund acquisitions. Certain of the project companies financing agreements additionally stipulate compliance with specified financial covenants, whereby non-compliance could have serious consequences for the relevant project company and its respective shareholders and therefore also for MEIDAR GANEDEN.

Violating specific covenants in the respective finance agreements and the violation of other obligations arising from loan agreements could entitle lenders to terminate the respective financing agreement without further notice. If one or more loans were to become due because of premature termination, the relevant project company may not be able to refinance the loans becoming due in a timely manner or at all, or may only be able to do so on considerably less favorable terms. If the relevant project company is unable to refinance the terminated financing, possibly on short notice, then in the worst-case scenario, it could lead to the insolvency of the relevant project company.

MEIDAR GANEDEN in some cases is not holding 100% of the shares in such project company. In some cases MEIDAR GANEDEN is one of more shareholders in such project company leading to the risk, that MEIDAR GANEDEN might face in case that such other shareholder of a respective project company might be in economic difficulties and is not fulfilling its obligations in such project company or in the case that the interests of such other shareholder and the interests of MEIDAR GANEDEN might be different in the respective project company. This could lead to unforeseen and unplanned difficulties for MEIDAR GANEDEN to realize the respective project and influence MEIDAR GANEDEN's financial condition and results of operation.

MEIDAR GANEDEN is in most cases also a guarantor for the financing agreed on with lenders or banks by the project companies in which MEIDAR GANEDEN holds interest. Furthermore, MEIDAR GANEDEN in most cases guarantees specific securities with lenders or banks to finance the different real estate projects of MEIDAR GANEDEN and potential projects that MEIDAR GANEDEN intends to acquire interest in. In such cases MEIDAR GANEDEN could be held liable for the financing and all other obligations that such project company of MEIDAR GANEDEN has towards the respective financing parties.

The realization of the aforementioned risks could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

MEIDAR GANEDEN could wrongly perceive the attraction of a property to suitable tenants and as a result thereof fail to realize expected rental income.

Before closing any real estate transaction, MEIDAR GANEDEN carries out estimations of the rental income it intends to realize from its real estate projects developed (apartments and commercial properties) on the basis of, amongst other things, the property's location, actual or proposed use, technical status and ground plan as well as anticipated macro- and microeconomic developments. In case MEIDAR GANEDEN wrongly perceives a property's attraction or future attraction it may be difficult to find a suitable purchaser or tenant who is prepared to purchase or rent space at the price or rent MEIDAR GANEDEN intends to obtain. If MEIDAR GANEDEN is forced to reduce the purchase price or rent for a property to attract a suitable purchaser or tenant or if a property is vacant in whole or in part over a longer period due to the impossibility to find a suitable purchaser or tenant or if it is necessary to provide considerable incentives (such as discounts on purchase prices or rent-free periods), this would adversely affect MEIDAR GANEDEN's sale and rental income. This could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

The real estate appraisals and/or available or future financial information based on such appraisals could incorrectly estimate the value of MEIDAR GANEDEN's properties.

The real estate appraisals which relate to MEIDAR GANEDEN's real estate portfolio (the “**Appraisals**”) and which are carried-out on an annual basis in connection with the preparation of its financial statements are based on standardized valuation methods and reflect the view of the independent appraiser who prepared the appraisal. Real estate valuations are based on a number of factors which also include subjective assessments by the respective appraiser. These factors include the general market environment, interest rate levels, the rental situation, developments in a property's location, and tax rules. Real estate appraisals of this type are based on assumptions that could subsequently prove to be false. The assumptions underlying the Appraisals are only verified by random sampling as is the standard for such valuations. The valuation of properties in the Appraisals is therefore subject to numerous uncertainties. Adverse changes in the assumptions underlying the real estate appraisals or in the aspects to be taken into account in this respect may significantly reduce the value assessed for the property. Additionally, currently accepted valuation methods used in preparing the Appraisals could subsequently prove to be unsuitable. The values assigned to the appraised properties in the Appraisals and/or in the financial information of MEIDAR GANEDEN already published or to be published in the future could exceed the proceeds MEIDAR GANEDEN is able to generate from selling the appraised properties. This can also apply to sales on or shortly after the relevant valuation date. For this reason, the Appraisals reflect neither the future nor the actual current attainable selling price for MEIDAR GANEDEN's individual properties or entire real estate portfolio. A change

in the factors and/or assumptions underlying the valuation could also result in the fair value calculated for the relevant valuation date falling below the carrying amount of a property, which would lead to a loss from the change in fair value. This type of reduction in value must be recognized directly in profit or loss by MEIDAR GANEDEN as a loss from a change in the fair value of investment property in the relevant accounting period. If these losses are material, this could have a material adverse effect on the MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

MEIDAR GANEDEN could be affected by material adverse effects arising from its business area Urban Renewal Area.

MEIDAR GANEDEN could be exposed to tenants demanding compensation payments for costs incurred as apartments were under renovation and/or construction. MEIDAR GANEDEN assumes the costs of all tenants whose neighborhoods are affected by their construction and renovation work. In addition to the cost of alternative accommodation for tenants affected, compensation payments may give rise to unpredictable high or cumulative costs that may have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

Even though such risks might be partially covered by different insurances, also insurances that are required by law or needed to be agreed by the internal policies of MEIDAR GANEDEN's insurance process requirements, such risks might not be fully or entirely covered by the respective insurances which may have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and result of operations.

Construction defects can reduce profits and cause additional costs or remain undetected or occur later.

MEIDAR GANEDEN may be obliged to pay for construction defects that can occur in every real estate project development process which reduces profits of the respective real estate property. These obligations and claims may exist irrespective of the fact that MEIDAR GANEDEN or its respective vicarious agents or instructed third parties (e.g. constructors, etc.) have caused the relevant diligence that no such defects or costs will occur. Any costs arising from the remediation of defects for which there is no warranty or a warranty cannot be enforced need to be borne by MEIDAR GANEDEN. This could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial position and results of operations.

MEIDAR GANEDEN could fail to successfully adapt and implement its key strategies or manage its growth.

MEIDAR GANEDEN's business success and financial performance depend in large part on its ability to successfully implement its key strategies. MEIDAR GANEDEN is specialized in the selection of sites in city centers to construct new real estate projects, the integration of commercial centers within a project which are environmentally beneficial and convenient for tenants and planning procedures with efficiency and speed. Thanks to unique laws in Israel regarding city renewal, MEIDAR GANEDEN works with a government expedited strategy to renew old neighborhoods in prime locations throughout the country, but explicitly not in geographically critical areas. The implementation of MEIDAR GANEDEN's key strategies could be affected by a number of factors most of which are beyond MEIDAR GANEDEN's control, such as increased competition, legal and regulatory developments, general economic conditions or an increase in operating costs. There is no guarantee that MEIDAR GANEDEN will not experience issues, difficulties in integrating new acquisitions into MEIDAR GANEDEN's existing business, and operations and managing the training of an increasing number of personnel to manage and operate the expanded business.

Any failure to successfully implement MEIDAR GANEDEN's key strategies or manage the impact of its growth on its operational and managerial resources and control systems could have material adverse effects on MEIDAR GANEDEN's business, financial condition, results of operations, cash flows and prospects.

MEIDAR GANEDEN may not be able to pass on to potential purchasers of its real estate projects or tenants its operating, maintenance and capital expenditure costs or to successfully recover such costs.

MEIDAR GANEDEN could be subject to a number of operating costs and expenses which cannot be passed on to potential purchasers of its real estate projects or its tenants or only to the extent this is permitted in the relevant agreement or by law. However, MEIDAR GANEDEN may be unable to do so in certain circumstances, such as when the price for a property has not developed as planned by MEIDAR GANEDEN during the construction phase of such real estate property or a property is vacant or a tenant's lease does not allow this practice. Certain costs or cost increases which MEIDAR GANEDEN may be unable to pass onto potential purchasers or tenants at all or in

case they relate to vacant properties include, *inter alia*: construction costs and cost related to planning, managing and conducting the entire building process, energy or other utility costs on a vacant property, costs related to obtaining permits and authorisations, increasing securing and maintaining costs for its properties, property taxes and/or other statutory charges on vacant properties, and changes in government regulations that may result in additional capital expenditure requirements to modernise or maintain the properties. Any increase in MEIDAR GANEDEN's operating and fixed costs which it is unable to pass on to its potential purchasers or tenants could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

Any costs and time associated with potential property acquisitions that do not proceed to completion will affect MEIDAR GANEDEN's financial, business and overall performance.

MEIDAR GANEDEN expects to incur certain third-party costs, including, in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable properties for potential acquisition. MEIDAR GANEDEN also expects to spend more time on potential property acquisitions that might not proceed to completion as MEIDAR GANEDEN plans to grow faster and the amount of assessing potential projects will arise. MEIDAR GANEDEN usually limits these costs and time on a transaction basis but because there can be no guarantee that MEIDAR GANEDEN will be successful in its negotiations to acquire any given property, it may waste time and incur costs when transactions fail. It is therefore the case that, the greater the number of transactions that do not reach completion, the greater the likely impact on MEIDAR GANEDEN's results of operations which in turn could have a material adverse effect on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

Real estate investments are relatively illiquid.

Real estate properties such as those in which MEIDAR GANEDEN invests are relatively illiquid. Such illiquidity may affect MEIDAR GANEDEN's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed term. This could have an adverse effect on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

MEIDAR GANEDEN relies on the members of its management and may not be able to attract to and retain key and highly-qualified members of its management.

The successful implementation of the business strategy and corporate objectives and thus the success of MEIDAR GANEDEN is, *inter alia*, based on the knowledge, skills, contacts and experience of its current management. There is no guarantee that MEIDAR GANEDEN will succeed at all times in retaining the current management members or, if necessary, in recruiting new management members. Should members of the management leave there is a risk that valuable knowledge, skills, sales contacts and experience could be lost for MEIDAR GANEDEN and/or made available to competitors. Likewise difficulties in finding suitable new management members can also have a negative impact on the competitiveness of MEIDAR GANEDEN and thus may be associated with adverse consequences for the economic success of MEIDAR GANEDEN. Losing members of management as well as difficulties in the search for new management members, could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial position and results of operations.

MEIDAR GANEDEN could be exposed to losses on account of insurance coverage that is only available at insufficient conditions or not at all.

In the event of any occurrence which results in losses or other adverse effects on MEIDAR GANEDEN for which it does not have adequate insurance or indemnity coverage, MEIDAR GANEDEN's financial condition could be adversely affected. It cannot be guaranteed that any existing insurance cover will be sufficient for its operations in Israel and its future operations. In particular, there is a risk of losses being incurred or claims being made which could exceed the scope of any existing insurance coverage. In addition, there is the risk that adequate insurance coverage for certain risks is not available or is not available at reasonable terms or at all. Insufficient or not existing insurance coverage may have material adverse effects on MEIDAR GANEDEN's business, financial condition and results of operations.

A change of the applicable legislative and regulatory framework could affect or limit MEIDAR GANEDEN's business activity. MEIDAR GANEDEN may not be able to maintain or obtain statutory and regulatory permits and approvals required for its business.

MEIDAR GANEDEN's business activities are influenced and affected by Israeli laws. Due to the political development of Israel and unpredictable consequences for the future legislation, there is a possibility that the business activities as currently conducted by MEIDAR GANEDEN might become more limited. In addition, other political crises, conflicts and political incidents may have materially adverse effects on the net assets, financial position and results of operations of MEIDAR GANEDEN.

Moreover, MEIDAR GANEDEN's current and anticipated future operations, including further development activities requires certain legal and regulatory permits and approvals, which may be subject to certain conditions and changes. Although MEIDAR GANEDEN has in the past been able to maintain or obtain such authorisations and consents, there can be no assurance that the competent authorities will issue such authorisations or consents in a timely manner, at all or on terms acceptable to MEIDAR GANEDEN. If MEIDAR GANEDEN is not able to maintain or obtain required permits and approvals required for its business this could have material adverse effects on MEIDAR GANEDEN's financial condition and result of operations. Furthermore, MEIDAR GANEDEN is exposed to the risk that not all permits have been given for the actual projects yet and therefore some projects may be postponed or may never be realized due to such lack of permits (in the worst case) in which case MEIDAR GANEDEN could fail to build a profitable residential real estate portfolio and may not be able to achieve rents to be profitable.

Moreover, the loss of material contracts with partner companies or/and suppliers could adversely affect the business activities of MEIDAR GANEDEN.

MEIDAR GANEDEN has entered into numerous contracts and agreements with partner companies or/and suppliers. Part of these contracts and agreements is of material significance for MEIDAR GANEDEN and its business activities. The loss of these contracts or the inability to maintain or obtain statutory and regulatory permits and approvals may have materially adverse effect on the net assets, financial position and results of operations of MEIDAR GANEDEN.

Risks could arise due to deviations between the corporate planning of MEIDAR GANEDEN and the actual business development, as well as due to assumptions made in preparation of the business outlook contained in this Prospectus, proving to be incomplete or inaccurate.

MEIDAR GANEDEN based all forward looking statements stated in this Prospectus on a number of assumptions, opinions and outlooks of the management of MEIDAR GANEDEN and its executive employees. Those statements are an expression of the present perception of these persons in view of possible future events that are still uncertain and subject to different risks concerning their actual occurrence. These or any other assumptions made by MEIDAR GANEDEN and its management or executive employees may prove to be wrong or any presumed factors may occur later than expected or may not occur at all. No assurance by MEIDAR GANEDEN nor its management or executive employees can be given that any assumptions made in this Prospectus will turn out to be correct and future events will actually occur. Moreover, investors should note that MEIDAR GANEDEN is not obligated to update any assumption or opinion as displayed in this Prospectus with regard to possible future events or to adapt to future events or developments, unless required by legal provisions. Any of these factors could have an adverse effect on MEIDAR GANEDEN's business, financial condition and results of operations.

The assumptions made in preparing the business outlook could prove to be incomplete or inaccurate, and there is therefore also a risk that the earnings situation of MEIDAR GANEDEN could change as a result of negative deviations from the earnings expectations and expected cost developments included in the planning and that expected cost developments do not develop as planned.

MEIDAR GANEDEN's group-wide risk management organization could be insufficient or may not be updated in line with the planned growth of MEIDAR GANEDEN.

MEIDAR GANEDEN is in the process of establishing a risk management approach to identify, monitor and mitigate risks. The risk management system is controlled by the management of MEIDAR GANEDEN and comprises all companies of MEIDAR GANEDEN as far as legally possible. As such, a risk-based approach is taken in all major decision making and strategic initiatives. A detailed and extensive risk register is maintained that documents risks, related mitigating controls and sets out the frequency with which the risks are reviewed and

by whom. The process supporting the risk register includes annual evaluations performed by subject matter experts within MEIDAR GANEDEN.

MEIDAR GANEDEN's group-wide risk management system has been adapted and further developed to align it to MEIDAR GANEDEN's growth and development. A monitoring system was set up to enable MEIDAR GANEDEN to identify early on and adequately react to developments that could endanger its continuation as a going concern. MEIDAR GANEDEN conducts weekly meetings to discuss every aspects of the projects and especially potential risks arising within the different projects to cover such risks as early as possible. Project quality managers were hired to review every project before MEIDAR GANEDEN takes over control and management of the project. Additionally, every project that is conducted by MEIDAR GANEDEN has a responsible project manager who is responsible for the entire project management and reporting of the development of the project to the management of MEIDAR GANEDEN. Furthermore, in the Urban Renewal Area, the projects are supervised by special supervisors from the tenant side. However, if any of MEIDAR GANEDEN's companies were to fail to comply with its own risk policies or to suitably develop its internal organizational, information, risk monitoring, and risk management structures, align these with the planned further growth of MEIDAR GANEDEN and adapt them to a possibly changing environment for business operations in order to identify, assess, monitor, and manage potential risks as early as possible, unfavorable business or administrative developments could occur and incorrect decisions could be made that could have material adverse effects on MEIDAR GANEDEN. Should any of the above risks materialize, this could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

Measures taken by MEIDAR GANEDEN, its suppliers and partner companies within the course of employment law or collective agreements related disputes may negatively influence the business activities of MEIDAR GANEDEN.

MEIDAR GANEDEN, its suppliers and partner companies may be affected by measures taken in the course of labour disputes, such as strikes or stoppages. This could have an impact on the business operations of MEIDAR GANEDEN throughout the entire value chain.

The risk of labour disputes could also affect MEIDAR GANEDEN through measures taken at its suppliers or partner companies, adversely affecting the marketing and supply chain. Any decline in sales therefore could have a material adverse effect on MEIDAR GANEDEN's financial condition and result of operations.

1.2.2 Risks related to MEIDAR GANEDEN's market

MEIDAR GANEDEN is dependent on the condition of the real estate market in Israel, which may deteriorate as a result of the overall worsening economic environment and the economic development in its markets caused by high inflation, interest rates as well as other factors such as the ongoing war between Russian and Ukraine.

MEIDAR GANEDEN's core business as a real estate company is the construction and restoration of apartments and commercial buildings in Israel. For this purpose, MEIDAR GANEDEN collects money from investors and participates as a shareholder in respective project companies that are founded for individual real estate projects. MEIDAR GANEDEN's business success is therefore especially dependent on the performance of the Israeli real estate market, the sales proceeds to be generated from the sale of properties, the expenses to be invested in the individual real estate projects in order to optimize them in line with the market, the purchase prices when acquiring properties or properties to be redeveloped, the development of the value of the other comparable real estate portfolios in the respective locations and the demand from potential buyers.

On the other hand, the Israeli real estate market is also particularly dependent on macroeconomic developments and demand for real estate. Macroeconomic indicators such as the economic situation, the inflation rate and the interest rate level may have an influence on this macroeconomic development. Economic weakness and a decline in consumer spending may have a negative impact on the respective real estate location. There is a risk that a deterioration of the overall economic development will occur in the locations in which MEIDAR GANEDEN invests, with negative consequences for the achievement of sales and earnings by MEIDAR GANEDEN and thus for the net assets, financial position and results of operations of MEIDAR GANEDEN.

MEIDAR GANEDEN's business may be adversely affected by international developments such as political upheavals and revolutions, armed conflicts, acts of terrorism, natural disasters, environmental disasters, epidemics or even pandemics, which may also influence the economic development in Israel. For example, in 2020, the global economy was hit by a severe recession which was caused by the outbreak of SARS-CoV-2, which was first

identified in December 2019 and its associated disease and mutations (“COVID-19”) (see “*The COVID-19 pandemic has led to significant volatility in financial and other markets and could materially adversely affect MEIDAR GANEDEN’s business, financial condition and results of operations and may continue to do so.*”). The implications of such outbreaks depend on a number of factors, such as the duration and spread of the respective outbreak as well as the timing, suitability and effectiveness of measures imposed by authorities, the availability of resources, including human, material, infrastructure and financial (e.g., governmental stimulus packages and/or measures introduced by central banks) required to implement effective responses to the respective situation at the international, national and regional level as well as the level of civil compliance with such measures. COVID-19 has had a major impact on trends in the Israeli economy.

Further political uncertainty and increased protectionism, the development of commodity prices including the current high levels of gas and electricity and inflation rates, trade restrictions, the extent of national indebtedness, and interest rates have a substantial impact on the global, European, Israeli and German economic development. The European and global economies have also been and may be further impacted by uncertainty as a result of the Russian attack on the Ukrainian territory in February 2022 and its impact on supply chains, energy supply and energy prices, as well as on the consumption behaviour of customers and therefore on the bricks-and-mortar retail trade as a whole, all of which cannot be estimated at present. Gas prices in Europe have still more than tripled over the past year and are roughly ten times their average over 2010-19. Together with elevated average oil, coal and electricity prices so far this year, the ratio of economy-wide expenditures on energy to the gross domestic product (“GDP”) is likely to have risen significantly in many countries in 2022, especially in Europe (source: OECD Economic Outlook, Interim Report September 2022). Global growth is forecast to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic and reflects significant slowdowns for the largest economies with real GDP in Germany expected to increase by 1.5% in 2022 and contract by 0.3% in 2023 while in Israel real GDP is expected to grow by 6.1%, 3.0% and 3.5% in 2022, 2023 and 2024, respectively which is below the average growth of 4.3% between 2004 and 2013. Moreover, global inflation is forecast to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024 (source: IMF, World Economic Outlook Report, October 2022).

Further, other potential conflicts e.g. between the United States and China with respect to Taiwan or in other countries or regions or increased barriers to trade or trade conflicts may impose material risks to overall economic growth. If such economic conditions were to deteriorate, or if a rise of unemployment rates and interest rates were to become likely or to further materialise, this could discourage potential tenants and buyers from renting or investing in real estate. In addition, more stringent borrowing requirements have been introduced and interest rates have been substantially increased as a result of generally deteriorating economic conditions, e.g. due to COVID-19, which could impair MEIDAR GANEDEN’s ability to finance property acquisitions through debt and its general ability to refinance maturing debts.

Besides fundamental supply and demand factors depending on overall economic cycles, in recent years, the real estate industry has become increasingly affected by certain mega trends and shifts in investment paradigms. The increasing global awareness on sustainability and digitization has impacted not only asset specifications themselves, but also incentivizes investors to fund environmentally friendly portfolios which may lead to additional investments/costs for landlords.

Such political and macroeconomic instability, the resulting market volatility and a deterioration of the economic situation in Israel and globally as well as market trends may result in an unfavorable development of the real estate market in Israel. Further a deterioration in economic performance could cause a significant decline of aggregate rent levels in affected areas and, ultimately, affect MEIDAR GANEDEN’s ability to access debt and equity capital on attractive terms, or at all. Such a deterioration could negatively affect MEIDAR GANEDEN’s business performance and could have material adverse effects on MEIDAR GANEDEN’s business, net assets, financial condition and results of operations.

Uncertainties and negative trends in the global economic environment and the economic environment in the regions in which MEIDAR GANEDEN operates and will operate in the future may have material adverse effects on the Group’s business, financial position and results of operations.

The COVID-19 pandemic has led to significant volatility in financial and other markets and could materially adversely affect MEIDAR GANEDEN’s business, financial condition and results of operations.

The rapid spread of COVID-19 since the beginning of 2020, which quickly turned into a pandemic, has resulted in international, national and local public health and governmental authorities implementing various measures to

contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders, physical distancing rules and mandatory business closures. The COVID-19 pandemic as well as the measures implemented to contain the virus have severely impacted all major economies and quickly turned into a global economic crisis.

Uncertainties remain with respect to the future development of the COVID-19 pandemic and its consequences for the global economies and MEIDAR GANEDEN as COVID-19 is expected to continue to have a negative impact on businesses around the world for some time. The lasting effects of the COVID-19 pandemic and an ongoing economic crisis as a result thereof could lead, *inter alia*, to the following effects: Some tenants in MEIDAR GANEDEN's properties could find it increasingly difficult to pay rent, thereby leading to an increase in late payments and a consequential reduction of MEIDAR GANEDEN's cash flow; Other tenants in MEIDAR GANEDEN's properties may go bankrupt or may no longer be able to afford to pay rent at all and be forced to move out, thereby further reducing MEIDAR GANEDEN's revenue streams. As a result, MEIDAR GANEDEN may be confronted with having lower occupancy levels or having to lower rental prices at its properties; MEIDAR GANEDEN could be subject to changes in supply and demand for its products and raw materials required for the construction and restoration of residential and commercial buildings; MEIDAR GANEDEN's development and construction activities may be materially affected due to, *inter alia*, delays in performance of MEIDAR GANEDEN's contractors or their unavailability in general, as well as delays in obtaining necessary permits and authorisations as a result of decreased capacity of the relevant governmental and other authorities, agencies and offices; MEIDAR GANEDEN could be exposed to a greater risk of exposure to employees, and MEIDAR GANEDEN may respond by curtailing, rescheduling or suspending operations, construction or development at its sites. As a result of increased levels of defaults, banks may have reduced liquidity, which could make it harder for MEIDAR GANEDEN to obtain the financing it requires to pursue its acquisition and development strategies or even for its regular operations and its financing costs could increase. A significant proportion of MEIDAR GANEDEN's marketing and corporate employees working remotely during lockdowns increases MEIDAR GANEDEN's exposure to cyber related risks. Suppliers, from which MEIDAR GANEDEN sources products and raw material used for their development and construction activities may seek to release themselves from their contractual obligations by claiming that the ongoing pandemic, and government responses, constitute a force majeure event; and the COVID-19 pandemic has also led to disruption and volatility in the global capital markets, which could increase MEIDAR GANEDEN's cost of capital and adversely affect its ability to access the capital markets when desired.

The situation surrounding COVID-19 remains fluid, and given its uncertainty, MEIDAR GANEDEN expects that the pandemic will continue to cause instability in the global markets and economies for some time. The duration and magnitude of the impact from the COVID-19 pandemic depends, in particular, on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the virus, the emergence of variants, infection rates in areas where MEIDAR GANEDEN operates, the extent and effectiveness of containment actions, including the timing and effectiveness of vaccination efforts in the markets where MEIDAR GANEDEN operates, and the impact of these and other factors on its employees, customers, suppliers and joint venture partners. Even though many developed countries have successfully started vaccination campaigns, it is not assured whether these campaigns will successfully extinguish the virus that causes COVID-19 and, in particular, whether vaccines will be effective against newly emerging, fast-spreading variants of the virus. Due to these persisting restrictions on business activities, it might be likely that there could be significant rent defaults leading to voids, decreasing valuations and therefore also decreasing net asset values of the Investment Structures managed by MEIDAR GANEDEN, and a resulting shortfall in income for the respective asset classes of MEIDAR GANEDEN.

As a consequence, the impact of the COVID-19 pandemic could have a material adverse effect on MEIDAR GANEDEN's business, financial condition, and results of operations. The extent of the COVID-19 pandemic's effect on MEIDAR GANEDEN's operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak, all of which are uncertain and difficult to predict. Due to the speed with which the situation is developing, MEIDAR GANEDEN is not able to, at this time, estimate the effect of these factors on MEIDAR GANEDEN's business, but the adverse impact on MEIDAR GANEDEN's business, results of operations, financial condition and cash flows could be material.

High market prices and competition from other real estate companies could make it difficult for MEIDAR GANEDEN to successfully sustain its position in the market for residential and commercial real estate as well as project development, or that the competition may have a negative impact on purchase or selling prices.

MEIDAR GANEDEN is exposed to competition at all locations of its current operations from other real estate companies that also focus on the development and commercialization of residential and commercial real estate. It

cannot be excluded that competitors may have greater financial resources or better financing capabilities in order to realize larger real estate projects or significantly more differentiated real estate projects in terms of use, or may have other competitive advantages.

Actually, the Israeli real estate market is booming, especially regarding residential and commercial real estate. However, there is the risk that in the event of less rapid growth of such markets or even a shrinking demand for residential and commercial real estate, selling and rental prices at the location affected by MEIDAR GANEDEN may also fall compared with the selling and rental prices achievable in the past. Furthermore, for economic reasons due to lack of demand, sales could be only temporarily possible or only possible with lower profits. A deterioration in Israel's economic performance and falling demand for real estate or rental property in Israel could negatively affect MEIDAR GANEDEN's business performance and could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

An overall rise in interest rates would increase MEIDAR GANEDEN's financing costs, could make the sale of properties less profitable or more difficult, and could make the acquisition, modernization, maintenance and refurbishment of residential and commercial properties more expensive, thereby diminishing the attractiveness of and demand for real estate.

MEIDAR GANEDEN finances its business activities to significant extent with debt capital. The interest rate level currently prevailing in Israel also has a considerable influence on the purchase decision of prospective real estate buyers, because a higher interest rate level also has a significant negative impact on financing costs from a buyer's perspective. Thus, a negative influence on a potential purchase decision cannot be ruled out either. Accordingly, it can be assumed that rising interest rates will also have a negative impact on the real estate market.

Moreover, the demand for residential property is sensitive to changes in real estate affordability. Most real estate purchasers finance their real estate purchases through mortgage financing. Lack of availability of mortgage financing or changes in interest rates could reduce the ability or willingness to invest in real estate and, thus, make it more difficult for MEIDAR GANEDEN to sell real estate. This could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

MEIDAR GANEDEN is exposed to geopolitical risks related to the State of Israel.

Economic and political conditions in Israel and the surrounding region may directly affect MEIDAR GANEDEN's business. In recent years, Israel has been engaged in various armed conflicts *e.g.* with Hamas, an Islamist terrorist group that controls the Gaza Strip, with Hezbollah, an Islamist terrorist group that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. The hostilities in Gaza between Israel and Hamas intensified most recently in May 2021, leading to an intense exchange of fire. While this round of escalation was the worst since 2014, it did not affect MEIDAR GANEDEN's real estate locations. Some of these hostilities were accompanied by missiles being fired from the Gaza Strip against civilian targets in various parts of Israel and affected economic and social conditions in these areas. Furthermore, it is important in this connection to note that in case of any damage of real estate in connection with such armed conflict, due to Israeli law, the owner is entitled to have the property restored at the state's expense as if the damage had not occurred. Further escalation cannot be excluded and may negatively affect MEIDAR GANEDEN's projects. Furthermore, armed conflicts or political instability in the region could possibly negatively affect MEIDAR GANEDEN's business. Escalation of political volatility in the Middle East and North Africa regions and worsening of global economic conditions may have an adverse effect, if these risks materialise, on Israel's economy and its real estate market. Additionally, Iran has threatened to attack Israel and may be developing nuclear weapons in the near to mid-term.

The war in Ukraine forces Israel into a delicate balancing act as Israel is a strong ally of the United States, and its leaders have a good relationship with Volodymyr Zelensky, Ukraine's Jewish president. However, Israel also does not want to provoke Russia. The war between Russia and Ukraine stands to have a major effect on the global economy, and there is much discussion of strict sanctions being placed on the aggressing superpower. Meanwhile, the Israeli economy also stands to be affected by the conflict in a variety of ways.

Uncertainties and negative trends in Israel may therefore have material adverse effects on MEIDAR GANEDEN's business, financial position and results of operations.

MEIDAR GANEDEN's business activities are influenced by the availability and fluctuations of the market prices for building materials. In particular, the global shortage of building materials could have a material adverse effect on MEIDAR GANEDEN's business, financial position and result of operations.

MEIDAR GANEDEN's business activities are influenced by the availability and fluctuations of the market prices and availability of building materials. The consequences of rising market prices or a shortage of building materials on the economy, the building industry and the environment at the date of this Prospectus is largely unpredictable. It cannot be ruled out that in the course of the increasing construction projects, Israel will also be affected by shortages of building materials and will have to import building materials from other countries in order to keep up with the real estate growth and demand. This and other unpredictable negative effects of any building materials crisis or the unavailability and fluctuations of the market prices for other building materials could lead to additional costs that may have material adverse effects on MEIDAR GANEDEN's business, financial position and results of operations.

1.2.3 Risks related to the Guarantor's financing

The terms and conditions of its existing and future financing arrangements with existing and/or future investors could increase MEIDAR GANEDEN's borrowing costs and the associated expenses, and could hamper its ability to refinance its financial obligations by entering into new or extending existing financial liabilities. In addition, the documents governing MEIDAR GANEDEN's debt obligations require MEIDAR GANEDEN to comply with financial and other covenants, and MEIDAR GANEDEN's failure to comply with such covenants could result in defaults under or acceleration of financing arrangements under which MEIDAR GANEDEN is an obligor. In the event it needs to refinance its debt obligations, MEIDAR GANEDEN might not be in a position to obtain adequate alternative financing quickly or at all.

Further growth will probably require MEIDAR GANEDEN to borrow additional funds.

In addition, the documents governing MEIDAR GANEDEN's debt obligations require MEIDAR GANEDEN to comply with financial and other covenants, and MEIDAR GANEDEN's failure to comply with such covenants could result in defaults under or acceleration of financing arrangements under which MEIDAR GANEDEN is an obligor. In the event it needs to refinance its debt obligations, MEIDAR GANEDEN might not be in a position to obtain adequate alternative financing quickly or at all.

Should MEIDAR GANEDEN not be able to refinance its existing debt and to secure additional debt financing at adequate terms, this could inhibit MEIDAR GANEDEN's planned growth and could have a material adverse effect on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

MEIDAR GANEDEN might have restrictive covenants that may limit its ability to finance its future operations and capital needs and to pursue business opportunities and activities.

MEIDAR GANEDEN is party to different contracts to finance its business activities. Some contracts and their covenants might limit MEIDAR GANEDEN's ability to finance its future operations and capital needs and therewith to pursue potential business opportunities and activities to some extent in the future. This circumstance could materially affect MEIDAR GANEDEN's business, net assets, financial condition and result in operations.

MEIDAR GANEDEN is subject to fluctuations in currency exchange rates.

MEIDAR GANEDEN is exposed to risks resulting from currency exchange rate fluctuations. As MEIDAR GANEDEN's focus is on real estate project development and real estate management in Israel, the Shekel is the reporting currency. As a result, the revenues generated by MEIDAR GANEDEN are based to a large extent on the Shekel. In addition, most of its finance agreements as well as interest payable thereunder are also based on the Shekel.

MEIDAR GANEDEN's currency risk is also exposed to the Euro, as MEIDAR GANEDEN agreed on financing agreements with private investors. The financing agreements are exposed to the Euro as the contractual partners are based in Europe and MEIDAR GANEDEN carries the currency risk in these contractual relations.

An overall rise in exchange rates could therefore have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

MEIDAR GANEDEN is subject to fluctuations in interest rates.

MEIDAR GANEDEN currently finances its business activities with its own equity and borrowed capital. As a consequence, an increase in interest rates could affect MEIDAR GANEDEN's ability to finance *e.g.* acquisitions by debt capital and its general ability to refinance debt, which becomes due. To the extent MEIDAR GANEDEN uses external debt financing at partially variable interest rates, an increase in interest rates would directly result in higher financing costs for MEIDAR GANEDEN. As a result of deteriorating capital markets or an increased interest rate environment MEIDAR GANEDEN's level of debt and the terms and conditions of its existing and future financing arrangements could deteriorate and could increase its borrowing costs and the associated expenses. An overall rise in interest rates could therefore have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

1.3 Legal, Regulatory and Tax Related Risks

MEIDAR GANEDEN is subject to a wide variety of regulations and may face liability if any of its subsidiaries fail to comply with existing or future regulations applicable to its businesses.

In the jurisdiction in which MEIDAR GANEDEN currently operates and will operate in the future via its subsidiaries, it has to comply with laws, regulations and administrative policies which relate to *inter alia*, anti-corruption, bribery, economic and trade sanctions *e.g.* administered and enforced banking and tax. MEIDAR GANEDEN's ability to operate its business is contingent on MEIDAR GANEDEN's ability to comply with these laws and regulations and to obtain, maintain and renew as necessary related approvals, permits and licenses from governmental agencies in which MEIDAR GANEDEN operates.

MEIDAR GANEDEN's failure to comply with applicable regulations and to obtain and maintain requisite certifications, approvals, permits and licenses could lead to substantial penalties, including criminal or administrative penalties or other punitive measures, or could result in revocation of MEIDAR GANEDEN's licenses and/or increased regulatory scrutiny, impair MEIDAR GANEDEN's reputation, subject it to liability for damages, trigger a default under one or more of its financing agreements or invalidate or increase the cost of the insurance that it maintains for its ports business. Additionally, MEIDAR GANEDEN's failure to comply with regulations that affect its staff, such as health and safety regulations, could affect its ability to attract and retain staff. In addition, important official permits in favour of MEIDAR GANEDEN might not be given or renewed or might be revoked.

MEIDAR GANEDEN's current and anticipated future operations, including further business development activities, require permits from federal, state, provincial, territorial, and local governmental authorities. There can be no assurance that all permits, which future projects of MEIDAR GANEDEN require for the conduct of services, will be obtainable on reasonable terms, or at all. Delays or failure to obtain such permits, or a failure to comply with the terms of any such permits that MEIDAR GANEDEN has obtained, could have a material adverse effect on MEIDAR GANEDEN's financial condition and results of operations. In addition, changes to existing regulations or tariffs or the introduction of new regulations or licensing requirements (which may be retrospective) are beyond MEIDAR GANEDEN's control and may be influenced by political or commercial considerations not aligned with MEIDAR GANEDEN's interests. Any such regulations or licensing requirements could materially and adversely affect MEIDAR GANEDEN's business by reducing its revenue, increasing its operating costs or both and MEIDAR GANEDEN may be unable to mitigate the impact of such changes.

Finally, any expansion of the scope of the regulations governing MEIDAR GANEDEN's environmental obligations, in particular, would likely involve substantial additional costs, including costs relating to maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of MEIDAR GANEDEN's ability to address environmental incidents or external threats. If MEIDAR GANEDEN is unable to control the costs involved in complying with these and other laws and regulations or recover the full amount of such costs from its customers, MEIDAR GANEDEN's business, results on financial condition and operations could be materially and adversely affected.

Action could be taken against MEIDAR GANEDEN due to legacy pollution, including warfare agents, soil contamination, harmful substances in building material and any breach of building regulations.

MEIDAR GANEDEN is generally subject to the risk that properties acquired or properties in its holdings could be contaminated with soil pollution, harmful substances, other legacy pollution and/or warfare agents (including any unexploded projectiles). Moreover, the building structure may contain hazardous substances (such as

polychlorinated biphenyls (PCB) or asbestos) or real estate may be exposed to other environmental risks. Action could be taken against MEIDAR GANEDEN by public authorities or private parties for the removal and disposal of such warfare agents, hazardous substances, legacy pollution or soil contamination.

Such actions, for example, could demand the performance of expert studies, the establishment of safeguards, the removal and disposal of harmfully altered soil, building parts or other items, the remediation of groundwater polluted as a consequence, or reimbursement of the costs and damages incurred for installing safeguards against or remediating the legacy pollutants or harmful changes to the soil. An exclusion of liability for legacy pollutants is legally possible only within very narrow limits. Furthermore, legacy pollutants or harmful alterations of the soil, or even the mere suspicion of a harmful alteration of the soil, has a material adverse effect on the value and the possibility of exploiting the properties, and especially the possibility of selling them.

Even if MEIDAR GANEDEN did not cause the harmful alterations itself, in many cases it will have only a very limited possibility of taking recourse or asserting claims for indemnification against the polluter or polluters, or against other responsible parties, such as the seller of the property involved. There is also a risk that action could be brought in respect of properties that MEIDAR GANEDEN has already sold.

MEIDAR GANEDEN is also exposed to a liability risk arising in connection with noncompliance with or introduction of new building codes or environmental regulations. Even though MEIDAR GANEDEN conducts thorough inspections during the acquisition of individual properties, there is a risk that building codes or environmental regulations were not complied with. It is also possible that landlord responsibilities could be further expanded with respect to fire protection and environmental protections, which could require additional refurbishment, maintenance and modernization measures. The project cost of such measures is based on the assumption that the required permits are issued promptly and in consistence with MEIDAR GANEDEN's plans.

Any action taken against MEIDAR GANEDEN for legacy pollution or harmful soil changes, or even the mere suspicion of harmful soil changes as well as any noncompliance with existing or newly implemented building codes or environmental regulations could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

MEIDAR GANEDEN could be subject to fraudulent behaviour of employees and/or third parties.

Employees of, and/or third parties acting as agents for MEIDAR GANEDEN could engage in fraudulent behaviour against MEIDAR GANEDEN on their own, or that of others' initiative, making them act against the interest of MEIDAR GANEDEN. Such actions could include, but are not limited to, document fraud, fraudulent commission agreements, facilitation payments and bribes to get access to exclusive business. Whether deliberate or not, such actions could potentially put MEIDAR GANEDEN at risk for both legal liabilities and reputational damage. Furthermore, involvement in potential non-compliance proceedings and investigations could harm MEIDAR GANEDEN's reputation and that of the management, which may lead to the loss of customers and have a negative impact on MEIDAR GANEDEN's efforts to compete for new customers. Major customers and/or third parties could also initiate legal proceedings against MEIDAR GANEDEN for substantial sums of money.

MEIDAR GANEDEN is continuously working to ensure such adequate procedures to prevent fraudulent behaviour from individuals inside, or with connections to MEIDAR GANEDEN, are implemented and repeatedly reinforced at all levels of the organisation. However, should MEIDAR GANEDEN or any member of MEIDAR GANEDEN fail to meet applicable regulations, this could potentially trigger criminal, civil and employment sanctions. Ensuing attention from the media could further increase reputational risk. Consequently, the reputational risk of employees acting beyond or without the mandate of a MEIDAR GANEDEN entity could be detrimental to MEIDAR GANEDEN's ability to retain and attract customers. In addition to financial penalties, MEIDAR GANEDEN could be sanctioned, as a result of which it may be unable to operate in certain countries or be forced to incur substantial costs to comply with the applicable laws and regulations. The realisation of any of the above risks may have a material adverse effect on MEIDAR GANEDEN's business, financial condition and results of operations.

The tax laws in MEIDAR GANEDEN's jurisdictions may adversely change and MEIDAR GANEDEN as a taxable entity could be affected negatively and an obligation of payments may arise in the context of a future tax audit or social insurance audit.

MEIDAR GANEDEN's effective tax rate is generally subject to Israeli taxation and legislation and German statutory laws which apply as far as the Issuer's business is concerned. Should the fiscal environment or the tax

rates change, there may be an increase of the tax burden which may have a material adverse effect on MEIDAR GANEDEN's financial condition and results of operations.

There can be no assurance that the Guarantor and/or the Issuer will not be retrospectively obliged to pay taxes, interests or penalties due to a different treatment of taxation issues by relevant taxation authorities. Risks may also arise due to changes in tax or accounting principles, including the implementation of new accounting standards. If any of these risks were to materialise, this could have a material adverse effect on MEIDAR GANEDEN's business, net assets, financial condition or results of operations. Similar risks apply to unfavourable social insurance audits. Any such event may have a material adverse effect on MEIDAR GANEDEN's financial condition and operating results.

A future tax or social insurance audit could cause MEIDAR GANEDEN and/or the Issuer to make additional payments.

MEIDAR GANEDEN and its subsidiaries (including the Issuer) could become the subject of social insurance and tax audits. In the event of a future tax audit by the tax authorities, differences in the tax authority's interpretation of matters could result in follow-up tax liabilities that will lower results of operations. In addition, changes in the legal and tax environment may affect the outcome of any audit. If one or more of the aforementioned risks were to materialize, this could have material adverse effects on MEIDAR GANEDEN's business, net assets, financial condition and results of operations.

Risks may result with regard to legal disputes which could cause MEIDAR GANEDEN to incur expenses that are not covered by any provisions.

MEIDAR GANEDEN may be involved in legal disputes, including disputes over building projects or for liability claims in connection with damages or contractual disputes with suppliers, tenants or other companies. Defending private actions can be costly and time consuming. The results of pending legal disputes and possible future legal disputes cannot be foreseen with certainty. For this reason, expenses may arise due to decisions by courts or government agencies or the agreement of settlements that are not covered or are not completely covered by provisions in the balance sheet. The costs and losses associated with administrative proceedings and litigation could have a material adverse effect on MEIDAR GANEDEN's financial condition and results of operations.

1.4 Environmental and Social Risks

MEIDAR GANEDEN's operations could be adversely affected by natural disasters, pandemics, epidemics outbreaks of infectious diseases such as the COVID-19 pandemic or other catastrophic events beyond MEIDAR GANEDEN's control.

MEIDAR GANEDEN's business operations could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to: (i) changes to predominant natural weather, hydrologic and climatic patterns, including sea levels; (ii) the amount of silting that occurs in the areas around and leading to MEIDAR GANEDEN's facilities; (iii) invasion, piracy, sabotage, rebellion, revolution, insurrection, military or usurped power, war and radioactive or other material environmental contamination; (iv) riots or other forms of civil disturbance; (v) major accidents, including chemical, and radioactive or other material environmental contamination; and (vi) Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, such as the COVID-19 pandemic and its measures aiming at mitigating its impacts, may have a material adverse effect on the global economy and international financial markets in general and on the market in which the MEIDAR GANEDEN operates.

The implications of such outbreaks depend on a number of factors, such as the duration and spread of the respective outbreak as well as the timing, suitability and effectiveness of measures imposed by authorities, the availability of resources, including human, material, infrastructure and financial (*e.g.*, governmental stimulus packages and/or measures introduced by central banks) required to implement effective responses to the respective situation at the international, national and regional levels as well as the level of civil compliance with such measures. There is no guarantee that such measures, or a combination thereof, are effective means to combat such an outbreak and the implications resulting therefrom, which may result in an increase of credit risk, liquidity risk and operational risk for MEIDAR GANEDEN.

The occurrence of any of these events may cause delays or disruptions to MEIDAR GANEDEN's operations in part or in whole, which may increase the costs associated with such activities, and may subject MEIDAR GANEDEN to liability or impact its brand and reputation and may otherwise hinder the normal operation of its business operations, which could materially and adversely affect MEIDAR GANEDEN's business, results of financial condition and operation. The effect of any of these events may be worsened to the extent that any such event involves risks for which MEIDAR GANEDEN is uninsured or not fully insured. The materialisation of any of the above risks may have a material adverse effect on MEIDAR GANEDEN's business, financial condition and results of operations.

There is a risk of liability due to operational contamination of land and/or other environmental pollution and due to non-compliance of environmental laws and liability risks connected to environmental damages and polluted areas might cause substantial costs.

MEIDAR GANEDEN is generally subject to the risk that properties acquired or properties in its holdings could be contaminated with soil pollution or other harmful substances that could give rise to liability.

Such actions, for example, could demand the performance of expert studies, the establishment of safeguards, the removal and disposal of harmfully altered soil, building parts or other items, the remediation of groundwater polluted as a consequence, or reimbursement of the costs and damages incurred for installing safeguards against or remediating the legacy pollutants or harmful changes to the soil. Furthermore, legacy pollutants or harmful alterations of the soil, or even the mere suspicion of a harmful alteration of the soil, has a material adverse effect on the value, the possibility of exploiting the properties, and especially the possibility of selling them. Even if MEIDAR GANEDEN did not cause the harmful alterations itself, in many cases it will have only a very limited possibility of taking recourse or asserting claims for indemnification against the polluter or polluters, or against other responsible parties, such as the seller of the property involved.

The above-mentioned circumstances could lead to obligations to pay damages or remedy. This could have a significant negative impact on the assets, financial and earnings position of MEIDAR GANEDEN.

The costs of complying with such laws, regulations, policies and other requirements, including participation in assessments, remediation activities, and cleanups of sites, as well as internal voluntary programs, are significant and will continue to be so for the foreseeable future. Environmental laws may impose cleanup liabilities on owners and occupiers of contaminated property, including previously owned, non-operational, or divested properties, regardless of whether the owners and occupiers caused the contamination or whether the activity that caused the contamination was lawful at the time it was conducted. As a result, MEIDAR GANEDEN may be subject to claims arising from current or former conditions at sites that it owns or operates currently, as well as at sites that its owned or operated in the past. Liability may be without regard to fault and may be joint and several, so that MEIDAR GANEDEN may be held responsible for the contamination or other damages.

In addition, because environmental laws, regulations, policies and other requirements are constantly evolving, MEIDAR GANEDEN will continue to incur costs to ensure compliance and such costs could increase materially and prove to be more limiting and costly than initially anticipated. Evolving standards and expectations can result in increased litigation and/or increased costs, all of which can have a material and adverse effect on MEIDAR GANEDEN's business, net assets, financial condition and results of operations. Future compliance with environmental, health and safety legislation and other regulatory requirements or expectations may prove to be more limiting and costly than anticipated and may disrupt its business operations and require significant expenditures. MEIDAR GANEDEN's business, financial condition, or results of operations in a particular period could be materially affected by certain health, safety or environmental matters, including remediation costs and damages related to certain sites.

The realisation of any of the above risks may have a material adverse effect on MEIDAR GANEDEN's business, financial condition and results of operations.

1.5 Risks relating to the Guarantee

The Guarantee is a Guarantee pursuant to German law, however as the Guarantor is an Israeli based company, Israeli law might apply for the enforcement of entitlements of the investors of the Notes. The insolvency laws

of Israel arise from statutory and customary law specific to that jurisdiction and accordingly differ from and may not be as favorable to noteholders as the laws of other jurisdictions (e.g. Germany).

The Guarantor is incorporated under the laws of Israel and has its registered office in Jerusalem. The Guarantee is a guarantee pursuant to German law and the place of jurisdiction is Germany / Frankfurt am Main. Any investor as a direct claim towards the Guarantor, which can be effectively enforced under German law and in front of a German court. However, due to the fact that the Guarantor is a Israeli based company, also Israeli law might apply for the enforcement of the investors of the Notes. Additionally, a court is likely to hold that the centre of main interest of the Guarantor is in Israel. Consequently, provided that this presumption will not be rebutted and the centre of main interest will not be shifted to another jurisdiction by the Guarantor, any insolvency proceedings with regard to the Guarantor are likely to be initiated in Israel and would most likely be governed by the insolvency laws of Israel. The provisions of Israel's insolvency law arise from statutory and customary law specific to that jurisdiction and accordingly differ both in relation to procedure and substance from the insolvency laws of other jurisdictions e.g. Germany, including with respect to preferred satisfaction of secured creditors from enforcement proceedings, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may be less favorable to Holders than comparable provisions of other jurisdictions. The Guarantor may shift its centre of main interest, and thereby the applicable restructuring or insolvency laws, to another jurisdiction, which could offer less favorable terms to Holders than the laws of Israel. In addition, even without such intentional shift of the centre of main interests by the Guarantor, it cannot be ruled out that a court or other competent authority of such other jurisdiction, will deem the restructuring or insolvency laws of such jurisdiction to be applicable and initiate restructuring or insolvency proceedings under the laws of such jurisdiction with or without the consent of the Guarantor. Thus, the ability of Holders to recover payments due on the Notes may be or may become more limited or precluded than would be the case under the laws of other jurisdictions.

The Terms and Conditions and the terms of the Guarantee only require the Issuer and the Guarantor to secure the Notes equally if they provide security and save for such obligations which may be preferred by applicable law.

To the extent the Issuer or the Guarantor provide security interests over their respective assets for the benefit of other indebtedness without also securing the Notes, the Notes and the Guarantee will be effectively junior to such debt to the extent of such assets and save for such obligations which may be preferred by applicable law. As a result of the foregoing, holders of (present or future) secured debt of the Issuer or the Guarantor may recover disproportionately more on their claims than the Noteholders in an insolvency, bankruptcy or similar proceeding. The Issuer and the Guarantor may not have sufficient assets remaining to make payments under the Notes or the Guarantee, respectively.

The Guarantor is governed by Israel law and enforcement of the Guarantee may be limited.

The Guarantor is organised as a limited liability company incorporated and existing under the laws of Israel. The enforcement of the Guarantee will therefore be limited by virtue of specific limitation language in the Guarantee reflecting the requirement under Israeli law if and to the extent that payments under the Guarantee would reduce the Guarantor's net assets to an amount less than its stated share capital, or (if its net assets are already lower than its stated share capital) would cause such amount to be further reduced. These limitations will, to the extent applicable, restrict the right to receive payment under the Guarantee and will limit the claim accordingly irrespective of the granting of the Guarantee.

1.6 Risks relating to the offering and/or admission to trading

A market for the Notes does not exist prior to their issue. Furthermore, there is a lack of certainty of whether a solvent secondary market will emerge for the Notes, or - in the event of the emergence of such a market - whether the market will persist. In case of an illiquid market, an investor might not at any time be able to dispose of his Notes at an appropriate market price.

An application for inclusion of the Notes on the unregulated market (Open Market) of the Frankfurt Stock Exchange (Quotation Board) is expected to be made. However, there is a risk that a liquid secondary market for the Notes will not develop or, if it does develop, that it will not remain liquid in the future. The mere fact that the Notes will be listed does not necessarily mean that the Notes will be more liquid in comparison to OTC-traded notes. In an illiquid market, all investors are exposed to the risk of not being able to sell their Notes at a fair market price. In addition, the sale of the Notes may be subject to further restrictions in certain countries.

Further, there can be no assurance regarding the future development of a market for the Notes or the ability of Holders to sell their Notes or the price at which Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as analyst recommendations. The liquidity of, and the trading market for, the Notes may also be adversely affected by a general decline in debt securities markets. Such a decline may affect the liquidity and trading of the Notes independent of the Issuer's financial performance and prospects. In an illiquid market, Holders may be unable to sell Notes at fair market prices, or at all. A potential investor must therefore be prepared to retain the Notes for an unspecified time period.

The holders of the Notes ("Holders") are exposed to the risk that, due to non-compliance with listing obligations by the Issuer or for other reasons, the Notes may no longer be included in the unregulated market (Open Market) of Frankfurt Stock Exchange or in the trading in a different stock exchange, with the consequence that the Notes are not or only tradable with difficulties.

As soon as the Notes of the Issuer will be included in the Open Market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Issuer will be obliged to fulfil certain listing obligations on various trading venues and to comply with the provisions stipulated in the Regulation (EU) No 596/2014 ("**Market Abuse Regulation**"). Non-compliance with these obligations and provisions will generally lead to legal consequences that ultimately might include the suspension and removal of the Notes from trading and may lead to significant fines to be imposed by the competent regulatory authority. As a consequence, holders of the Notes might not be able to trade or may face difficulties to trade their Notes. There is no guarantee that the Issuer's accounting, controlling and legal or other corporate administrative functions will be capable of responding to these requirements without difficulties and inefficiencies that cause the Issuer to incur significant additional expenditures and/or expose the Issuer to legal, regulatory or civil costs or penalties.

Holders are exposed to the risk of an unfavourable performance of the Notes, caused by a potential sell-off in the Notes before the Redemption Date.

The development of the Notes' market price depends on various factors, such as changes of interest levels, the policy of central banks, general economic developments, the rate of inflation as well as the level of demand for the Notes. Thus, Noteholders are exposed to the risk of a detrimental development in the prices of the Notes in connection with the sale of the Notes prior to their final redemption date. If, however, Notes are held by the Holders until the Redemption Date, they will be redeemed in accordance with their Terms and Conditions.

In case the creditworthiness of the Issuer deteriorates or if the market participants change their assessment of the creditworthiness of the Issuer following future changes to accounting standards and, in consequence, balance sheet items, the market price of the Notes may decrease.

If one or more of the risks described herein would lower the probability that the Issuer will be able to comply with its obligations under the Notes, the price of the Notes will fall. Even if the probability that the Issuer will be able to comply with its obligations under the Notes does not decrease, market participants may form a different view, causing the price of the Notes to fall. Moreover, the market participants' assessment of the creditworthiness of institutional borrowers, in general, or of borrowers operating in the same industry as the Issuer may decrease. As a consequence, the price of the Notes might fall.

New or amended accounting rules could lead to adjustments of the balance sheet items of the Issuer. This could change the market participants' perception as regards the creditworthiness of the Issuer. As a consequence, there is the risk that the price of the Notes falls. Holders are therefore exposed to the risk of an unfavourable price movement in the Notes, which may arise when selling the Notes prior to the final redemption date.

An investment in the Notes may be subject to inflation risks.

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate were to increase and match or exceed the nominal yield, the real yield of the Notes would be zero or even negative.

Holders of Notes (“Holders”) are subject to exchange rate risks and exchange controls.

The Notes are denominated in Euros. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if financial activities of a Holder are denominated principally in a currency or currency unit other than the Euro (the “**Investor’s Currency**”). These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Euro would decrease (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency equivalent value of the principal payable on the Notes, and (iii) the Investor’s Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Holders may receive less interest or principal than expected, or no interest or principal at all.

Holders are exposed to risks relating to fixed interest notes.

The Notes bear interest at a fixed rate. Holders are subject to the risk that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (the “**Market Interest Rate**”). While the nominal interest rate of a note with a fixed interest rate is fixed in advance for the entire duration or during a certain period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of a note with a fixed interest rate also changes - but in the opposite direction. If the Market Interest Rate increases, the price of a note with a fixed interest rate typically falls until the yield of such note approximately equals the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed interest rate note typically increases until the yield of such note is approximately equal to the Market Interest Rate. Potential investors should be aware that movements of the Market Interest Rate can adversely affect the market price of the Notes and can lead to losses for Holders if they sell their Notes.

Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments. This risk also applies with respect to the Guarantor and any interest and/or redemption payments which become due under the Guarantee.

Any person who purchases Notes is relying on the creditworthiness of the Issuer and the Guarantor and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer and/or the Guarantor to make interest and/or redemption payments that the Issuer is obliged to make under the Notes or the Guarantor under the Guarantee. The worse the creditworthiness of the Issuer and the Guarantor, the higher the risk of a loss. A materialization of the credit risk may result in partial or complete failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due, has not actually decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of this opinion if market participants’ assessment of the creditworthiness of corporate debtors in general or debtors operating in the same industry as the Issuer adversely changes. If any of these risks occur, third parties may only be willing to purchase the Notes for a lower price than before the materialization of said risk, or not at all. The market value of the Notes may therefore decrease and investors could lose some or all of their investment.

The Terms and Conditions restrict, but do not eliminate, the Issuer’s ability to incur additional debt, create liens or take other action that could negatively impact the Holders.

The Terms and Conditions restrict the Issuer’s ability to incur additional indebtedness and to create liens on its assets. However, these restrictions and undertakings may nonetheless allow the Issuer and its subsidiaries to incur significant additional (secured or unsecured) indebtedness, to grant additional security for the benefit of existing and future indebtedness and to enter into transactions, including reorganizations, mergers, acquisitions and other similar corporate transactions that may adversely affect the Holders. As a result of the foregoing, the Issuer may not have sufficient assets to make payments under the Notes.

If the Notes are redeemed prior to maturity, a Holder of such Notes is exposed to the risk of a lower yield than expected.

The Issuer may redeem all or some of the outstanding Notes prior to maturity under certain circumstances as specified in the Terms and Conditions. If the Notes are redeemed prior to maturity, Holders are exposed to the risk that due to such early redemption his investment will have a lower than expected yield. In such circumstances, the investor may be unable to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Also, if Holders have purchased the Notes above par, the redemption proceeds may be lower than the price such Holders paid to acquire their Notes.

The Issuer's ability to redeem or repurchase the Notes upon the occurrence of a change of control event may be limited by its access to funds.

Upon the occurrence of a change of control event pursuant to the Terms and Conditions, Holders will have the right to require the redemption or, at the option of the Issuer, repurchase (or procure the purchase) in whole or in part of all of their Notes at 100% of the principal amount of such Notes, plus unpaid interest accrued up to (but excluding) the date of redemption. The Issuer's ability to redeem or repurchase the Notes upon such a change of control event will be limited by its access to funds at the time of the redemption or repurchase. Upon a change of control event, the Issuer may be required to repay 100 % of the principal amount of such Notes, plus accrued and unpaid interest within a short period of time. The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control event to make these repayments and any required redemption or repurchases of tendered Notes.

Transfer of the Notes will be restricted into the United States, which may adversely affect the value of the Notes.

The Notes have not been registered under the Securities Act, or any U.S. state securities laws. Consequently the Notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, and Holders who have acquired the Notes may be required to bear the costs of their investment in the Notes until their maturity. It is the Holders' obligation to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

The development of market prices of the Notes depends on various factors.

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by any the credit rating of the Issuer and a number of other factors including Market Interest Rate levels and rate of return.

The development of market prices of the Notes depends on various interacting factors, including but not limited to, changes of Market Interest Rate levels, the policies of central banks, overall economic developments, political events, inflation rates or the lack of or excess demand for the relevant type of Note. Holders are therefore exposed to the risk of an unfavorable development of market prices of the Notes which could materialise upon a sale of Notes.

The trading market and the market price for debt securities may be volatile and may be adversely impacted by many events.

The market and the market price for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Germany and Israel as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries.

Disadvantageous changes to such factors may adversely affect the value of the Notes. There can be no assurance that events in Israel, Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a Holder will be able to sell his Notes prior to the maturity date of the Notes may be at a discount, which could be substantial, to the issue price, or the purchase price paid by such Holder, which, in turn, may result in a loss of the investment of the Holders in the Notes.

Incidental costs related in particular to the purchase and sale of Notes may have a significant impact on the profit potential of the Notes.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions generally charge commissions which are either fixed minimum commissions or *pro rata* commissions, depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), investors may also incur follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes. These additional costs may significantly reduce or eliminate any profit from holding the Notes.

Because the Global Notes are held by or on behalf of Clearstream Banking Aktiengesellschaft, potential investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by one or more permanent global note (the “**Global Notes**”). These global notes will be deposited with Clearstream Banking Aktiengesellschaft, Germany (“**CBF**”, or the “**Clearing System**”). Investors will not be entitled to receive definitive notes. CBF will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will only be able to trade their beneficial interests through CBF, and the Issuer will discharge its payment obligations under the Notes by making payments to, or to the order of, the Clearing System for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of CBF to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in the Global Notes.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus.

The Terms and Conditions are based on the laws of Germany in effect as of the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in German law or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

A potential investor may not rely on the Issuer or any of their respective affiliates in connection with its determination as to the legality or suitability of its acquisition of the Notes.

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, whether its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary’s) financial needs, objectives and condition, with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, a potential investor may not adequately understand the risks inherent to an investment in the Notes and may lose parts or all of its capital invested if such or other risks are not taken into consideration before investing in the Notes.

The Terms and Conditions, including the terms of payment of principal and interest, can be amended by a Holders’ resolution and any such resolution will be binding for all Holders. Any such resolution may effectively

be passed with the consent of less than a majority of the aggregate principal amount of the Notes then outstanding.

The Terms and Conditions may be amended or other measures relating to the Notes may be resolved by majority resolution of the Holders. The voting process under the Terms and Conditions will be governed by the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (“**SchVG**”), pursuant to which the required participation of Holder votes (quorum) is principally set at 50% of the aggregate principal amount of the Notes then outstanding. In case there is no sufficient quorum at a first meeting, there is no minimum quorum requirement at a second meeting (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25% of the principal amount of Notes then outstanding must participate in the meeting or voting). As the relevant majority for Holders’ resolutions is generally based on votes cast, rather than on principal amount of the Notes outstanding, the aggregate principal amount required to vote in favor of an amendment will vary based on the Holders participating in such vote. Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of other Holders and losing rights towards the Issuer against his will in the event that Holders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions and the SchVG.

In case of certain events of default, the Notes will only be redeemable if Holders holding at least 15% of the aggregate principal amount of the Notes then outstanding declare the Notes due and payable. Such declaration of acceleration may be rescinded by a majority resolution of the Holders.

The Terms and Conditions provide that, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when ODDO BHF SE, Federal Republic of Germany (the “**Paying Agent**”) has received such default notices from Holders representing at least 15 % of the aggregate principal amount of the Notes then outstanding. In addition, under the SchVG, even if the threshold of 15 % for a default notice has been reached, the Holders could rescind such acceleration by a majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices.

Holders should be aware that, as a result, they may not be able to accelerate the Notes upon the occurrence of certain events of default, unless the required quorum of Holders delivers default notices and such acceleration is not rescinded by a majority resolution of the Holders.

Since no Holders’ Representative will be appointed as from the Issue Date, it may be difficult for Holders to take collective action with respect to the Notes.

No initial representative for the Holders (“ **Holders’ Representative**”) will be appointed under the Terms and Conditions and as a consequence it will become more difficult for Holders to take collective action with respect to the Notes. Any appointment of a Holders’ Representative of the Notes post-issuance of the Notes will, therefore, require a majority resolution of the Holders.

It is possible that a Holder may be deprived in its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed on a Holders’ Representative.

If a Holders’ Representative is appointed by a majority decision of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders’ representative by majority vote for the Notes. The Holders’ Representative will then be exclusively responsible to claim and enforce the rights of all the Holders.

The income from the Notes may be reduced by taxes.

Potential investors should be aware that they may be required to pay taxes or other charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors should ask for their own tax advisor’s advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the relevant investor. In addition, potential investors should be aware that tax laws and regulations as well as the interpretation and application thereof by the fiscal courts and the fiscal

authorities may change, possibly with retroactive effect, which may result in a higher tax or administrative burden in connection with the taxation and withholding of income from the Notes.

2 GENERAL INFORMATION REGARDING THE NOTES

2.1 Responsibility Statement

Meidar GanEden Finance GmbH, having its registered office at Taunusanlage 9-10, 60329 Frankfurt am Main, Germany, registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under number HRB 126706, and MEIDAR GAN EDEN LTD, having its registered office at Hartom 16, Jerusalem, Israel, registered under registration number 516200441 assumes responsibility for the contents of this Prospectus and hereby confirms that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import. Notwithstanding Article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council as of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the “**Prospectus Regulation**”) neither the Issuer nor the Guarantor is required by law to update this Prospectus.

Each of the Issuer and the Guarantor further confirms that (i) this Prospectus contains all information with respect to the Issuer, the Guarantor and MEIDAR GANEDEN and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer, the Guarantor and of the Notes is necessary to enable investors and their investment advisors to make an informed assessment of the Issuer’s and the Guarantor’s assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantor and MEIDAR GANEDEN and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Guarantor, MEIDAR GANEDEN and the Notes are in every material aspect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Guarantor, MEIDAR GANEDEN or the Notes, the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material aspect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

2.2 Purpose of this Prospectus

This Prospectus relates to an offer to the public of up to 15,000 7.00% Notes due 7 December 2027 in a denomination of EUR 1,000.00 (the “**Notes**”) in the Federal Republic of Germany (“**Germany**”) and the Grand Duchy of Luxembourg (“**Luxembourg**”) in the period from 18 November 2022 (inclusive) to 16 November 2023 (inclusive).

The Notes are governed by German law and constitute notes in bearer form (*Inhaberschuldverschreibungen*) in accordance with Sec. 793 et seq. of the German Civil Code (*BGB*). In accordance with article 100-14, second para., and article 470-20 of the Luxembourg law of 10 August 1915 on commercial companies, as amended (“**Companies Act**”), articles 470-1 through 470-19 of such law shall not apply to or in connection with the Notes. The Notes are freely transferable. The security codes of the Notes are as follows:

International Securities Identification Number (ISIN): DE000A30VGV1

German Securities Code (*Wertpapierkennnummer - WKN*): A30VGV

2.3 Approval of the Prospectus

This Prospectus has been approved by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier - “CSSF”*) as the competent authority under the Prospectus Regulation on 17 November 2022. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer and the Guarantor that are the subject of this Prospectus nor of the quality of the securities that are the subject of this Prospectus. By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer and of the Guarantor. Investors should make their own assessment as to the suitability of investing in the offered Notes.

Information contained on the Issuer's website (<https://www.ganeden.de>) does not form part of this Prospectus unless such information is incorporated by reference into the Prospectus. Such information has not been scrutinized or approved by the CSSF.

2.4 Authorisation for the issue of the Notes

The issue of the Notes was authorized by resolutions of the Issuer's Management Board (*Geschäftsführung*) and of the Issuers shareholders on 17 November 2022.

2.5 Clearing

The Notes will be represented by a permanent global bearer note (the "**Global Note**") without coupons which will be kept in custody by Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**").

The Notes have been accepted for clearance by Clearstream.

2.6 Inclusion to Trading

Inclusion to trading of the Notes in the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange (segment: Quotation Board) is expected to occur on or around 14 December 2022. The Open Market of Frankfurt Stock Exchange is not a "regulated market" pursuant to MiFID II.

2.7 Paying Agent

ODDO BHF SE, Frankfurt am Main, Germany, with business address at Bockenheimer Landstraße 10, 60323 Frankfurt am Main registered in the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under HRB 73636 is acting as paying agent for the Notes (the "**Paying Agent**").

2.8 Interested Parties

In connection with this issue, the Paying Agent is in a contractual relationship with the Issuer. Upon successful completion of the offer, the Paying Agent will receive a fee, the amount of which will be contingent, *inter alia*, on the aggregate principal amount of the Notes placed. In this respect, the Paying Agent has an economic interest in the successful implementation of the offering, which can give rise to a conflict of interests.

2.9 Notice to Noteholders

All notices to the Noteholders regarding the Notes will be published on its website (www.ganeden.de/bond). The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders to the extent that the rules of the stock exchange on which the Notes are listed so permit.

2.10 Documents available for inspection

For so long as the term of this prospectus, electronic versions of the following documents cited in this Prospectus are available on the Issuer's website (www.ganeden.de/bond):

- the audited opening balance sheet of the Issuer (HGB) as of 3 March 2022;
- the audited consolidated financial statements of the Guarantor as of and for the financial year ended 31 December 2020 (IFRS);
- the audited consolidated financial statements of the Guarantor as of and for the financial year ended 31 December 2021 (IFRS);
- the unaudited consolidated interim financial statements of the Guarantor as of and for the six-month period ended 30 June 2022 (IAS 34);

- the terms and conditions of the Notes; and
- the Issuer's Articles of Association (*Satzung*) as recently amended on 3 June 2022.
- the articles of association of the Guarantor;
- a copy of the signed Guarantee;
- the Summary of a comprehensive real estate assessment regarding the Project Bnei Brak; and
- the Summary of the comprehensive real estate assessment regarding the Project Herzel Street Rehovot.

2.11 Third Party Information

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) that the Issuer has not independently verified any such information and the Issuer does not accept any responsibility for the accuracy thereof.

2.12 Rating

Neither the Issuer nor the Notes are currently being rated by any rating agency and obtaining such ratings is currently not envisaged.

3 GENERAL INFORMATION ABOUT THE ISSUER

3.1 Corporate Information of the Issuer

The Issuer was incorporated as a shelf company (*Vorratsgesellschaft*) in the corporate form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany on 3 March 2022. By resolution of the shareholders' meeting of 3 June 2022, the Issuer changed its corporate name into "Meidar GanEden Finance GmbH" and changed its business address to Taunusanlage 9-10, 60329 Frankfurt am Main, effective as of that date.

The Issuer is registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 126706.

The Issuer's legal entity identifier ("LEI") is 984500A7TBFA80CMC221.

The Issuer may be reached by telephone at +49 69 505 060 4916 or by email: ir@ganeden.de

The Issuer does not have a commercial name different from its legal name "Meidar GanEden Finance GmbH".

Further information about the Issuer and its articles of association can be found on the website of the Issuer (www.ganeden.de).

The financial year of the Issuer equals the calendar year and runs from 1 January to 31 December of each year. The Issuer has been incorporated for an indefinite duration.

3.2 Corporate purpose of the Issuer

The corporate purpose of the Issuer, pursuant to § 2 of its articles of association ("GmbH Articles"), in their amended version dated 3 June 2022, is the structuring and financing of and participation in real estate and real estate investment projects in Israel and the performance of all activities in connection therewith, with the exception of activities requiring a licence pursuant to the German Banking Act (*Kreditwesengesetz - KWG*) and the German Investment Code (*Kapitalanlagegesetzbuch - KAGB*), and the management of its own assets.

3.3 Share capital, Form of shares and shareholder structure

3.3.1 Issued share capital

The issued share capital of the Issuer amounts to EUR 25,000.00 (in words: twenty-five thousand euro), represented by 25,000.00 shares having a nominal value of EUR 1.00 (one euro) each.

3.3.2 Form of shares

The Issuer does not have any specific classes of shares. All of the shares are in registered form (*actions nominatives*) and each share is entitled to one vote at the general meeting of shareholders. The Issuer's shares are transferable by way of a notarial deed. The share capital of the Issuer is fully paid up.

3.3.3 Shareholder Structure

As at the date of this Prospectus, the entire share capital of the Issuer is held by MEIDAR GAN EDEN LTD, Hartom 16, Jerusalem, Israel.

3.4 Independent Auditors

The Issuer's auditor is Mr Christian Theobald, partner of Küpper, Schaub & Partner mbB Wirtschaftsprüfer – Steuerberater, registered with the Partnership Register at the local court (*Amtsgericht*) of Koblenz under registration number PR 20039, Germany. As independent auditor, Mr Christian Theobald, partner of Küpper, Schaub & Partner mbB has audited the Issuer's opening balance sheet as of 3 March 2022 and issued an unqualified audit opinion thereon. Christian Theobald is a member of the Chamber of Public Auditors (*Wirtschaftsprüferkammer*), Berlin, Germany (registration number 122295200).

3.5 Description of the position of the Issuer within MEIDAR GANEDEN

The Issuer is controlled by its parent company, MEIDAR GAN EDEN LTD, Israel. The Issuer serves as a special purpose vehicle for financing purposes of real estate projects initiated by MEIDAR GAN EDEN LTD and thus, the Issuer does not conduct relevant transactions or undertake other own operational businesses. Therefore, the Issuer is dependent on its parent company.

3.6 Information on participations of the Issuer

The Issuer does not hold any interest and or participation.

3.7 Historical Development of the Issuer

The Issuer was incorporated on 3 March 2022 as a shelf-company (*Vorratsgesellschaft*) under the corporate name “Youco F22-H251 Vorrats-GmbH”. Its shares were acquired by MEIDAR GAN EDEN LTD by way of a share purchase and transfer agreement in a notary deed on 3 June 2022. By way of a shareholder resolution dated 3 June 2022, the company’s corporate name was changed into “Meidar GanEden Finance GmbH” which was registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main on 2 September 2022.

3.8 Expected Financing of the Issuer’s Activities

The Issuer’s business activities are very limited as the Issuer raises funds which are in turn made available to MEIDAR GANEDEN in the form of a loan agreement for investments in MEIDAR GANEDEN’s business operations in the real estate sector in Israel as described in this prospectus. The Issuer expects to finance its activities through equity contribution or shareholders loans by its shareholder, the Guarantor.

4 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

The corporate bodies of the Issuer are (i) the management board (*Geschäftsführung*) (“**Management Board**”) and (ii) the general meeting of shareholders (*Gesellschafterversammlung*). The competences, rights and areas of responsibility of these bodies are governed by the Limited Liability Company Act (“**GmbHG**”), the Issuer's Articles of Association and the employment contracts of the managing director.

4.1 Management Board

4.1.1 Overview and Powers

Meidar GanEden Finance GmbH is managed by its managing directors. The Issuer's managing directors are appointed and dismissed at the shareholders' meeting.

As the management body, the managing directors of Meidar GanEden Finance GmbH manage the business, develop the strategic direction and implement this together with the management level. In doing so, the managing directors are bound by the interests and business policy principles of Meidar GanEden Finance GmbH. The managing directors represent the Issuer externally, but require the prior consent of the shareholders' meeting for management measures that go beyond ordinary business operations.

Pursuant to § 4 (2) of the Issuer's Articles of Association (last amended on 29 June 2022), if only one managing director has been appointed, Meidar GanEden Finance GmbH shall be represented by such managing director solely. If several managing directors have been appointed, the Issuer shall be represented either by two managing directors or by one managing director together with an authorised signatory (*Prokurist*).

4.1.2 Current Composition of Management Board

The following table lists the names, positions and the terms of office of the Issuer's managing director:

<u>Name</u>	<u>Position</u>	<u>Member since</u>
Doron Schneider	Managing Director	3 June 2022

Below are summaries of the *curricula vitae* of the current member of the Management Board which indicate the principal activities outside the Issuer to the extent those activities are significant with respect to the Issuer:

Doron Schneider

CEO and Managing Director - A known and esteemed public relations expert for over 20 years who advocates for Israel in Europe mainly and connects investors with special projects in Israel. Doron's background as a European/Israeli helps him establish connections and relations which has brought on the construction of large successful projects in Israel, some which are sold before constructions are even completed. Doron uses his background and expertise to connect and network people for the sake of blooming Israel. Doron is a well-known independent publisher and speaker for topics regarding Israel and besides being managing director of the Issuer is significantly active as publisher and speaker regarding these topics via his homepage www.doronschneider.de.

The business address of the Management Board of the Issuer is Taunusanlage 9-10, 60329 Frankfurt am Main, Germany.

4.1.3 Potential Conflicts of Interests

Mr. Doron Schneider also assumes the function as director and indirect shareholder of MEIDAR GANEDEN LTD, being the Issuer's sole shareholder and parent company. In this respect, there are potential conflicts of interests of the managing director Mr. Doron Schneider between his obligations towards the Issuer and his interests as an indirect shareholder of the Issuer as well as his private interests. To the extent known to the Issuer, at the date of this Prospectus, there is no other potential conflict of interest between the duties of the members of the Management Board and their private interests or other duties.

4.2 General Meeting of Shareholders

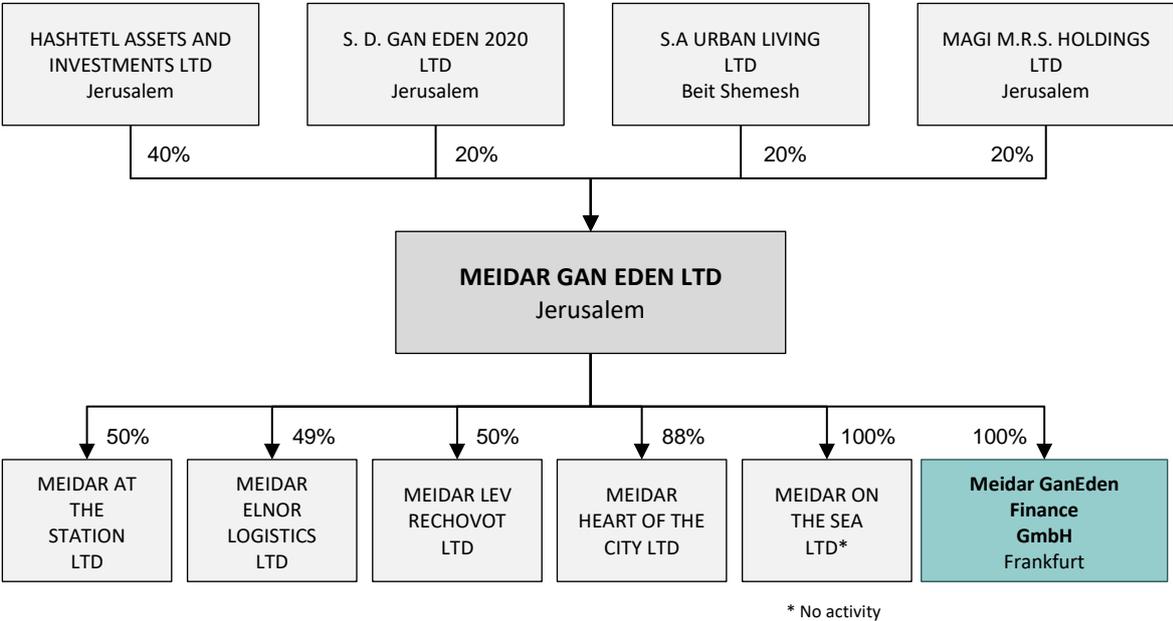
The shareholders' meeting is the supreme body of the Issuer. The shareholders' meeting is entitled to make decisions on all matters relating to the operations of the Company. It shall approve the annual financial statements and appoint the auditor. Resolutions of the shareholders generally require a statutory majority, unless the articles of association provide otherwise. The general meeting has the power to adopt and ratify all acts and operations which are consistent with the Issuer's corporate object, including, *inter alia*, to approve the annual accounts, amend the Articles, grant full or partial discharge to directors, appoint auditors, and dissolve the Issuer.

4.3 Corporate Governance

As the Issuer is not a listed company, it is not obliged to submit a declaration of compliance pursuant to Section 161 of the German Stock Corporation Act ("AktG") with regard to the recommendations of the "Government Commission on the German Corporate Governance Code".

4.4 Corporate Structure

The corporate structure of MEIDAR GANEDEN is as follows:



5 GENERAL INFORMATION ABOUT THE GUARANTOR

5.1 General

MEIDAR GAN EDEN LTD was incorporated and registered on 1 June 2020 and commenced its business operations action in July 2020. MEIDAR GAN EDEN LTD is a company with limited liability property holding company in Israel under Israel's Companies Law 5769 – 1999 and is registered under registration number 516200441. The registered office of MEIDAR GAN EDEN LTD is Hartom 16, Jerusalem, Israel. MEIDAR GAN EDEN LTD and the companies held by it are engaged in locating, initiating, planning, financing, establishing and promoting projects in the field of real estate. The Guarantor's LEI is 984500CEB2B77D69DE24. The Guarantor has been incorporated for an indefinite duration.

5.2 Share Capital

The share capital of MEIDAR GAN EDEN LTD is NIS 100 and is divided into 1,000 total regular shares with a nominal value of NIS 0.1 and an assigned capital of NIS 10 each. The capital is fully paid up. Each share has an equivalent voting right. Pursuant to Section 4 of the Articles of Association of MEIDAR GAN EDEN LTD the shareholders liability is limited by shares, up to the amount of shares allocated to it and not yet paid. Pursuant to Section 5 of the Articles of Association of MEIDAR GAN EDEN LTD the company is a private company and its number of members will not exceed fifty. Pursuant to Section 7 of the Articles of Association of MEIDAR GAN EDEN LTD it is prohibited to transfer any shares without the board of directors approval.

5.3 Corporate Object

Pursuant to Section 2 of its Articles of Association, MEIDAR GAN EDEN LTD's purpose is according to section 32(1) of the law (i.e. Israeli Company Law) "to operate in any legal occupation". MEIDAR GAN EDEN LTD owns and develops, through its subsidiaries, land, and real estate under construction, some of which are intended for commerce and offices and some for residence.

5.4 Financial Year

Meidar GanEden Limited's financial year is the calendar year.

5.5 Statutory Auditor

MEIDAR GAN EDEN LTD's statutory auditor is MOORE ISRAEL LION ORLTZKI, ELEPHANT MAHALLA CPA, 8 Hartom St. Har Hotzvim POB 45183 Jerusalem, which is a partnership registered in Israel with the I.D. No.: 540256773 and member of the Institute of Certified Public Accountants in Israel (ICPAI), 1 Montefiore Street, PO Box 29281, 61292 Tel-Aviv, Israel, which is the respective professional body for CPA in Israel.

5.6 Management

Sali Eilon

Head of Taxation and Legal Dept. and Director – Sali Eilon is a known and experienced tax expert, consultant, auditor, lecturer, and a managing partner in his own law firm. Sali Eilon managed the professional department of Property and Real Estate in the National Tax Authority. Sali Eilon was a vital part of a special team which was appointed to write the bill regarding Pinuy Binuy and Tama 38 in Israel. He has extensive experience managing and overseeing complex real estate projects and transactions. Sali Eilon comes from a family of entrepreneurs and esteemed legacy that led to the building and developing of hundreds of buildings in Israel. Sali Eilon is also an expert for Meidar Group.

Yechiel Porush

CEO and Director - Yechiel Porush comes from a background of economics and is a graduate in computer science and economics. Yechiel has wide experience in real estate and project management which allows him to manage various projects, budgets, and planning at the highest level. Yechiel Porush's expertise in finances and accuracy in the details are crucial for the preliminary stages of the projects. He is known to put the client first and has a

special heart for the tenants who are all critical for the success of the projects. Beside the activities for the Issuer, Yechiel Porush is CEO of the Meidar Group but otherwise conducts no significant professional other activities outside the Issuer.

Shmaryahu Adilman

Business Development VP and Director - Shmaryahu Adilman has years of experience in the real estate field in Israel and in the U.S. Shmaryahu Adilman is a national planning expert, having extensive knowledge and experience in locating properties and planning visions for construction in the cities. Shmaryahu Adilman has special expertise in economic feasibility analysis for projects, from the property locating stage and preliminary planning stage to the actual construction and execution stage. Beside the activities for the Issuer, Shmaryahu Adilman is VP of Business Development of the Meidar Group but otherwise conducts no significant professional other activities outside the Issuer.

Zeev Greenberg

Projects VP and Director - Zeev Greenberg specializes in promoting construction and building projects in the municipal and areal level and is known to break the walls of bureaucracy. Zeev Greenberg oversees the urban renewal projects (Pinuy Binuy and Tama 38) with a professional and warm approach to the tenants. He leads complex projects to success and completion and performs functions including rezoning, permits and experts consultation in the best manner with a view and a vision of the future and the final outcome. Beside the activities for the Issuer, Zeev Greenberg is VP of the Meidar Group but otherwise conducts no significant professional other activities outside the Issuer.

Doron Schneider

Director - A known and esteemed public relations expert for over 20 years who advocates for Israel in Europe mainly and connects investors with special projects in the land. Doron's background as a European/Israeli helps him establish connections and relations which has brought on the construction of large successful projects in Israel, some which are sold before constructions are even completed. Doron uses his background and expertise to connect and network people for the sake of blooming Israel. Doron is a well-known independent publisher and speaker for topics regarding Israel and besides being managing director of the Issuer is significantly active as publisher and speaker regarding these topics via his homepage www.doronschneider.de.

Eyal Halperin

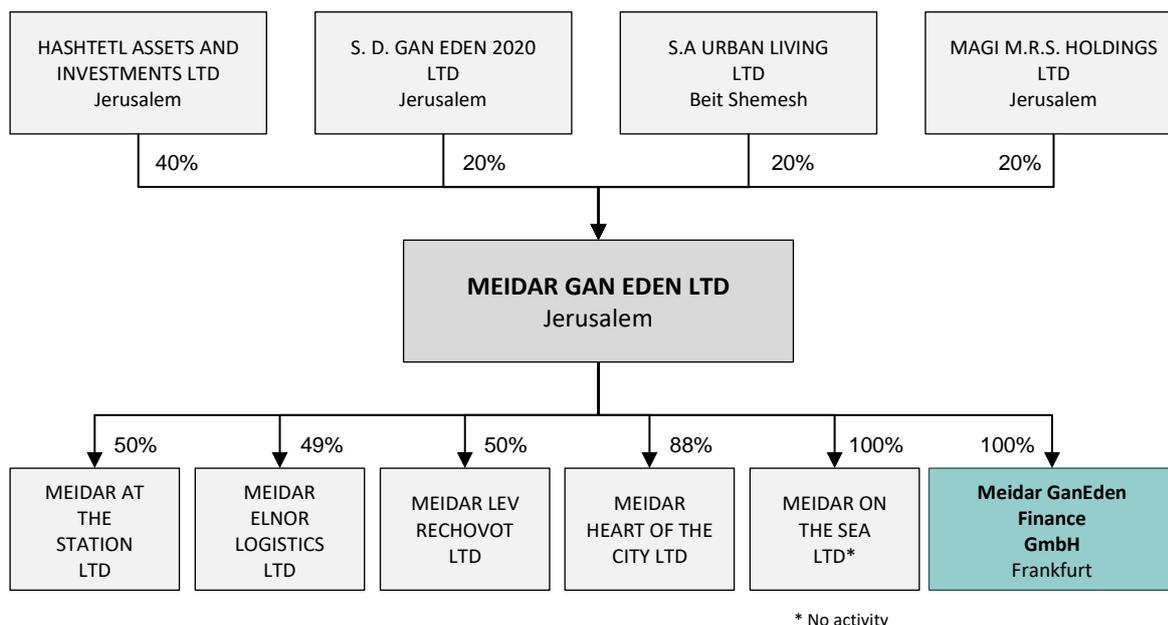
Quality Control Manager - Eyal Halperin comes from a background of a CEO in a major company, leading residential projects whilst focusing on quality, effectiveness, and performance. Eyal Halperin is experienced in complex situation analysis and assessment. At Meidar, Eyal Halperin is in charge of checking and auditing our projects before and during the process, he makes sure that all is done effectively, efficiently and properly so all parties benefit. Eyal Halperin has experience with companies and clients in Israel and overseas. He has an MBA major in Finance from the University of Manchester, England.

The business address for all members of the management of the Guarantor is the business address of the Gurantor: MEIDAR GAN EDEN LTD, Hartom 16, Jerusalem, Israel.

To the extent known to the Guarantor, there are no potential conflicts of interests between any duties to the Guarantor and the members of the management private interests and or other duties.

5.7 Organizational Structure / Group Structure

MEIDAR GAN EDEN LTD is the holding company of MEIDAR GANEDEN which includes as of the date of this Prospectus the following entities: (i) MEIDAR HEART OF THE CITY LTD – which owns a real estate property known as plot 169 in block 3703 at 178 Herzl St., corner of 1 Yaakov Street in Rehovot (88% participation), (ii) MEIDAR AT THE STATION LTD - owns a property known as plot 402, 403, 404, 405, 406, 407 in block 6123 at 12 Jabotinsky St. in B'nei B'rak (50% participation), (iii) the Issuer (100% participation), (iv) MEIDAR ELNOR LOGISTICS LTD (49% participation), (v) MEIDAR LEV RECHOVOT LTD (50% participation) and (vi) MEIDAR ON THE SEA LTD which does not currently have any activity (100% participation).



The shareholders of MEIDAR GAN EDEN LTD are

HASHTETL ASSETS AND INVESTMENTS LTD (shareholders are Zeev Greenberg 50% and Tson Barzel Ltd. 50% (which is held by Yechiel Porush (100%)), S.D. GAN EDEN 2020 LTD (shareholders are Doron Schneider 50% and Sali Eilon 50%), S.A. URBAN LIVING LTD (shareholder is Shmaryahu Adilman 100%) and MAGI M.R.S. HOLDINGS LTD (shareholder is Sali Eilon 100%).

The Issuer is fully dependent from the Guarantor as the Guarantor is the Issuer's sole shareholder and therewith fully controls the Issuer.

To the knowledge of the Issuer and the Guarantor, the Guarantor is neither directly nor indirectly owned or controlled.

5.8 Business

The Guarantor and the companies held by it are engaged in locating, initiating, planning, financing, establishing, and promoting projects in the field of real estate (see for further information "6 - BUSINESS OF MEIDAR GANEDEN").

5.9 Rating

The Guarantor has not been rated by any rating agency and obtaining such a rating is currently not envisaged.

5.10 Material Contracts

5.10.1 Loan agreements with private individuals

MEIDAR GAN EDEN LTD has concluded several loan agreements (approximately 71) with private individuals. The loans were issued in different tranches ranging from EUR 10,000 to EUR 300,000 with an interest rate of between 4.00% to 7.00%, in the most cases over a term of between 3 and 5 years. The loans were granted in the total amount of EUR 6.4 million and were granted by private individuals to MEIDAR GAN EDEN LTD between January 2021 until October 2022. Under the loans, it was agreed that the loan agreement and the annual nominal interest are to be repaid by MEIDAR GAN EDEN LTD to the respective private individuals at the end of the respective loan term. It is agreed in the respective loan agreements that after signing the loan agreement, the loan provider shall transfer the respective loan amount to the account of MEIDAR GAN EDEN LTD in Israel in Shekels

and MEIDAR GAN EDEN LTD may invest the loan amount predominantly in its respective projects in order to promote them. It is also agreed in the loan agreements that the respective lender is not granted any rights to the respective projects. In some cases, the interest is paid in part at the end of the year and the remaining interest is paid out at the end of the loan term together with the entire loan amount. In addition, it is usually made clear that MEIDAR GAN EDEN LTD withholds taxes on all interest and bonus payments in accordance with Israeli tax laws. In addition, various representations and warranties are assumed by MEIDAR GAN EDEN LTD and by the respective individual and rights to modify the loan agreement are agreed upon. In addition, regarding the loans granted before 2022 the indirect shareholders of MEIDAR GAN EDEN LTD as natural persons, either Sali Eilon and Shmaryahu Adilman or Yechiel Porush and Zeev Greenberg granted guarantees for the repayment of the respective loan amounts. Regarding the loans granted since 2022 the direct shareholder of MEIDAR GAN EDEN LTD, i.e. S.D. GAN EDEN 2020 LTD, HASHTETL ASSETS AND INVESTMENTS LTD, MAGI M.R.S. HOLDINGS LTD and URBAN LIVING LTD.

5.10.2 Management services agreement

On 3 October 2021, MEIDAR GAN EDEN LTD signed an agreement for the provision of management services to affiliated companies of Weizmann Dormitories Ltd. H.P. 515977106 and D'kelim Real Estate and Investments Ltd. H.P. 515976777. Management services were provided as of 6/2020 for the project of building student dormitories and commerce, at 56 Derech Yavne Street in Rehovot, known as Block 30702 Plots 151,152. The companies are companies controlled by the company's shareholders and they will pay each of the companies a management fee of NIS 51,500 per month. The management fee will be paid retroactively from the date of commencement of the services.

5.10.3 Loan agreements to finance projects and with financing banks

The Guarantor and its subsidiaries from time to time, enter into financing agreements with financing banks to finance the different projects of MEIDAR GANEDEN and other current costs of MEIDAR GANEDEN.

On 1 February 2021, the Guarantor agreed to enter into a financing contract with Bank Leumi to finance the Guarantor's obligation vis-à-vis the sellers regarding the real estate in connection with the project of MEIDAR HEART OF THE CIYT LTD and in connection with a working capital deficit. The interest rate for the loan is 5.51% and the overall amount of the loan is NIS 20,400,000 (approximately EUR 5,605,920 based on an exchange rate NIS/EUR of 0.2748 as of 30 June 2022). The actually agreed duration of the loan is 2 years. The Guarantor's management expects to refinance this financing with the overall bank loan agreement for the entire project.

Furthermore, MEIDAR GANEDEN has also taken a loan of NIS 1.5 million (EUR 426,136) from a private company for a duration of 180 days at an interest rate of 7% for interim financing of the project in Ashdod. A further loan of NIS 4.5 million (EUR 1,278,409) with a validity of one year and with the option to repay it every 3 months, has also been obtained as interim financing for the project Ashdod.

The other financing agreements which are in negotiations with different further banks might include further restrictive covenants or securities.

5.11 Governmental, Legal, Arbitration or Similar Proceedings

The Guarantor has not been party to any material legal proceedings (including any such proceedings that are pending or anticipated of which it is aware) during the past twelve months that have had, or that it expects in the future to have, a material adverse effect on its financial position, profitability, business or results of operations.

5.12 Selected Financial Information of the Guarantor

The following selected financial information of the Guarantor has been taken or derived from the audited consolidated financial statements of the Guarantor prepared in accordance with IFRS covering the fiscal year ended 31 December 2020 (year of incorporation) (the "**Audited Consolidated Guarantor Financial Statements 2020**") and from the audited consolidated financial statements of the Guarantor prepared in accordance with IFRS covering the fiscal year ended 31 December 2021 (the "**Audited Consolidated Guarantor Financial Statements 2021**", the Audited Consolidated Guarantor Financial Statements 2020 and the Audited Consolidated Guarantor Financial Statements 2021 together the "**Audited Consolidated Guarantor Financial Statements**") and the unaudited consolidated interim financial statements as of and for the six-month period ended 30 June 2022 (the "**Unaudited Consolidated Guarantor Interim Financial Statements**"). The Audited Consolidated Guarantor

Financial Statements were audited by MOORE ISRAEL LION ORLTZKI, ELEPHANT MAHALLA CPA, 8 Hartom St. Har Hotzvim POB 45183 Jerusalem, which is a partnership registered in Israel with the I.D. No.: 540256773 and member of the Institute of Certified Public Accountants in Israel (ICPAI), 1 Montefiore Street, PO Box 29281, 61292 Tel-Aviv, Israel, who issued an unqualified audit opinion thereon. The Audited Consolidated Guarantor Financial Statements were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”) applicable on the reporting date. The Unaudited Consolidated Guarantor Interim Financial Statements were prepared in accordance with IAS 34 International Accounting Standards. The Consolidated Guarantor Financial Statements and the respective independent auditor’s report thereon as well as the Consolidated Guarantor Interim Financial Statements are included in this Prospectus.

Figures as set out in the Consolidated Guarantor Financial Statements are each presented in New Israeli Shekel (“NIS”). For ease of reference these figures are presented in Euro (EUR) and are calculated from NIS to EUR based on the exchange rate of the European Central Bank of NIS to Euro of 0.2545 and 0.2828 and 0.258 and 0.2748 as of 31 December 2020, as of 31 December 2021, as of 30 June 2021 and as of 30 June 2022, respectively.

5.12.1 Selected consolidated balance sheet information

	31 December	31 December	30 June
	2020	2021	2022
	(in EUR) ¹	(in EUR) ²	(in EUR) ³
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Current assets			
Cash and cash equivalents	59,319	1,319,276	1,514,188
Debtors and debit balances	304,649	1,926,850	1,439,559
	363,986	3,246,126	2,953,747
Non-current assets			
Inventory in Establishment	1,343,568	3,338,366	3,490,172
Investments	268,050	1,154,705	1,302,736
Option to purchase a property	187,567	-	-
	1,799,185	4,493,071	4,792,908
Fixed assets, net	627	48,999	76,167
Real estate investments in Establishing	2,635,648	6,684,626	6,784,179
	2,636,275	6,733,625	6,860,346
Current liabilities			
Short-term loan	222,432	6,751,380	5,520,673
Suppliers and service providers	45,394	119,645	37,369
Eligible and credit balances	21,479	58,496	62,017
Obligations to Property Owners	2,826,986	-	-
	3,116,291	6,929,521	5,620,059
Reserve for Tax	117,146	319,384	310,349
Long-term loans	344,436	4,324,377	6,425,108
Rights that don't allocate control	101,844	372,987	359,279
Equity			
Share Capital	2.55	2.828	2.748
Equity fund	683,323	2,068,541	2,031,395
Profit Balance (loss)	441,406	458,008	(139,195)
	4,804,448.55	14,472,821	14,606,998

1 Based on exchange rate NIS into EUR of 0.2545 as of 31 December 2020.

2 Based on exchange rate NIS into EUR of 0.2828 as of 31 December 2021.

3 Based on exchange rate NIS into EUR of 0.2748 as of 30 June 2022.

5.12.2 Selected consolidated profit and loss statement and surpluses

	As of and for the fiscal year ended 31 December	As of and for the fiscal year ended 31 December	As of and for the six-month period ended 30 June	As of and for the six-month period ended 30 June
	2020	2021	2021	2022
	(in EUR) ¹	(in EUR) ²	(in EUR) ³	(in EUR) ⁴
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	772,756	1,488,107	302,555	204,271
Administrative and general expenses	162,758	819,123	270,645	561,495
Promotional expenses	-	165,896	30,292	18,808
Operating Profit (loss)	609,998	503,088	1,618	(376,032)
Financing expenses, net	4,859	285,290	29,639	217,628
Profit (loss) before other income	605,139	217,798	(28,021)	(593,660)
Income taxes	117,146	189,211	32,875	9,160
Profit (loss) for the period	487,993	28,587	(60,896)	(602,820)

1 Based on exchange rate NIS into EUR of 0.2545 as of 31 December 2020.

2 Based on exchange rate NIS into EUR of 0.2828 as of 31 December 2021.

3 Based on exchange rate NIS into EUR 0.2583 as of 30 June 2021.

4 Based on exchange rate NIS into EUR 0.2748 as of 30 June 2022.

5.12.3 Selected cash flow information

	As of and for the fiscal year ended 31 December	As of and for the fiscal year ended 31 December	As of and for the six-month period ended 30 June	As of and for the six-month period ended 30 June
	2020	2021	2022	2021
	(in EUR) ¹	(in EUR) ²	(in EUR) ³	(in EUR) ⁴
	(audited)	(audited)	(unaudited)	(unaudited)
Net cash flows from operating activities	(462,064)	(5,144,007)	(315,517)	(297,195)
Net cash flows from financing activities	1,102,030	11,521,243	1,096,307	1,637,464
Net cash flows from investing activities	(580,646)	(5,123,876)	(548,558)	(496,716)

1 Based on exchange rate NIS into EUR of 0.2545 as of 31 December 2020.

2 Based on exchange rate NIS into EUR of 0.2828 as of 31 December 2021.

3 Based on exchange rate NIS into EUR of 0.2748 as of 30 June 2022.

4 Based on exchange rate NIS into EUR of 0.2583 as of June 2022.

5.13 Expected Financing of the Guarantor's Activities

The Guarantor expects to finance the activities of MEIDAR GANEDEN through equity contribution by its shareholders and most of it by debt financing through bank loans or other debt financing instruments from well-known banks or its shareholders. The proceeds from the issuance of the Notes, in the amount and to the extent they will be provided, which are the subject matter of this Prospectus, only represent a small part of the entire financing of the Guarantor and are supposed to be provided by the Issuer to the Guarantor by way of an upstream loan.

6 BUSINESS OF MEIDAR GANEDEN

6.1 Business description

The Issuer is a 100% wholly-owned subsidiary of MEIDAR GAN EDEN LTD, the holding company of MEIDAR GANEDEN. The Issuer is a financial vehicle by which MEIDAR GANEDEN offers private and institutional investors the opportunity to invest into the real estate sector in Israel. The Issuer raises funds which are in turn made available to MEIDAR GANEDEN in the form of a loan agreement for investments in its business operations in the real estate sector in Israel.

MEIDAR GANEDEN is a Jerusalem based Israeli real estate group. MEIDAR GANEDEN is operationally active either by itself by delivering management services to its subsidiaries or prospective project subsidiaries or via its project subsidiaries in which MEIDAR GANEDEN holds interests. MEIDAR GANEDEN cooperates and joins with partners to conduct its business operations and the different real estate projects. One of the main partners is the Meidar Group (the “**Meidar Group**”), which is a group of companies also active in the field of real estate development.

The vision of MEIDAR GANEDEN is to become one of the leading and most influential real estate companies in Israel. In MEIDAR GANEDEN’s opinion, the Israeli real estate market is booming at the moment due to factors like a fast growing population, constantly expanding immigration and increasing urban renewals promoted by local municipalities. The strategy of MEIDAR GANEDEN is to serve these developments and especially the fast growing population in Israel with suitable apartments and residential areas and to provide a better lifestyle in Israel by building quality housing for young families, students and especially new immigrants, which is based on their needs and desires.

The operational business of MEIDAR GANEDEN can be divided into three business areas:

- (i) the “**Project Development Area**”,
- (ii) the “**Holdings And Management Area**” and
- (iii) the “**Urban Renewal Area**”.

Project Development Area: In the Project Development Area, MEIDAR GANEDEN uses its experience and network in real estate project development to identify suitable land in prime locations in Israel in order to build and develop such prime locations with buildings. In doing so, MEIDAR GANEDEN first identifies and analyzes the land in detail with regard to its buildability and its development potential. Furthermore, MEIDAR GANEDEN considers the potential of each project based on potential clients for such project, the micro and macro-economic situation at present and as estimated by MEIDAR GANEDEN in the future, an in-depth market research and otherwise tailored to the specific situation and surroundings. Subsequently and based on a positive decision regarding the potential of the respective project and its suitability, the respective land is acquired by a project company of MEIDAR GANEDEN, in which MEIDAR GANEDEN holds in most cases a majority interest and sometimes a minority interest. After that, MEIDAR GANEDEN creates building rights in the respective real estate project and instructs one of the leading architects in Israel that MEIDAR GANEDEN considers suitable for the project to carry out the entire detailed planning. In parallel, MEIDAR GANEDEN coordinates and organizes the complete construction and design of the buildings on the land. The apartments are built especially for immigrants, families and students. The commercial properties built on the respective plots of land always fit into the overall concept of the respective real estate project and are intended to increase the quality and standard of living of the people living in the respective residential area. The apartments built and the commercial properties built are marketed by suitable real estate agencies and then sold and handed over directly by the respective project company to the respective buyers.

Holdings And Management Area: In the Holdings And Management Area, MEIDAR GANEDEN acquires and holds individual commercial properties and leases them to suitable commercial operators. The main reasons for MEIDAR GANEDEN to acquire and hold this commercial real estate is to generate a positive and steady cash flow and to build a substantial portfolio of commercial properties with a long term development interest. Furthermore, MEIDAR GANEDEN can in some cases actively shape the structure and character of commercial real estate in its respective real estate projects in the Project Development Area.

Urban Renewal Area: In the Urban Renewal Area MEIDAR GANEDEN improves and adapts urban areas on

the basis of two specific legal procedures (Pinuy-Binuy and TAMA 38) that exist in Israel.

Based on the Pinuy-Binuy legal framework, MEIDAR GANEDEN improves and adapts an urban area by demolishing old buildings and constructing new residential buildings in their place. The “Pinuy-Binuy” process and the respective legal regulation was first announced by the Israeli Ministry of Housing in 1998 as part of a policy of urban renewal, improving the quality of life of residents and upgrading infrastructure in old areas throughout Israel. The “Pinuy-Binuy” procedure is a legally regulated procedure through which the residents of a residential complex can initiate the renewal process of the entire apartment complex with a specified final approval rate. MEIDAR GANEDEN preliminarily examines in which residential complexes such Pinuy-Binuy procedure can be conducted. If they decide to go forward, MEIDAR GANEDEN conducts all steps of such procedure in the respective residential area.

MEIDAR GANEDEN’s Pinuy-Binuy procedure has the following steps:

- (1) First, MEIDAR GANEDEN conducts the process such that residents sign a “No-Shop”-agreement which is an agreement that allows MEIDAR GANEDEN to review the feasibility of the project in a legally limited period of time, knowing that residents will not apply to another real estate developer. The reason for this is that the review process involves costs in terms of time and money for MEIDAR GANEDEN. As soon as 60% of the tenants sign the No-Shop agreement, MEIDAR GANEDEN has the authority to submit plans with the planning authorities.
- (2) Immediately, after that, at the end of the inspection and in a second step, MEIDAR GANEDEN develops an accurate and detailed plan together with its network partners and especially architects, so that in the next stage - when the final contract is signed - each tenant knows exactly what they will get, what the new apartment will look like and other further details of the reconstruction.
- (3) At the same time, MEIDAR GANEDEN is leading a process in which the tenants choose their representatives, who in turn choose consultants (lawyer, construction supervisor, architect, etc.) who represent them in negotiations with MEIDAR GANEDEN. MEIDAR GANEDEN finances the salaries of all the consultants so that the tenants do not have to pay, making the whole process social and contributing to the community.
- (4) The process of drafting the final agreement and the tenants' signatures on it then begins. In order to begin the process of evacuating and demolishing the buildings, it is necessary to have the signatures of 100% of the tenants. However, the Israeli legislature understood that this is an impossible task and therefore stated that if about 67% of the tenants signed the agreement, it would be possible to file a lawsuit against the other tenants and force them to sign the agreement as well.
- (5) Once the tenants’ signatures have been obtained, MEIDAR GANEDEN demolishes the existing building or group of buildings and builds taller buildings replacing the older buildings with a larger number of apartments (depending on the particular building permit), some of which are given to the existing tenants and some of which are sold to new tenants. The number of apartments that can be built on the property will be determined by an appraisal of an appraiser of the respective municipal and the respective city confirms the appraisers result.
- (6) During the entire process MEIDAR GANEDEN bears all costs due to the renewal, which are for example costs for the movers, the tenants’ lawyers, etc. Furthermore, MEIDAR GANEDEN will provide a bank guarantee in the value of the new apartments to secure the finalization of the process. MEIDAR GANEDEN profits from this process because the government or municipals give further specific rights to build further apartments which in turn can be sold. Also, tax advantages are given by the government for entrepreneurs like MEIDAR GANEDEN who are involved in the development of such projects.
- (7) During the entire process MEIDAR GANEDEN fully cooperates with and offers to the tenants the highest possible transparency and reliability as is possible. MEIDAR GANEDEN sets up structures to respond continuously and promptly to any questions or problems residents may

have, which leads to their satisfaction and ensures a rapid progress for MEIDAR GANEDEN and the tenants. In the opinion of MEIDAR GANEDEN “speed of execution” means a lot for both sides, since MEIDAR GANEDEN’s interest is to complete the project fast and on schedule so that the tenants can return to their new and spacious apartments as soon as possible.

Based on the **TAMA 38** legal framework, MEIDAR GANEDEN improves and reconstructs old apartment buildings thereby strengthening the buildings against earthquakes. TAMA 38 is like the “Pinuy-Binuy” procedure, but quicker to implement and finalize and has slightly differences based on the ratio of the TAMA 38 legal framework to renew buildings that are located in earthquake-prone areas. TAMA 38 is the name of a framework plan that provides another option to owners of apartments in earthquake-prone areas to obtain a new home and improve their quality of life. According to the plan, buildings that an engineer has determined need to be strengthened can be demolished and new buildings can be constructed instead, based on the old building rights and in addition to the rights granted under the TAMA 38. The building lines of the new building may not deviate from the building lines indicated in the plans.

At the moment, MEIDAR GANEDEN works on the following eight (8) essential projects by which approximately 1962 new apartment units are planned to be built. The average duration to finalize such project is estimated by MEIDAR GANEDEN to be around four (4) years and MEIDAR GANEDEN estimates total costs to finalize the projects in the amount of EUR 463 million.

6.1.1 Project Rehovot Herzl Street

MEIDAR GANEDEN holds 88% in MEIDAR HEART OF THE CITY LTD (in Hebrew also called “Meidar Lev Hai’ir LTD”). MEIDAR HEART OF THE CITY LTD is the owner of plots of land and existing apartment buildings in Herzl Street in Rehovot, Israel, which MEIDAR GANEDEN plans to develop in its Project Development Area and after having developed it, to hold it in its Holdings And Management Area. Rehovot is a fast growing city providing a high quality of life to its citizens. The project is expected to include the construction of 56 apartments, shall start in 2024 and is planned to be completed in 2025. The project is expected to cost approximately EUR 26 million (i.e. approximately: property costs EUR 8 million, appreciation fee for the new permits EUR 1.5 million, direct planning and construction costs EUR 14 million and surrounding costs EUR 2.5 million). The area is characterized by lively demand for housing both from singles and young couples seeking to live in small apartments, as well as from older families who no longer need a large apartment or a proximity to kindergarten and schools, but who rather want to enjoy high accessibility to stores, medical services and HMOs, the municipality, social security, public transportation and banks. The project is located on the main street in Rehovot and is only one block away from a children’s park. The project currently holds 11 stores, from which income is already generated through rent until the construction starts. The unique specialty about the lot is that at the corner of the project there is a historic building, for which MEIDAR GANEDEN has a special preservation plan in place through an agreement with the city. The project will include space for commercial use on the ground floor, office space and residential floors. Due to the central location of the project, one floor will be built for the municipality which favors the public. The city municipality favors projects that include such a space, which helps to speed up the process of obtaining all permits. MEIDAR GANEDEN is at the moment rezoning the property to expand the building rights. The new zoning of the property has been approved by the city and is now for approval by the regional council. The final permits and approvals are expected to come by the end of 2023 so that the construction of the building is expected to start in 2024. The project is expected to be completed by the end of 2024. MEIDAR GANEDEN estimates an income from the project in the amount of approximately EUR 40 million including VAT (i.e. approximately EUR 10 million from the commercial properties either by sale or by rent and approximately EUR 30 from the sale of newly developed residential properties). Regarding Project Rehovot Herzl Street the estimated required financing is approximately EUR 26 million as of which (85%) approximately EUR 22.1 million are expected to be financed by a bank loan and the rest shall be financed by the use of proceeds of the issue of the Notes which is the subject matter of this Prospectus (whereby MEIDAR GANEDEN determines EUR 4.5 million to this project as set out in Section 10 USE OF PROCEEDS AND COSTS OF THE OFFERING, which is more than the further needed EUR 3.9 million, as MEIDAR GANEDEN plans the additional amount of EUR 0.6 million as buffer for raising constructions costs, which is based on MEIDAR GANEDEN’s experience with such projects.).



(Planned building)



(Status 2022)

6.1.2 Project Bnei Brak Batachana

MEIDAR GANEDEN holds 50% in MEIDAR AT THE STATION LTD (in Hebrew also called “Meidar Batachana LTD”). The other 50% shareholder in MEIDAR AT THE STATION LTD is a partner of MEIDAR GANEDEN. MEIDAR AT THE STATION LTD is the partial owner (a notice of ownership has been registered and received) of 50% of plots of land and the existing commercial space at 12 Jabotinsty Street in Bnei Brak Batachana, Israel, (i.e. block 6123, plots 402, 403, 404, 405, 406 and 407) which MEIDAR GANEDEN plans to develop in its Project Development Area and after having developed the project in its Holdings And Management Area. The project is located on a central street which is on the edge of a residential area and across from a commercial area where most office buildings are located. There is a light rail station which is next to the project which enables the residents to reach Tel Aviv in five minutes enabling them to avoid the road traffic. As the project is located right across from the commercial center, there are several work opportunities for residents. The project is expected to include the construction of 65 apartments and two (2) underground floors for parking as well as a ground floor for commercial use, to start in 2023 and to be completed in 2024. The project is expected to cost approximately in total EUR 40 million (i.e. approximately: property costs EUR 16 million, appreciation fee for the new permits EUR 1 million, direct planning and construction costs EUR 18 million and surrounding costs EUR 4 million). MEIDAR GANEDEN’s portion of finance amounts to approximately EUR 3 million. The project will also include commercial units on the ground floor, which will be rented out on a continuous basis. The apartments will be sold to young families and immigrants. It is planned to develop this property in the medium term as part of a larger-scale urban development project. MEIDAR GANEDEN estimates an income for the project company (in which it holds 50% via its shareholding in Meidar at the Station) in the amount of approximately EUR 82 million including VAT (i.e. approximately EUR 36 million from the commercial properties either by sale or by rent and approximately EUR 46 million from the sale of newly developed residential properties). Regarding Project Bnei Brak Batachana the estimated required financing is EUR 40 million as of which (85%) EUR 34 million are financed by an agreed loan of bank and the rest shall be financed by the use of proceeds, whereby MEIDAR GANEDEN “only” owns 50% of the project company and the rest of the required financing is financed by other partners of the project.

The building permit of the project is divided into two phases – Phase A and Phase B.

Phase A includes the excavation and digging permit, for which all conditions have been met and completed as well as approved by the city. MEIDAR GANEDEN is at present awaiting the signature of the city engineer and expects such signature soon. MEIDAR GANEDEN will then start digging for the underground parking and construction of the commercial area at the ground level of the property. The construction for the commercial properties is expected to commence within the next 6 months and is expected to be completed within 18 months.

Phase B – This phase includes the permits and approvals for the residential properties. The processes for such permits and approvals have been initiated and MEIDAR GANEDEN expects such permits and approvals to receive during Phase A. After such approvals and permits have been obtained, MEIDAR GANEDEN will start with the

construction of the residential properties in this project. MEIDAR GANEDEN expects the construction of the residential properties to start after the construction of the commercial part.



(Planned building)

6.1.3 Project Rehovot Derech Yavne Studios

MEIDAR GANEDEN manages a project development and holding and management project in Rehovot, Israel, called Rehovot Derech Yavne Studios. The project is expected to include the construction of 88 apartments, has started in 2022 and is planned to be completed in 2023. The project is expected to cost approximately EUR 11 million. The project is very near to the famous Weizmann Institute and the Faculty of Agriculture of the Hebrew University and is within walking distance from the center of the city. The project has taken advantage of the current design of the building and has designed apartments in a unique way which separates the bedroom from the living areas by adding a partial second level to each apartment. It is intended for some apartments to be sold directly to the Weizmann Institute or to other parties who will then rent out these apartments to students of the Weizmann Institute and to students of the Faculty of Agriculture of the Hebrew University. Other apartments are intended to be let out on rent by MEIDAR GANEDEN itself to students directly. MEIDAR GANEDEN receives a fee for the management of the project based on a management contract between MEIDAR GANEDEN and the respective project company of the project, which is not part of MEIDAR GANEDEN.

Recently, the signed building permit has been issued by the municipality and the Israel Land Authority (RMI) has given its approval to start construction.



(Planned building)

6.1.4 Project Jerusalem Armon Hanatziv

MEIDAR GANEDEN is in the process of setting up the structure around a project company, which will be the owner of the project in the neighbourhood of Armon Hanatziv in Jerusalem, Israel, which MEIDAR GANEDEN plans to develop in its Urban Renewal Area. The project is expected to include the construction of approximately 850 apartments (now there are only 179 apartments), is envisaged to start in 2025 and is planned to be completed in 2027. The project is expected to cost approximately EUR 310 million. It is planned that most of the apartments will be sold upon completion. Young families, immigrants and students will especially benefit from this project.

The project has been planned in close proximity to the new Embassy of the United States of America in Jerusalem which ensures security and an international influence for the future residents. The area across the project has been marked as a green area by the municipality which means that no building permits will be allotted for the area and it will continue to remain a green area without any constructions, also ensuring spectacular views for the residents of the project. The project is ideal for young families in particular due to there being a school in the adjacent plot of the project.

At present, MEIDAR GANEDEN has nearly completed the planning and developing of a master plan which will then be taken to the Jerusalem Municipal Committee for its approval. It is anticipated that because of the ideal location of the project, it will be considered to be one of the most beautiful and talked about projects in Jerusalem, called 'The Six Towers'.

MEIDAR GANEDEN has also been in constant touch with the tenants of the existing apartments providing them with detailed updates on the progress of the project. MEIDAR GANEDEN has, along with the tenants' representatives, attorney and supervisor, been preparing a so called construction eviction agreement. At the moment MEIDAR GANEDEN is also conducting the zoning of this property which is expected to be finished in approximately 10 months. The timeline for this project is approximately 2.5 years until the (re)construction of the buildings starts. The construction phase will approximately take further 2.5 years for each stage and the entire

project is envisaged to be constructed in two stages.

MEIDAR GANEDEN estimates an income for the project company (in which it holds 50%) in the amount of approximately EUR 371 million including VAT and a profit of approximately EUR 62 million. Regarding Project Jerusalem Armon Hanatziv the estimated required financing is EUR 310 million as of which (85%) EUR 298 million shall be financed by bank loan (which has not yet been agreed finally) and the rest shall be financed by the use of proceeds and a shareholder loan.



(Status 2022)



(Planned building)

6.1.5 Project Jerusalem Iceland

MEIDAR GANEDEN is in the process of setting up a project company and holding 100% in that project company. The said project company will be the owner of the project on Iceland Street in Jerusalem and which will be a part of MEIDAR GANEDEN's Urban Renewal Area. The project is expected to include the construction of

approximately 450 apartments (now there are only 84 apartments), to be started in 2024 and is planned to be completed in 2027. The project is located in a residential neighbourhood and due to its location on a hill, the residents will have spectacular views of the city of Jerusalem. The project is expected to cost approximately EUR 145 million. It is planned that most of the apartments will be sold upon completion. Young families, immigrants and students will especially benefit from this project.

At present, MEIDAR GANEDEN has nearly completed the planning and developing of a master plan which will then be taken to the Jerusalem Municipal Committee for its approval. MEIDAR GANEDEN has also been in constant touch with the tenants of the existing apartments providing them with detailed updates on the progress of the project and will soon commence the preparation of so called construction eviction agreements.



(Planned building)

6.1.6 Project Jerusalem HaHasida

MEIDAR GANEDEN is in the process of setting up a project company and holding 100% in that project company. The project company will be the owner of the project on HaHasida Street in Jerusalem and will be a part of MEIDAR GANEDEN’s Urban Renewal Area. The project is expected to include the construction of approximately 420 apartments (now there are only 113 apartments), will start in 2024 and is planned to be completed in 2028. The project is expected to cost approximately EUR 126 million.

At present, MEIDAR GANEDEN has to obtain approval for the plan for Phase A from a committee called GO-NO-GO, after which the detailed master plan can be developed.



(Planned building)

6.1.7 Project Ashdod

MEIDAR GANEDEN has had the opportunity to expand its Holdings and Management Area with a Project in Ashdod in which MEIDAR GANEDEN rents a large real estate property (approximately 2.4 hectare) near the port of Ashdod to hold it, develop it and rent it to commercial operators for port storage and logistics in the port of Ashdod. The project is expected to cost approximately EUR 1.5 million for the real estate property in rent per year and approximately EUR 4.3 million as an initial investment to set up the property for operations (e.g. fences, offices and equipment). Tami Avrahami, an expert architect in planning projects of this magnitude in the port of Ashdod has been signed up for the project. MEIDAR GANEDEN has also signed a contract with the Israel Port Company and has consequently submitted a bank guarantee of NIS 4,787,640 (EUR 1,360,125). MEIDAR GANEDEN has also taken a loan of NIS 1.5 million (EUR 426,136) from a private company for a duration of 180 days at an interest rate of 7% for interim financing of the project. A further loan of NIS 4.5 million (EUR 1,278,409) with a validity of one year and with the option to repay it every 3 months, has also been obtained as interim financing for the project. Regarding Project in Ashdod the estimated required financing shall be made from the use of proceeds in the amount of EUR 4.8 million.

The project is being planned in three phases, Phase A (in which the project is now), Phase B and Phase C.

Phase A, in which the project is now, will entail meeting all the conditions for obtaining a building permit with the goal being to obtain the permit as quickly as possible so as to commence the work on the project with levelling and fencing of the property. The first permits to prepare the land are expected to be received by MEIDAR GANEDEN in the next months. The first stage thereafter is developing the land for an open storage of containers as well as building administration, guarding buildings, fencing etc. MEIDAR GANEDEN is currently in the process of issuing a permit for this further stage.

Further phases within the project life circle refers to the post-construction period during which a closed storage area will be planned on a specific part of the project land.

MEIDAR GANEDEN expects to start the operations of project in approximately 6 months and also to generate the first income from this project in 6 months.

6.1.8 Project Rehovot 196 Herzl Street

MEIDAR LEV REHOVOT LTD holds 100% of the rights in a lot on 196 Herzl St. in Rehovot. MEIDAR LEV REHOVOT LTD is 50% owned by Meidar Gan Eden LTD.

MEIDAR LEV REHOVOT LTD is planning a new commercial and residential project of approx. 35 apartments in one of the busiest spots of the city, where the new Metro light rail is being built. It is a central location near everything that is required for comfortable and practical living such as: banks, clinics, shopping centers etc.

The construction is scheduled to begin in 2025 and be completed in 2028 and the project is expected to cost approximately EUR 18 million.

The project is targeting young couples and students who characterize the area, and each apartment will have a high level of finish including a balcony and underground parking for each apartment.

6.1.9 Generating income to pay interest and the principal of the Notes

The Issuer and the Guarantor plan and expect to generate sufficient income during the next months and years by the described projects to pay interest and the principal of the Notes, especially the project in Ashdod is expected to generate for the Guarantor sufficient profits (approximately EUR 800,000 in the first year (year 2023), approximately EUR 4 million in the second year (2024), and approximately EUR 5 million from the third year onwards). This amount will be used, among other incomes from the running projects like the management project (e.g. Project Rehovot Derech Yavne Studios, etc.), for the interest payments on the Notes, as well as for current expenses and project financing.

The Bnei Brak project and the Rehovot Herzl project are expected to generate a profit of approximately EUR 18 million for MEIDAR GANEDEN until 2026 and are also intended to pay off the Notes at the end of the maturity.

6.2 Competitive Strengths

6.2.1 MEIDAR GANEDEN can handle the entire chain of real estate project development processes and bureaucracy in all its three business areas in a manner that is effective, efficient and fast

The development of real estate projects in Israel is associated with very complex administrative hurdles and a lot of bureaucracy. MEIDAR GANEDEN sees a considerable competitive advantage in comparison to its competitors in all three business areas in the fact that MEIDAR GANEDEN is involved in all project stages in its business areas and thus in the development of its real estate projects (i.e. from finding suitable areas that can be developed or from finding suitable existing real estate that can be renewed and refurbished to the approval, planning, commissioning and construction of real estate projects). MEIDAR GANEDEN is able to draw on a high level of expertise and many years of experience of the people responsible for the projects. Due to that experience and based on MEIDAR GANEDEN's partners' experience during the last years, MEIDAR GANEDEN's handling of the entire chain of real estate development projects is different and in MEIDAR GANEDEN's opinion much better than the handling process of real estate projects of its competitors.

6.2.2 MEIDAR GANEDEN has a very selective analysing process of the prospective real estate projects

MEIDAR GANEDEN sees a clear competitive advantage in comparison to its competitors in the analysing process that MEIDAR GANEDEN uses to find its projects. In analysing and identifying potentially suitable projects, MEIDAR GANEDEN relies on its network, which is strongly anchored in the real estate industry in Israel. MEIDAR GANEDEN often receives information on the potential development of a property before it is put out to tender or marketed, and is usually able to acquire the property before it has been publicly marketed. In addition, MEIDAR GANEDEN's Urban Renewal Area, through its close contacts with the relevant authorities in Israel, is able to identify and analyse potential properties for development and renewal in the Urban Renewable Area before competitors become aware of the potential project. In addition, MEIDAR GANEDEN sees a significant competitive advantage in comparison to its competitors in the scope and depth of its analysis process regarding the property to be developed. In its own opinion, MEIDAR GANEDEN applies significantly more detailed and meaningful criteria for the analysis of a prospective property than its competitors usually do.

MEIDAR GANEDEN also sees a clear competitive advantage in the fact that MEIDAR GANEDEN and the respective partners from the MEIDAR GANEDEN network involved in the projects have considerable experience in developing real estate projects that are fraught with problems. With this type of real estate project, it is often the case that, on the one hand, they do not fit into the portfolio of the competitors and, on the other hand, the competitors lack the necessary competences for the development. As a result, MEIDAR GANEDEN can acquire such a property at a very good price with a very good return opportunity without taking more risk than with other projects, as MEIDAR GANEDEN has considerable experience in developing such projects.

6.2.3 MEIDAR GANEDEN is a real estate project developer and portfolio holder and manager and is therefore more diversified than pure project developers or portfolio holders

Meidar GanEden has decided to continue to own some of the commercial and office space in its projects. By this way, MEIDAR GANEDEN enjoys both sales revenue from the sale of apartments and commercial properties on the one hand via its Real Estate Project Development Area and continuous cash flow generated from rentals of its commercial properties.

MEIDAR GANEDEN therefore sees a considerable competitive advantage in comparison to its competitors in the fact that MEIDAR GANEDEN, on the one hand, benefits from the continued high and growing demand for new flats to be built and sold as a project developer and, on the other hand, as a commercial real estate manager and holder receives a continuous cash flow from rentals of its commercial properties and is therefore not dependent on the sale of new flats to be built for its further growth.

6.2.4 MEIDAR GANEDEN benefits significantly from its network's expertise. MEIDAR GANEDEN can rely on a trustworthy, long-term grown and very experienced network of specialists who significantly increase the quality of the individual real estate projects and the overall process management in all three (3) business areas of MEIDAR GANEDEN

Compared to its competitors, MEIDAR GANEDEN benefits from the extensive experience and expertise of its partners, shareholders and employees in all of its three business areas. The circle of partners and shareholders is made up of very experienced personalities in the real estate sector, who together have decades of experience in the development of real estate projects in Israel and have already realised projects with a volume in the high millions in the past. In addition, the partners, shareholders and employees of MEIDAR GANEDEN have extensive experience in the field of public real estate and tax administration, which MEIDAR GANEDEN believes is unique among real estate project development companies and urban renewal companies operating in Israel and essential for building a large and influential company in the real estate project development sector in Israel.

6.3 Strategy

The strategy of MEIDAR GANEDEN is to serve the fast growing population in Israel with suitable apartments and residential areas with high living standards and to become in the next 5 to 10 years one of the leading real estate companies in Israel.

6.3.1 Focus on growth in all three (3) business areas due to growing population in Israel, especially due to constant high immigration, leading to high demand of apartments, connected commercial properties for rent and regarding apartments with higher living standards

MEIDAR GANEDEN focuses mostly on residential projects instead of commercial ones due to the rapidly growing population owing to an increase in immigration as well as a high fertility rate. Every year in Israel there is a demand for 60,000 new apartments. For the last 10 years this demand has not been met, meaning that there is a really high shortage of apartments every year.

This is precisely where MEIDRA GANEDEN sees strategic potential for the rapid and sustainable growth of its three business areas. On the one hand, MEIDAR GANEDEN sees considerable strategic growth potential in its Real Estate Project Development Area, as it can meet the constantly high demand for new apartments. On the other hand, MEIDAR GANEDEN also sees significant strategic growth potential in its Real Estate Holding and Management Area, as not all apartments are in demand for purchase, but the rental market for commercial property in Israel also has a high demand. MEIDAR GANEDEN's strategy is therefore clearly to grow continuously and sustainably in all three business areas and to profit from the constant demand for apartments for sale and commercial property for rent in newly built apartment areas or renewed apartment blocks.

6.3.2 Specific focus on and pro-active business development in the fast growing Urban Renewable Area and setting new standards in the Urban Renewal Area by delivering high quality and effectiveness in conducting urban renewal processes

There is only limited land in Israel, especially in the cities with high demand for residential areas, such as Tel Aviv and Jerusalem. When Israel was established, there was a lot of demand for apartments due to the high immigrations. To provide basic housing for the many new immigrants, the government built hundreds of thousands of cheap and low quality apartments at that time, that are now referred to as "train-buildings". Nowadays all these

neighborhoods are not suitable anymore, as the facilities are old and in bad conditions due to the cheap quality of material used when they were built.

Therefore, the Israeli government passed a law in favor of all stakeholders: tenants, development and construction companies, and the government itself. The law includes allowances for construction companies to take down old buildings and build new ones with more apartments in order to be profitable. For each destroyed apartment, the developers receive the right to build generally 4 new apartments, though this number can vary depending on the area and location of the project. Additionally, the new apartments will be built according to the standard rules of construction including a shelter in each apartment. The government also grants a release of tax for the tenants, so they don't have to pay taxes to make the project happen. MEIDAR GANEDEN expects that in the next 15-20 years the majority of construction projects will be such projects contemplated pursuant to the Pinuy-Binuy or TAMA 38 procedure (as described above) especially since there is limited new land to build on in high demand cities such as Tel Aviv, Jerusalem etc.

MEIDAR GANEDEN's strategy is thus to benefit from this trend and, building on the extensive experience that MEIDAR GANEDEN already has in the field of Urban Renewal, to further expand and grow its Urban Renewal Area considerably.

MEIDAR GANEDEN plans to set new standards to conduct such processes in its Urban Renewal Area in Israel and to convince all participants (tenants, employees from the public sector, constructors, architects, real estate agencies and financing banks) of such processes by the high quality and effectiveness with which MEIDAR GANEDEN conducts such processes.

Furthermore, MEIDAR GANEDEN conducts a pro-active business development in the Urban Renewal Area to find new projects in this business area before their competitors find them or before they are marketed proactively on the market. Under pro-active business development MEIDAR GANEDEN for example understands that employees of MEIDAR GANEDEN are driving around and searching pro-actively for new projects by contacting tenants or owners of houses that they think might be applicable for the Pinuy-Binuy or TAMA 38 procedure.

6.4 Customers and Suppliers

As a financing vehicle, the Issuer does not have any customers and/or suppliers.

MEIDAR GANEDEN via its project companies and network partners, builds longstanding relationships both with its customers and its suppliers.

MEIDAR GANEDEN's suppliers are in most cases trusted network partners with long-term relations, like lawyers, tax advisors, architects, building construction companies and consultants which are involved in projects in the 3 different business areas.

MEIDAR GANEDEN's customers in the Project Development Area are in most cases emigrants, young families and students benefitting from the respective apartments or commercial companies purchasing the respective commercial real estate property.

MEIDAR GANEDEN's customers in the Holding And Management Area are in most cases commercial companies or salesmen leasing the respective commercial real estate property.

MEIDAR GANEDEN's customers in the Urban Renewal Area are in most cases the residents living in the respective apartments that are being renewed and reconstructed and, in the case of the apartments that can be built additionally to the former apartments and commercial real estate property, the same customers as in the Real Estate Project Development Area and the Real Estate Holding And Management Area.

6.5 Investments

As at the date of this Prospectus, the Issuer did not make any material investments. The investments made by the Guarantor are described throughout this prospectus.

6.6 Insurance Coverage

As part of MEIDAR GANEDEN, the Issuer has insurance coverage which are material for its business areas and operations. In addition, adequate insurance coverage is also in place at subsidiary level.

It is MEIDAR GANEDEN's business and corporate practice to constantly and continuously review the scope of its insurance coverage. However, there is no guarantee that MEIDAR GANEDEN will not incur losses for which there is no insurance cover or which exceed the level of cover provided by existing insurance policies.

6.7 Material Agreements

As a finance vehicle the Issuer has not agreed to any material agreements at the date of this Prospectus, except for a loan agreement which the Issuer and the Guarantor intend to conclude pursuant to which the Issuer shall grant to the Guarantor the net proceeds of the issuance of the Notes by way of an intercompany loan.

6.8 Governmental, Legal, Arbitration or Similar Proceedings

The Issuer has not been party to any material legal proceedings (including any such proceedings that are pending or anticipated of which it is aware) during the past twelve months that have had, or that it expects in the future to have, a material adverse effect on its financial position, profitability, business or results of operations.

6.9 Regulatory Environment

As a financing vehicle the Issuer is not the subject of any specific regulatory environment.

MEIDAR GANEDEN and its business activities are subject to national and international laws, regulations and industry standards.

MEIDAR GANEDEN is an Israeli real estate company that directly and through private companies owned by it owns the acquisition, improvement, development and management of real estate projects, including the initiation and management of projects in the field of urban renewal.

In Israel, there are many laws pertaining to the company's group activities. Below it will briefly detail the laws directly related to the activities of the company and the real estate sector, including laws related to the field of urban renewal.

These laws regulate the rights of the buyer and seller in real estate transactions, where in some cases the provisions of the law can be stipulated, i.e., the agreement stipulates cells that contradict what is stated in the law, and in some cases the provisions of the law cannot be stipulated. The provisions of the law will still apply, for example, according to the Sale of Apartments Law (guaranteeing investments of apartment buyers), even if the buyer of an apartment from a contractor waives his rights under the law, the contractor is still obligated to grant them.

6.9.1 Sale (Dwellings) Law, 1973

The law imposes on contractors an obligation to repair construction defects. An addition was added to this law in 1990, which stipulated that the contractor's warranty for construction would extend up to 10 years, depending on the various parts of the building. In the Sale of Apartments Law, there is a distinction between a defect that is discovered during the inspection period and the warranty period. The warranty period is 3 years for everything in the building, but the inspection period varies from item to item in the building, from one to ten years. Defects related to the foundations of the building and fundamental non-compliance are not limited to the period. This law is cogent (meaning it cannot be conditioned on), and non-compliance with its provisions constitutes a criminal offense.

6.9.2 The Sale (Dwellings) Law (Securing Investments of Home Buyers), 5734 / 1974

This law requires the developer selling apartments or other built-up real estate to provide the buyer of the apartment with collateral, such as a bank guarantee, a warning note or insurance, on funds paid at the apartment's expense, to ensure the delivery of the apartment to the buyer. This law is cogent (meaning it cannot be conditioned on), and non-compliance with its provisions constitutes a criminal offense.

6.9.3 Real Estate Law, 1969

The law regulates matters of civil law with regard to real estate. Among other things, the law regulates rights and obligations related to land use, transfer of ownership and maintenance, purchase and lease transactions, registration, sharing and more.

6.9.4 Government Authority for Urban Renewal Law, 2016

The purpose of this law is to promote urban renewal in Israel. The law seeks to bring about urban renewal projects quickly, in order to increase the supply of housing in the built urban fabric, paying attention to the importance of preserving open spaces, streamlining land use, strengthening urbanity, improving the city and improving the quality of life of residents including addressing the population. For urban renewal, by virtue of the law, a government authority for urban renewal has been established that will work to achieve the objectives in accordance with the provisions of this law.

6.9.5 Urban Renewal Law (Agreements for Organizing Transactions), 2017

This law regulates the activities of developers of eviction-construction transactions and TAMA 38. The purpose of the law is mainly to prevent situations in which unprofessional entities will sign apartment owners for an indefinite period of time and ensure returns without inspection or professional backing, hoping to sell the project to the developer after signatures. The law imposes restrictions on these entities, and seeks to prevent a situation in which there will be no ability to realize projects due to a demand for excessive monetary compensation.

At the same time, the law encourages the activity of entrepreneurs who have the ability, knowledge and experience to bring the projects to fruition.

6.9.6 Planning and Building Law 5755 / 1965

National outline plan for strengthening existing structures against earthquakes - TAMA 38

The plan is a combination of the provisions of TAMA 38, TAMA 38/1A, TAMA 38/2 and TAMA 3/38

This plan comes to establish planning arrangements as part of a wide range of economic, legal and other arrangements for improving and strengthening buildings for earthquake resistance, so that there will be guidelines for strengthening existing structures while encouraging the strengthening of these structures through building additions to an old building or construction of a new building with a higher built-up area.

6.9.7 Evacuation and Construction Law (Encouraging Evacuation and Construction Projects), 2006

The purpose of this law is to regulate all the procedures in a construction eviction project. A construction eviction complex is a neighborhood that has decided to evacuate its residents, demolish the old residential buildings and build new residential buildings in their place.

In order to demolish the old buildings, the tenants are required to reach agreements with the developer, and since there are many apartment owners, it is expected that some of the tenants will oppose the project. The Evacuation and Construction (Compensation) Law was enacted with the aim of dealing with the refusal of certain tenants to vacate, with the majority of the occupants of the evicted building agreeing to eviction, and imposing high fines on them.

7 INDUSTRY, MARKETS AND COMPETITION

7.1 Market

7.1.1 Overview of Real Estate Market in Israel

The government of Israel has been attempting to reform the housing market to make housing more affordable while meeting the ever-growing demand of the Israeli population. The government seeks to introduce a new housing plan, which is focussed on three primary goals: to increase the housing supply, structurally change the market and implement certain short term provisions to slow down the demand (for example, the introduction of a purchase tax on the purchase of the property). The plan includes the intent to commence construction of 280,000 residential units immediately and further approve 500,000 more units from 2022 to 2025. While the construction and infrastructure sector was declared an ‘essential sector’ in 2020 (Source: Emergency Regulations, Israel published on March 22, 2020), allowing for construction to continue unabated through most of the onslaught of the Covid-19 pandemic, the demand for housing has not been met by the supply leading.

7.1.2 Factors influencing the market

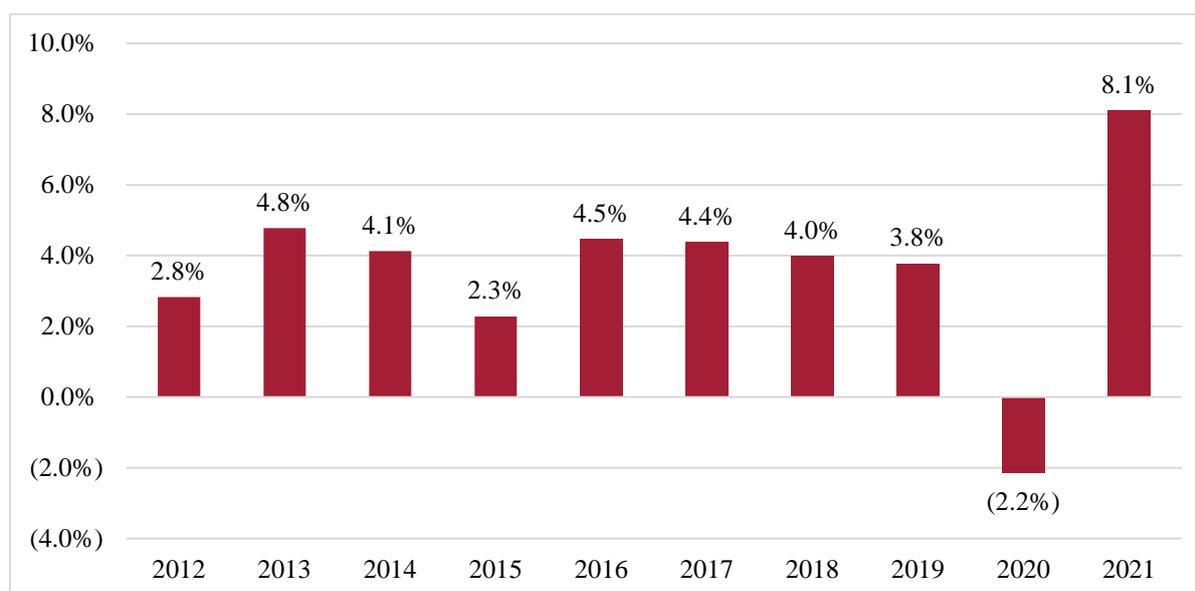
The key factors influencing the Israeli real estate market include a rising gross domestic product, rapidly growing population, rising disposable per capita incomes, shrinking average size of households and a limited supply of land strictly controlled by the government. Additionally, demand and supply of the real estate market, both the commercial and residential real estate market, are also influenced by socio-demographic factors, the overall demographic development, changes in consumer behaviour and geopolitical factors. Owing to a limited supply of land and a rapidly growing demand for real estate, there has also been a focus on urban regeneration programs to secure old buildings against earthquakes and reconstructing new complexes in the place of older ones. The urban renewal programs implemented aim at improving the quality of life of citizens by upgrading infrastructure throughout Israel. This may have repercussions on the average living space per capita, the average number of people living in a household, preferred form of living such as apartments or single family-houses or the preferred locations like cities, conurbations or rural areas.

7.1.3 Overview of Israel’s Economy

The Israeli economy is a free market advanced economy dominated by the technology and industrial manufacturing sectors. It is one of the best performing members of the Organisation for Economic Co-operation and Development (“OECD”) and had been growing steadily since 2015. The Gross Domestic Product growth (“GDP”) rose from 2.2% in 2015 to 4.4% in 2016, 4.3% in 2017, 3.98% in 2018 and 3.7% in 2019 (Source: World Bank National Accounts Data and OECD National Accounts Data Files). However, the onset of the COVID-19 pandemic led to an economic downturn with the GDP rate turning negative at -2.153% in 2020. The Israeli economy then rebounded with a growth rate of 8.1% surpassing the global average in 2021 and exceeding most estimations (Source: Central Bureau of Statistics, Israel). Private consumption and investment were the two main drivers of the recovery.

It is also projected that the economy will continue to grow at a steady pace of 4.1% and 3.6% in 2022 and 2023 respectively (Source: International Monetary Fund). The Israeli economy has largely remained stable in spite of geopolitical conflicts and has consistently received high credit ratings.

GDP growth (in %)



Data in “()” means a negative percentage.

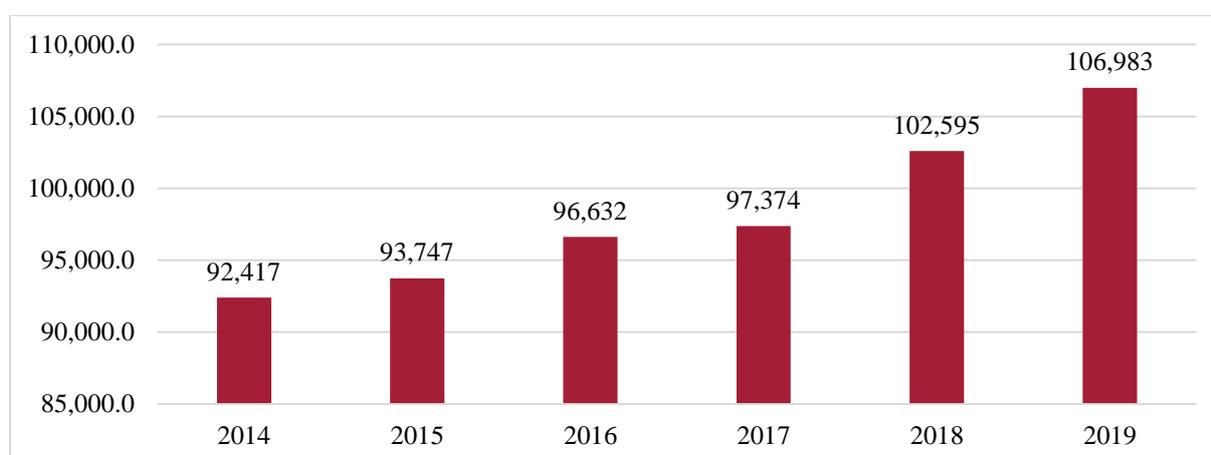
(Source: World Bank National Accounts Data and OECD National Accounts Data Files)

In August 2021, the Israeli government adopted a reform programme aimed at boosting infrastructure investment, reforming the vocational system and improving the business environment so as to ensure sustainable growth (Source: Organisation for Economic Co-operation and Development).

Israel with a per capita GDP of EUR 47,360 (Source: International Monetary Fund as of March 2022) has one of the highest per capita GDPs in the world ranking ahead of other advanced economies such as the United Kingdom, France, Japan and South Korea. It also outperforms other advanced economies like Germany, France, Austria, Norway and Japan in terms of the average net wealth of households (Source: OECD’s Better Life Index).

With steadily rising net wealth of households and the general population, the ability to spend and save has been gradually increasing as well.

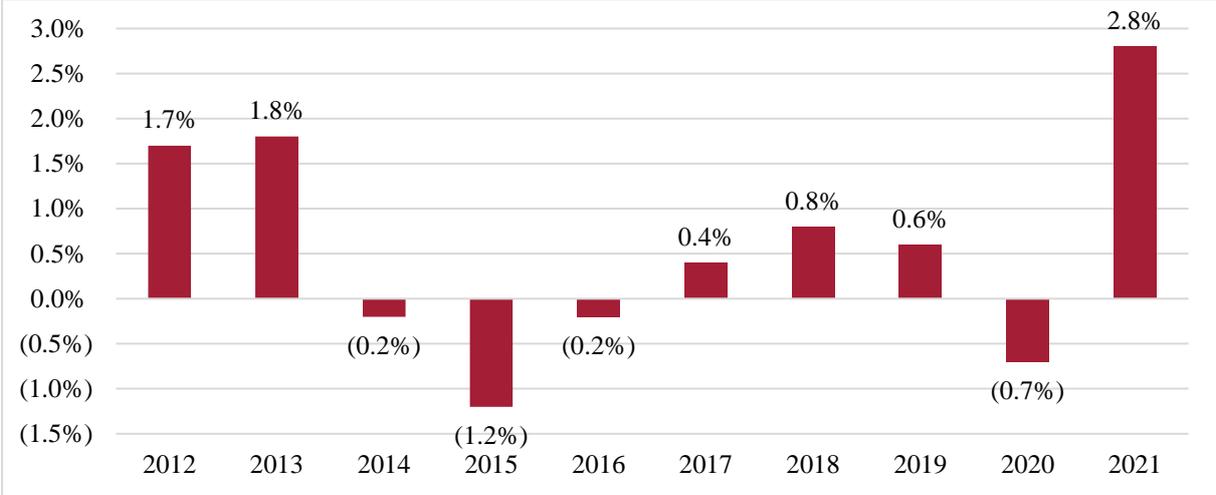
Disposable income per capita in Israel (in Israeli New Shekel 1 NIS = 0.28 Euro in March 2022)



(Source: *Disposable Income and Saving of Households and Private Non-Profit Institutions*, Central Bureau of Statistics, Israel)

The Israeli economy has also been characterized by low and steady inflation levels. The Housing market constitutes the most important category in the Consumer Price Index.

Annual Inflation (in %)



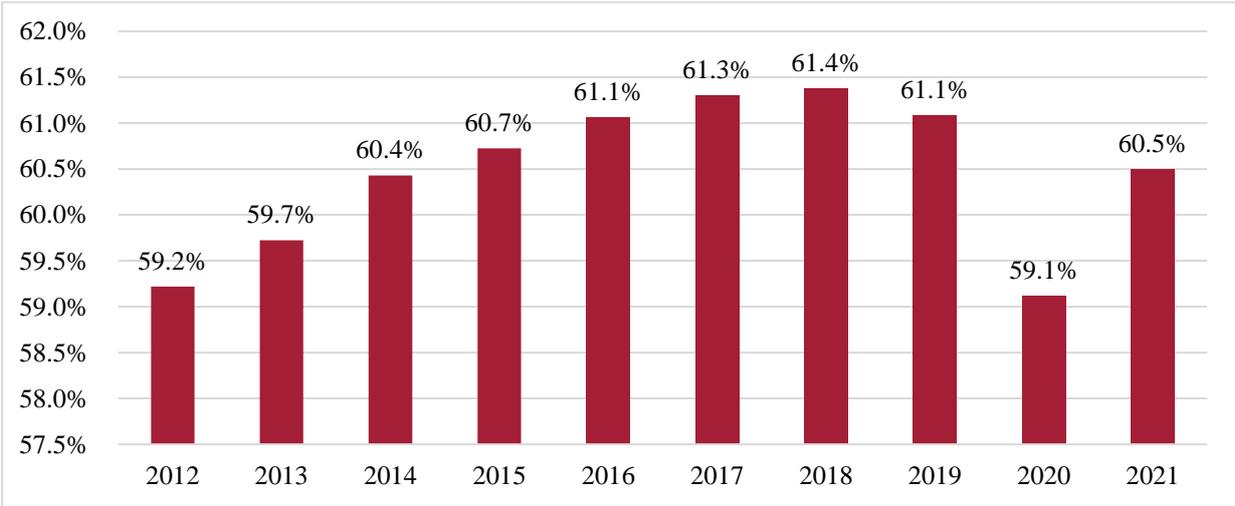
Data in “()” means a negative percentage.

(Source: International Monetary Fund and International Financial Statistics)

7.1.4 Employment

In January 2022, over 4.1 million people or 60.6% of the population were found to be gainfully employed in Israel with the unemployment rate at 3.9% or 166,200 of the total population, thereby signalling a return to the pre-pandemic levels of employment (Source: Central Bureau of Statistics, Israel). Prior to the Covid-19 pandemic, the employment levels in Israel had been steadily rising for over three decades unaffected by even the global financial crisis of 2007-2008. While the pandemic reversed some of these gains, 2021 was the year of revival, which saw a significant portion of the eligible workforce returning to employment and an increase in the labour force participation rate (Source: Central Bureau of Statistics, Israel).

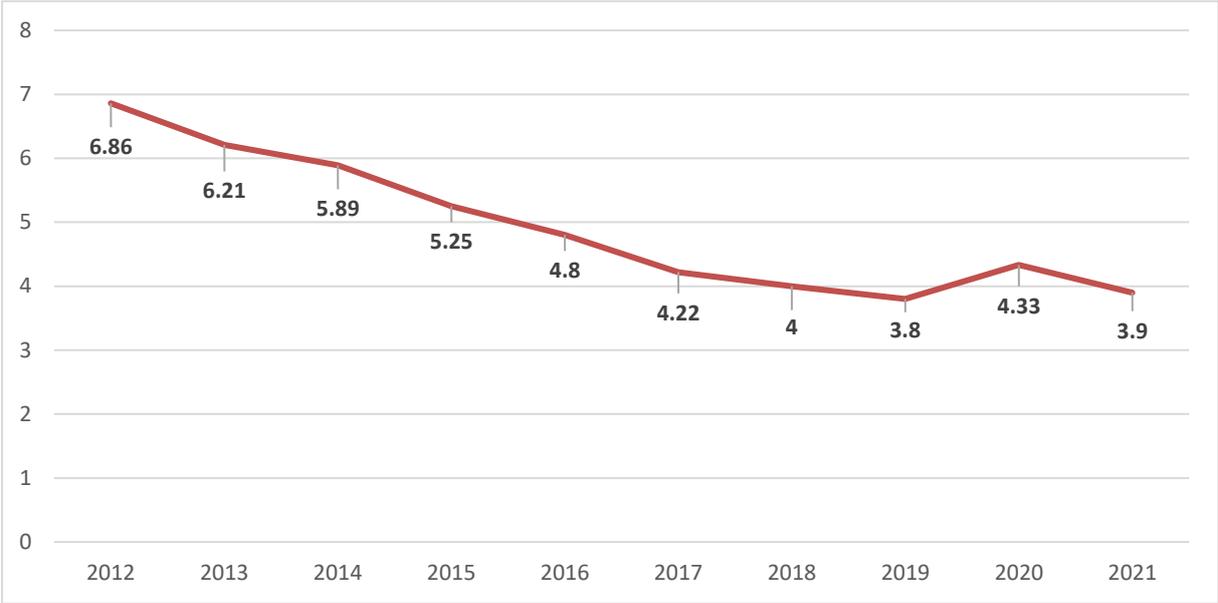
Employment



(Source: *Employment to Population Ratio* - World Bank and International Labour Organization’s data retrieved on February 8, 2022)

The unemployment rate in Israel continuously declined for over ten years until the onset of the Covid-19 pandemic but has recovered since and is expected to further decline in the near future.

Unemployment (as a % of the total labour force)

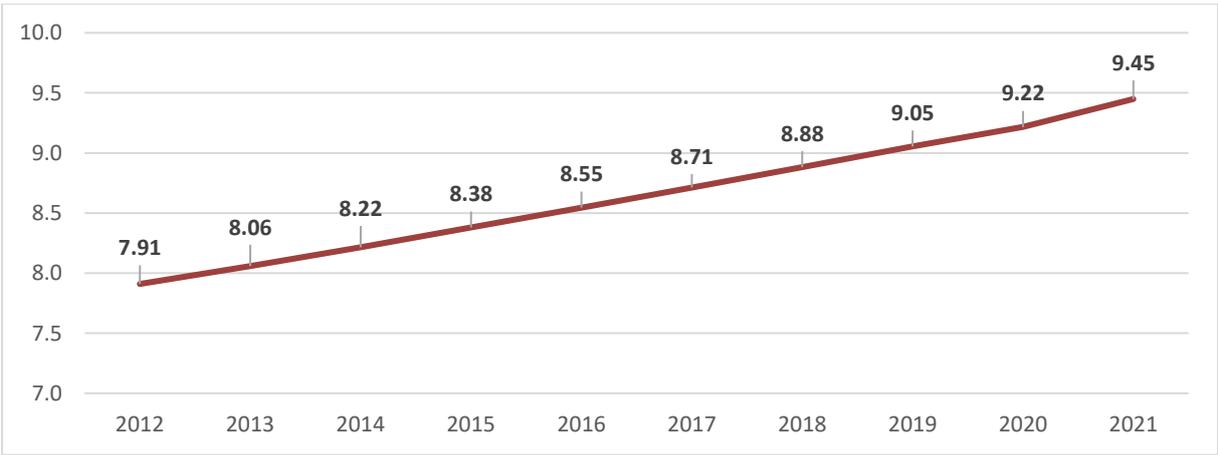


(Source: World Bank and International Labour Organization’s data retrieved on February 8, 2022)

7.1.5 Demographic developments in Israel

As per a media release of Israel’s Central Bureau of Statistics, the country’s population on 31 December 2021 was estimated to be 9.45 million excluding the 167,000 international workers also residing in the country. The year 2021 saw a net addition of 160,000 people to the Israeli population amounting to an increase of 1.7%. A significant portion of the increase (83%) was due to increase in the number of births and the remaining (17%) was due to the rising number of immigrations to the country. The Central Bureau of Statistics, Israel has on 21 May 2017 projected that the Israeli population will reach 10 million in 2024, 15 million by 2048 and 20 million by 2065.

Israeli Population (in millions)



(Source: World Bank, the United Nations Population Division “World Population Prospects 2019”, Eurostat: Demographic Statistics and United Nations Statistical Division)

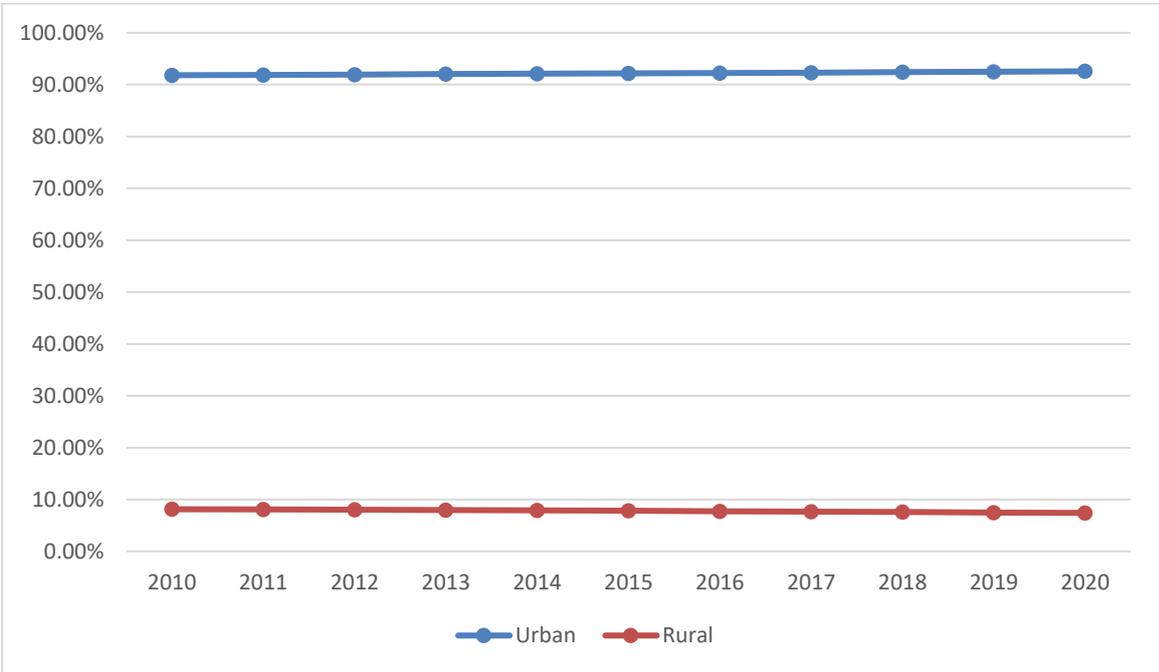
The primary population growth drivers in Israel have been the high fertility rates, a high life expectancy and relatively high immigration levels. The fertility rate or the number of births per woman has more or less remained constant at 2.96 in 2009 to 3.01 in 2019 while the life expectancy at birth has increased from 81.405 years in 2009 to 82.805 years in 2019 (Source: World Bank, the United Nations Population Division “World Population Prospects 2019”, Eurostat: Demographic Statistics and United Nations Statistical Division).

In spite of geopolitical conflicts, Israel has seen an increase in the number of immigrants opting to move to Israel from a wide array of countries including from other advanced economies. The number of immigrants relocating to Israel was 16,893 in 2011 and was 27,050 in 2021. It has been projected that this figure will continue to rise in the foreseeable future (Source: Central Bureau of Statistics, Israel).

Population Density and Urbanisation

The total land area of the State of Israel is 21,671 sq. km. (Source: Website of the Ministry of Foreign Affairs, Israel) which is the reason why the number of people residing per square kilometre or the population density in the country is higher than other advanced economies. The population density in 2010 was 352.29 people residing in a square kilometre of area, which has now increased to 425.92 in 2020 (Source: World Bank).

A vast majority of the population of the country are urbanised (92.6% in 2020) and live primarily in urban areas such as the major cities of Tel Aviv, Haifa and Jerusalem. Development towns such as Karmiel and Kiryat Gat were built when the state of Israel was established to accommodate the rapid population growth generated by migration while other towns like Rehovot, Hadera and Petah Tikva were initially agricultural villages which evolved into major population centres (Source: Website of the Ministry of Foreign Affairs, Israel).



(Source: Website of the Ministry of Foreign Affairs, Israel)

Availability of Land

As much as 93% of the land in Israel is either owned or managed by the state. The other 7% is privately owned land and the owners are free to transfer ownership of their property to anyone, Jewish or non-Jewish, citizen of Israel or non-citizen of Israel. This type of land is in high demand and much of it can be found in the urban areas of Tel Aviv, Jerusalem and Haifa.

The government, which controls most of Israel’s land, boosted dwelling starts to about 54,200 annually in 2015 to 2020 – the highest since 1997 – to address the supply shortage. Since 2015, the government has intensified its sale of land at discounted prices to contractors, who must then sell a specific percentage of the apartments at below-market prices, but the overall price of the apartments will rise.

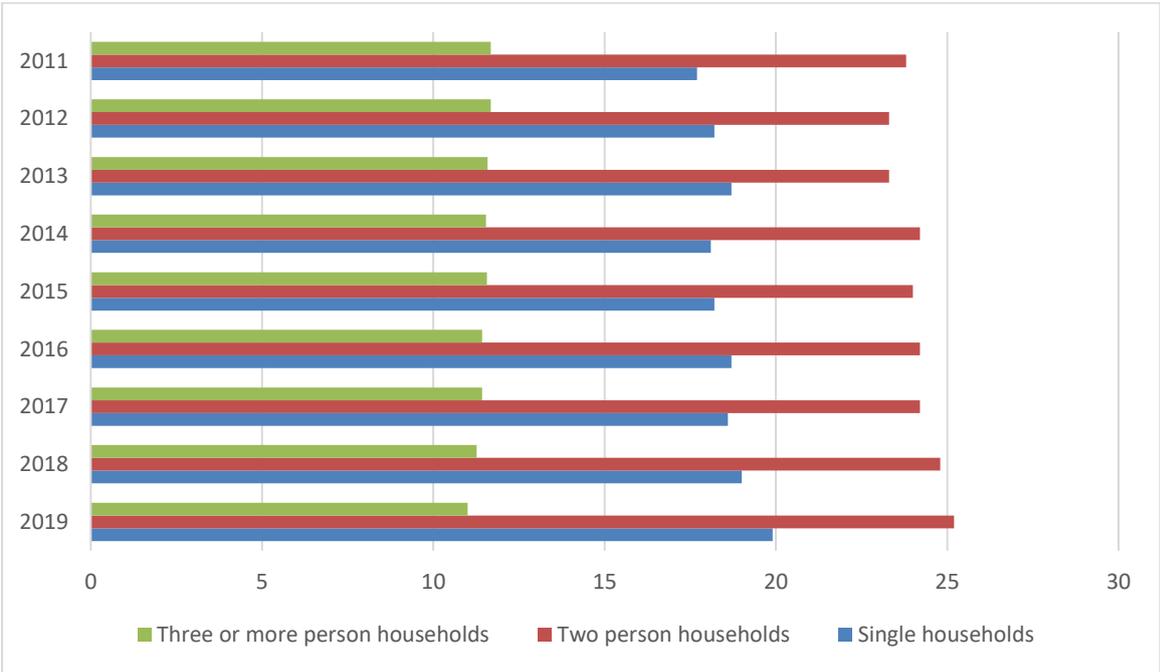
Number of households

In 2019, there were approximately 2.67 million households in Israel of which 79.4% or 2.12 million were households with employed persons. Among large cities (with a population of 100,000 or more), the percentage of employed persons was highest in Bene Braq (82.6%), Bet Shemesh (82.4%), Tel Aviv (82%), Kefar Sava (81.9%)

and Petah Tiqwa (81.6%) while the lowest percentage of households with employed persons was in Bat Yam (70.3%). The number of households through the last 40 years i.e., 1980 (1.02million), 1990 (1.22 million), 2000 (1.75 million), 2009 (2.11million) has been consistently rising. While there has been an increase in the number of single person households from 17.7% (2009) to 19.9% (2019) and two person households from 23.4% (2009) to 25.2% (2019) of the total share of the number of households in the country, the number of three or more person households has been declining. The number of three person households and four person households has declined from 15.5% (2009) to 14.4% (2019) and 17.5% (2009) to 15.6% (2019) respectively. (Source: *Media Release, 10 February 2021*, Central Bureau of Statistics, Israel).

With the average size of households shrinking and with the population increasing rapidly, it can be expected that the number of households will only keep rising in the foreseeable future.

Average Size of Households



(Source: Annual Publication of the “Households by Size of Household and Population Group”, Central Bureau of Statistics, Israel)

Residential spaces

MEIDAR GANEDEN believes that stable and solid growth, rising employment levels, low inflation, increasing disposable income levels, a rapidly growing population and the falling average size of households are positive indicators for further growth in demand for residential spaces.

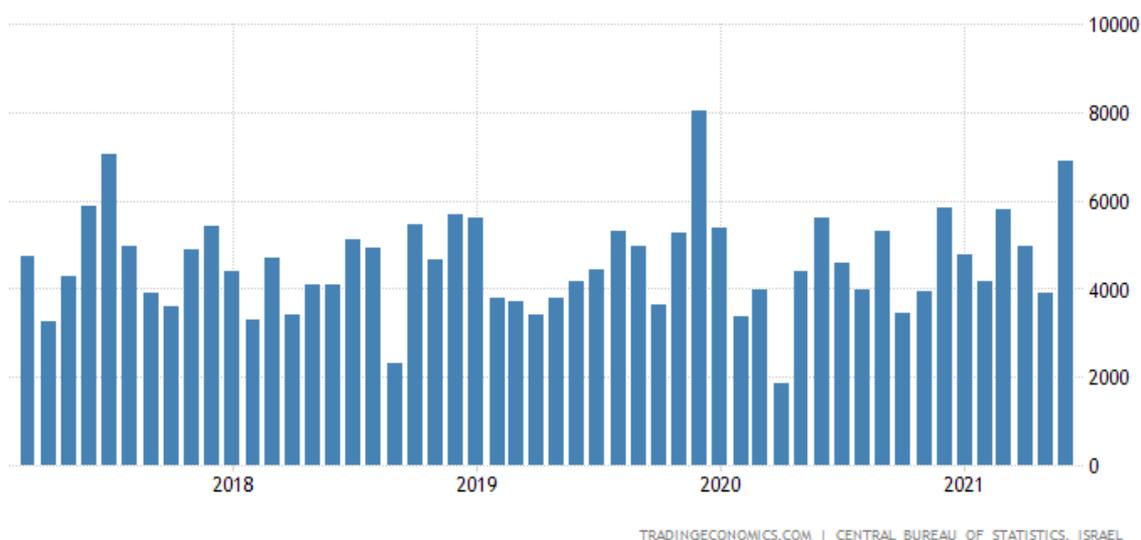
Percentage change in prices of houses adjusted for inflation

On an analysis of the percentage change in the prices of homes over a period, it is observed that the percentage changes do not follow a definite pattern. However, for over the last three decades, majority of the year on year changes in the prices of homes have been positive implying an upward trend in the prices. The average per year rate of increase in the prices of homes in Israel from 1992 to 2020 has been approximately 3.59%. The key drivers causing the prices to rise are the surging demand for residential dwelling units, inadequate residential construction and limited access to land for residential purposes, which is controlled by the government.

Israel is also one of the most expensive countries in terms of the average transaction price for a new dwelling falling behind only Austria, France, Germany and the United Kingdom (Source: “The Property Index, Overview of European Residential Markets”, Deloitte, 10 July 2021).

Building permits

The number of building permits are considered a leading macroeconomic indicator as it typically grows a few months ahead of an economic expansion and declines a few months before an economic slowdown. Demand continues to outstrip supply in the Israeli real estate market, largely due to the slow administrative approval of building permits. Real estate accounts for 19% of gross domestic product directly and another 13% indirectly and accounts for not less than 40% of the public's total wealth. Building Permits in Israel averaged 3714.40 from 1995 until 2021, reaching an all-time high of 8017 in December of 2019 and a record low of 1436 in February of 2004.



Transaction Volumes on the Real Estate Market in Israel between 2019 and 2021

Israel's housing prices have risen more than 5% every year for the past 20 years, with even higher rates of increase in Israel's populous and popular central region. This rate of increase shows no sign of slowing and is great news for investors.

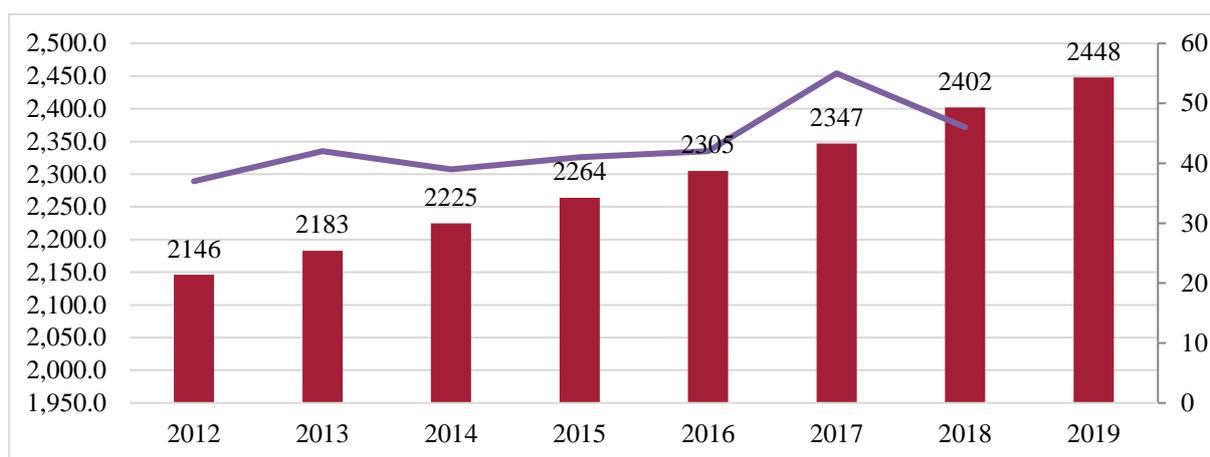
Despite the coronavirus crisis, Israel's housing market remains robust, buoyed by strong fundamental demand. In the first three quarters of 2021, the total number of dwelling transactions in Israel surged by almost 39% year-over-year to 39,363 units, following growth of 20% in 2020 and 48% in 2019, according to the Central Bureau of Statistics. Transactions soared 55.5% in Tel Aviv and by 25.5% in Jerusalem.

The country's most expensive residential area is Tel Aviv, where the average price of owner-occupied dwellings was ILS 3,443,200 in 2021. It was followed by Ramat Gan at ILS 2,475,600, Kfar Saba at ILS 2,378,800, and Netanya at ILS 2,369,500. Beer Sheva had the cheapest housing among Israel's biggest cities, with an average price of ILS 1,031,800.

Housing Stock

As per a report, "*The Property Index, Overview of European Residential Markets*", published by Deloitte in July 2021, Israel had the lowest stock of dwelling units among 24 European countries with 290 dwellings per 1,000 citizens and a total of 2.70 million dwelling units. The year on year addition to the number of dwelling units (there were 37,000 units constructed in 2012, 41,000 units in 2015 and 46,000 units in 2018) exhibits that while construction of residential units is ongoing, the construction has been at a pace that is insufficient to meet the growing demand.

Number of dwelling units (in thousands) and year on year construction of dwelling units (in thousands)



(Source: Central Bureau of Statistics, Israel)

Rental Market

Of sixty-two cities, Tel Aviv, Israel was one of the most expensive in terms of the average monthly rent in Euros per square meter, only behind cities like Paris, London, Munich and Amsterdam. In 2018, 28% of the population was living in rented units as against 26.90% in 2012.



* Key money dwellings: A feature of the Israeli real estate market where buyers pay an amount for the right to rent an apartment for life paying only a token monthly rent. The value of key money rights appreciate and can be sold.

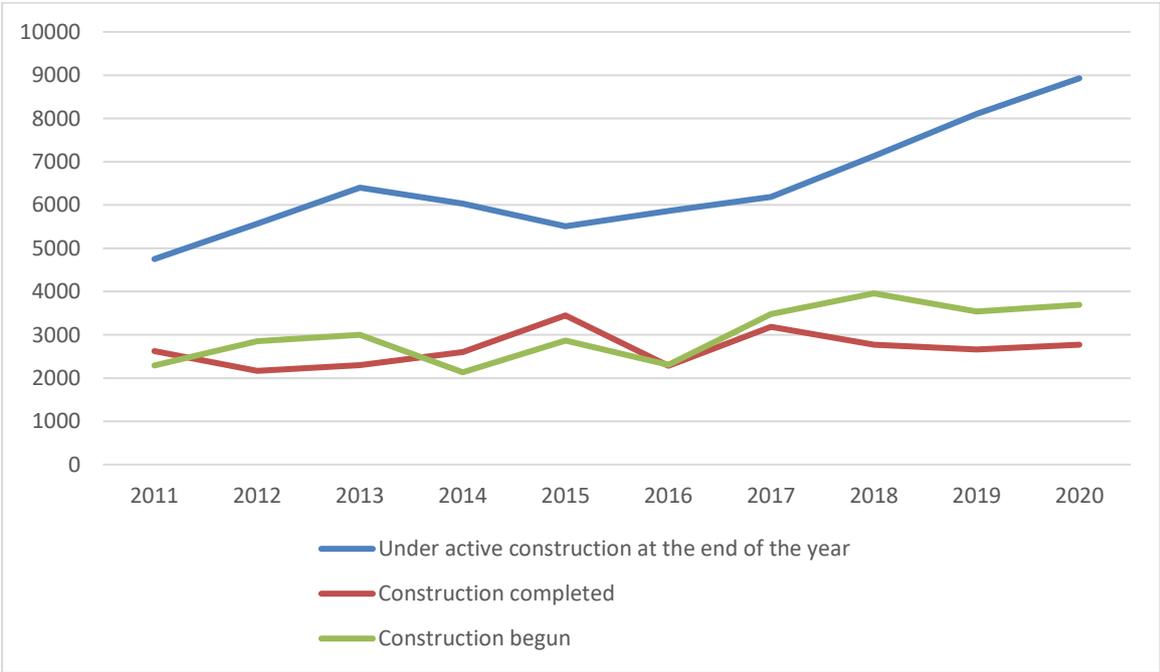
(Source: Annual publication of the “Household Income and Expenditure” report, Central Bureau of Statistics, Israel)

While in terms of percentage of the population, home ownership rates have remained near constant for over a decade, the absolute numbers of households residing in their owned dwellings has been increasing in spite of the rising prices of residential spaces in the country. This would mean that there is always a demand for residential spaces keeping in mind the growing population, falling average size of households and rising disposable incomes.

Commercial spaces

The rapid construction of non-residential spaces including offices, commerce, manufacturing and storage areas are key indicators of a rising demand for commercial spaces. 6,184 sq. m. worth of non-residential spaces were under construction in 2017 (out of which 2,761 sq. m. was meant for hotels, offices, commerce, and 1,176 sq. m. was for manufacturing and storage). In 2020, 8,928 sq. m. worth of non-residential spaces were under construction (out of which 4,654 sq. m. was for hotels, offices, commerce, and 1,412 sq. m. was for manufacturing and storage). On the other hand, 3,181 sq. m. worth of non-residential spaces were actually completed in 2017 (out of which 1,398 sq. m. was meant for hotels, offices, commerce, and 620 sq. m. was for manufacturing and storage). In 2020, 2,774 sq. m. worth of non-residential spaces were constructed (out of which 1,057 sq. m. was for hotels, offices, commerce, and 657 sq. m. was for manufacturing and storage). With higher construction commencement rates as compared to the construction completion rates, it can be assumed that the demand for non-residential spaces including offices, storages and manufacturing units is increasing in spite of the pandemic and its effects on the economy.

Non-residential construction area by construction stage (in sq. m.)

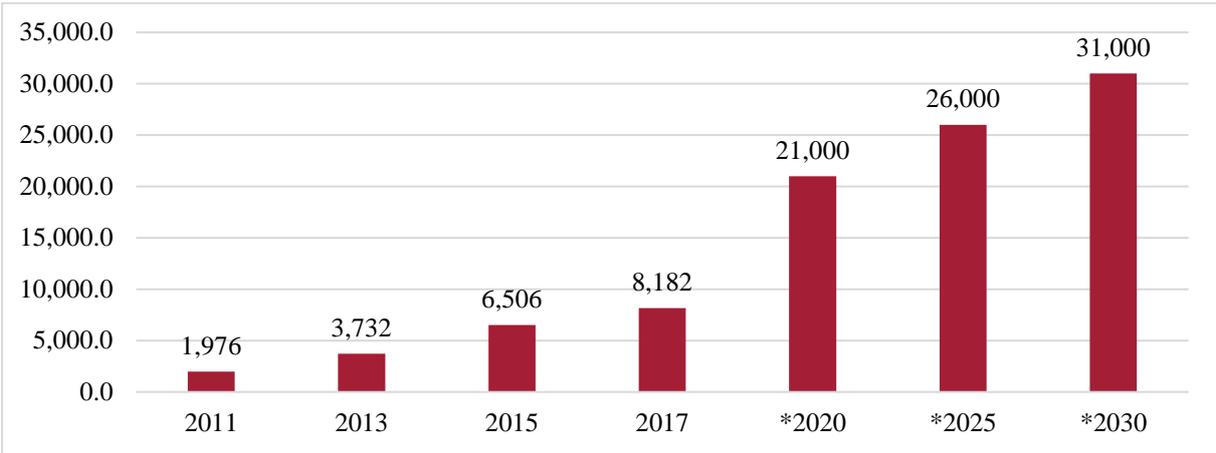


(Source: “Construction, housing and real estate” published by the Central Bureau of Statistics, Israel)

7.1.6 Israel’s urban renewal policies

Israel is one of the most densely populated countries in the world owing to the high rate of population increase and due to the shortage of land resources. Further, while Israel is located in an earthquake prone region, building standards of the past have not been compliance with the national standards causing most building to be insufficiently structurally durable enough to withstand earthquakes. The Israeli government in an attempt to encourage and implement urban renewal with a special focus on strengthening or reconstructing existing buildings set the Strategic Housing Plan 2040. This plan has for the first time established urban renewal targets until 2030 i.e., building 870,000 urban renewal housing units, which represent one third of the total, approved housing units.

Urban renewal housing units



*number of units per year

(Source: *Implementation of SDG11 in Israel: Challenges and Future Prospects*, Ministry of Construction and Housing, Israel)

7.1.7 Market for Building Materials

The beginning of the pandemic froze construction, although there was no formal ban on construction. Then the process was slowed down by a shortage of building materials and components. As a result, from the beginning of 2020 to the beginning of 2021, the total number of new apartments for sale decreased by about 15%.

In 2021, builders saw recovery with sales statistics of new buildings growing. For example, in Bat Yam, a large suburb of Tel Aviv, 427.4% more new housing units were sold in 2021 than in the previous year. In Tel Aviv, sales of new apartments increased by 35.8%. In Ashkelon, the growth was 51.1%, and in Jerusalem, 114.8% more apartments were sold than in the previous year. Nationwide, new home sales jumped by almost 40%. Large-scale construction continues in Modi'in, Ashkelon, and Gush Dan.

The Government considers housing construction a priority to slow down price growth and increase housing affordability. Therefore, in October 2021, a large-scale housing construction plan for 2022-2025 was adopted, aimed at rapidly increasing supply.

7.1.8 Geopolitical Risk

Geopolitical risk can refer to a wide range of issues, from military conflict to climate change. It is the relationships between nations at a political, economic or military level. The risk occurs when there is a threat to the normal relationships between countries or regions. Geopolitical risk creates uncertainty. Economic and political conditions in Israel and the surrounding region may directly affect MEIDAR GANEDEN's business.

The war in Ukraine forces Israel into a delicate balancing act as Israel is a strong ally of the United States, and its leaders have a good relationship with Volodymyr Zelensky, Ukraine's Jewish president. However, Israel also does not want to provoke Russia. The war between Russia and Ukraine stands to have a major effect on the global economy, and there is much discussion of strict sanctions being placed on the aggressing superpower. Meanwhile, the Israeli economy also stands to be affected by the conflict in a variety of ways.

7.1.9 Real Estate Market Post Covid-19

The Israeli government had decided, despite lockdown and precautionary measures, to continue all construction work across Israel, because Israel expects a large wave of immigration in the coming years. At the onset of the pandemic, with uncertainty over the market looming, MEIDAR GANEDEN swiftly solidified its short-term strategies. There was a higher demand of apartments. However, capital markets are still dormant, and investors are cautious - it is too soon to draw any conclusions on the influence of COVID-19 on real estate.

7.2 Competition

Based on the size and diversity of the Israeli real estate market, MEIDAR GANEDEN competes with numerous competitors. MEIDAR GANEDEN is exposed to competition at all locations of its current operations from other real estate companies that also focus on the development and commercialization of residential and commercial real estate. It cannot be excluded that competitors may have greater financial resources or better financing capabilities in order to realize larger real estate projects or significantly more differentiated real estate projects in terms of use, or may have other competitive advantages, for example through different individual solution concepts for the use of residential and commercial real estate.

MEIDAR GANEDEN believes that there are no market-dominating competitors – neither in project development, nor in housing stock or asset management. Consequently, MEIDAR GANEDEN faces various partly small-scale private and partly mid-sized municipal competitors. MEIDAR GANEDEN also believes that there is negligible brand awareness among potential tenants who tend to look for affordable yet well-maintained accommodation in certain locations and not strictly for apartments owned by a particular company. Naturally, competition is fiercer in locations that suffer from negative immigration balances as potential tenants have options to choose from and suppliers of residential units exert additional efforts to maintain the marketability of their apartments. The opposite is true in locations with increasing population numbers.

There is also competition with respect to the acquisition of suitable portfolios. As in the real estate market, competition among potential bidders varies profoundly in regard to the portfolio size, the quality of the real estate offered or the regional diversification of the portfolio.

MEIDAR GANEDEN believes that in respect of potential portfolio acquisitions its competitors are primarily other medium and large real estate companies and institutional investors, such as insurance companies as well as investment funds investing in real estate. Other important competitors in the residential property portfolios market are local authorities selling or buying back housing stock, as well as so-called “property splitters” who buy residential housing stock for the purpose of its development, segmentation and sale or privatization. MEIDAR GANEDEN believes it has a particular competitive advantage when portfolios are on the market that fit well into its business model, as there are not many large companies with a similar focus on affordable housing in the outskirts of larger conurbations.

8 SELECTED FINANCIAL INFORMATION OF THE ISSUER

The following selected financial information of the Issuer has been taken or derived from the audited opening balance sheet of the Issuer as of 3 March 2022 (the “**Opening Balance Sheet**”). The Opening Balance Sheet was prepared in accordance with provisions of the German Commercial Code (*Handelsgesetzbuch* – “**HGB**”).

The Opening Balance Sheet was audited by Mr. Christian Theobald, partner of Küpper, Schaub & Partner mbB Wirtschaftsprüfer - Steuerberater, Germany, who issued an unqualified audit opinion (*Prüfungsvermerk*) thereon. Christian Theobald is a member of the Chamber of Public Auditors (*Wirtschaftsprüferkammer*) in Berlin, Germany (registration number: 122295200). The financial information presented below should be read, in particular, in conjunction with the Opening Balance Sheet, which is incorporated in this Prospectus.

The Issuer’s historical financial results are not necessarily indicative of the results that should be expected in the future.

Below is the opening balance sheet as of 3 March 2022 (being the date of incorporation of the Issuer):

ASSETS	EUR	LIABILITIES	EUR
Current assets		Equity	
Cash, bank balances	12,500.00	Subscribed capital ./.	25,000.00
		outstanding, uncalled deposits	12,500.00
Total assets	12,500.00	Total liabilities	12,500.00

9 THE OFFERING

9.1 Subject Matter of the Offering

This Prospectus relates to the offering of up to EUR 15,000,000 7.00 % (the “**Aggregate Principal Amount**”) Notes due 7 December 2027 with a denomination of EUR 1,000.00 each (the “**Principal Amount**”) by way of a public offer in Luxembourg and Germany to be carried out exclusively by the Issuer via a subscription functionality on the Issuer’s website under <https://www.ganeden.de/bond> for the collection and processing of subscription orders (the “**Subscription Functionality**”) and in Luxembourg additionally by placing an advertisement in the daily newspaper “*Tageblatt*” (the “**Public Offer**”);

In Luxembourg the Public Offer will be communicated by way of an advertisement by the Issuer in the daily newspaper *Tageblatt*.

There is no minimum or maximum amount for subscription offers with regard to the Notes. Investors may submit subscription offers in any amount starting at the Principal Amount, whereas the volume of the subscription offers must always be divisible by the Principal Amount and is limited to the volume of the Aggregate Principal Amount. There are no fixed tranches for the Notes.

There are no predetermined tranches of Notes for the Public Offer. There is no minimum or maximum amount of subscription offers for Notes. Investors may place subscription offers in any amount starting with the denomination of one Note, *i.e.* EUR 1,000.00. After the acceptance of the offer, the acceptance is binding and investors have no right to unilaterally reduce the respective subscription amount.

9.2 Envisaged Timetable of the Offering

The envisaged timetable of the Offering is as follows:

Date	Event
17 November 2022	Approval of the Prospectus by the Commission de Surveillance du Secteur Financier (“ CSSF ”) and notification to the Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> - BaFin). Publication of the approved Prospectus on the Issuer’s website https://www.ganeden.de/bond
18 November 2022	Commencement of Subscription Offer via the Issuer’s website under https://www.ganeden.de/bond
16 November 2023	End of Subscription Offer (12:00 noon CET)
7 December 2022	First issue of the Notes and subsequent issues to follow approximately 3 days after a respective subscription of the Notes after 7 December 2022. For deliveries and settlements following such date, the Issuer reserves the right to charge accrued interest for deliveries and settlements from 7 December 2022 onwards.
14 December 2022	Admission of the Notes and inclusion to trading on the Open market of the Frankfurt Stock Exchange

9.3 The Public Offer

The Public Offer is made to all potential investors in Germany and Luxembourg and is not restricted to specific categories of potential investors. The Notes are offered at the Issue Price (*i.e.* 100.0% of the Principal Amount).

9.3.1 Means and procedure of subscription offer

The Public Offer is exclusively made to investors via the Subscription Functionality on the Issuer’s website <https://www.ganeden.de/bond>. Investors in Germany and Luxembourg, who would like to place subscription

offers for Notes must submit their subscription orders via the Subscription Functionality on the Issuer's website <https://www.ganeden.de/bond> during the Offer Period (as defined below).

Investors may submit binding subscription applications via the Subscription Functionality on the Issuer's website <https://www.ganeden.de/bond> within the Offering Period. Subscription applications submitted via the Subscription Functionality shall be deemed to have been received as soon as the investor receives an acknowledgement of receipt from the Issuer. Upon receipt of the Issuer's confirmation of receipt, the nominal amount of the Notes plus any accrued interest ("**Total Purchase Amount**") shall be transferred to the Issuer without undue delay. The investor will then receive a confirmation of receipt of funds from the Issuer. The Paying Agent in its function as order book manager collects the purchase offers submitted via the Subscription Functionality in the order book and will allocate the payments received from the investors to these in coordination with the Issuer. The acceptance of the purchase offers by the Paying Agent in coordination with the Issuer will result in a purchase agreement for the Notes.

The accrued interest regarding the Total Purchase Amount will be calculated as follows: The accrued interest will be 0 on the interest commencement date on 7 December 2022. Each day from such interest commencement date to the subscription date of Notes between 7 December 2022 and 16 November 2023 shall be calculated in relation to the overall interest rate of 7,00 % for the entire year from 7 December 2022 until 16 November 2023 pro rata. The interest will be calculated on the basis of the actual number of calendar days elapsed in the period from 7 December 2022 until 16 November 2023, from (and including) the first date in the relevant period to (but excluding) the last date of the relevant period, divided by the actual number of calendar days in the period from 7 December 2022 until 16 November 2023 in which the relevant period falls (including the first such day of the relevant period, but excluding the last day of the relevant period). To avoid doubt and as described in § 3 (3) and (4) of the Terms and Conditions, where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined in § 3 (4) of the Terms and Conditions) the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from 7 December 2022) divided by the actual number of days of the interest period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).

9.3.2 Offer Period

The offer period for the Subscription Offer will commence on 18 November 2022 and will end on 16 November 2023 (12:00 (noon) CET) (the "**Offer Period**").

9.4 Issue price, Term, Interest, Repayment and Yield

The issue price per Note corresponds to 100.00 % of the Principal Amount of EUR 1,000.00 (the "**Issue Price**").

The term of the Notes commences on 7 December 2022 (including) and ends on 7 December 2027 (excluding).

The Notes will bear interest at a rate of 7.00 % per annum as from 7 December 2022 (inclusively) until 7 December 2027 (exclusively). Interest is payable in arrears annually on 7 December of each year.

Unless previously redeemed, the Issuer shall repay the Notes at 100.00 % of the Principal Amount per Note on 7 December 2027 (the "**Maturity Date**").

The annual yield of the Notes, based on the Issue Price and full repayment upon maturity corresponds to the nominal interest rate. For calculating the individual yield of the Notes also any transaction costs, such as custodian fees are to be deducted and the individual tax situation of the investor is to be taken into account.

9.5 Issue, Number of Notes to be issued and Result of the Offering

The first issue of the Notes will take place on 7 December 2022 (the "**Initial Issue Date**"). The number of Notes to be issued will be determined continuously during the Offer Period and will be announced in notices which will be published on the Issuer's website (<https://www.ganeden.de/bond>) following the respective issuance after the Initial Issue Date.

9.6 Allocation and Publication of results

The allocation of Notes in respect of which subscription offers have been made in the Public Offer will be determined at the absolute discretion of the Issuer and after consultation with the Payment Agent.

The delivery and settlement of the Notes subscribed for in the Public Offer via the Subscription Facility and allotted by the Issuer shall be effected, in deviation from the usual two-day value date for transactions on the Frankfurt Stock Exchange, presumably with value date on the issue date discretionarily determined by the Issuer in consultation with the Payment Agent by means of booking via the clearing system with the involvement of the order book manager to the affiliated custodian banks step by step against payment of the issue amount.

In the case of investors in the Grand Duchy of Luxembourg whose foreign custodian does not have direct access to the clearing system, delivery and settlement shall be effected via the custodian bank commissioned by the respective foreign custodian bank which has such access to the clearing system.

The Notes will be issued continuously throughout the Offer Period and the Note will be valued accordingly. The Notes will be issued at the discretion of the Issuer after prior consultation with the Payment Agent, depending on the demand for the Notes.

In case the Offer Period for the Subscription Offer will end before the aforementioned time (i.e. before 16 November 2023) due to an over-subscription, the amounts paid in excess will be repaid to the respective investors by the Paying Agent.

The Issuer reserves the right to shorten the Offer Period and may – without stating any reasons – shorten the Offer Period, terminate the Public Offer at any time in its sole and absolute discretion. Any shortening of the Offer Period will be published on the Issuer's website (<https://www.ganeden.de/bond>). In addition, the Issuer shall, if necessary, obtain CSSF's approval of any supplement to this Prospectus and publish it in the same manner as this Prospectus.

The result of the offer will be published on the website of the Issuer (www.ganeden.de/bond) following the Offer Period (i.e. on or around 20 November 2023).

9.7 Costs of the Investors in Connection with the Offering

The Issuer will not charge the investor for any costs, expenses or taxes in connection with the Notes directly vis-à-vis the Noteholders. Investors shall inform themselves regarding costs, expenses and taxes which may occur in connection with the Notes, including possible fees charged by their depository banks in connection with the Offering and holding of the Notes.

9.8 Underwriting Agreement

There is no underwriting agreement with any institution.

9.9 Selling Restrictions

9.9.1 United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and may not be offered, sold or delivered within the United States of America (the “**United States**”) to or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Issuer will neither offer nor sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the U.S. Securities Act. Accordingly, the Issuer nor their affiliates nor any persons acting on its or their behalf will engage in any directed selling efforts or general solicitation with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

9.9.2 European Economic Area (EEA)

In relation to each Member State of the EEA (each a “**Relevant State**”), no Notes have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Notes, which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Notes may be offered to the following in that Relevant State at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the any selling agents for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Notes shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase or subscribe for any Notes.

9.9.3 United Kingdom

Prohibition of sales to UK Retail Investors

Sales in the United Kingdom are also subject to restrictions. Neither the Issuer, nor any selling agents have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

the expression “*retail investor*” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

The Issuer agrees that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom. As used herein “**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland.

9.9.4 Switzerland

The Issuer represents and agrees that:

- (i) the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act dated 15 June 2018 (“**FinSA**”), and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland;
- (ii) neither this Prospectus nor any other offering or marketing material relating to the Notes (x) constitutes a prospectus as such term is understood pursuant to the FinSA or (y) has been or will be filed with or approved by a Swiss review body pursuant to article 52 of the FinSA; and
- (iii) neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

9.9.5 Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968 (the “**Israeli Securities Law**”) and has not been filed with or approved by the Israel Securities Authority. In Israel, this Prospectus may be distributed only to, and will be directed only at, and any offer of any securities hereunder will be directed only at, investors listed in the first addendum to the Israeli Securities Law (the “**First Addendum**”), consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of ILS 50 million and “qualified individuals”, each as defined in the First Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the First Addendum, for the accounts of their clients who are investors listed in the First Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the First Addendum, are aware of the meaning of same and agree to it. Any resale or transfer in Israel, directly or indirectly, of the securities offered hereunder is subject to restrictions on transferability and must be effected only in compliance with the Israeli Securities Law.

10 USE OF PROCEEDS AND COSTS FROM THE OFFERING

The Issuer assumes that the gross proceeds accruing to the Issuer from the issuance of the Notes will amount to approximately EUR 15,000,000.00.

The Issuer expects to incur expenses in connection with the issuance of the Notes (comprising the selling commission of the Payment Agent and other offering-related expenses such as fees for legal and financial advisors) of an aggregate amount of up to approximately EUR 250,000.00 (the “**Total Issue Costs**”). As a result, assuming full placement of the Notes, the net proceeds from the Public Offer (after deduction of Total Issue Costs as set out above) will be approximately EUR 14,750,000.00 (the “**Net Proceeds**”).

The Issuer intends to use the Net Proceeds to grant an upstream loan (see Section 6.1) to its sole shareholder MEIDAR GAN EDEN LTD, Israel, to provide MEIDAR GANEDEN funds for the following purposes:

- MEIDAR GANEDEN intends to use **approximately EUR 4,500,000.00** of the Net Proceeds to finance the development costs, especially the direct planning and construction costs, associated with its project in its Project Development Area and Holdings and Management Area in Herzl Street in Rehovot (see attached valuation report for a detailed description of the project and Section 6.1.1 above for the estimated costs further detailed information).
- MEIDAR GANEDEN intends to use **approximately EUR 3,000,000.00** of the Net Proceeds to finance the development costs associated with its project in its Project Development Area and Holdings and Management Area in Zabutinsty Street in Bnei Brak Batachana (see attached valuation report for description of the project and Section 6.1.2 above for the estimated costs and further detailed information).
- MEIDAR GANEDEN intends to use **approximately EUR 1,400,000.00** of the Net Proceeds to finance its project in its Urban Renewal Area in Jerusalem Armon Hanatziv (see Section 6.1.4 above), especially the planning and approval costs.
- MEIDAR GANEDEN intends to use **approximately EUR 4,800,000.00** of the Net Proceeds to finance its project in Ashdod, especially the costs to set up the property for operations (e.g. fences, offices and equipment) (see Section 6.1.7 above for further details).
- MEIDAR GANEDEN intends to use **approximately EUR 1,050,000.00** for financing current costs. The current costs are the fixed costs of Meidar GanEden and are at the date of this prospectus calculated by MEIDAR GANEDEN as follows: Salary (approximately 8 employees): approximately EUR 800,000 p. a. paid on a monthly basis; Office rent: approximately EUR 80,000 p.a. paid on a monthly basis; Reports/ bookkeeping / accounting: approximately EUR 60,000 paid on an irregular basis and to some extent on invoice basis; Legal: approximately EUR 15,000 p.a. paid on irregular basis and to some extent on invoice basis; Computer and Software: approximately EUR 10,000 p.a.; Advertisement: approximately EUR 100,000 paid on an irregular basis and to some extent on invoice basis; Total amount: approximately EUR 1,065,000 p.a.

To the extent and as long as the Net Proceeds will only amount approximately EUR 4,750,000, MEIDAR GANEDEN intends to use **approximately EUR 1,500,000** for the Project Rehovot Herzl Street, **approximately EUR 1,000,000** for the Project Bnei Brak Batachana, **approximately EUR 500,000** for the Project Armon Hanatziv, **approximately EUR 750,000** for the Project Ashdod and **approximately EUR 1,000,000** for the financing of the current costs. This distribution will be conducted by MEIDAR GANEDEN based on prioritisation of the projects and the respective financing needs.

To the extent and as long as the Net Proceeds will only amount approximately EUR 9,750,000, MEIDAR GANEDEN intends to use **approximately EUR 3,000,000** for the Project Rehovot Herzl Street, **approximately EUR 2,000,000** for the Project Bnei Brak Batachana, **approximately EUR 1,000,000** for the Project Armon Hanatziv, **approximately EUR 2,750,000** for the Project Ashdod and **approximately EUR 1,000,000** for the financing of the current costs. This distribution will be conducted by MEIDAR GANEDEN based on prioritisation of the projects and the respective financing needs.

In case of less Net Proceeds than described above, the remaining amount that can not be covered from the Net Proceeds will be financed by either debt instruments (e.g. loans with banks, etc.) or equity contribution (from shareholders of the Guarantor).

Once the proceeds have been transferred to the Guarantor, the Guarantor can only allocate such respective proceeds to the respective projects as agreed with the Issuer in the respective upstream loan agreement.

11 TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN

(die „Anleihebedingungen“)

Diese Anleihebedingungen sind in englischer Sprache abgefasst und mit einer Übersetzung in die deutsche Sprache versehen. Der englische Wortlaut ist allein rechtsverbindlich. Die deutsche Übersetzung dient nur zur Information.

TERMS AND CONDITIONS OF THE NOTES

(the “Terms and Conditions”)

These Terms and Conditions are written in the English language and provided with a German language translation. The English text will be the only legally binding version. The German language translation is provided for convenience only.

§ 1

WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Emission von Schuldverschreibungen (die „**Schuldverschreibungen**“) der Meidar GanEden Finance GmbH (die „**Emittentin**“) wird am 7. Dezember 2022 (der „**Begebungstag**“) im Gesamtnennbetrag von bis zu EUR 15.000.000,00 (in Worten: fünfzehn Millionen Euro) (der „**Nennbetrag**“) in einer Stückelung von EUR 1.000,00 (die „**Festgelegte Stückelung**“) begeben.

- (2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

- (3) *Globalurkunde.*

Die Schuldverschreibungen werden durch eine Globalurkunde (die „**Globalurkunde**“ bzw. bei mehreren Globalurkunden die „**Globalurkunden**“) ohne Zinsscheine verbrieft. Jegliche Zinszahlungsansprüche aus den Schuldverschreibungen sind durch die jeweilige Globalurkunde verbrieft. Die Globalurkunde wird von oder im Namen der Emittentin unterschrieben. Die Globalurkunde lautet auf den Inhaber und verbrieft die Teilschuldverschreibungen, die für die Finanzinstitute verwahrt werden, die Kontoinhaber bei Clearstream sind. Ansprüche von Inhabern von Teilschuldverschreibungen auf Ausdruck und Auslieferung effektiver Urkunden über einzelne Teilschuldverschreibungen oder Zinsscheine sind während der gesamten Laufzeit der Schuldverschreibung ausgeschlossen.

- (4) *Verwahrung und Clearingsystem.* Jede Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. „**Clearingsystem**“ bezeichnet Clearstream Banking Aktiengesellschaft, Frankfurt am Main, mit Geschäftsanschrift Mergenthalerallee 61, 65760

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

- (1) *Currency; Denomination.* This issue of notes (the “**Notes**”) of Meidar GanEden Finance GmbH (the “**Issuer**”), is being issued in the aggregate principal amount of up to EUR 15,000,000.00 (in words: fifteen million Euro) (the “**Principle Amount**”) in a denomination of EUR 1,000.00 each (the “**Specified Denomination**”) on 7 December 2022 (the “**Issue Date**”).

- (2) *Form.* The Notes are being issued in bearer form.

- (3) *Global Note.*

The Notes are represented by a global note (the “**Global Note**” or in case of several Global Notes the “**Global Notes**”) without coupons. Any claim for interest payments under the Notes shall be represented by the Global Note. The Global Note shall be signed by or on behalf of the Issuer. Definitive certificates representing individual Notes and coupons will not be issued. The Global Note is made out to bearer and evidences the Notes which are held in custody for the financial institutions which are account holders with Clearstream. Claims of holders of Notes for the printing and delivery of effective certificates relating to individual Notes or interest coupons are excluded during the entire term of the Note.

- (4) *Custody and Clearing System.* Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. “**Clearing System**” means the following: Clearstream Banking Aktiengesellschaft, Frankfurt am Main, business address: Mergenthalerallee 61, 65760

<p>Eschborn („Clearstream“) sowie jeder Funktionsnachfolger.</p>	<p>Eschborn (“Clearstream“) and any successor in such capacity.</p>
<p>(5) <i>Gläubiger von Schuldverschreibungen.</i> „Gläubiger“ bezeichnet jeden Inhaber eines Miteigentumsanteils oder eines anderen vergleichbaren Anteils oder Rechts an den Schuldverschreibungen.</p>	<p>(5) <i>Noteholder.</i> “Noteholder” means any holder of a proportionate co-ownership or another beneficial interest or right in the Notes.</p>
<p>(6) <i>Definitionen.</i></p>	<p>(6) <i>Definitions.</i></p>
<p>„Anleihebedingungen“ hat die diesem Begriff in der Überschrift zugewiesene Bedeutung.</p>	<p>“Terms and Conditions” has the meaning as defined in the headline.</p>
<p>„Ausübungszeitraum“ hat die diesem Begriff in § 5 (3) (a) zugewiesene Bedeutung.</p>	<p>“Put Period” has the meaning as defined in § 5 (3) (a).</p>
<p>„Begebungstag“ hat die diesem Begriff in § 1 (1) zugewiesene Bedeutung.</p>	<p>“Issue Date” has the meaning as defined in § 1 (1).</p>
<p>„Berichtsstichtag“ ist der 31. Dezember eines jeden Jahres sowie gegebenenfalls jeder andere Tag, an dem ein Zeitraum endet, für den die Emittentin einen Konzernabschluss veröffentlicht.</p>	<p>“Reporting Date” means December 31 of each year and such other dates, if any, on which a period for which the Issuer publishes Consolidated Financial Statements ends.</p>
<p>„Clearingsystem“ hat die diesem Begriff in § 1 (4) zugewiesene Bedeutung.</p>	<p>“Clearing System” has the meaning as defined in § 1 (4).</p>
<p>„Code“ hat die diesem Begriff in § 7 (3) zugewiesene Bedeutung.</p>	<p>“Code” has the meaning as defined in § 7 (3).</p>
<p>„Globalurkunde“ hat die diesem Begriff in § 1 (3) (a) zugewiesene Bedeutung.</p>	<p>“Global Note” has the meaning as defined in § 1 (3) (a).</p>
<p>„Depotbank“ hat die diesem Begriff in § 14 (4) zugewiesene Bedeutung.</p>	<p>“Custodian” has the meaning as defined in § 14 (4).</p>
<p>„Emittentin“ hat die diesem Begriff in § 1 (1) zugewiesene Bedeutung.</p>	<p>“Issuer” has the meaning as defined in § 1 (1).</p>
<p>„Fälligkeitstag“ hat die diesem Begriff in § 5 (1) zugewiesene Bedeutung.</p>	<p>“Maturity Date” has the meaning as defined in § 5 (1).</p>
<p>„FATCA Quellensteuer“ hat die diesem Begriff in § 7 (3) zugewiesene Bedeutung.</p>	<p>“FATCA Withholding” has the meaning as defined in § 7 (3).</p>
<p>„Festgelegte Stückelung“ hat die diesem Begriff in § 1 (1) zugewiesene Bedeutung.</p>	<p>“Specified Denomination” has the meaning as defined in § 1 (1).</p>
<p>„Finanzverbindlichkeit“ bezeichnet (i) Verpflichtungen aus der Aufnahme von Darlehen, (ii) Verpflichtungen unter Schuldverschreibungen, Schuldscheinen oder ähnlichen Schuldtiteln, (iii) die Hauptverpflichtung aus Akzept-, Wechseldiskont- und ähnlichen Krediten und (iv) Verpflichtungen unter Finanzierungsleasing und Sale und Leaseback Vereinbarungen sowie Factoring Vereinbarungen.</p>	<p>“Financial Indebtedness” shall mean (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) the principal component of obligations in respect of letters of credit, bankers' acceptances and similar instruments, and (iv) capitalized lease obligations and attributable indebtedness related to sale/leaseback transactions and factoring agreements.</p>

„**Gemeinsamer Vertreter**“ hat die diesem Begriff in § 12 (5) zugewiesene Bedeutung.

„**Geschäftsleitung**“ bezeichnet (a) in Bezug auf die Emittentin oder eine andere Körperschaft ein entsprechendes Leitungsorgan, wie z.B. die Geschäftsführung einer Gesellschaft mit beschränkter Haftung, dieser Körperschaft oder einen ihrer ordnungsgemäß mit einer Handlungsvollmacht für dieses Organ ausgestatteten Ausschüsse; (b) in Bezug auf eine Personengesellschaft die Geschäftsführung des unbeschränkt haftbaren Gesellschafters dieser Personengesellschaft; und (c) in Bezug auf eine andere Person, das Organ oder den Ausschuss dieser Person mit vergleichbarer Funktion.

„**Geschäftstag**“ hat die diesem Begriff in § 4 (4) zugewiesene Bedeutung.

„**Gläubiger**“ hat die diesem Begriff in § 1 (5) zugewiesene Bedeutung.

„**Ausübungserklärung**“ hat die diesem Begriff in § 5 (3) (c) zugewiesene Bedeutung.

„**Gläubiger-Rückzahlungswahlrecht**“ hat die diesem Begriff in § 5 (3) (a) zugewiesene Bedeutung.

„**Globalurkunde**“ hat die diesem Begriff in § 1 (3) (a) zugewiesene Bedeutung.

„**Kontrollwechsel**“ hat die diesem Begriff in § 5 (3) (a) zugewiesene Bedeutung.

„**Kündigungserklärung**“ hat die diesem Begriff in § 9 (2) zugewiesene Bedeutung.

„**Kündigungsgrund**“ hat die diesem Begriff in § 9 (1) zugewiesene Bedeutung.

„**Maßgebliche Steuerjurisdiktion**“ hat die diesem Begriff in § 7 (1) zugewiesene Bedeutung.

„**Par Rückzahlungstag**“ hat die diesem Begriff in § 5(5)(a) zugewiesene Bedeutung.

„**Person**“ bezeichnet natürliche Personen, Körperschaften, Personengesellschaften, Joint Ventures, Vereinigungen, Trusts, nicht rechtsfähige Vereinigungen, Regierungen oder Regierungsbehörden oder Gebietskörperschaften.

„**Qualifizierte Mehrheit**“ hat die diesem Begriff in § 12 (2) zugewiesene Bedeutung.

„**Relevante Finanzverbindlichkeit**“ bezeichnet jede Finanzverbindlichkeit in Form von oder

„**Noteholders' Representative**“ has the meaning as defined in § 12 (5).

„**Board of Directors**“ means (a) with respect to the Issuer or any other corporation, the management board or analogous governing body such as the board of managing directors (*Geschäftsführung*) of a limited liability company (*Gesellschaft mit beschränkter Haftung*) of the corporation or any committee thereof duly authorized to act on behalf of such board; (b) with respect to a partnership, the management body of the general partner of the partnership; and (c) with respect to any other Person, the board or committee of such Person serving a similar function.

„**Business Day**“ has the meaning as defined in § 4 (4).

„**Noteholder**“ has the meaning as defined in § 1 (5).

„**Put Notice**“ has the meaning as defined in § 5 (3) (c).

„**Noteholder Put Option**“ has the meaning as defined in § 5 (3) (a).

„**Global Note**“ has the meaning as defined in § 1 (3) (a).

„**Change of Control**“ has the meaning as defined in § 5 (3) (a).

„**Termination Notice**“ has the meaning as defined in § 9 (2).

„**Event of Default**“ has the meaning as defined in § 9 (1).

„**Relevant Taxing Jurisdiction**“ has the meaning as defined in § 7 (1).

„**Par Call Day**“ has the meaning ascribed to it in § 5(5)(a).

„**Person**“ means any individual, corporation, partnership, joint venture, association, trust, unincorporated organization or government or any agency or political subdivision thereof.

„**Qualified Majority**“ has the meaning as defined in § 12 (2).

„**Relevant Financial Indebtedness**“ means any Indebtedness which is in the form of, or

verbriefte in Schuldverschreibungen oder vergleichbaren Wertpapieren, die jeweils an einer Wertpapierbörse oder in einem Wertpapiermarkt (u.a. einschließlich einem over-the-counter Markt) zugelassen sind oder notiert oder gehandelt werden oder üblicherweise dort zugelassen, notiert oder gehandelt werden können, mit Ausnahme von Finanzverbindlichkeiten aus Schuldscheindarlehen.

„**Relevante Person(en)**“ hat die diesem Begriff in § 5 (3) (a) zugewiesene Bedeutung.

„**Rückzahlungsbetrag**“ hat die diesem Begriff in § 5 (1) zugewiesene Bedeutung.

„**Rückzahlungsereignis-Mitteilung**“ hat die diesem Begriff in § 5 (3) (b) zugewiesene Bedeutung.

„**Schuldverschreibungen**“ hat die diesem Begriff in § 1 (1) zugewiesene Bedeutung.

„**SchVG**“ hat die diesem Begriff in § 12 (1) zugewiesene Bedeutung.

„**Sicherheit**“ bezeichnet in Bezug auf einen Vermögenswert jede Hypothek, jedes Pfandrecht, jede Verpfändung, jede Grundschuld, jedes Sicherungsrecht oder jedwede Belastung.

„**Stimmberechtigte Anteile**“ bezeichnet die Aktien (oder entsprechende Kapitalanteile) einer Person der Klasse oder Klassen, die unter normalen Umständen mit dem allgemeinen Recht ausgestattet sind, mindestens eine Mehrheit der Mitglieder der Geschäftsleitung, Manager oder Treuhänder dieser Person zu wählen (unabhängig davon, ob bei Eintritt eines Sonderfalls eine oder mehrere andere Klasse(n) mit Stimmrechten ausgestattet sind oder sein können).

„**Tochtergesellschaft**“ bezeichnet in Bezug auf eine Person eine Körperschaft oder eine Personengesellschaft, deren ausstehende Stimmberechtigte Anteile zu mehr als 50 % (gemessen an Stimmrechten und nicht an der Anzahl der Anteile) zum Datum der Feststellung direkt oder indirekt im Eigentum dieser Person und/oder einer oder mehrerer anderer Tochtergesellschaften dieser Person stehen.

„**Vermögenswert**“ bezeichnet alle Sachanlagen oder Vermögenswerte, ob in Form von unbeweglichen oder beweglichen Vermögenswerten oder einer Mischung von beiden, sonstige Werte des Umlaufvermögens und Aktien, jedoch ohne Einlagenkonten, die am Begebungstag im Eigentum der Emittentin oder einer ihrer Tochtergesellschaften stehen oder danach von der Emittentin oder einer ihrer Tochtergesellschaften erworben werden.

represented by, notes or any similar securities which are, for the time being, or are ordinarily capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market), but shall not include any Indebtedness under any promissory note (*Schuldscheindarlehen*).

“**Relevant Person(s)**” has the meaning as defined in § 5 (3) (a).

“**Final Redemption Amount**” has the meaning as defined in § 5 (1).

“**Put Event Notice**” has the meaning as defined in § 5 (3) (b).

“**Notes**” has the meaning as defined in § 1 (1).

“**SchVG**” has the meaning as defined in § 12 (1).

“**Security**” means, with respect to any Asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind.

“**Voting Stock**” means capital stock (or equivalent equity interest) of a Person of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock (or equivalent equity interests) of any other class or classes has or might have voting power upon the occurrence of any contingency).

“**Subsidiary**” means, with respect to any Person any corporation or partnership, more than 50% of the outstanding Voting Stock (measured by voting power rather than number of shares) of which at the date of determination is owned, directly or indirectly, by the Person and/or by one or more other Subsidiaries of the Person.

“**Asset**” means any property or asset, whether real, personal or mixed, including, without limitation, other current assets and shares of capital stock, but excluding deposit accounts, owned at the Issue Date or thereafter acquired by the Issuer or any of its Subsidiaries.

„**Verzinsungsbeginn**“ hat die diesem Begriff in § 3 (1) zugewiesene Bedeutung.

„**Wahl-Rückzahlungsbetrag (Call)**“ hat die diesem Begriff in § 5 (5)(b) zugewiesene Bedeutung.

„**Wahl-Rückzahlungsbetrag (Put)**“ hat die diesem Begriff in § 5 (3) (a) zugewiesene Bedeutung.

„**Wahl-Rückzahlungstag (Call)**“ hat die diesem Begriff in § 5 (5)(b) zugewiesene Bedeutung.

„**Wahl-Rückzahlungstag (Put)**“ hat die diesem Begriff in § 5 (3) (c) zugewiesene Bedeutung.

„**Wesentliche Tochtergesellschaft**“ hat die diesem Begriff in § 9 (4) zugewiesene Bedeutung.

„**Zahlstelle**“ hat die diesem Begriff in § 6 (1) zugewiesene Bedeutung.

„**Zinsperiode**“ hat die diesem Begriff in § 5 (4) zugewiesene Bedeutung.

„**Zinszahlungstag**“ hat die diesem Begriff in § 3 (1) zugewiesene Bedeutung.

„**Zusätzliche Beträge**“ hat die diesem Begriff in § 7 (2) zugewiesene Bedeutung.

„**Interest Commencement Date**“ has the meaning as defined in § 3 (1).

„**Call Redemption Amount**“ has the meaning as defined in § 5 (5)(b).

„**Put Redemption Amount**“ has the meaning as defined in § 5 (3) (a).

„**Call Redemption Date**“ has the meaning as defined in § 5 (5)(b).

„**Put Date**“ has the meaning as defined in § 5 (3) (c).

„**Material Subsidiary**“ has the meaning as defined in § 9 (4).

„**Paying Agent**“ has the meaning as defined in § 6 (1).

„**Interest Period**“ has the meaning as defined in § 5 (4).

„**Interest Payment Date**“ has the meaning as defined in § 3 (1).

„**Additional Amounts**“ has the meaning as defined in § 7 (2).

§ 2

STATUS, NEGATIVVERPFLICHTUNG, GARANTIE

- (1) *Status*. Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit solchen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.
- (2) *Negativverpflichtung*. Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen an das Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems zur Verfügung gestellt worden sind,
 - (i) kein Grundpfandrecht, Mobiliarpfandrecht, Pfandrecht oder sonstiges dingliches Sicherungsrecht (jedes ein „**Sicherungsrecht**“) an ihren gesamten Vermögenswerten oder Teilen davon zur Besicherung einer anderen gegenwärtigen

§ 2

STATUS, NEGATIVE PLEDGE, GUARANTEE

- (1) *Status*. The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking pari passu among themselves and pari passu with all other present and future secured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- (2) *Negative Pledge*. The Issuer undertakes, so long as any of the Notes are outstanding, but only up to the time that all amounts of principal and interest have been placed at the disposal of the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System,
 - (i) not to create or permit to subsist any mortgage, charge, pledge or other form of encumbrance in rem (each a "**Security Interest**") over the whole or any part of its assets to secure any present or future Financial Indebtedness; and

oder zukünftigen Finanzverbindlichkeit zu gewähren oder bestehen zu lassen; und

- (ii) zu veranlassen (soweit rechtlich möglich und zulässig), dass keine Tochtergesellschaft ein Sicherungsrecht an seinen jeweiligen gesamten Vermögenswerten oder jeweiligen Teilen davon zur Besicherung einer eigenen oder fremden gegenwärtigen oder zukünftigen Finanzverbindlichkeit mit Sicherungsrechten gewährt oder bestehen lässt,

ohne zuvor oder gleichzeitig die Anleihegläubiger gleichrangig und gleichwertig an einem solchen Sicherungsrecht zu beteiligen oder zu Gunsten der Anleihegläubiger ein Sicherungsrecht zu gleichwertigen Bedingungen zu bestellen, welches von einem unabhängigen Sachverständigen als gleichwertige Sicherheit beurteilt wird.

Eine nach diesem § 2(2) zu leistende Sicherheit kann auch zu Gunsten eines Treuhänders der Anleihegläubiger bestellt werden.

- (3) Die Verpflichtung findet keine Anwendung auf:
 - (i) ein Sicherungsrecht, das kraft Gesetzes entsteht;
 - (ii) ein Sicherungsrecht, das zum Begebungstag der Schuldverschreibungen bereits besteht.
- (4) *Garantie*. Meidar Gan Eden Ltd., Israel (die „**Garantin**“) hat gemäß der Garantie vom 17. November 2022 (die „**Garantie**“) jeweils gegenüber der Zahlstelle zugunsten der Anleihegläubiger die unbedingte und unwiderrufliche Garantie für die Zahlung von Kapital, Zinsen und etwaigen sonstigen Beträgen, die nach diesen Anleihebedingungen von der Emittentin zu zahlen sind, übernommen.

Die Garantie begründet unmittelbare, nicht besicherte und nicht nachrangige Verpflichtungen der Garantin, die mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Garantin zumindest im gleichen Rang stehen, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird. Mit der Erfüllung einer Zahlungsverpflichtung der Garantin zugunsten eines Anleihegläubigers aus der Garantie erlischt zugleich das jeweilige garantierte Recht des betreffenden Anleihegläubigers aus diesen Anleihebedingungen.

Die Garantie stellt einen Vertrag zugunsten der jeweiligen Anleihegläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar, so dass ausschließlich die jeweiligen Anleihegläubiger die Erfüllung der Garantie unmittelbar von der Garantin

- (ii) to procure (to the extent legally possible and permissible) that no Subsidiary will create or permit to subsist any Security Interest over the whole or any part of its assets to secure any present or future own or third-party Financial Indebtedness,

without prior thereto or at the same time letting the Noteholders share pari passu and equally in such Security Interest or benefit from an equivalent Security Interest, which shall be approved by an independent expert as being equivalent security.

Any security which is to be provided pursuant to this § 2(2) may also be provided to a person acting as trustee for the Noteholders.

- (3) This undertaking shall not apply to
 - (i) a Security Interest created by operation of law;
 - (ii) a Security Interest existing on the issue date of the Notes.
- (4) *Guarantee*. Meidar Gan Eden Ltd., Israel (the „**Guarantor**“) has given towards the Paying Agent for the benefit of the Noteholders the unconditional and irrevocable guarantee for the payment of principal and interest together with all other sums payable by the Issuer under these Terms and Conditions pursuant to a guarantee, dated 17 November 2022 (the „**Guarantee**“).

The Guarantee constitutes direct, unsecured and unsubordinated obligations of the Guarantor, ranking pari passu with all other present and future unsecured and unsubordinated obligations of the Guarantor, unless such obligations are accorded priority under mandatory provisions of statutory law. Upon discharge of any payment obligation of the Guarantor subsisting under the Guarantee in favor of any Noteholder, the relevant guaranteed right of such Noteholder under these Terms and Conditions will cease to exist.

The Guarantee constitutes a contract in favor of the respective Noteholders as third-party beneficiaries pursuant to section 328 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) such that only the respective

verlangen und die Garantie unmittelbar gegen die Garantin durchsetzen können

Noteholders will be entitled to claim performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

§ 3 VERZINSUNG

- (1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 7. Dezember 2022 (der „**Verzinsungsbeginn**“) (einschließlich) mit 7,00 % p.a. bis zum Fälligkeitstag (ausschließlich). Die Zinsen sind jährlich nachträglich am 7. Dezember eines jeden Jahres zahlbar (jeweils ein „**Zinszahlungstag**“). Die erste Zinszahlung erfolgt am 7. Dezember 2023.
- (2) *Zahlungsverzug.* Wenn die Emittentin aus irgendeinem Grund die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, wird der ausstehende Betrag vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) mit dem gesetzlichen Verzugszins¹ verzinst. Die Geltendmachung eines weitergehenden Schadens im Falle eines Zahlungsverzugs ist nicht ausgeschlossen.
- (3) *Berechnung der Zinsen.* Sind Zinsen im Hinblick auf einen Zeitraum zu berechnen, der kürzer als eine Zinsperiode (wie in § 3 (4) definiert) ist, so werden sie berechnet auf der Grundlage der Anzahl der tatsächlichen verstrichenen Tage im relevanten Zeitraum (gerechnet vom letzten Zinszahlungstag (einschließlich)) dividiert durch die tatsächliche Anzahl der Tage der Zinsperiode (365 Tage bzw. 366 Tage im Falle eines Schaltjahrs) (Actual/Actual).
- (4) „**Zinsperiode**“ bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und anschließend den Zeitraum vom jeweiligen Zinszahlungstag (einschließlich) bis zum darauffolgenden Zinszahlungstag (ausschließlich).

§ 4 ZAHLUNGEN

- (1) *Zahlung von Kapital und Zinsen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich Absatz (2), an die Zahlstelle

§ 3 INTEREST

- (1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of 7.00 % p.a. from (and including) 7 December 2022 (the “**Interest Commencement Date**”) to (but excluding) the Maturity Date. Interest shall be payable annually in arrears on 7 December of each year (each such date, an “**Interest Payment Date**”). The first payment of interest shall be made on 7 December 2023.
- (2) *Late Payment.* If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue on the outstanding amount from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest¹ established by law. Claims for further damages in case of late payment are not excluded.
- (3) *Calculation of Interest.* Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined in § 3 (4)) the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from and including the most recent Interest Payment Date) divided by the actual number of days of the Interest Period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).
- (4) “**Interest Period**” means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and thereafter from (and including) each relevant Interest Payment Date to (but excluding) the next following Interest Payment Date.

§ 4 PAYMENTS

- (1) *Payment of Principal and Interest.* Payment of principal and interest in respect of the Notes shall be made, subject to paragraph (2) below, to the

¹ Der gesetzliche Verzugszinssatz beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank jeweils geltenden veröffentlichten Basiszinssatz, §§ 288 Abs. 1 Satz 2, 247 Abs. 1 BGB.

The default rate of interest established by statutory law is five percentage points above the base rate of interest published by Deutsche Bundesbank in effect from time to time, sections 288 paragraph 1 sentence 2, 247 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*).

zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Paying Agent for forwarding to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in Euro geleistet.
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in Euro.
- (3) *Erfüllung.* Die Emittentin wird durch Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.
- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) *Geschäftstag.* Ist der Tag für eine Zahlung in Bezug auf eine Schuldverschreibung ein Tag, der kein Geschäftstag ist, so hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet „**Geschäftstag**“ einen Tag (außer einem Samstag oder Sonntag), an dem Banken in Luxemburg und Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) betriebsbereit sind, um Zahlungen vorzunehmen.
- (4) *Business Day.* If the date for payment of any amount in respect of any Note is not a Business Day then the Noteholder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments.
- (5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: Rückzahlungsbetrag, Wahl-Rückzahlungsbetrag (Put), Wahl-Rückzahlungsbetrag (Call), gegebenenfalls gemäß § 7 (2) zahlbare Zusätzliche Beträge und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen schließen, soweit anwendbar, sämtliche gegebenenfalls gemäß § 7 (2) zahlbaren Zusätzlichen Beträge ein.
- (5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount, the Put Redemption Amount, Call Redemption Amount, Additional Amounts which may be payable under § 7 (2) and any other premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7 (2).
- (6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, u.a. beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Wenn und soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.
- (6) *Deposit of Principal and Interest.* The Issuer may deposit with e.g. the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the Maturity Date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

§ 5 RÜCKZAHLUNG

§ 5 REDEMPTION

- (1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 7. Dezember 2027 (der „**Fälligkeitstag**“) zurückgezahlt. Der „**Rückzahlungsbetrag**“ einer jeden Schuldverschreibung entspricht dabei ihrem Nennbetrag.
- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können jederzeit insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von mindestens 45 und höchstens 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 13 gegenüber den Gläubigern gekündigt und zu ihrem Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen vorzeitig zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften der Bundesrepublik Deutschland (oder für den Fall, dass die Emittentin gemäß § 7 (4) einer anderen Steuerrechtsordnung unterworfen wird, der Gesetze oder Vorschriften dieser anderen Steuerrechtsordnung), die Steuern oder die Verpflichtung zur Zahlung von Abgaben jeglicher Art betreffen, oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag der Begebung der Schuldverschreibungen wirksam) am nächstfolgenden Zinszahlungstag zur Zahlung von Zusätzlichen Beträgen verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann, die nach Auffassung der Emittentin zumutbar sind (wobei jeweils die Interessen der Gläubiger zu berücksichtigen sind).

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig wäre, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erklärt wird, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

- (1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on 7 December 2027 (the “**Maturity Date**”). The “**Final Redemption Amount**” in respect of each Note shall be its principal amount.
- (2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany (or in the event the Issuer becoming subject to another tax jurisdiction pursuant to §7 (4), the laws or regulations of such other tax jurisdiction) affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change becomes effective on or after the date on which the Notes were issued, the Issuer is required to pay Additional Amounts on the next succeeding Interest Payment Date, and this obligation cannot be avoided by the use of measures available to the Issuer which are, in the judgement of the Issuer in each case taking into account the interests of Noteholders, reasonable, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, at any time upon not less than 45 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 13, to the Noteholders, at the principal amount together with interest accrued to (but excluding) the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement summarizing the facts constituting the basis for the right of the Issuer so to redeem.

- (3) *Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Kontrollwechsels.* (3) *Early Redemption at the Option of the Noteholders upon a Change of Control.*

- (a) Tritt nach dem Begebungstag ein Kontrollwechsel ein, so ist jeder Gläubiger berechtigt, aber nicht verpflichtet, von der Emittentin die vollständige oder teilweise Rückzahlung oder, nach Wahl der Emittentin, den Ankauf (oder die Veranlassung eines Ankaufs) seiner Schuldverschreibungen innerhalb von 60 Tagen, nachdem die Rückzahlungsereignis-Mitteilung gemäß Unterabsatz (b) bekannt gegeben wurde (der „**Ausübungszeitraum**“), zum Wahl-Rückzahlungsbetrag (Put) (das „**Gläubiger-Rückzahlungswahlrecht**“) zu verlangen. Dieses Gläubiger-Rückzahlungswahlrecht ist wie nachstehend unter den Unterabsätzen (b) bis (c) beschrieben auszuüben.

Ein „**Kontrollwechsel**“ gilt jedes Mal als eingetreten (unabhängig davon, ob das zuständige Leitungsorgan der Emittentin zugestimmt hat), wenn eine oder mehrere Personen, die gemeinsam handeln, (die „**Relevante(n) Person(en)**“) oder ein oder mehrere Dritte, die im Auftrag der Relevanten Person(en) handeln, zu irgendeiner Zeit unmittelbar oder mittelbar (i) mehr als 50 % des Grundkapitals der Emittentin, oder (ii) eine solche Anzahl von Aktien der Emittentin, auf die 50 % oder mehr der Stimmrechte entfallen, erwirbt bzw. erwerben oder hält bzw. halten (Ziffern (i) und (ii) nachfolgend „**Kontrolle**“). Es wird jedoch klargestellt, dass eine Änderung in der derzeitigen Beteiligungsstruktur der Emittentin, die nicht dazu führt, dass der oberste beherrschende Rechtsträger direkt oder indirekt die Kontrolle über die Emittentin verliert, nicht als Kontrollwechsel gilt. Ebenso gilt eine Änderung des relativen Anteilsbesitzes der derzeitigen Gesellschafter des obersten beherrschenden Rechtsträgers der Emittentin nicht als Kontrollwechsel.

Der „**Wahl-Rückzahlungsbetrag (Put)**“ bezeichnet für jede Schuldverschreibung 101,00 % des Nennbetrags einer solchen Schuldverschreibung zuzüglich nicht gezahlter bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen.

- (b) Tritt nach dem Begebungstag ein Kontrollwechsel ein, so teilt die Emittentin dies unverzüglich, nachdem die Emittentin davon Kenntnis erlangt hat, den Gläubigern gemäß § 13 mit (eine „**Rückzahlungsereignis-Mitteilung**“) und gibt dabei die Art des Kontrollwechsels und das in diesem Absatz (5)(3) vorgesehene Verfahren zur

- (a) If a Change of Control occurs after the Issue Date, each Noteholder shall have the right, but not the obligation, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes, within 60 days after a Put Event Notice under subparagraph (b) has been published (the „**Put Period**“), at the Put Redemption Amount (the „**Noteholder Put Option**“). Such Noteholder Put Option shall operate as set out below under subparagraphs (b) to (c).

A „**Change of Control**“ shall be deemed to have occurred at each time (whether or not approved by the competent governing body of the Issuer) that any person or persons acting in concert („**Relevant Person(s)**“) or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) more than 50% of the share capital of the Issuer, or (ii) such number of the shares in the capital of the Issuer carrying 50% or more of the voting rights (items (i) and (ii) hereinafter „**Control**“). It shall be clarified, however, that any change in the current holding structure of the Issuer, which does not result in the ultimate controlling entity losing, direct or indirect, Control over the Issuer, shall not qualify as a Change of Control. Likewise, a change in the relative shareholdings of the current shareholders of the ultimate controlling entity of the Issuer shall not be deemed a Change of Control.

„**Put Redemption Amount**“ means for each Note 101.00 % of the principal amount of such Note, plus unpaid interest accrued to (but excluding) the Put Date.

- (b) If a Change of Control occurs after the Issue Date, then the Issuer shall, without undue delay, after the Issuer becoming aware thereof, give notice of the Change of Control (a „**Put Event Notice**“) to the Noteholders in accordance with § 13 specifying the nature of the Change of Control and the procedure for exercising the Noteholder Put

Ausübung des Gläubiger-Rückzahlungswahlrechts an (mit Angaben zum Clearingsystem-Konto der Zahlstelle für die Zwecke von Unterabsatz (c)(ii)(x) dieses Absatzes (3)).

- (c) Zur Ausübung des Gläubiger-Rückzahlungswahlrechts muss der Gläubiger an einem Geschäftstag innerhalb des Ausübungszeitraums, (i) bei der Zahlstelle eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung in der jeweils bei der Zahlstelle erhältlichen maßgeblichen Form einreichen (die „**Ausübungserklärung**“) und (ii) Schuldverschreibungen in Höhe des Gesamtbetrags der Festgelegten Stückelung einreichen, für die der Gläubiger sein Gläubiger-Rückzahlungswahlrecht ausüben möchte durch (x) Übertragung dieser Schuldverschreibungen auf das Clearingsystem-Konto der Zahlstelle. Die Emittentin wird die betreffende(n) Schuldverschreibung(en) sieben Tage nach Ablauf des Ausübungszeitraums (der „**Wahl-Rückzahlungstag (Put)**“) zurückzahlen oder nach ihrer Wahl ankaufen (oder ankaufen lassen), soweit sie nicht bereits vorher zurückgezahlt oder angekauft und entwertet wurde(n). Die Zahlung in Bezug auf solchermaßen eingereichte Schuldverschreibungen erfolgt gemäß den üblichen Verfahren über das Clearingsystem. Eine einmal abgegebene Ausübungserklärung ist unwiderruflich.

- (4) *Vorzeitige Rückzahlung bei Geringem Ausstehenden Gesamtnennbetrag der Schuldverschreibungen.*

Wenn 80 % oder mehr des Gesamtnennbetrags der Schuldverschreibungen nach diesem § 5 von der Emittentin oder einer direkten oder indirekten Tochtergesellschaft der Emittentin zurückgezahlt oder angekauft wurden, ist die Emittentin jederzeit berechtigt, nach vorheriger Bekanntmachung gegenüber den Gläubigern gemäß § 13 mit einer Frist von mindestens 45 und höchstens 60 Tagen nach ihrer Wahl die ausstehenden Schuldverschreibungen insgesamt, aber nicht teilweise, zum Nennbetrag zuzüglich bis zum tatsächlichen Rückzahlungstag (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zurückzuzahlen.

- (5) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) *Vorzeitige Rückzahlung zu Par.* Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach Absatz (3) verlangt hat) insgesamt oder teilweise, nach ihrer Wahl durch

Option contained in this paragraph (5)(3) (including the information on the Clearing System account of the Paying Agent for purposes of subparagraph (c)(ii)(x) of this paragraph (3)).

- (c) To exercise the Noteholder Put Option, the Noteholder must deliver on any Business Day within the Put Period (i) to the Paying Agent a duly signed and completed notice of exercise in the then current form obtainable from the Paying Agent (a “**Put Notice**”) and (ii) the aggregate Specified Denomination of Notes for which the Noteholder wishes to exercise its Noteholder Put Option by transferring such Notes to the Clearing System account of the Paying Agent. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date seven days after the expiration of the Put Period (the “**Put Date**”) unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through the Clearing System. A Put Notice, once given, shall be irrevocable.

- (4) *Early Redemption in case of Minimal Outstanding Aggregate Principal Amount of the Notes.*

If 80 % or more of the aggregate principal amount of the Notes have been redeemed or purchased by the Issuer or any direct or indirect Subsidiary of the Issuer pursuant to the provisions of this § 5, the Issuer may at any time, on not less than 45 or more than 60 days' notice to the Noteholders given in accordance with § 13, redeem, at its option, the remaining Notes in whole but not in part at the principal amount thereof plus unpaid interest accrued to (but excluding) the date of actual redemption.

- (5) *Early Redemption at the Option of the Issuer.*

- (a) *Early Redemption at Par.* The Issuer may, upon prior notice of redemption given, in accordance with § 13, to the Holders, redeem, at its option, the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of the option

Erklärung gemäß § 13 gegenüber den Gläubigern vom 7. September 2027 (der „**Par Rückzahlungstag**“) bis zum Fälligkeitstag zu ihrem Rückzahlungsbetrag zusammen mit allen nicht gezahlten Zinsen, die bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufen sind, zurückzahlen.

Eine solche Kündigungserklärung ist unwiderruflich und muss die folgenden Angaben beinhalten: (i) die Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen, und (ii) den für die Rückzahlung festgesetzten Tag, der nicht weniger als 30 und nicht mehr als 60 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.

- (b) *Vorzeitige Rückzahlung zum Wahl-Rückzahlungsbetrag (Call)*. Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach § 5 (3) verlangt hat) frühestens zum 7. Dezember 2025 insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 13 gegenüber den Gläubigern kündigen und an einem von ihr anzugebenden Tag (der „**Wahl-Rückzahlungstag (Call)**“) zu ihrem Wahl-Rückzahlungsbetrag (Call) (zuzüglich etwaigen bis zum betreffenden Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen aber noch nicht gezahlten Zinsen) zurückzahlen.

Eine solche Kündigungserklärung ist unwiderruflich, sie kann aber an Bedingungen geknüpft sein. Sie muss den Wahl-Rückzahlungstag (Call) nennen, der ein Geschäftstag sein muss.

„**Wahl-Rückzahlungsbetrag (Call)**“ bezeichnet im Falle der Festlegung eines Wahl-Rückzahlungstag (Call) im Zeitraum

vom 7. Dezember 2025 bis zum 7. Dezember 2026 (jeweils einschließlich) 102 % des Nennbetrages; und

vom 7. Dezember 2026 bis zum Rückzahlungstag (jeweils einschließlich) 101 % des Nennbetrages.

§ 6
ZAHLSTELLE

to require the redemption of such Note under paragraph (3)) in whole or in part within the period from 7 September 2027 (the “**Par Call Date**”) to the Maturity Date at their Final Redemption Amount together with any unpaid interest to (but excluding) the date fixed for redemption.

Such notice shall be irrevocable and must specify (i) whether the Notes are to be redeemed in whole or in part and, if in part, the aggregate principal amount of the Notes which are to be redeemed, and (ii) the date fixed for redemption, which shall be not less than 30 nor more than 60 days after the date on which notice is given by the Issuer to the Holders.

- (b) *Early Redemption at the Call Redemption Amount*. The Issuer may upon not less than 30 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 13, to the Noteholders redeem on any date specified by it, but no earlier than per 7 December 2025 (the “**Call Redemption Date**”), at its option, the Notes (except for any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under § 7 (3)) in whole but not in part, at their Call Redemption Amount together with accrued but unpaid interest, if any, to (but excluding) the relevant Call Redemption Date.

Such notice of early redemption shall be irrevocable, but may be subject to conditions. It shall state the Call Redemption Date which shall be a Business Day.

“**Call Redemption Amount**” shall mean, in the event of the determination of a Call Redemption Date within the period

commencing on 7 December 2025 and ending on 7 December 2026 (each inclusive) 102 % of the Principal Amount; and

commencing on 7 December 2026 and ending on the Redemption Day (each inclusive) 101 % of the Principal Amount.

§ 6
PAYING AGENT

- | | |
|---|---|
| <p>(1) <i>Bestellung.</i> Die Emittentin hat die ODDO BHF SE, Bockenheimer Landstr. 10, 60323 Frankfurt am Main, Deutschland zur anfänglichen Zahlstelle bestellt (die „Zahlstelle“). Die Zahlstelle behält sich das Recht vor, jederzeit ihre bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle in derselben Jurisdiktion zu ersetzen.</p> | <p>(1) <i>Appointment.</i> The Issuer has appointed ODDO BHF SE, Bockenheimer Landstr. 10, 60323 Frankfurt am Main, Germany as initial paying agent (the “Paying Agent”). The Paying Agent reserves the right at any time to change its specified office to another office in the same jurisdiction.</p> |
| <p>(2) <i>Änderung oder Beendigung der Bestellung.</i> Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle zu ändern oder zu beenden und zusätzliche oder eine oder mehrere andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle unterhalten. Eine Änderung, Beendigung, Bestellung oder ein Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und höchstens 45 Tagen informiert wurden.</p> | <p>(2) <i>Variation or Termination of Appointment.</i> The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint another Paying Agent, additional or other paying agents. The Issuer shall at all times maintain a Paying Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 13.</p> |
| <p>(3) <i>Erfüllungsgehilfen der Emittentin.</i> Die Zahlstelle und jede andere nach Absatz (2) bestellte Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern, und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.</p> | <p>(3) <i>Agents of the Issuer.</i> The Paying Agent and any other paying agent appointed pursuant to paragraph (2) act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust with any Noteholder.</p> |

§ 7 STEUERN

- (1) *Zahlungen ohne Einbehalt oder Abzug von Steuern.* Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen der Bundesrepublik Deutschland (die „**maßgebliche Steuerjurisdiktion**“) oder einer jeweiligen steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde eines dieser Länder im Wege des Einbehalts oder Abzugs an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.
- (2) *Zahlung Zusätzlicher Beträge.* Ist ein Einbehalt oder Abzug in Bezug auf zu zahlende Beträge auf die Schuldverschreibungen gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die „**Zusätzlichen Beträge**“) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug erhalten worden wären; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für Zahlungen auf eine Schuldverschreibung, wenn:

§ 7 TAX

- (1) *Payments Free of Taxes.* All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Federal Republic of Germany (the “**Relevant Taxing Jurisdiction**”) or any respective political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.
- (2) *Payments of Additional Amounts.* If such withholding or deduction with respect to amounts payable in respect of the Notes is required by law, the Issuer will pay such additional amounts (the “**Additional Amounts**”) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (a) die Zahlungen an einen Gläubiger oder in dessen Namen an einen Dritten geleistet werden, der solchen Steuern, Abgaben, Steuerveranlagungen oder behördlichen Gebühren in Bezug auf diese Schuldverschreibung deshalb unterliegt, weil er gegenwärtig oder in der Vergangenheit eine andere Beziehung zur Rechtsordnung der Emittentin hat bzw. hatte als den bloßen Umstand, dass er (i) Inhaber einer solchen Schuldverschreibung ist oder (ii) Kapital, Zinsen oder einen anderen Betrag in Bezug auf eine solche Schuldverschreibung erhält; oder
- (b) die Schuldverschreibung von einem Gläubiger oder im Namen eines Gläubigers zur Auszahlung vorgelegt wird, welcher einen solchen Einbehalt oder Abzug nach rechtzeitiger Aufforderung durch die Emittentin durch Vorlage eines Formulars oder einer Urkunde und/oder durch Abgabe einer Nichtansässigkeits-Erklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines Erstattungsanspruches hätte vermeiden können; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder dieses Abkommen oder diese Vereinbarung umsetzt oder befolgt dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde, einzubehalten oder abzuziehen sind; oder
- (d) die nicht erhoben oder einbehalten oder abgezogen worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die Zahlungen auf die Schuldverschreibungen erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin, einer Zahlstelle oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann,
- (a) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having or having had a connection with the jurisdiction of incorporation of the Issuer other than (i) the mere holding of such Note or (ii) the receipt of principal, interest or other amounts in respect of such Note, or
- (b) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund upon timely request by the Issuer, or
- (c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) would not have been imposed, withheld or deducted but for the failure of the Noteholder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Noteholder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer or a Paying Agent addressed to the Noteholder or beneficial owner (and made at a time that would enable the Noteholder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting

in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in der maßgeblichen Steuerjurisdiktion vorgeschriebenen Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der maßgeblichen Steuerjurisdiktion erhobenen Steuern oder für eine Reduzierung der Höhe des Einhalts oder Abzugs solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der maßgeblichen Steuerjurisdiktion ansässig ist), jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung, Information oder Dokumentation vorzulegen; oder

- (e) die aufgrund jeglicher Kombination der Absätze (a) bis (d) zu entrichten sind.

Zur Klarstellung wird festgehalten, dass die in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer zuzüglich des darauf anfallenden Solidaritätszuschlags sowie Kirchensteuer, soweit eine solche im Wege des Steuerabzugs erhoben wird, keine Steuern oder Abgaben der vorstehend beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

- (3) *FATCA*. Ungeachtet sonstiger hierin enthaltener Bestimmungen, darf die Emittentin Beträge, die gemäß einer beschriebenen Vereinbarung in Section 1471(b) des U.S. Internal Revenue Code von 1986 (der „**Code**“) erforderlich sind oder die anderweitig aufgrund der Sections 1471 bis 1474 des Codes (oder jeder Änderung oder Nachfolgeregelung), der Regelungen oder Verträge darunter, der offiziellen Auslegungen davon oder jeglicher rechtsausführender und zwischenstaatlicher Zusammenarbeit dazu beruhen, einbehalten oder abziehen („**FATCA Quellensteuer**“). Die Emittentin ist aufgrund einer durch die Emittentin, eine Zahlstelle oder eine andere Partei abgezogenen oder einbehaltenen FATCA Quellensteuer nicht zur Zahlung zusätzlicher Beträge oder anderweitig zur Entschädigung eines Investors verpflichtet.
- (4) *Andere Steuerjurisdiktion*. Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sollen die Bezugnahmen in diesem § 7 auf die Rechtsordnung der Emittentin als

requirement whether required by statute, treaty, regulation or administrative practice of the relevant Taxing Jurisdiction, that is a precondition to exemption from, or reduction in the rate of withholding or deduction of, taxes imposed by the relevant Taxing Jurisdiction (including, without limitation, a certification that the Noteholder or beneficial owner is not resident in the relevant Taxing Jurisdiction), but in each case, only to the extent the Noteholder or beneficial owner is legally entitled to provide such certification, information or documentation, or

- (e) are payable due to any combination of items (a) to (d).

For the avoidance of doubt, the withholding tax levied in the Federal Republic of Germany at the level of the custodian bank plus the solidarity surcharge imposed thereon as well as church tax, where such tax is levied by way of withholding, pursuant to tax law as in effect as of the Issue Date do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

- (3) *FATCA*. Notwithstanding any other provisions contained herein, the Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing any intergovernmental approach thereto (“**FATCA Withholding**”). The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, any paying agent or any other party.
- (4) *Other Tax Jurisdiction*. If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdiction of the Issuer references in this §79 to the jurisdiction of the Issuer shall be read and construed as references to the jurisdiction of the Issuer, and/or to such other jurisdiction(s).

Bezugnahmen auf die Rechtsordnung der Emittentin und/oder diese anderen Rechtsordnungen gelesen und ausgelegt werden.

§ 8
VORLEGUNGSFRIST, VERJÄHRUNG

Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 Bürgerliches Gesetzbuch für die Schuldverschreibungen wird auf zehn Jahre verkürzt. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre vom Ende der betreffenden Vorlegungsfrist an.

§ 9
KÜNDIGUNGSGRÜNDE

- (1) *Kündigungsgründe.* Tritt ein Kündigungsgrund ein und dauert dieser an, so ist jeder Gläubiger berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Abgabe einer Kündigungserklärung gemäß Absatz (2) gegenüber der Zahlstelle fällig zu stellen und (vorbehaltlich von Absatz (4)) deren unverzügliche Rückzahlung zu ihrem Nennbetrag zuzüglich bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zu verlangen. Jedes der folgenden Ereignisse stellt einen „**Kündigungsgrund**“ dar:
- (a) die Emittentin zahlt auf die Schuldverschreibungen fällige Zinsbeträge, Kapital oder sonstige Beträge (einschließlich etwaiger Zusätzlicher Beträge oder Aufgeld) nicht innerhalb von 21 Tagen nach dem maßgeblichen Fälligkeitstermin; oder
 - (b) die Emittentin versäumt die ordnungsgemäße Erfüllung einer anderen wesentlichen Verpflichtung aus den Schuldverschreibungen (außer den Verpflichtungen gemäß § 10), und dieses Versäumnis wird, soweit es behoben werden kann, über einen Zeitraum von mehr als 30 Tagen, nachdem bei der Zahlstelle eine schriftliche Aufforderung von einem Gläubiger gemäß Absatz (2) zur Erfüllung dieser Verpflichtung eingegangen ist, nicht behoben; oder
 - (c) die Emittentin erfüllt eine der in § 10 (1) bis (3) enthaltenen Verpflichtungserklärungen nicht; oder
 - (d) die Emittentin erfüllt eine Zahlungsverpflichtung in Höhe von insgesamt mehr als EUR 2.000.000 (in Worten: Euro zwei Millionen) aus Finanzverbindlichkeiten (außer den Verbindlichkeiten aus den Schuldverschreibungen) oder aufgrund einer

§ 8
PRESENTATION PERIOD, PRESCRIPTION

The presentation period provided for in section 801 paragraph 1, sentence 1 of the German Civil Code (Bürgerliches Gesetzbuch) is reduced to ten years for the Notes. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 9
EVENTS OF DEFAULT

- (1) *Events of Default.* If an Event of Default occurs and is continuing, each Noteholder shall be entitled to declare due and payable by submitting a Termination Notice pursuant to paragraph (2) to the Paying Agent its entire claims arising from the Notes and demand (subject to paragraph (4)) immediate redemption at the principal amount thereof together with unpaid interest accrued to (but excluding) the date of actual redemption. Each of the following is an “**Event of Default**”:
- (a) the Issuer fails to pay interest or principal, or any other amounts (including Additional Amounts or premium), if any, due under the Notes within 21 days from the relevant due date; or
 - (b) the Issuer fails to duly perform any other material obligation arising from the Notes (other than any obligation arising from § 10) and such failure, if capable of remedy, continues unremedied for more than 30 days after the Paying Agent has received a written request thereof in the manner set forth in paragraph (2) from a Noteholder to perform such obligation; or
 - (c) the Issuer fails to comply with any undertakings set out in § 10 (1) to (3); or
 - (d) the Issuer fails to fulfil any payment obligation in excess of a total amount of EUR 2,000,000 (in words: two million Euros) under any Financial Indebtedness (other than indebtedness under the Notes), or under any guaranty or suretyship for any

- Bürgschaft oder Garantie, die für Finanzverbindlichkeiten Dritter gewährt wurde, bei Fälligkeit bzw. bei vorzeitiger Fälligkeit nach berechtigter Kündigung (gleich aus welchem Grund) und nach Ablauf einer Frist von 30 Tagen nach Inanspruchnahme nicht; oder
- (e) die Emittentin oder eine Wesentliche Tochtergesellschaft gibt bekannt, dass sie ihre finanziellen Verpflichtungen nicht erfüllen kann, oder stellt allgemein ihre Zahlungen ein; oder
- (f) gegen die Emittentin oder eine Wesentliche Tochtergesellschaft wird ein Insolvenzverfahren eröffnet und nicht innerhalb von 60 Tagen aufgehoben oder eingestellt, oder ein solches Verfahren wird von der Emittentin oder einer Tochtergesellschaft beantragt oder eingeleitet; oder
- (g) die Emittentin oder eine Wesentliche Tochtergesellschaft tritt in Liquidation, es sei denn, dies erfolgt in Verbindung mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einem anderen Unternehmen und dieses Unternehmen übernimmt alle Verpflichtungen der Emittentin in Verbindung mit den Schuldverschreibungen; oder
- (h) die Emittentin stellt ihre Geschäftstätigkeit ganz ein oder verkauft, veräußert oder überträgt ihr gesamtes oder wesentliche Teile ihres Vermögens in einer einzelnen Transaktion oder einer Reihe von Transaktionen (unabhängig davon, ob diese miteinander verbunden sind oder nicht) an Dritte (außer eine ihrer Tochtergesellschaften), und dadurch wird der Wert des Vermögens der Emittentin (auf konsolidierter Basis) wesentlich vermindert, es sei denn, (i) die verkauften, veräußerten oder übertragenen Vermögenswerte übersteigen nicht 50% der konsolidierten Konzern-Bilanzsumme der Emittentin auf der Grundlage ihres letzten geprüften Konzernabschlusses, oder (ii) die Erlöse aus einer solchen Veräußerung von Vermögenswerten werden entweder zur Rückzahlung eines Teils des Nennbetrags der Schuldverschreibungen verwendet oder innerhalb von 12 Monaten ab dem Tag, an dem der Verkauf, die Veräußerung oder die Übertragung von Vermögenswerten abgeschlossen wurde, reinvestiert
- Financial Indebtedness of a third party, when due or, as the case may be, when declared due and payable prior to its specified maturity due to the valid exercise of a right to terminate (howsoever caused) and within 30 days after being invoked; or
- (e) the Issuer or any Material Subsidiary announces its inability to meet its financial obligations or ceases its payments generally; or
- (f) insolvency proceedings against the Issuer or a Material Subsidiary are instituted and have not been discharged or stayed within 60 days, or the Issuer or any Subsidiary applies for or institutes such proceedings; or
- (g) the Issuer or any Material Subsidiary enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes; or
- (h) the Issuer ceases its business operations in whole, or sells, disposes of or transfers its Assets (including any shares or other interests in any Person), in a single transaction or a series of transactions (whether related or not), in whole or a material part thereof, to a third party (except for any of the Issuer's subsidiaries), and this causes a substantial reduction of the value of the assets of the Issuer (on a consolidated basis), unless (i) the assets sold, disposed of, or transferred, do not exceed 50% of the consolidated total assets and liabilities of the Issuer on the basis of its last audited Consolidated Financial Statements, or (ii) the proceeds of such sale, Disposal or Transfer of Assets are used to either redeem a part of the principal amount of the Notes or are reinvested within 12 months from the date on which the sale, disposal or transfer of Assets has been completed.
- (2) *Kündigungserklärungen.* Eine Erklärung eines Gläubigers zur Kündigung seiner Schuldverschreibungen gemäß § 9(1) (eine „Kündigungserklärung“) hat in der Weise zu
- (2) *Termination Notices.* Any notice by a Noteholder to terminate its Notes in accordance with § 9(1) (a “**Termination Notice**”) shall be made by means of a written declaration to the Issuer in the

erfolgen, dass der Gläubiger der Emittentin eine entsprechende schriftliche Erklärung in deutscher oder englischer Sprache per Brief übermittelt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 14(4) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Kündigungserklärung hält.

- (3) *Heilung*. Zur Klarstellung wird festgehalten, dass das Recht zur Kündigung der Schuldverschreibungen gemäß diesem § 9 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt worden ist; es ist zulässig, den Kündigungsgrund gemäß Absatz (1)(d) durch Rückzahlung der maßgeblichen Finanzverbindlichkeiten in voller Höhe zu heilen.
- (4) *Quorum*. In den Fällen der Absätze (1)(b) und (1)(d) bis (h) wird jede Kündigungserklärung im Hinblick auf die Schuldverschreibungen nur dann wirksam, wenn die Emittentin die entsprechenden Kündigungserklärungen von Gläubigern, die mindestens 15 % des zu diesem Zeitpunkt ausstehenden Gesamtnennbetrags der Schuldverschreibungen halten, erhalten hat.

§ 10 VERPFLICHTUNGSERKLÄRUNGEN

- (1) Die Emittentin wird nach dem Begebungstag dafür Sorge tragen, dass weder sie noch die Garantin oder eine Tochtergesellschaft der Garantin oder ein mit ihr verbundenes Unternehmen Mittel aus dem Emissionserlös dazu verwendet, um in Projekte in Israelisch Besetzten Gebieten in Israel weder direkt noch indirekt zu investieren. Um Zweifel auszuschließen wird hiermit klargestellt, dass jegliche Investition von Mitteln aus dem Emissionserlös in Israelisch Besetzte Gebiete ein Verstoß gegen diese Verpflichtung darstellt und somit ein Kündigungsgrund gemäß § 9 (1) (c) vorliegt.
- (2) Als „**Israelisch Besetzte Gebiete**“ werden diejenigen Gebiete unter israelischer Kontrolle bezeichnet, die außerhalb der 1949 mit seinen Nachbarn geschlossenen Waffenstillstandslinien Israels liegen.
- (3) Die Emittentin verpflichtet sich, den Anleihegläubigern durch Veröffentlichung auf der Webseite der Emittentin die folgenden Finanzinformationen zur Verfügung zu stellen: (i) die geprüften Jahresabschlüsse der Emittentin und der Garantin sobald verfügbar, jedoch nicht später als sechs Monate nach dem Ende jedes Geschäftsjahres; und (ii) sobald verfügbar, jedoch nicht später als vier Monate nach dem Ende jedes

German or English language delivered by mail together with evidence by means of a certificate of the Noteholder's Custodian (as defined in § 14(4)) that such Noteholder, at the time of such Termination Notice, is a holder of the relevant Notes.

- (3) *Cure*. For the avoidance of doubt, the right to declare Notes due in accordance with this § 9 shall terminate if the situation giving rise to it has been cured before the right is exercised and it shall be permissible to cure the Event of Default pursuant to paragraph (1)(d) by repaying in full the relevant Indebtedness.
- (4) *Quorum*. In the events specified in paragraphs (1)(b) and 1(d) to (h), any notice declaring Notes due shall become effective only when the Issuer has received such default notices from the Noteholders representing at least 15 % of the aggregate principal amount of the Notes then outstanding.

§ 10 UNDERTAKINGS

- (1) After the Issue Date, the Issuer will ensure that neither it nor the Guarantor nor any subsidiary of the Guarantor or any of its affiliates uses any funds from the Issue Proceeds to invest, directly or indirectly, in projects in the Israeli-Occupied Territories in Israel. For the avoidance of doubt, it is hereby clarified that any investment of funds from the Issue Proceeds in Israeli-Occupied Territories constitutes a breach of this undertaking and is therefore grounds for termination pursuant to § 9 (1) (c).
- (2) "**Israeli-occupied territories**" means those territories under Israeli control that lie outside Israel's 1949 armistice lines with its neighbours.
- (3) The Issuer undertakes to make available to the Noteholders by publication on the Issuer's website the following financial information: (i) the audited annual financial statements of the Issuer and the Guarantor as soon as available but no later than six months after the end of each financial year; and (ii) as soon as available but no later than four months after the end of each financial half-

Geschäftshalbjahres einen ungeprüften Halbjahresabschluss der Garantin ab 30. Juni 2022 und der Emittentin ab 30. Juni 2023.

year, unaudited half-year financial statements of the Guarantor from 30 June 2022 on and of the Issuer from 30 June 2023 onwards.

**§ 11
BEGEBUNG WEITERER
SCHULDVERSCHREIBUNGEN, ANKAUF UND
ENTWERTUNG**

**§ 11
FURTHER ISSUES, PURCHASES
AND CANCELLATION**

- | | |
|---|---|
| <p>(1) <i>Begebung weiterer Schuldverschreibungen.</i> Die Emittentin ist, vorbehaltlich der Bestimmungen des § 10, berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags, des Verzinsungsbeginns, der ersten Zinszahlung und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.</p> <p>(2) <i>Ankauf.</i> Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.</p> <p>(3) <i>Entwertung.</i> Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.</p> | <p>(1) <i>Further Issues.</i> Subject to § 10, the Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the relevant issue date, interest commencement date, first interest payment date and/or issue price) so as to form a single series with the Notes.</p> <p>(2) <i>Purchases.</i> The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.</p> <p>(3) <i>Cancellation.</i> All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.</p> |
|---|---|

§ 12
ÄNDERUNG DER ANLEIHEBEDINGUNGEN
DURCH BESCHLÜSSE DER GLÄUBIGER,
GEMEINSAMER VERTRETER

- (1) *Änderung der Anleihebedingungen.* Die Anleihebedingungen können mit Zustimmung der Emittentin durch Mehrheitsbeschluss der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen („SchVG“) in seiner jeweils geltenden Fassung geändert werden. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen, durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.
- (2) *Mehrheit.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine „**Qualifizierte Mehrheit**“).
- (3) *Abstimmung ohne Versammlung.* Vorbehaltlich Absatz (4) sollen Beschlüsse der Gläubiger ausschließlich durch eine Abstimmung ohne Versammlung nach § 18 SchVG gefasst werden. Die Aufforderung zur Stimmabgabe enthält nähere Angaben zu den Beschlüssen und den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Gläubiger müssen ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum Tag, an dem der Abstimmungszeitraum endet (einschließlich), nicht übertragbar sind, nachweisen.
- (4) *Zweite Gläubigerversammlung.* Wird für die Abstimmung ohne Versammlung gemäß Absatz (3) die mangelnde Beschlussfähigkeit festgestellt, kann

§ 12
AMENDMENTS OF THE TERMS AND
CONDITIONS BY RESOLUTIONS OF
NOTEHOLDERS,
JOINT REPRESENTATIVE

- (1) *Amendment of the Terms and Conditions.* The Terms and Conditions may be amended with consent of the Issuer by virtue of a majority resolution of the Noteholders pursuant to sections 5 et seqq. of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen – “SchVG”), as amended from time to time. In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Noteholders as stated under paragraph (2) below. A duly passed majority resolution shall be binding equally upon all Noteholders.
- (2) *Majority.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75% of the voting rights participating in the vote (a “**Qualified Majority**”).
- (3) *Vote without a meeting.* Subject to paragraph (4), resolutions of the Noteholders shall exclusively be made by means of a vote without a meeting in accordance with section 18 of the SchVG. The request for voting will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Noteholders together with the request for voting. Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such registration has been sent to (and including) the day the voting period ends.
- (4) *Second Noteholders' Meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to paragraph (3), the scrutineer

der Abstimmungsleiter eine Gläubigerversammlung einberufen, die als zweite Versammlung im Sinne des § 15 Abs. 3 Satz 3 SchVG anzusehen ist. Die Teilnahme an der zweiten Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

- (5) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der „**Gemeinsame Vertreter**“), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen gemäß Absatz (2) zuzustimmen.
- (6) *Veröffentlichung.* Bekanntmachungen betreffend diesem § 12 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

§ 13 MITTEILUNGEN

- (1) *Mitteilungen.* Alle die Schuldverschreibungen betreffenden Mitteilungen werden im Bundesanzeiger elektronisch veröffentlicht, wenn nicht in § 13(6) anders vorgesehen, sowie, falls gesetzlich vorgeschrieben, in den gesetzlich vorgesehenen zusätzlichen Medien. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichung am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam gegenüber den Gläubigern erfolgt.
- (2) *Mitteilungen an das Clearingsystem.* Wenn eine Veröffentlichung von Mitteilungen nach dem vorstehenden Absatz (1) nicht weiterhin rechtlich oder nach den Regeln der Wertpapierbörse, an denen

may convene a noteholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second noteholders' meeting and exercise of voting rights is subject to the Noteholders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second noteholders' meeting. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such registration has been sent to (and including) the stated end of the noteholders' meeting.

- (5) *Noteholders' Representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative (the “**Noteholders' Representative**”), the duties and responsibilities and the powers of such Noteholders' Representative, the transfer of the rights of the Noteholders to the Noteholders' Representative and a limitation of liability of the Noteholders' Representative. Appointment of a Noteholders' Representative may only be passed by a Qualified Majority if such Noteholders' Representative is to be authorized to consent, in accordance with paragraph (2) hereof, to a material change in the substance of the Terms and Conditions.
- (6) *Publication.* Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.

§ 13 NOTICES

- (1) *Notices.* Except as stipulated in § 14(6), all notices concerning the Notes will be made by means of electronic publication in the Federal Gazette (*Bundesanzeiger*) and, if legally required, in the form of media determined by law in addition thereto. Any notice so given will be deemed to have been validly given to the Noteholders on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).
- (2) *Notification to the Clearing System.* If the publication of notices pursuant to paragraph (1) above is no longer required by law or the rules of the stock exchange on which the Notes are listed,

die Schuldverschreibungen notiert sind, erforderlich ist, kann die Emittentin die betreffende Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am fünften Kalendertag nach dem Tag der Mitteilung an das Clearingsystem als wirksam gegenüber den Gläubigern erfolgt.

- (3) *Mitteilungen an die Emittentin.* Mitteilungen eines Gläubigers an die Emittentin haben in der Weise zu erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende Erklärung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) in deutscher oder englischer Sprache übermittelt. Eine derartige Mitteilung kann von jedem Gläubiger gegenüber der Zahlstelle über das Clearingsystem in der von der Zahlstelle und dem Clearingsystem dafür vorgesehenen Weise erfolgen. Der Gläubiger erbringt einen Nachweis in Bezug auf den Besitz der Schuldverschreibungen, der den Anforderungen der Zahlstelle genügt. Ein solcher Nachweis kann erbracht werden durch (i) eine Zertifizierung durch das Clearingsystem oder die Verwahrstelle, mit der der Gläubiger ein Wertpapierdepot im Zusammenhang mit den Schuldverschreibungen unterhält, und aus der hervorgeht, dass der Gläubiger Besitzer der maßgeblichen Schuldverschreibungen zum Zeitpunkt dieser Bestätigung ist, oder (ii) auf sonst angemessene Art und Weise.

§ 14
ANWENDBARES RECHT, ERFÜLLUNGORT
UND GERICHTSSTAND, GERICHTLICHE
GELTENDMACHUNG

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht unter Ausschluss des internationalen Privatrechts.
- (2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.
- (3) *Gerichtsstand.* Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG, ist nicht ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren Frankfurt am Main, Bundesrepublik Deutschland.
- (4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen

the Issuer may deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given to the Holders on the fifth calendar day following the day on which the said notice was given to the Clearing System.

- (3) *Notification to the Issuer.* Notices to be given by any Noteholder to the Issuer shall be made by means of a declaration at least in text form (section 126b of the German Civil Code, Bürgerliches Gesetzbuch) to be delivered in the German or English language to the Paying Agent. Such notice may be given by any Holder to the Paying Agent through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose. The Noteholder shall provide evidence satisfactory to the Paying Agent of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the custodian with which the Noteholder maintains a securities account in respect of the Notes that such Noteholder is, at the time such notice is given, the Noteholder of the relevant Notes, or (ii) in any other appropriate manner.

§ 14
GOVERNING LAW, PLACE OF
PERFORMANCE
AND PLACE OF JURISDICTION,
ENFORCEMENT

- (1) *Governing Law.* The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by German law without giving effect to the principles of conflict of laws.
- (2) *Place of Performance.* Place of performance is Frankfurt am Main, Federal Republic of Germany.
- (3) *Place of Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the courts of Frankfurt am Main, Federal Republic of Germany, will have nonexclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with the Notes.
- (4) *Enforcement.* Any Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued

Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu sichern und geltend zu machen: (i) einer Bescheinigung der Depotbank, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) einer Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet „**Depotbank**“ jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich dem Clearingsystem. Unbeschadet der vorstehenden Bestimmungen ist jeder Gläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

§ 15 SPRACHE

Diese Anleihebedingungen sind in englischer Sprache abgefasst und mit einer Übersetzung in die deutsche Sprache versehen. Der englische Wortlaut ist allein rechtsverbindlich. Die deutsche Übersetzung dient nur zur Information.

by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the relevant Notes certified as being a true copy of the original Global Note by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, “**Custodian**” means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes, including the Clearing System. Each Noteholder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

§ 15 LANGUAGE

These Terms and Conditions are written in the English language and provided with a German language translation. The English text will be the only legally binding version. The German language translation is provided for convenience only.

12 FORM OF GUARANTEE

Die englische Version dieser Garantie ist bindend. Die deutsche Übersetzung dient nur zu Informationszwecken.

The English text of this Guarantee is binding. The German translation is for information purposes only.

GARANTIE

der

MEIDAR GAN EDEN LTD

(Israel)

(die „**Garantin**“)

Zugunsten der Gläubiger der EUR 15.000.000
7,00% garantierten Schuldverschreibungen fällig
2027 der

Meidar GanEden Finance GmbH

(Frankfurt am Main, Bundesrepublik Deutschland)

(die „**Emittentin**“)

ISIN DE000A30VGV1

(die „**Schuldverschreibungen**“)

1. Definitionen.

Die in dieser Garantie verwendeten und nicht anders definierten Begriffe haben die ihnen in den Anleihebedingungen der Schuldverschreibungen (die „**Anleihebedingungen**“) zugewiesene Bedeutung.

2. Garantie.

- (a) Die Garantin garantiert gegenüber der Zahlstelle zugunsten der Inhaber eines Miteigentumsanteils oder eines anderen vergleichbaren Anteils oder Rechts an den Schuldverschreibungen (jeweils ein „**Anleihegläubiger**“) hiermit unbeding und unwiderruflich die ordnungsgemäße Zahlung aller aufgrund der Schuldverschreibungen zu zahlenden Beträge und an dem Zahlungsort, die/der in den Anleihebedingungen festgelegt ist, frei von jeglichen Abzügen oder Einbehalten. Diese Garantie begründet eine selbständige Verpflichtung der Garantin (keine Bürgschaft), deren Bestand unabhängig von der rechtlichen Beziehung zwischen der Emittentin und den Anleihegläubigern ist, und die insbesondere nicht von der Wirksamkeit oder der Durchsetzbarkeit der Ansprüche gegen die Emittentin aus den Schuldverschreibungen abhängt.

GUARANTEE

of

MEIDAR GAN EDEN LTD

(Israel)

(the „**Guarantor**“)

for the benefit of the holders of the EUR 15,000,000
7.00 per cent. Guaranteed Notes due 2027 issued by

Meidar GanEden Finance GmbH

(Frankfurt am Main, Federal Republic of Germany)

(the „**Issuer**“)

ISIN DE000A30VGV1

(the „**Notes**“)

1. Definitions.

Terms used in this Guarantee and not otherwise defined herein shall have the meaning attributed to them in the terms and conditions of the Notes (the „**Terms and Conditions**“)

2. Guarantee.

- (a) The Guarantor hereby unconditionally and irrevocably guarantees vis-à-vis the Paying Agent for the benefit of the holders of a co-ownership interest or other similar interest or right in the Notes (each a „**Noteholder**“) the due payment of all amounts payable under the Notes and at the place of payment specified in the Terms and Conditions, free from any deductions or withholdings. This guarantee constitutes an independent obligation of the Guarantor (no surety), the existence of which is independent of the legal relationship between the Issuer and the Noteholders and which, in particular, does not depend on the validity or enforceability of the claims against the Issuer under the Notes.

- (b) Diese Garantie begründet eine unmittelbare und nicht nachrangige Verpflichtung der Garantin, die mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Garantin zumindest im gleichen Rang steht, mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind. Mit der Erfüllung einer Zahlungsverpflichtung der Garantin zugunsten eines Anleihegläubigers aus der Garantie erlischt zugleich das jeweilige garantierte Recht eines Anleihegläubigers aus den Anleihebedingungen.
- (c) Die Garantie sowie die Verpflichtungen der Garantin unter d) und e) stellen einen Vertrag zugunsten der jeweiligen Anleihegläubiger als begünstigte Dritte gemäß § 328 Absatz 1 BGB dar, so dass ausschließlich die jeweiligen Anleihegläubiger die Erfüllung der Garantie unmittelbar von der Garantin verlangen und die Garantie unmittelbar gegen die Garantin durchsetzen können. Die Zahlstelle, gegenüber der als Kontrahent diese Garantie abgegeben wird, ist zu keiner Zeit berechtigt oder verpflichtet Ansprüche der Anleihegläubiger gegen die Emittentin oder Garantin geltend zu machen oder durchzusetzen.
- (d) Solange die Schuldverschreibungen ausstehen, verpflichtet sich die Garantin und stellt für ihre Wesentlichen Tochtergesellschaften sicher, keine relevanten Verbindlichkeiten (einschließlich dafür gegebener Garantien oder Gewährleistungen) durch Belastung ihres gegenwärtigen oder zukünftigen Vermögens oder des Vermögens einer Wesentlichen Tochtergesellschaft zu besichern, mit Ausnahme Erlaubter Sicherheiten, ohne gleichzeitig entweder die Anleihegläubiger zur gleichen Zeit und im gleichen Rang an solchen Sicherheiten teilnehmen zu lassen oder den Anleihegläubigern eine andere und gleichwertige Sicherheit zu bestellen.
- (e) Eine nach dieser Ziffer 2(d) zu leistende Sicherheit kann auch zu Gunsten eines Treuhänders der Anleihegläubiger bestellt werden.
- (f) Die Zahlstelle handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Anleihegläubiger. Die Zahlstelle unterzeichnet diese Garantie lediglich als Kontrahent ohne Obligo, Zusicherung oder Haftung. Die Zahlstelle steht nicht für die
- (b) This Guarantee constitutes a direct and unsubordinated obligation of the Guarantor, ranking at least pari passu with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations which may be preferred by applicable law. Upon discharge of any payment obligation of the Guarantor subsisting under the Guarantee in favour of any Noteholder, the relevant guaranteed right of such Noteholder under the Terms and Conditions will cease to exist.
- (c) The Guarantee as well as the undertakings of the Guarantor under d) and e) constitute a contract in favour of the respective Noteholders as beneficiary third parties pursuant to section 328 paragraph 1 BGB, so that exclusively the respective Noteholders may demand performance of the Guarantee directly from the Guarantor and enforce the Guarantee directly against the Guarantor. The Paying Agent to which this Guarantee is given as a contracting party shall at no time be authorized or obliged to assert or enforce any claims of the Noteholders against the Issuer or the Guarantor.
- (d) For so long as the Notes remain outstanding, the Guarantor undertakes and represents on behalf of its Material Subsidiaries that it will not secure any relevant Obligations (including any guarantees or warranties given in respect thereof) by way of charge over its present or future assets or the assets of any Material Subsidiary, other than Permitted Security, without at the same time either allowing the Noteholders to participate in such security at the same time and in the same rank or providing the Noteholders with different and equivalent security.
- (e) Any security which is to be provided pursuant to this Clause 2(d) may also be provided to a person acting as trustee for the Noteholders.
- (f) The Paying Agent is not acting as trustee or in any similar capacity for the Noteholders. The Paying Agent signs this Guarantee only as a counterparty without any obligation, representation or liability. The Paying Agent

Rechtswirksamkeit und Durchsetzbarkeit dieser Garantie ein.

(g) Solange die Verbindlichkeiten nicht vollständig erfüllt und noch nicht alle aufgrund der Anleihebedingungen an die Anleihegläubiger zahlbaren Beträge vollständig und unwiderruflich bei den Anleihegläubigern eingegangen oder von diesen eingezogen worden sind, wird die Garantin keinen Anspruch geltend machen, der ihr aus vertraglichen oder anderen rechtlichen Gründen aufgrund der Erfüllung ihrer Verpflichtungen aus dieser Garantie gegen die Emittentin zustehen könnte. Von der Emittentin bei der Garantin eingehende oder von der Garantin eingezogene Zahlungen nimmt die Garantin treuhänderisch für die Anleihegläubiger entgegen und leitet diese sofort an die Anleihegläubiger weiter. Wenn die Garantin aus dieser Garantie Zahlung an die Anleihegläubiger leistet, gehen die Rechte der Anleihegläubiger gegen die Emittentin auf die Garantin erst dann über, wenn alle aufgrund der Anleihebedingungen an die Anleihegläubiger zahlbaren Beträge vollständig und unwiderruflich bei den Anleihegläubigern eingegangen oder von diesen eingezogen worden sind.

(h) Diese Garantie gilt vom Tag ihrer Ausstellung und erlischt, sobald alle Beträge, die nach dem Wortlaut der Anleihebedingungen von der Emittentin geschuldet sind, vollständig und endgültig befriedigt worden sind. Sollte ein Anleihegläubiger danach in Erfüllung dieser Anleihebedingungen erhaltene Beträge aufgrund eines Insolvenz- oder eines ähnlichen die Emittentin betreffenden Verfahrens wieder herauszugeben verpflichtet sein, dann lebt diese Garantie trotz ihres Erlöschens wieder auf und bleibt weiter in Kraft.

3. Verschiedenes.

- (a) Diese Garantie unterliegt deutschem Recht.
- (b) Erfüllungsort ist Frankfurt am Main.
- (c) Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main.

is not responsible for the legal validity and enforceability of this Guarantee

(g) Until the Liabilities have been fully discharged and all amounts payable to the Noteholders under the Terms and Conditions have been fully and irrevocably received by or collected from the Noteholders, the Guarantor shall not assert any claim which it may have against the Issuer under any contractual or other legal basis by reason of the performance of its obligations under this Guarantee. Payments received by the Guarantor from the Issuer or collected by the Guarantor shall be received by the Guarantor in trust for the Noteholders and shall be immediately forwarded to the Noteholders. If the Guarantor makes payment to the Noteholders under this Guarantee, the rights of the Noteholders against the Issuer shall not pass to the Guarantor until all amounts payable to the Noteholders under the Terms and Conditions have been fully and irrevocably received by or collected from the Noteholders.

(h) This Guarantee shall be effective from the date of its issue and shall expire as soon as all amounts due from the Issuer under the terms of the Terms and Conditions have been satisfied in full and finally. If any Noteholder is thereafter required to surrender any amounts received in performance of these Terms and Conditions by reason of any insolvency or similar proceedings affecting the Issuer, this Guarantee shall, notwithstanding its expiry, be revived and remain in force.

3. Miscellaneous.

- (a) This Guarantee shall be governed by, and construed in accordance with, German law.
- (b) Place of performance shall be Frankfurt am Main.
- (c) The District Court (*Landgericht*) in Frankfurt am Main shall have nonexclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee.

- (d) Jeder Anleihegläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von zwei vertretungsberechtigten Personen der Zahlstelle beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.
- (e) Die Zahlstelle verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Garantie zu verwahren.
- (f) Für Änderungen der Bedingungen der Garantie durch Beschluss der Anleihegläubiger mit Zustimmung der Garantin gilt § 12 der Anleihebedingungen entsprechend.
- (d) On the basis of a copy of this Guarantee certified as being a true copy by two duly authorised officers of the Paying Agent, each Noteholder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Noteholder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings.
- (e) The Paying Agent agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled.
- (f) In relation to amendments of the terms of the Guarantee by resolution of the Noteholders with the consent of the Guarantor, § 12 of the Terms and Conditions applies *mutatis mutandis*.

[Unterschriftenseite folgt]

[Signature page follows]

Meidar GanEden Ltd

Durch:

Wir nehmen die Bedingungen der vorstehenden Garantie im Namen der Anleihegläubiger ohne Obligo, Gewährleistung oder Haftung an.

Frankfurt am Main, 17. November 2022

ODDO BHF SE

Durch:

Meidar GanEden Ltd

By:

We hereby accept the terms of the above Guarantee on behalf of the Noteholders without recourse, warranty or liability.

Frankfurt, 17 November 2022

ODDO BHF SE

By:

13 OVERVIEW OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS

Pursuant to the Terms and Conditions of the Notes, the Noteholders of each of the Notes may agree to amend the Terms and Conditions of the Notes or decide on other matters relating to the Notes with binding effect on all Holders of the Notes by way of a resolution to be passed by taking votes without a meeting. Any such resolution duly adopted by resolution of the Noteholders shall be binding on each Holder of the Notes, irrespective of whether such Noteholder took part in the vote and whether such Noteholder voted in favour or against such resolution.

The following is a brief overview of some of the statutory rules regarding the solicitation and conduct of the voting, the passing and publication of resolutions as well as their implementation and challenge before German courts.

13.1 Specific Rules regarding Votes without Meeting

The voting shall be conducted by the voting administrator (the “**Chairperson**”). The Chairperson shall be (i) a notary public appointed by the Issuer, (ii) where a common representative of the Noteholders (the “**Noteholders’ Representative**”) has been appointed, the Noteholders’ Representative if the vote was solicited by the Noteholders’ Representative, or (iii) a person appointed by the competent court. The notice soliciting the Noteholders’ votes shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During such voting period, the Noteholders may cast their votes to the Chairperson. The notice shall also set out in detail the conditions to be met for the votes to be valid. The Chairperson shall ascertain each Noteholder’s entitlement to cast a vote based on evidence provided by such Noteholder and shall prepare a list of the Holders entitled to vote. If it is established that no quorum exists, the Chairperson may convene a meeting of the Noteholders. Within one year following the end of the voting period, each Noteholder participating in the vote may request a copy of the minutes of such vote and any annexes thereto from the Issuer. Each Noteholder participating in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the Chairperson. If the Chairperson remedies the objection, the Chairperson shall promptly publish the result. If the Chairperson does not remedy the objection, the Chairperson shall promptly inform the objecting Noteholder in writing. The Issuer shall bear the costs of the vote and, if the court has convened a meeting or appointed or removed the Chairperson, also the costs of such proceedings.

13.2 Rules regarding Noteholders’ Meetings applicable to Votes without Meeting

In addition, the statutory rules applicable to the convening and conduct of Noteholders’ meetings will apply *mutatis mutandis* to any vote without a meeting. The following summarizes some of such rules. Meetings of Noteholders may be convened by the Issuer or the Noteholders’ Representative, if any. Meetings of Noteholders must be convened if one or more Noteholders holding 5% or more of the outstanding notes so require for specified reasons permitted by statute. Meetings shall be convened at least 14 days prior to the date of the meeting. Attendance and exercise of voting rights at the meeting may be made subject to prior registration of Noteholders. The convening notice will specify the evidence required for attendance and voting at the meeting. The venue of the Noteholders’ meeting in respect of a German issuer is the place of the issuer’s registered office, provided, however, that where the relevant notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange. The convening notice shall be made publicly available together with the agenda of the meeting setting out the proposals for resolution. Each Noteholder may be represented by proxy.

The quorum for any Noteholders’ meeting will be one or more persons representing by value at least 50% of the outstanding notes. If it is established that no quorum exists, a second meeting may be convened at which no quorum will be required, provided that where a resolution may only be adopted by a qualified majority, the quorum will be one or more persons representing at least 25% of the outstanding notes. All resolutions passed by the Noteholders must be properly published. Resolutions which amend or supplement the terms and conditions of notes certificated by one or more global notes are to be implemented by supplementing or amending the relevant global note(s). In insolvency proceedings instituted in Germany against the Issuer, the Noteholders’ Representative, if appointed, is obliged and exclusively entitled to assert the Noteholders’ rights under the notes. Any resolutions passed by the Noteholders are subject to the provisions of the German Insolvency Code (*Insolvenzordnung*). If a resolution constitutes a breach of the statute or the Terms and Conditions of the notes, Noteholders may bring an action to challenge such resolution. Such action must be filed with the competent court within one month following the publication of the relevant resolution.

14 TAXATION WARNING

THE TAX LEGISLATION OF AN INVESTOR'S MEMBER STATE AND OF GERMANY AS THE COMPANY'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES. NO COMMENT IS MADE, OR ADVICE GIVEN BY THE ISSUER OR ANY SELLING AGENTS IN RESPECT OF TAXATION MATTERS RELATING TO THE NOTES AND INVESTORS SHOULD THEREFORE CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX IMPLICATIONS OF ACQUIRING, HOLDING OR TRANSFERRING THE NOTES. ONLY QUALIFIED TAX ADVISORS ARE IN A POSITION TO ADEQUATELY CONSIDER THE PARTICULAR TAX SITUATION OF INDIVIDUAL INVESTORS.

15 RECENT DEVELOPMENT AND OUTLOOK

15.1 Recent Development

In May 2022, MEIDAR ELNOR LOGISTICS LTD (a company with a 49% stake) signed an authorization agreement with the Israel Ports Development and Assets Company Ltd. for the use of an area of 23,760 square meters in the Ashdod Port complex in exchange for NIS 10.7 million per year, starting in March 2023. In the six month period ended 30 June 2022 and thereafter, the company began activities to prepare the area at the port for its purposes.

In June 2022, MEIDAR LEV REHOVOT LTD. (a company holding a 50% stake) signed an agreement to purchase real estate in Rehovot known as Block 3703, lot 761, with a registered area of 1,116 square meters and all built on it, in exchange for a total of NIS 18 million plus VAT. In the six-month period ended 30 June 2022, an advance payment has been made at a rate of 10% and the company is expected to receive possession of the land on the date of making the last payment according to the contract which is December 2022.

Other than that, there has been no material adverse change in the prospects of the Issuer and the Guarantor since the date of its last published audited financial statements, (i.e. the 31 December 2021 in respect of the Guarantor and 3 March 2022 being the date of the opening balance sheet) in respect of the Issuer).

There have been no significant changes in the financial performance and financial position of MEIDAR GANEDEN since 30 June 2022.

15.2 Outlook

Despite the global slowdown in economic growth due to rising geopolitical uncertainties, the war in Ukraine and rising interest rates from major central banks, MEIDAR GANEDEN believes that the performance of the Israeli real estate market is very robust.

MEIDAR GANEDEN believes that even after slight declines in residential and commercial real estate prices in Israel, if any, the real estate market in Israel will continue its growth and will continue its growth and increases in demand for residential and commercial real estate due to further increases in immigration to Israel.

MEIDAR GANEDEN expects in the next months to follow that further permits for its projects will be granted and that its projects, especially the projects in which MEIDAR GANEDEN expects to use the proceeds of the issuance of the Notes for will develop as planned. MEIDAR GANEDEN further expects that first revenue will be generated from the project in Ashdod and that the Projects in Herzl Street and Bnei Brak Batachana will continue to develop.

Due to further investments to be made into the actual projects, MEIDAR GANEDEN expects a operating loss for the year 2022 and a positive operating profit for 2023.

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Youco F22-H251 Vorrats-GmbH i.G.
(now: Meidar GanEden Finance GmbH)

Financial Statements

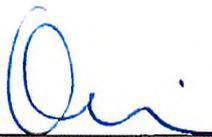
as of 3 March 2022

Youco F22-H251 Vorrats-GmbH i.G.
mit Sitz in Frankfurt am Main

Eröffnungsbilanz zum 03.03.2022

AKTIVA	EUR	PASSIVA	EUR
A. Umlaufvermögen		A. Eigenkapital	
I. Kassenbestand, Guthaben bei Kreditinstituten	12.500,00	I. Gezeichnetes Kapital	25.000,00
		./.. ausstehende, nicht eingeforderte Einlagen	12.500,00
Summe Aktiva	12.500,00	Summe Passiva	12.500,00

Köln, den 03.03.2022



Michael Korbik
Geschäftsführer



Angelika Hundt
Geschäftsführerin

Auditor's Note
on the audit of the
opening balance sheet as at March 3, 2022
in accordance with German commercial law

Meidar GanEden Finance GmbH
Taunusanlage 9-10
60329 Frankfurt am Main

Küpper, Schaub & Partner mbB
Ravenéstrasse 40
56812 Cochem

Auditor's Note

To Meidar GanEden Finance GmbH

I have audited the accompanying opening balance sheet of Meidar GanEden Finance GmbH (formerly Youco F22-H251 Vorrats-GmbH i. G.) as at March 3, 2022, including the related disclosures.

Responsibility of the legal representatives

The legal representatives of Meidar GanEden Finance GmbH are responsible for the preparation of the balance sheet including the related disclosures. This responsibility includes that the balance sheet is prepared in accordance with the German commercial law requirements applicable to business corporations and that, in compliance with the principles of proper accounting, it conveys an appropriate overall presentation of the company's financial situation. The management of Meidar GanEden Finance GmbH is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements and the related disclosures based on my audit. I conducted my audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that I comply with professional requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements, including the related disclosures, are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the balance sheet. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The objective of the audit is to design and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation, including the related disclosures.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Audit Opinion

In my opinion, on the basis of the knowledge obtained in the audit, the balance sheet and the related disclosures comply, in all material respects, with the requirements of German commercial law applicable to business corporations and, in all material respects, convey an appropriate overall presentation of the company's financial situation as of March 3, 2022.

Cochem, September 23, 2022



Christian Theobald
German Public Auditor

Meidar Gan Eden Ltd.

Unaudited Consolidated Condensed Interim Financial Statements
as of and for the six-month period ended
30 June 2022

Meidar Gan Eden Ltd.

Consolidated Audited Financial Reports

As of June 30, 2022

Meidar Gan Eden Ltd.

Consolidated Financial Reports

As of June 30, 2022

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Review report of the auditor to the shareholders of
Meidar GanEden Ltd.

Introduction

We have reviewed the attached financial information of Meidar Gan Eden Ltd., which includes the concise consolidated report on the financial condition as of June 30, 2022, and the concise consolidated reports on the total profit, changes in capital and cash flows for the six-month period ending on the same date. The Board of Directors and management are responsible for preparing and presenting financial information for this interim period in accordance with IAS 34 International Accounting Standard - "Financial Reporting for Interim Periods", it is our responsibility to draw a conclusion on financial information for this interim period based on our review.

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 financial information for interim periods consists of inquiries, mainly with persons responsible for financial and accounting affairs, and the implementation of analytical and other reviewing procedures. A review is considerably smaller in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and therefore does not allow us to gain confidence that we will become aware of all the significant matters that could have been identified in an audit. Accordingly, we do not provide an audit opinion.

Conclusion

Based on our review, nothing comes to our attention that would lead us to believe that the aforementioned financial information is not prepared, in all material respects, in accordance with the IAS 34 International Accounting Standard.

Meidar Gan Eden Ltd.

A summary of a consolidated report on the financial state

(in New Israeli Shekels)

	As of June 30th <u>2022</u> Unaudited	As of June 30th <u>2021</u> Unaudited	As of December 31st <u>2021</u> Audited
<u>Current assets</u>			
Cash and cash equivalents	5,510,144	3,498,872	4,665,048
Debtors and debit balances	5,238,569	1,846,848	6,813,472
Real estate inventory for construction	12,700,773	5,814,416	11,804,688
	<u>23,449,486</u>	<u>11,160,136</u>	<u>23,283,208</u>
<u>Non-current assets</u>			
Investments handled according to the balance sheet method	3,427,439	1,648,470	3,114,123
Investments in projects	1,313,229	557,614	968,991
Option to purchase a property	-	737,000	-
Real estate for investment under construction	24,687,695	11,773,566	23,637,290
Fixed assets, net	277,175	65,932	173,265
	<u>29,705,538</u>	<u>14,782,582</u>	<u>27,893,669</u>
	<u>53,155,024</u>	<u>25,942,718</u>	<u>51,176,877</u>

The attached notes form an integral part of the consolidated financial reports.

Meidar Gan Eden Ltd.

Summary of consolidated reports on financial condition

(in New Israeli Shekels)

	As of June 30th	As of June 30th	As of December 31st
	2022	2021	2021
	Unaudited	Unaudited	Audited
<u>Current liabilities</u>			
Short-term loans	20,089,788	-	23,873,338
Suppliers and service providers	135,989	155,267	423,073
Payables and credit balances	225,683	11,183,760	206,845
Loans from related parties	-	3,804,405	-
	20,451,460	15,143,432	24,503,256
<u>Non-current liabilities</u>			
Tax reserve	1,129,364	587,573	1,129,364
Long-term loans	23,381,035	4,707,192	15,291,291
	24,510,399	5,294,765	16,420,655
<u>Capital</u>			
<u>Capital attributable to the company's shareholders</u>			
Share capital	10	10	10
Equity fund	7,392,267	3,530,070	7,314,501
Profit balance (loss)	(506,533)	1,451,820	1,619,547
	6,885,744	4,981,900	8,934,058
<u>Rights that do not confer control</u>	1,307,421	522,621	1,318,908

<u>8,193,165</u>	<u>5,504,521</u>	<u>10,252,966</u>
<u>53,155,024</u>	<u>25,942,718</u>	<u>51,176,877</u>

The attached notes form an integral part of the consolidated financial reports.

_____ Date of approval and publication of Financial reports	_____ Shmaryahu Eidelman Chairman of the Board	_____ Yecheil Porush CEO & Chief CFO
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Meidar Gan Eden Ltd.

Summary of consolidated reports on total profit

(in New Israeli Shekels)

	For the six months ending June 30	For the six months ending June 30	For the year ended December 31
	2022	2021	2021
	Unaudited	Unaudited	Audited
Rental income and management fees	785,080	618,000	1,805,841
Matching the fair value of real estate for investment under construction	-	553,363	2,908,974
The company's share of the profits of companies handled according to the balance sheet valuation method	(41,739)	(31)	547,232
	743,343	1,171,332	5,262,047
Promotional expenses	68,442	117,276	586,621
Administrative and general expenses	2,043,290	1,047,794	2,896,474
Profit (loss) from ordinary operations	(1,368,389)	6,262	1,778,952
Financing income	41,075	1,026	34,180
Financing expenses	(791,949)	(114,746)	(1,008,806)
	(750,874)	(113,719)	(974,626)
Profit (loss) before taxes on income	(2,119,263)	(107,457)	804,326
Deferred taxes (tax expenses)	(33,333)	127,273	669,064
Net profit (loss) for the period	(2,152,596)	(234,730)	135,262
 <u>Profit (loss) attributable to:</u>			
Shareholders of the company	(2,126,079)	(282,584)	(114,857)
Holders of rights that do not confer control	(26,517)	47,852	250,119
	(2,152,596)	(234,731)	135,262
 <u>Loss per share attributable to share owners of the company</u>			
Basic loss	(21,261)	(2,826)	(1,149)
Diluted loss	(21,261)	(2,826)	(1,149)

The attached notes form an integral part of the consolidated financial reports.

Meidar Gan Eden Ltd.

Concise Consolidated reports on changes in capital

(in New Israeli Shekels)

	<u>Share capital</u>	<u>Equity fund</u>	<u>Profit balance</u>	<u>Total</u>	<u>Rights that do not confer control</u>	<u>Total Capital</u>
Balance as of January 1, 2022 (audited)	10	7,314,501	1,619,547	8,934,058	1,318,908	10,252,966
Profit (loss) for the period	-	-	(2,126,079)	(2,126,079)	(26,517)	(2,152,596)
Other total profit	-	77,766	-	77,766	15,030	92,796
Balance as of June 30, 2022 (Unaudited)	10	<u>7,392,267</u>	<u>(506,533)</u>	<u>6,885,744</u>	<u>1,307,421</u>	<u>8,193,165</u>
Balance as of January 1, 2021 (audited)	10	2,684,964	1,734,404	4,419,378	400,174	4,819,552
Profit (loss) per year	-	-	(114,857)	(114,857)	250,119	135,262
Other total profit	-	4,629,537	-	4,629,537	668,614	5,298,151
Balance as of December 31,	<u>10</u>	<u>7,314,501</u>	<u>1,619,547</u>	<u>8,934,058</u>	<u>1,318,908</u>	<u>10,252,966</u>

2021 (audited)

_____	_____	_____	_____	_____	_____
=====	=====	=====	=====	=====	=====

Meidar Gan Eden Ltd.

Concise Consolidated reports on changes in capital

(in New Israeli Shekels)

	Share capital	Equity fund	Profit balance	Total	Rights that do not confer control	Total Capital
Balance as of January 1, 2021 (audited)	10	2,684,964	1,734,404	4,419,378	400,174	4,819,552
Profit (loss) per year	-	-	(282,584)	(282,584)	47,853	(234,731)
Other total profit	-	845,106	-	845,106	74,594	919,700
Balance as of June 30, 2021 (Unaudited)	10	3,530,070	1,451,820	4,981,900	522,621	5,504,521

The ignorance for financial reports are an integral part of them.

Meidar Gan Eden Ltd.
Summary of consolidated reportson cash flows
(in New Israeli Shekels)

	For the six months ending June 30 2022	For the six months ending June 30 2021	For the year ended December 31 2021
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
<u>Cash flows from operating activities</u>			
Net profit for the year	(2,152,596)	(234,731)	135,262
Adjustments required to present cash flows from operating activities (Appendix A)	1,004,427	(915,849)	(18,324,820)
Cash used for ongoing operations	<u>(1,148,169)</u>	<u>(1,150,580)</u>	<u>(18,189,558)</u>
<u>Cash flows from investment activities</u>			
Investment in fixed assets	(159,357)	(54,332)	(224,570)
Investments in projects	(344,238)	(546,773)	(958,559)
Real Estate Investments	(996,191)	(1,321,915)	(16,212,772)
Loan to the held company	(496,424)	-	(722,473)
Cash used for investment activities	<u>(1,996,210)</u>	<u>(1,923,020)</u>	<u>(18,118,374)</u>
<u>Cash flows from financing activities</u>			
Obtaining loans	3,989,475	6,339,391	40,739,898
Cash derived from financing activities	<u>3,989,475</u>	<u>6,339,391</u>	<u>40,739,898</u>
Increase in cash and cash equivalents	845,096	3,265,790	4,431,966
Cash balance and cash equivalents for the beginning of the period	4,665,048	233,082	233,082
Cash balance and cash equivalents for the end of the period	<u>5,510,144</u>	<u>3,498,872</u>	<u>4,665,048</u>
<u>Appendix A-adjustments necessary to present cash flows from operating activities:</u>			
<u>Expenses (income) that do not involve cash flow</u>			
Depreciation and amortization	55,447	10,595	28,691
The company's share of the profits of held companies that are handled according to the balance sheet valuation method	41,740	-	(547,232)
Matching the fair value of real estate for investment	-	-	(2,908,974)
Financing expenses	437,429	110,894	402,629
Income taxes	-	127,273	669,064
	<u>534,616</u>	<u>248,762</u>	<u>(2,355,822)</u>
<u>Changes in property clauses and liabilities</u>			
Decrease (increase) in debtors and outstanding balances and in customers	1,589,785	(658,744)	(5,626,148)
Increase in inventory in construction and real estate for the construction of apartments for sale	(851,728)	(474,133)	(6,408,897)
Decrease in creditors and credit balances and suppliers	(268,246)	(31,734)	(3,933,953)
	<u>469,811</u>	<u>(1,164,611)</u>	<u>(15,968,998)</u>

1,004,427

(915,849)

(18,324,820)

Meidar Gan Eden Ltd.

Notes to the consolidated financial statements

As of June 30, 2022

Note 1 – General:

A. The company was incorporated in June 2020 and began operations in July 2020. As of August 2020, the company has investments in companies held by it.

B. The company and the companies held by it are engaged in locating, initiating, planning, establishing, and promoting projects in the field of residential and rental real estate in Israel.

C. The company owns, through subsidiaries, land, and real estate under construction, some of which are intended for commerce and offices and some for residence.

Note 2 - Principles of Accounting Policy:

The accounting policies set forth below have been applied to the financial statements consistently, in all periods presented, unless otherwise stated.

A. Basis of presentation of the financial statements

The consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 - "Financial reporting for interim periods", as well as in accordance with the disclosure instructions according to Chapter D of the Securities Regulations (Periodic and Immediate Reports) 1970.

The accounting policy applied in preparing the interim financial statements is consistent with the one applied in preparing the annual financial statements.

B. Operating cycle period

The period of the Group's normal operating cycle, with respect to the construction of buildings for sale is 3 years.

Meidar Gan Eden Ltd.

Notes to the consolidated financial statements

Note 2 - Principles of Accounting Policy (continued):

C. Consolidated Financial Reports

The consolidated financial reports include the reports of companies over which the company has a controlling stake (subsidiaries). Control takes place when the company has the power to influence the invested entity, exposure, or rights to variable returns as a result of its involvement in the invested entity as well as the ability to use its power to influence the amount of returns that will arise from the entity Invested. In terms of control, the impact of potential voting rights is taken into account only if they are real. Consolidation of financial reports is carried out from the date of obtaining control, until the date when control is terminated.

The financial reports of the company and its subsidiaries are prepared for the same dates and periods. The accounting policy in the financial reports of the subsidiaries was implemented uniformly and consistently with that implemented in the financial reports of the company. Balances and material mutual transactions and profits and losses arising from transactions between the group companies are fully eliminated in the consolidated financial reports.

Rights that do not confer control over Subsidiaries represent the capital in the subsidiaries that cannot be attributed, directly or indirectly, to the parent company. The rights that do not confer control are presented separately within the capital framework of the company. Profit or loss is attributed to the company and to rights that do not confer control. Losses are attributable to rights that do not confer control even if as a result the balance of rights that do not confer control in the consolidated report of financial condition is negative.

D. Investment in joint arrangements

Joint arrangements are arrangements in which the company has joint control. Joint control is an agreed-upon contractual sharing of control over the arrangement, which exists only when decisions regarding the relevant activities require the unanimous consent of the parties sharing control.

1) Joint Ventures

In joint Ventures, the parties to the settlement have joint control over the rights in the net assets of the arrangement. A joint venture is handled according to the balance sheet valuation method.

2) Joint Operations

In Joint_Operations, the parties to the settlement have joint control over the arrangement, rights to assets and obligations to the obligations of the arrangement. The company recognizes in respect of the joint operation in its relative share in the assets, liabilities, income and expenses of the joint operation.

E. Investments handled according to the balance sheet valuation method

Affiliates are companies which the group has material influence on their financial and operational policies, but not control. The Group's investments in affiliates and joint ventures are handled according to the balance sheet valuation method.

According to the balance sheet valuation method, the investment in the included company or joint venture is presented at cost plus post-purchase changes in the group's share of net assets, including other total profit of the included company or joint venture. Profits and losses arising from transactions between the group and the affiliate or joint venture are canceled in accordance with the holding rate.

F. Inventory of land for construction

Real estate under construction is measured on the basis of cost. The cost of real estate includes credit costs relating to financing the construction of the property up to the date of completion, planning and design costs, allocated indirect construction costs and other related costs.

G. Real Estate for Investment and Real Estate for Investment under construction

Real Estate for Investment is real estate (land or structure, or both) held by the owner (leasing under operating lease) or leasing under a financial lease for the purpose of generating rent or for the purpose of increasing value or both and not for the purpose of exporting or supplying goods or services or for administrative purposes, or for sale in the ordinary course of business.

Real Estate for Investment is deducted when it is realized or when its use is stopped and no future economic benefits are expected from its realization. The difference between the net proceeds from the realization of the asset and the balance in the financial reports is recognized in the report of all profit or loss during the period in which the asset was withdrawn.

Real Estate for Investment is initially measured by cost including direct purchase increases. After the initial recognition, investment real estate is measured at the fair value, which reflects the market conditions at the time of reporting. Profits or losses arising from changes in the fair value of investment real estate are credited to the profit or loss at the time of their formation. Real Estate for Investment is not systematically reduced.

Meidar Gan Eden Ltd.

Notes to the consolidated financial statements

Note 3 – Notes In The Report Period

- A. In May 2022, Meidar Elnor Logistics Ltd. (a company with a 49% stake) signed an authorization agreement with the Israel Ports Development and Assets Company Ltd. for the use of an area of 23,760 sqm for the purposes defined in the authorization, in exchange for 4.7 million NIS per year, starting in March 2023. During and after the reporting period, the company hired an architect and consultants and began activities to prepare the area at the port for its purposes.

- B. In June 2022, Meidar Lev Rehovot Ltd. (a company with 50% stake) signed an agreement to purchase real estate in Rehovot known as Block 3703, lot 761, with a registered area of 1,116 sqm and all built on it, in exchange for a total of 18 million NIS plus VAT. During and after the reporting period, the company completed the initial planning.

- C. During the reporting period, the company promoted the plan in respect of the project on Herzl Street in Rehovot, owned by a subsidiary of Meidar Lev Ha'ir.

- D. During the reporting period, the company completed the conditions for obtaining an excavation and lining permit for a project on Jabotinsky Street in Bnei Brak, owned by a held company - Meidar at the station. In addition, an agreement was signed to finance the project with Bank Hapoalim.

- E. During the reporting period, approval was received from the Israel Lands Authority regarding the company's urban renewal project on Derech Yavne Street, Rehovot, the conditions for the permit were completed, and a contractor was selected to carry out foundation work.

- F. During the reporting period, the company promoted two urban renewal projects in Jerusalem, including the promotion of zoning planning and the promotion of draft agreements with the residents.

Meidar Gan Eden Ltd.

Consolidated Financial Statements

for 2021

Meidar Gan Eden Ltd.

Consolidated Financial Statements **as of December 31, 2021**

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**Auditors' Report to the
Shareholders of
Meidar Gan Eden Ltd.**

We reviewed the consolidated statements of the attached financial statements of Meidar Paradise Ltd. (hereinafter: "the Company") as of December 31, 2021, and 2020, and the consolidated statements of profit or loss, changes in capital and cash flows for the year ended December 31, 2021, and for the period from July 1, 2020, to December 31, 2020. These financial statements are the responsibility of the Company's Board of Directors and Management. It is our responsibility to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards set forth in the Accountancy Regulations (accountant's method of operation), 5733–1973. The financial statement includes a material misstatement. An audit includes examining, on a test basis, evidence of the amounts and disclosures in the financial statements. Provides a proper basis for our opinion.

In our opinion, the above financial statements adequately reflect in accordance with generally accepted accounting principles, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2021 and 2020 and the results of their operations, changes in capital and cash flows for the year ended December 31, 2021 and for the period from July 1, 2020 to December 31, 2020, in accordance with International Financial Reporting Standards (IFRS).

Without limiting our opinion, we draw attention to what is stated in Note 1.D. Regarding the deficit in the working capital of the company and the management's assessment that the financing of the project will be done as part of a bank loan that will enable it to meet its obligations.

Leon Orlitzky

Certified Public Accountants

Jerusalem, April 12, 2022

A independent member firm of
Moore global network limited
-members in principal cities
throughout the world

Meidar Gan Eden Ltd.

Consolidated Financial Statements

(in New Shekels)

		December 31,	
		2021	2020
<u>Current assets</u>			
Cash and cash equivalents	3	4,665,048	233,082
Debtors and mandatory balances	4	6,813,472	1,197,051
		<u>11,478,520</u>	<u>1,430,133</u>
<u>Non-current assets</u>			
Investments treated according to the equity method	6	3,114,123	1,042,810
Inventory of real estate for construction	7	11,804,688	5,279,244
Investments in projects	8	968,991	10,432
Option to purchase a property		-	737,000
Real estate for investment in construction	9	23,592,481	10,356,180
Fixed assets, net	10	173,265	2,463
Intangible assets	11	44,809	19,732
		<u>39,698,357</u>	<u>17,447,861</u>
		<u>51,176,877</u>	<u>18,877,994</u>

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

Meidar Gan Eden Ltd.

Consolidated Financial Statements

(in New Shekels)

		December 31	
	Note	2021	2020
<u>Current liabilities</u>			
Short-term loans	12	23,873,338	873,998
Suppliers and service providers		423,073	178,365
Eligible and credit balances	13	206,845	84,396
Liabilities to landowners		-	11,108,000
		<u>24,503,256</u>	<u>12,244,759</u>
<u>Non-current liabilities</u>			
Tax reserve		1,129,364	460,300
Long-term loans	14	15,291,291	1,353,383
		<u>16,420,655</u>	<u>1,813,683</u>
<u>Capital</u>			
<u>Capital attributed to the Company's shareholders</u>			
Share capital	15	10	10
Venture Capital fund		7,314,501	2,684,964
Profit balance (loss)		1,619,547	1,734,404
		<u>8,934,058</u>	<u>4,419,378</u>
<u>Rights that do not confer control</u>		<u>1,318,908</u>	<u>400,174</u>
		<u>10,252,966</u>	<u>4,819,552</u>
		<u>51,176,877</u>	<u>18,877,994</u>

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

Yechiel Porush
CEO and CFO

Shmaryahu
Eidelman Chairman
of the Board

Date of approval and
publication of financial
statements

Meidar Gan Eden Ltd.
Consolidated statements of profit and loss
(in New Shekels)

		For the year that ended on December 31st	For the six months ended December 31st
	Note	2021	2020
Rental income and management fees		1,805,841	721,000
Adjusting the fair value of real estate for investment in construction	9	2,908,974	2,001,535
The Company's share in the profits of companies treated according to the equity method		547,232	313,833
		<u>5,262,047</u>	<u>3,036,368</u>
Promotional expenses		586,621	-
Administrative and general expenses	16	2,896,474	639,519
Profit from ordinary operations		<u>1,778,952</u>	<u>2,396,849</u>
Financing income		34,180	606
Financing expenses	17	(1,008,806)	(19,093)
		<u>(974,626)</u>	<u>(18,487)</u>
Profit before taxes on income		804,326	2,378,362
Income taxes	18	669,064	460,300
Net profit per year		<u>135,262</u>	<u>1,918,062</u>
<u>Profit (loss) is attributed to:</u>			
Company shareholders		(114,857)	1,734,404
Holders of rights that do not confer control		250,119	183,658
		<u>135,262</u>	<u>1,918,062</u>

Profit (loss) per share attributable to the Company's shareholders	19		
Profit (loss) diluted		(1,149)	17,344
Basic profit (loss)		(1,149)	17,344

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

Meidar Gan Eden Ltd.
Consolidated Statements of Changes in Capital
(in New Shekels)

	Shares Capital	Venture Capital fund	Balance of profit	Total	Rights that do not confer control	Total Capital
	_____	_____	_____	_____	_____	_____
Balance as of January 1, 2020	-	-	-	-	-	-
Issuance of shares	10	-	-	10	-	10
Profit for the period	-	-	1,734,404	1,734,404	183,658	1,918,062
Other comprehensive income	-	2,684,964	-	2,684,964	216,516	2,901,480
Balance as of December 31, 2020	10	2,684,964	1,734,404	4,419,378	400,174	4,819,552
Profit (loss) per year	-	-	(114,857)	(114,857)	250,119	135,262
Other comprehensive income	-	4,629,537	-	4,629,537	668,615	5,298,152

Balance as of	<u> </u>					
December 31, 2021	10	7,314,501	1,619,547	8,934,058	1,318,908	10,252,966
	<u> </u>					

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

Meidar Gan Eden Ltd.

Consolidated Statements of Cash Flows

(in New Shekels)

	For the year that ended on December 31st 2021	For the six months ended December 31st 2020
<u>Cash flows from operating activities</u>		
Net profit per year	135,262	1,918,062
Adjustments required for the presentation of cash flows from operating activities (Appendix A)	(18,324,820)	(3,733,638)
Cash was used for current operations	<u>(18,189,558)</u>	<u>(1,815,576)</u>
<u>Cash flows from investing activities</u>		
Investment in fixed assets	(224,570)	(25,220)
Investments in projects	(958,559)	(10,432)
Real estate investments	<u>(16,212,772)</u>	<u>(2,245,868)</u>
Cash was used for investing activities	<u>(18,118,374)</u>	<u>(2,281,520)</u>
<u>Cash flows from financing activities</u>		
Getting loans	40,739,898	4,330,168
Issuance of shares	-	10
Cash arising from financing activities	<u>40,739,898</u>	<u>4,330,178</u>
Increase in cash and cash equivalents	4,431,966	233,082
Cash balance and cash value at the beginning of the period	<u>233,082</u>	-
Cash balance and cash value at the end of the period	<u>4,665,048</u>	<u>233,082</u>

Appendix a-Adjustments required to present cash flows from operating activities:

Expenses (income) that do not involve cash flow

Depreciation and amortization	28,691	3,025
The Company's share in the profits of investee companies treated according to the equity method	(547,232)	(313,833)
Adjusting the fair value of real estate for investment	(2,908,974)	(2,001,535)
Financial expenses	402,629	8,258
Income taxes	669,064	460,300
	<u>(2,355,822)</u>	<u>(1,843,785)</u>

Changes in property items and liabilities

An increase in debtors and debit balances and customers	(5,626,148)	(1,197,051)
Increase in inventory under construction and real estate for the construction of apartments for sale	(6,408,897)	(5,254,673)
Increase (decrease) in eligibility and credit balances and suppliers	(3,933,953)	4,561,871
	<u>(15,968,998)</u>	<u>(1,889,853)</u>
	<u>(18,324,820)</u>	<u>(3,733,638)</u>

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

Meidar Gan Eden Ltd.

Notes to the Financial Statements

For December 31, 2021

Note 1- General:

- A. The company was incorporated in June 2020 and began operations in July 2020. As of August 2020, the company has investments in companies held by it.
- B. The company and the companies held by it are engaged in locating, initiating, planning, establishing, and promoting projects in the field of residential and rental real estate in Israel.
- C. The company owns, through subsidiaries, land and real estate under construction, some of which are intended for commerce and offices and some for residence.
- D. The company has a working capital deficit in the amount of NIS 13,024,736, which originates from the obligation of the subsidiary, Meidar Lev Ha'ir, to the land sellers. The deficit is financed through a loan from Bank Leumi that was actually taken in August 2021 for the purpose of repaying the obligations to the sellers. Under the agreement with the bank, the company will complete all approval procedures by February 2023 (with an option to extend). After that, the company's management expects that the loan will be included in the bank loan that will be provided for the benefit of the project and will be repaid from the date of sale of the apartments in a convenient layout, corresponding to the company's cash flow expectations from the sale of apartments. According to the management, the financing of the project will be done as part of a bank loan that will allow it to meet its obligations.

Note 2 - Principles of Accounting Policy:

The accounting policies set forth below have been applied to the financial statements consistently, in all periods presented, unless otherwise stated.

- A. Basis of presentation of the financial statements

The financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter - IFRS). The Company's financial statements are prepared on a cost basis, excluding investment real estate and financial assets measured at fair value through other comprehensive income.

The company chose to present the statement of comprehensive income according to the method of characterization of operations.
- B. Operating cycle period

The period of the Group's normal operating cycle, with respect to the construction of buildings for sale is 3 years.
- C. Consolidated financial statements

The consolidated financial statements include the statements of companies over which the Company has control (subsidiaries). Control exists when a company has the power to influence the invested entity, exposure, or rights to variable returns because of its involvement in the invested entity and the ability to use its power to influence the amount of returns to be derived from the invested entity.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

In terms of control, the effect of potential voting rights is considered only if they are real. The consolidated financial statements are consolidated from the date on which control is acquired, until the date on which control is terminated.

The financial statements of the Company and its subsidiaries are prepared for the same dates and periods. The accounting policies in the financial statements of the subsidiaries have been applied uniformly and consistently with those applied in the financial statements of the Company. Significant mutual balances and transactions and gains and losses arising from transactions between the Group companies were eliminated in full in the consolidated financial statements.

Rights that do not confer control over subsidiaries represent the capital in the subsidiaries that cannot be attributed, directly or indirectly, to the parent company. The non-controlling interests are presented separately in the company's capital framework. Profit or loss is attributed to the Company and rights that do not confer control. Losses are attributed to non-controlling interests even if as a result the balance of non-controlling interests in the consolidated statement of financial position is negative.

D. Investment in joint arrangements

Joint arrangements are arrangements in which the company has joint control. Joint control is an agreed contractual sharing of control of an arrangement, which exists only when decisions regarding the relevant activities require the unanimous consent of the parties sharing control.

1) Joint Ventures

In joint transactions the parties to the arrangement have joint control over the rights in the net assets of the arrangement. A joint transaction is treated according to the equity method.

2) Joint Operations

In joint activities the parties to the arrangement have joint control over the arrangement, property rights and obligations to the obligations of the arrangement. The Company recognizes in respect of the joint venture its proportionate share in the assets, liabilities, income and expenses of the joint venture.

E. Investments treated according to the equity method

Affiliates are companies whose group has a material influence over their financial and operating policies, but not control. The Group's investments in affiliated companies and joint ventures are treated according to the equity method.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

Investments treated according to the equity method (continued)

According to the equity method, the investment in the affiliated company or joint venture is presented at cost plus post-acquisition changes in the group's share in net assets, including other comprehensive income of the affiliated company or joint venture. Gains and losses arising from transactions between the Group and the subsidiary, or the joint venture are eliminated in accordance with the holding rate.

Goods in respect of the acquisition of an affiliated company or joint venture are presented as part of the investment in the affiliated company or joint venture, measured by cost and not systematically reduced. Goodwill is examined for the purpose of examining impairment as part of an investment in the affiliated company or in the joint transaction as a whole.

The financial statements of the Company and the affiliate or joint venture are prepared for the same dates and periods. The accounting policies in the financial statements of the affiliated company or joint venture have been applied uniformly and consistently with those applied in the financial statements of the Group.

F. Currency of activity, currency of presentation and foreign currency

1. Currency of activity and currency of presentation

The financial statements are presented in NIS, since the Company is of the opinion that financial statements in NIS provide relevant information to investors and users of the financial statements located in Israel.

The group determines for each company in the group, including companies presented based on the balance sheet value, what is the currency of each company's activity.

Assets and liabilities of an investee company that constitutes foreign operations, including cost surpluses, are translated at the closing rate at each reporting date. Profit or loss statement items are translated at average exchange rates.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

Currency of activity and currency of presentation (continued)

Intergovernmental loans in the group, which are not intended to be repaid and are not expected to be repaid in the foreseeable future, are essentially part of the investment in foreign operations, and therefore, the exchange differences from these loans (less tax effect) are recognized as other comprehensive income (loss).

Upon realization of an external activity, or when a partial realization of an external activity, while losing control, the cumulative gain (loss) relating to that activity, which was recognized in other comprehensive income, is recognized in profit or loss. Upon partial exercise of foreign operations while retaining control of the subsidiary, a proportionate portion of the amount recognized in the other comprehensive income is reallocated to non-controlling interests.

2. Transactions, assets and liabilities in foreign currency

Transactions denominated in foreign currency are recorded upon initial recognition according to the exchange rate at the date of the transaction. After initial recognition, assets and financial liabilities denominated in foreign currency are translated at each reporting date into the currency of activity at the exchange rate at that date. Exchange rate differences, other than those capitalized for eligible assets or capitalized in hedging transactions, are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currency that are presented at fair value are translated into the activity currency in accordance with the exchange rate on the date on which the fair value is determined.

3. CPI-linked financial items

Assets and financial liabilities linked according to their terms to changes in the consumer price index in Israel (hereinafter: "the index") are adjusted according to the relevant index, at each reporting date, in accordance with the terms of the agreement.

G. Cash equivalents

Cash equivalents are considered high-liquidity investments, which include short-term deposits in banking corporations that are not restricted to mortgages, whose original period does not exceed three months from the date of investment or exceeds three months but can be withdrawn immediately without penalty, and form part of the Group's cash management.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

H. Stock of land for construction

Real estate under construction is measured on the basis of cost. The cost of real estate includes credit costs relating to the financing of the construction of the property up to the date of completion, planning and design costs, allocated indirect construction costs and other related costs.

I. Capitalization of credit costs

The Group capitalizes credit costs related to the purchase, construction or production of eligible assets, which require a significant period of time for their preparation, intended use or sale.

The capitalization of credit costs begins at the time when costs were incurred in respect of the property itself, the operations for the preparation of the property began and credit costs were incurred and ends when all the operations for the preparation of the property suitable for its intended use or sale have been substantially completed. The amount of discounted credit costs in the reporting period includes direct credit costs and credit increases according to a weighted discount rate.

The Company capitalizes exchange rate differences arising from foreign currency credit insofar as they are considered as an adjustment to interest costs.

J. Investment real estate and investment real estate under construction

Investment real estate is real estate (land or building, or both) held by the owner (lessee in an operating lease) or a lessee in a finance lease for the purpose of generating rent or for the purpose of increasing value or both and not for the purpose of exporting or supplying goods or services or for purposes Administrative, or sale in the ordinary course of business.

Investment real estate is deducted when it is realized or when its use ceases and no future economic benefits are expected from its realization. The difference between the net proceeds from the realization of the asset and the balance in the financial statements is recognized in the statement of any gain or loss.

Investment real estate is first measured by cost including direct purchase increases. After initial recognition, investment real estate is measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment real estate are recognized in profit or loss at the date of their formation. Investment real estate is not systematically reduced.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

Investment real estate and investment real estate under construction (continued)

Investment real estate in development intended for future use as investment real estate is also measured at fair value as stated above, when the fair value can be measured reliably. When the fair value is not Can be measured reliably, due to the nature and extent of the project's risks, then it is measured according to its cost, less impairment losses if any, until the fair value can be measured reliably or construction completed, whichever is earlier. The cost base of real estate for investment in development includes the cost of real estate plus credit costs used to finance the construction, additional direct planning and development costs and brokerage fees due to contracts in rental agreements.

For determining the fair value of investment real estate, the Group relies on a valuation performed by independent external appraisers who are experts in the valuation of real estate and have the required knowledge and experience.

The transfer of property from fixed assets to investment real estate takes place at the date of cessation of use of the property by the owner. The transfer of an asset from stock to investment for investment takes place on the date of commencement of an operating lease to another party.

The cost of an asset transferred from real estate to investment in fixed assets or inventory is the fair value at the date of transition, while the difference between the fair value and the cost of an asset transferred from fixed assets to investment real estate is treated as revalued in accordance with IAS 16 and recognized in a revaluation fund.

K. Intangible assets

Intangible assets purchased separately are measured at initial cost recognition plus direct acquisition costs. Intangible assets acquired in business combinations are measured at fair value at the date of acquisition. Costs in respect of intangible assets that have been developed internally, other than capitalized development costs, are recognized in profit or loss when incurred.

Intangible assets with a defined useful life, are reduced over their useful life and impairment is examined for them when there are signs that indicate impairment. The amortization period and the amortization method of an intangible asset are reviewed at least at the end of each year.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

Intangible assets (continued)

Intangible assets with indefinite useful lives are not systematically amortized and are subject to impairment testing each year and whenever there is a sign that impairment may have occurred. The useful life of these assets is reviewed annually to determine whether the life expectancy assessment as indefinite is still valid. If the events and circumstances no longer support such an assessment, the change in useful life from indefinite to defined is treated as a change in an accounting estimate and at the same time impairment is also examined. From that date the property is systematically reduced over the period of its useful life.

L. Impairment of non-financial assets

The Group examines the need for impairment of non-financial assets when there are signs as a result of events or changes in circumstances that indicate that the balance in the financial statements is not recoverable.

In cases where the balance in the financial statements of the non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In estimating the value of use, the expected cash flows are discounted according to a pre-tax discount rate that reflects the specific risks for each asset. In the case of an asset that does not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, excluding goodwill, is reversed only when there have been changes in the estimates used to determine the recoverable amount of the asset from the date on which the impairment loss was last recognized. In such a loss, the loss is limited to the lower of the amount of impairment of the previously recognized asset (less depreciation or amortization) or the recoverable amount of the asset. In respect of an asset measured by cost, the cancellation of such loss is charged to profit or loss.

The useful life of intangible assets is as follows:

	<u>%</u>
Website	33

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

M. Fixed assets

Items of fixed assets are presented at cost plus direct purchase costs, less accumulated depreciation. Depreciation is calculated at equal annual rates based on the straight-line method over the useful life of the asset. The useful life of fixed assets is as follows:

	<u>%</u>
Computers	33

N. Financial Assets

The Group implements the provisions of IFRS 9:

1. Financial assets

Financial assets in the application of IAS 39 are recognized at the date of initial recognition at fair value plus direct transaction costs, except for profit and loss. Financial assets measured at fair value through profit or loss, transaction costs are recognized in profit or loss. After initial recognition, the accounting treatment of financial assets is based on their classification as detailed below:

Loans and debtors

Loans and debtors are investments that are repaid in fixed or determinable installments that are not traded in an active market. After initial recognition, loans are presented on their terms according to the cost-plus direct transaction costs, using the effective interest method and deducting an impairment provision. Must be briefly presented according to their terms, usually at face value.

2. Financial liabilities

Liabilities are recognized for the first time at fair value. Loans and other liabilities measured at amortized cost are recognized less transaction costs. After initial recognition, the accounting treatment of financial liabilities is based on their classification as detailed below:

Reduced financial liabilities

After initial recognition, loans and other liabilities are presented on their terms according to the cost less transaction costs directly using the effective interest method.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

Liabilities in respect of financial guarantees

Liabilities in respect of financial guarantees are recognized for the first time at fair value while also considering direct transaction costs attributed to the provision of the guarantee. After initial recognition, the liability is measured according to the higher of the amount initially recognized (less an appropriate reduction over the guarantee period) and the estimated amount required (if required) to be recognized at the reporting date under UAS 37 with respect to the guarantee agreement.

3. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a legally enforceable right to offset the recognized amounts, and there is an intention to liquidate the asset and liability on a net basis or realize the asset and eliminate the liability at the same time.

4. Deduction of financial instruments

financial assets

A financial asset was deducted when the contractual rights to receive cash flows from the financial asset expired, or when the company transferred the contractual rights to receive cash flows from the financial asset or when the company undertook to pay the cash flows received in full to the third party, without significant delay. In addition, it has in effect transferred all the risks and benefits associated with the property or has not transferred and has not actually left all the risks and benefits associated with the property but has transferred control of the property.

Financial liabilities

A financial liability is deducted when it is settled, i.e., a liability has been repaid, canceled or expired. A financial liability is settled when the debtor (group) repays the liability by paying in cash, other financial assets, goods or services, or is legally released from the liability.

When an existing financial liability is replaced by another liability to the same borrower on substantially different terms, or when a material change is made in the terms of an existing liability, the replacement or change is treated as a subtraction of the original liability and recognition of a new liability. The difference between the balance of the two aforementioned liabilities in the financial statements is charged to the statement of profit or loss. The company considers qualitative and quantitative considerations.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

5. Impairment of financial assets

The Group examines at each reporting date whether there is objective evidence of impairment of a financial asset, or a group of financial assets presented at amortized cost.

If there is objective evidence that there is an impairment loss on loans and receivables presented at amortized cost, the amount of the loss recognized in profit or loss is measured as the difference between the asset amount and the present value of the future cash flows (excluding future credit losses). Of the financial asset.

O. Leases

The Group assesses whether a contract is a lease (or includes a lease) at the time of entering into the contract. The Group recognizes the right of use of the property on the one hand and a lease obligation on the other hand in respect of all the lease contracts in which it is the lessee, except for short-term leases (for a period of up to 12 months) and leases of low value properties. In these leases the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis better represents the pattern of consumption of economic benefits by the Group from the leased assets.

P. Secretions

A provision in accordance with IAS 37 is recognized when a group has a present or implied legal obligation as a result of an event that has occurred in the past, it is expected that economic resources will be required to eliminate the obligation and can be measured reliably. When the group expects that some or all of the expense will be reimbursed to the company, such as in an insurance contract, the reimbursement will be recognized as a separate asset only at a time when there is actual certainty of receipt of the asset.

The expense will be recognized in the income statement less the expense reimbursement.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

Q. Income taxes

Tax results in respect of current or deferred taxes are recognized in profit or loss, unless they relate to items recognized in other comprehensive income or capital.

1. Current taxes

Liability for current taxes is determined using the tax rates and tax laws that have been enacted or whose enactment has actually been completed, up to the reporting date, and adjustments are required in connection with the tax liability to be paid for previous years.

2. Deferred taxes

Deferred taxes are calculated in respect of temporary differences between the amounts included in the financial statements and the amounts taken into account for tax purposes. Deferred tax balances are calculated according to the tax rate expected to apply when the asset is realized or the liability is settled, based on the tax laws enacted or whose enactment has actually been completed by the reporting date.

In the calculation of deferred taxes, the taxes that would have applied in the event of the realization of the investments in investee companies are not taken into account, as long as the sale of the investments in investee companies is not expected in the foreseeable future. Also, deferred taxes on the distribution of profits by companies held as dividends were not taken into account, since the distribution of the dividend does not involve a reprising tax liability or due to the company's policy not to initiate a dividend distribution that entails additional tax liability.

Income taxes relating to the divisions of owners of a capital instrument and the transaction costs of a capital transaction are treated in accordance with IAS 12.

Deferred taxes are offset if there is a legal right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxable entity and the same tax authority.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

R. Earnings per share

Earnings per share are calculated by dividing the net profit attributable to the Company's shareholders by the number of ordinary shares actually weighted during the period.

S. Measuring fair value

Fair value is the price that would have been obtained in the sale of a property or the price that would have been paid for the transfer of an obligation in an ordinary transaction between market participants at the time of measurement.

Measurement of fair value is based on the assumption that the transaction takes place in the main market of the asset or liability, or in the absence of a main market, in the most advantageous market.

The fair value of an asset or liability is measured using the assumptions that market participants will use when pricing the asset or liability, assuming that market participants are acting for the benefit of their economic interests.

Measuring the fair value of a non-financial asset takes into account the ability of the market participant to derive economic benefits through the asset in its optimal use or by selling it to another market participant who will use the asset in its optimal use.

The group uses assessment techniques that are appropriate to the circumstances and for which sufficient data is available to measure fair value, while maximizing the use of relevant observable data and minimizing the use of unobservable data.

All assets and liabilities measured at fair value or disclosed at their fair value are divided into categories within the fair value ranking, based on the lowest level of data, significant for measuring fair value as a whole:

Level 1: Quoted prices (without adjustments) in an active market of identical assets and liabilities.

Level 2: Non-quoted prices included in Level 1 which can be viewed directly or indirectly.

Level 3: Data that are not based on viewable market information (assessment techniques without the use of viewable market data).

T. Advertising expenses

Advertising expenses are charged to the income statement when they are incurred.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 2 - Principles of Accounting Policy (continued):

U. Income and financing expenses

Financing income includes interest income in respect of amounts invested, income from dividends, changes in the fair value of financial assets measured at fair value through profit or loss and gains from exchange rate differences. Interest income is recognized upon accrual, using the effective interest method. Dividend income is recognized at the time the group is granted the right to receive payment.

Financing expenses include interest expenses on loans received, changes in the fair value of financial assets measured at fair value through profit or loss and losses from impairment of financial assets. Non-capitalized credit costs on eligible assets are recognized in profit or loss according to the effective interest method.

V. Employee benefits:

Short-term employee benefits

Short-term employee benefits are benefits that are expected to be paid in full 12 months before the end of the year in which the qualifying service is provided by the employee.

Short-term employee benefits in the company include the company's obligations in respect of wages, vacation and grant payments. These benefits are recognized in profit or loss at the time of their formation. The benefits are measured on a non-capitalized basis that the company is expected to pay.

Long-term employee benefits

The company allocates to the provident and pension funds the social rights of employees in the current period.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 3 – Cash and Cash Equivalent

Composition:

	December 31	
	2021	2020
Cash in the Bank	4,665,048	233,082
	4,665,048	233,082

Note 4 - Debtors and mandatory balances:

Composition:

	December 31	
	2021	2020
governmental institutions	3,898,554	394,192
Shareholders	453,906	74,459
Related Parties	460,547	-
Short-term loans	19,965	-
Revenue to receive	1,980,500	721,000
Expenses in advance	-	7,400
	6,813,472	1,197,051

Note 5 - Investments in subsidiaries:

A. General information as appears in the company's separate financial information:

	Capital Rights	Capital Inves.	Loans transferred by the company to the subsidiary	The company's share capital in the subsidiary	The Company's share in the profits of the subsidiary	Total Inves.
<u>December 31, 2020</u>						
Meidar Lev Ha'ir	88%	9	200,221	1,587,775	1,346,828	3,134,833
		9	200,221	1,587,775	1,346,828	3,134,833
<u>December 31, 2021</u>						
Meidar Lev Ha'ir	88%	9	4,173,920	6,490,945	3,181,033	13,845,907
		9	4,173,920	6,490,945	3,181,033	13,845,907

B. Information regarding the activities of the subsidiaries:

Meidar Lev Ha'ir Ltd. - owns a real estate property known as plot 169 in block 3703 at 178 Herzl St., corner of 1 Yaakov Street in Rehovot - see Note 9B.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 6 - Investments in companies treated according to the equity method

A. Information regarding companies treated according to the equity method:

	Capital Rights	Capital Inves.	Loans transferred by the company to the subsidiary	The company's share capital in the subsidiary	The Company's share in the profits of the subsidiary	Total Inves.
<u>December 31, 2020</u>						
Meidar at the Station Ltd.	50%	2,000	-	726,977	313,833	1,042,810
		2,000	-	726,977	313,833	1,042,810
<u>December 31, 2021</u>						
Meidar at the Station Ltd.	50%	2,000	326,074	1,924,985	861,064	3,114,123
		2,000	326,074	1,924,985	861,064	3,114,123

B. Information regarding the activities of the subsidiaries:

Meidar at the station Ltd. - owns half of a real estate property known as plots 402,403,404 405,406,407 in block 6123 at 12 Jabotinsky St. in Bnei Brak.

The property is a plot of about 1,700 square meters on which is built an old one-story building used for commerce and with a variety of shops.

The plot is intended for the construction of commerce and employment in accordance with an existing master plan and potential for the construction of commerce and housing in accordance with the Bnei Brak master plan.

On the land, a master plan is approved for the construction of a 10-story office building above a commercial floor and above a 2-story parking lot.

The proposed design for the project is the construction of 2 6.5-story residential buildings above a commercial floor and above 2 basement floors, the upper basement floor will be used for commerce and the lower basement floor will be used for parking.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

C. Summary of financial information of the patient company according to the equity method

	December 31 2021	December 31 2020
In the report on the financial position of the affiliated companies:		
Current assets	551,190	659,137
Non-current assets	36,104,466	30,193,094
Current liabilities	24,720,012	25,517,000
Non-current liabilities	6,359,548	3,249,611
 Total capital	 5,576,096	 2,085,620

	For the year ending on December 31, 2021	For the six months ended December 31, 2020
Results of operations of the companies included in the period:		
Other incomes	1,455,861	819,147
Profit for the period	1,094,460	627,666

Note 7 - Real estate inventory for construction:

Composition:

	December 31	
	2021	2020
Cost of real estate for construction	10,933,490	5,133,027
Associated costs	871,198	146,217

11,804,688	5,279,244
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Note 8- Investments in projects:

Composition:

	December 31	
	2021	2020
Armon Ha'natziv Project	676,993	10,432
Iceland Project	177,596	-
Construction evacuation project	53,348	-
Hasida project	61,054	-
	<u>968,991</u>	<u>10,432</u>

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 9 - Real estate for investment in construction:

A. Composition:

	December 31	
	2021	2020
Balance for the beginning of the period	10,356,180	-
Extras:		
Cost of real estate	9,179,751	8,123,473
Direct construction costs	300,914	192,374
Credit costs	846,662	38,798
Fair value adjustment (c below)	2,908,974	2,001,535
	<u>13,236,301</u>	<u>10,356,180</u>

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Balance at the end of the period	23,592,481	10,356,180
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B. More info:

Real Estate at 178 Herzl St., corner of 1 Yaakov St., Rehovot:

The property is a plot of approximately 1,600 square meters on which an old 2-story building is built, which is a conservation building as well as another one-story building used for a variety of street shops. There is also a parking lot for vehicles.

On the land there are building rights for a commercial floor, an office floor, and a residential floor.

The proposed design for the project is a master plan change that will allow the construction of 2 basement floors, a commercial floor, an office floor, an additional office floor for the benefit of the municipality and 56 housing units.

In 2020 the company acquired 50% of the rights in the land as well as an irrevocable option to acquire 50% of the additional rights, in 2021 the company exercised the option in full and acquired the said rights.

C. The fair value of the property was presented based on an expert opinion.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 10 - Fixed assets, net:

Composition:

	Furniture and equipment	Leasehold improvements	<u>Computers</u>	<u>Total</u>
Cost				
Balance for the beginning of the year	-	-	2,564	2,564
Extras	100,897	16,508	61,950	179,355
Balance for the end of the year	<u>100,897</u>	<u>16,508</u>	<u>64,514</u>	<u>181,919</u>
Accumulated depreciation				
Balance for the beginning of the year	-	-	101	101
Depreciation per year	298	101	8,154	8,553
Balance for the end of the year	<u>298</u>	<u>101</u>	<u>8,255</u>	<u>8,654</u>
Reduced balance to December 31, 2021	<u><u>100,599</u></u>	<u><u>16,407</u></u>	<u><u>56,259</u></u>	<u><u>173,265</u></u>

Reduced balance to December 31, 2020	-	-	2,463	2,463
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Note 11 - Intangible assets:

Composition:

	Cost	Accumulated depreciation	Reduced balance to 31 December	
			2021	2020
Website	67,781	23,062	44,809	19,732
	<u>67,781</u>	<u>23,062</u>	<u>44,809</u>	<u>19,732</u>

Note 12 - Short-term loans:

A. Composition:

	December 31	
	2021	2020
Short-term credit from a bank (B below)	23,873,338	-
Related parties (C below)	-	873,998
	<u>23,873,338</u>	<u>873,998</u>

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 12 - Short-term loans (continued)

B. The loan was provided by Bank Leumi for the purpose of financing the purchase of the land and repaying the current liabilities. According to the agreement with the bank, the loan will be extended until the approvals and permits for the construction of the project are received, assuming that these will be granted by 2/2023 and there is an option to extend for another six months.

The loan was granted at an interest rate of 2.86% per annum and against a first-degree lien and without an amount limit on all the company's rights in the real estate.

C. The loans from related parties are without interest and linkage.

The interest rate was set at 18% per annum on the basis of an expert opinion, in accordance with the fair value in accordance with the provisions of IFRS 13, as stated in Note 2 S

Note 13 - Eligible and credit balances:

	December 31	
	2021	2020
Employess	62,015	47,981
E,ployees Insitutions	57,983	32,080
Other eligibles	86,847	4,335
	<u>206,845</u>	<u>84,396</u>

Note 14 - Long-term loans:

Composition:

	December 31	
	2021	2020
From others (b)	9,494,187	-
Related parties (c)	5,797,104	1,353,383
	<u>15,291,291</u>	<u>1,353,383</u>

- B. The loans carry interest at rates between 4-7%.
- C. The loans are related parties with no interest or linkage.

The interest rate was set at 18% on the basis of an expert opinion, in accordance with the fair value in accordance with the provisions of IFRS 7, as stated in Note 2S.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 15- Share capital:

	<u>Registered</u>	<u>Issued and repaid</u>
Ordinary shares of NIS 0.1 nominal value each	100	10
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

As of December 31, 2021,
and 2020

Note 16- General and administrative expenses:

Composition:

	to the year that ended on December 31st 2021	For the six months ended December 31 st 2020
	<hr style="border-top: 1px solid #000;"/>	<hr style="border-top: 1px solid #000;"/>
Wages and benefits	839,885	127,386
Issue expenses	202,806	189,421
Professional Services	514,838	250,524
Travel abroad	76,173	13,021
Rent and property management	1,037,850	51,800
Taxes and fees	4,290	2,182
depreciation	28,691	3,025
Car rental and maintenance	9,123	
Continuing education	17,069	
Offices and maintenance	129,080	2,160
Refreshments, gifts and donations	36,669	
	<hr style="border-top: 1px solid #000;"/>	<hr style="border-top: 1px solid #000;"/>
	2,896,474	639,519

Note 17 - Expenditure and financing income:

Composition:

	to the year that ended on December 31st 2021	For the six months ended December 31st 2020
Financing income:		
Related parties	33,091	606
Authority interest	1,089	-
	<u>34,180</u>	<u>606</u>
Financial expenses:		
Bank fees	58,436	124
Interest rates on loans	724,367	
Related Parties	224,979	8,257
Exchange rate differences	1,024	10,712
	<u>1,008,806</u>	<u>19,093</u>

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 18 - Taxes on income:

Composition:

	For the six months ended December 31st 2020
Current taxes	-
Deferred taxes	<u>669,064</u>

669,064

Note 19- Net earnings per share:

A breakdown of the amount of shares used in calculating earnings per share from continuing operations

	to the year that ended on December 31st 2021	
	Weighted stock quantity	Profit attributed to the Company's shareholders
For the purpose of calculating basic profit	100	(114,857)
Impact of diluting potential stocks	-	-
For the purpose of calculating diluted profit	100	(114,857)

Note 20 - Pledges and contingent liabilities:

Bonding of Meidar shares in Station Ltd. Company No. 516247251 held by the company, including the rights arising from the said shares, including rights to receive receipts and / or income and / or dividends and / or value of money, in favor of Barak TAMA Yam Suf 8 Ltd. Company No. 515600245.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

Note 21 - Balances and transactions with related parties:

A. Remuneration of senior functionary

	For the year ended in December 31 2021	For the six months ended December 31st 2020
	2021	2020
Remuneration of controlling shareholders in the company	564,401	127,386
The number of people for whom the reward relates	4	3

B. Balances with related parties

	December 31 2021	December 31 2020
	2021	2020
Loans from affiliated companies	5,797,104	2,227,381

C. Transactions with related parties

	For the year ended in December 31 2021	For the six months ended December 31st 2020
	2021	2020
Providing management fee services, see section D	1,236,000	721,000

D. The company enters into an agreement for the provision of management fee services

On October 3, 2021, the Company signed an agreement for the provision of management services to affiliated companies Weizmann Dormitories Ltd. H.P. 515977106 and D'kelim Real Estate and Investments Ltd. H.P. 515976777.

Management services were provided as of 6/2020 for the project of building student dormitories and commerce, at 56 Derech Yavne Street in Rehovot, known as Block 30702 Plots 151,152.

The companies are companies controlled by the company's shareholders and they will pay, each of the companies a management fee of NIS 51,500 per month, the management fee will be paid retroactively from the date of commencement of the services.

Meidar Gan Eden Ltd.

Notes to the Financial Statements

List of companies held

<u>Company Name</u>	<u>The holding company</u>	<u>Place of registration of the investee company</u>	<u>The rate of control and ownership of the company as of the date of the report</u>	<u>Presenting in the financial Statements</u>
Meidar Lev Hair Ltd.	Meidar Gan Eden Ltd.	Company) (registered in Israel	88%	Consolidated
Meidar in the Station	Meidar Gan Eden Ltd.	Company) (registered in Israel	50%	Consolidated

Meidar Gan Eden Ltd.

Consolidated Financial Statements

(in New Shekels)

		as of December 31
	Note	2020
<u>Current Assets</u>		
Cash and cash equivalents	3	233,082
Debtors and debit balances	4	1,197,051
		<u>1,430,133</u>
<u>Non-current Assets</u>		
Investments handled not by the equity value method	6	1,042,810
Real estate inventory for construction	7	5,279,244
Investments in projects	8	10,432
Option to purchase property		737,000
Real estate for investment in construction	9	10,356,180
Fixed Assets, Net	10	2,463
Intangible assets	11	19,732
		<u>17,447,861</u>
		<u>18,877,994</u>

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

Date of Approval and publication
of the financial statements

Yechezkel Porush
CEO

Meidar Gan Eden Ltd.

Consolidated financial statements

(in new shekels)

as of December 31
2020

Current liabilities

Short term loans	12	873,998
Suppliers and service providers		178,365
Eligible and credit balances	13	84,396
Liabilities to landowners		11,108,000
		<u>12,244,759</u>

Non-current liabilities

Tax reserve		460,300
Long-term loans	14	1,353,383
		<u>1,813,683</u>

Equity

Capital attributed to the Company's shareholders

Share capital	15	10
Capital fund		2,684,964
Profit balance		1,734,404
		<u>4,419,378</u>

Non-controlling interests

	<u>400,174</u>
	<u>4,819,552</u>
	<u>18,877,994</u>

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

Date of Approval and publication
of the financial statements

Yechezkel Porush
CEO

Meidar Gan Ltd. Ltd.

Consolidated statements of profit and loss

(in new shekels)

		For the 6 months ended on December 31 st
	Note	2020
Income from management fees		721,000
Other income	9	2,001,535
The Company's share in the profits of companies treated according to the Balance Sheet Value method		313,833
		<u>3,036,368</u>
General and administrative expenses	16	639,519
Profit from ordinary activities		<u>2,396,849</u>
Financing Income		606
Financing expenses	17	(19,093)
		<u>(18,487)</u>
Profit before Tax Income		2,378,362
Taxes on Income	18	460,300
Net profit per year		<u>1,918,062</u>
<u>Profit attributable to:</u>		
The Company's shareholders		1,734,404
Holder of rights that do not confer control		183,658
		<u>1,918,062</u>
<u>Earnings per share attributable to the Company's shareholders</u>	19	
Basic profit		17,344
Diluted profit		17,344

The attached notes are an integral part of the financial statements.

Meidar Gan Eden Ltd.

Consolidated reports on changes in capital

(in new shekels)

	Share capital	Profit balance	Capital fund	Total	rights that do not confer control	Total capital
Balance as of January 1, 2020	-	-	-	-	-	-
Issue of shares	10	-	-	10	-	-
Profit for the period	1,734,404	-	1,734,404	183,658	1,918,062	Other
Other General Profit	-	-	2,684,964	2,684,964	216,516	2,901,480
Balance for December 31, 2020	10	1,734,404	2,684,964	4,419,378	400,174	4,819,552

The attached notes are an integral part of the financial statements.

Meidar GanEden Ltd.

Consolidated financial statements

For 2020

Meidar GanEden Ltd.

Consolidated financial statements

As of December 31, 2020

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Meidar GanEden Ltd.

Consolidated Reports on Financial Condition

(in New Israeli Shekels)

		As of December 31st
	Note	<u>2020</u>
<u>Current assets</u>		
Cash and cash equivalents	3	233,082
Debtors and debit balances	4	<u>1,197,051</u>
		<u>1,430,133</u>
<u>Non-current assets</u>		
Investments handled according to the balance sheet valuation method	6	1,042,810
Real estate inventory for construction	7	5,279,244
Investments in projects	8	10,432
Option to purchase a property		737,000
Real estate for investment under construction	9	10,356,180
Fixed assets, net	10	2,463
Intangible assets	11	<u>19,732</u>
		<u>17,447,861</u>
		<u>18,877,994</u>

The attached Notes form an integral part of the consolidated financial statements.

Date of approval and
publication
Financial statements

Yehiel Porush
CEO

Meidar GanEden Ltd.

Consolidated Reports On The Financial Condition

(in New Israeli Shekels)

	Note	As of December 31st <u>2020</u>
<u>Current liabilities</u>		
Short-term loans	12	873,998
Suppliers and service providers		178,365
Creditors and credit balances	13	84,396
Obligations to landowners		11,108,000
		<u>12,244,759</u>
<u>Non-current liabilities</u>		
Tax reserve		460,300
Long-term loans	14	1,353,383
		<u>1,813,683</u>
<u>Capital</u>		
<u>Capital attributable to the company's shareholders</u>		
Share capital	15	10
Equity fund		2,684,964
Profit balance		1,734,404
		<u>4,419,378</u>
<u>Rights that do not confer control</u>		<u>400,174</u>
		<u>4,819,552</u>
		<u>18,877,994</u>

The attached Notes form an integral part of the consolidated financial statements.

Date of approval and
publication
Financial statements

Yehiel Porush
CEO

Meidar GanEden Ltd.

Consolidated Profit and Loss Statements

(in New Israeli Shekels)

		For the six months ending December 31
	Note	<u>2020</u>
Income from management fees		721,000
Other income	9	2,001,535
The company's share of the profits of companies handled according to the balance sheet valuation method		<u>313,833</u>
		3,036,368
Administrative and general expenses	16	<u>639,519</u>
Profit from normal operations		2,396,849
Financing income		606
Financing expenses	17	<u>(19,093)</u>
		(18,487)
Profit before taxes on income		2,378,362
Income taxes	18	<u>460,300</u>
Net profit for the year		<u>1,918,062</u>
 <u>Profit attributable to:</u>		
Shareholders of the company		1,734,404
Holders of rights that do not confer control		<u>183,658</u>
		<u>1,918,062</u>
 <u>Earnings per share attributable to the company's shareholders</u>		
	19	
Basic profit		17,344
Diluted space		17,344

The attached Notes form an integral part of the consolidated financial statements.

Meidar GanEden Ltd.

Consolidated reports on changes in capital

(in New Israeli Shekels)

	<u>Share capital</u>	<u>Profit balance</u>	<u>Equity fund</u>	<u>Total</u>	<u>Rights that do not confer control</u>	<u>Total Capital</u>
Balance as of January 1, 2020	-	-	-	-	-	-
Issuance of shares	10	-	-	10	-	10
Profit for period	-	1,734,404	-	1,734,404	183,658	1,918,062
Other total profit	-	-	2,684,964	2,684,964	216,516	2,901,480
Balance as of December 31, 2020	<u>10</u>	<u>1,734,404</u>	<u>2,684,964</u>	<u>4,419,378</u>	<u>400,174</u>	<u>4,819,552</u>

The attached Notes form an integral part of the consolidated financial statements.

Meidar GanEden Ltd.

Consolidated Reports On Cash Flows

(in New Israeli Shekels)

For the six
months ending
December 31
2020

Cash Flows From Operating Activities

Net profit for the year	1,918,062
Adjustments required to present cash flows from operating activities (Appendix A)	(3,733,638)
Cash used for ongoing operations	<u>(1,815,576)</u>

Cash flows from investment activities

Investment in fixed assets	(25,220)
Investments in projects	(10,432)
Real Estate Investments	<u>(2,245,868)</u>
Cash used for investment activities	<u>(2,281,520)</u>

Cash flows from financing activities

Obtaining loans	4,330,168
Issuance of shares	<u>10</u>
Cash derived from financing activities	<u>4,330,178</u>

Increase in cash and cash equivalents	233,082
Cash balance and cash equivalents for the beginning of the period	-
Cash balance and cash equivalents for the end of the period	<u>233,082</u>

Appendix A-adjustments necessary to present cash flows from operating activities:

Expenses (income) that do not involve cash flow

Depreciation and amortization	3,025
The company's share of the profits of held companies that are handled according to the balance sheet valuation method	(313,833)
Matching the fair value of real estate for investment	(2,001,535)
Financing expenses	8,258
Income taxes	<u>460,300</u>
	<u>(1,843,785)</u>

Changes in property clauses and liabilities

Increase in debtors and mandatory balances and customers	(1,197,051)
Increase in inventory in construction and real estate for the construction of apartments for sale	(5,254,673)
Increase in payables and credit balances and suppliers	<u>4,561,871</u>
	<u>(1,889,853)</u>
	<u>(3,733,638)</u>

The attached Notes form an integral part of the consolidated financial statements.

Meidar GanEden Ltd.

Notes For The Consolidated Financial Statements

As of December 31, 2020

Note 1 - General:

- A. The company was incorporated in June 2020 and began operations in July 2020. As of August 2020, the company has investments in companies it holds.
- B. The company and the companies it holds are engaged in locating, initiating, planning, constructing, and promoting residential and rental real estate projects in Israel.
- C. The company holds, through subsidiaries, land, and real estate under construction, intended partly for commerce and offices, and partly for residential use.
- D. The company has a deficit in working capital in the amount of 10,814,625 NIS. The company's management announced that the deficit will be financed through a loan from Bank Leumi that was actually taken at the end of 2021 for the purpose of repaying its current obligations. The loan will be repaid once the sale of the apartments in a convenient spread, which is in line with the company's cash flow expectations from the sale of the apartments. Therefore, no adjustments were made to the presentation of the financial statements in accordance with the laying of the live business.

Note 2 - Principles of Accounting Policy:

The accounting policies set forth below have been applied to the financial statements consistently, in all periods presented, unless otherwise stated.

A. Basis of presentation of the financial statements

The financial statements are prepared in accordance with international financial reporting standards (IFRS). The company's financial statements are prepared on a cost basis, excluding real estate for investment, and financial assets measured at fair value through other total profit.

B. Period of the operating cycle

The period of the Group's normal operating cycle, with respect to the construction of buildings for sale is 3 years.

C. Consolidated Financial Reports

The consolidated financial reports include the reports of companies over which the company has a controlling stake (subsidiaries). Control takes place when the company has the power to influence the invested entity, exposure, or rights to variable returns as a result of its involvement in the invested entity as well as the ability to use its power to influence the amount of returns that will arise from the entity Invested. In terms of control, the impact of potential voting rights is taken into account only if they are real. Consolidation of financial reports is carried out from the date of obtaining control, until the date when control is terminated.

The financial reports of the company and its subsidiaries are prepared for the same dates and periods. The accounting policy in the financial reports of the subsidiaries was implemented uniformly and consistently with that implemented in the financial reports of the company. Balances and material mutual transactions and profits and losses arising from transactions between the group companies are fully eliminated in the consolidated financial reports.

Rights that do not confer control over Subsidiaries represent the capital in the subsidiaries that cannot be attributed, directly or indirectly, to the parent company. The rights that do not confer control are presented separately within the capital framework of the company. Profit or loss is attributed to the company and to rights that do not confer control. Losses are attributable to rights that do not confer control even if as a result the balance of rights that do not confer control in the consolidated report of financial condition is negative.

D. Investment in joint arrangements

Joint arrangements are arrangements in which the company has joint control. Joint control is an agreed-upon contractual sharing of control over the arrangement, which exists only when decisions regarding the relevant activities require the unanimous consent of the parties sharing control.

1) Joint Ventures

In joint Ventures, the parties to the settlement have joint control over the rights in the net assets of the arrangement. A joint venture is handled according to the balance sheet valuation method.

2) Joint Operations

In Joint_Operations, the parties to the settlement have joint control over the arrangement, rights to assets and obligations to the obligations of the arrangement. The company recognizes in respect of the joint operation in its relative share in the assets, liabilities, income, and expenses of the joint operation.

E. Investments handled according to the balance sheet valuation method

Affiliates are companies which the group has material influence on their financial and operational policies, but not control. The Group's investments in affiliates and joint ventures are handled according to the balance sheet valuation method.

According to the balance sheet valuation method, the investment in the included company or joint venture is presented at cost plus post-purchase changes in the group's share of net assets, including other total profit of the included company or joint venture. Profits and losses arising from transactions between the group and the affiliate or joint venture are canceled in accordance with the holding rate.

Reputation for the acquisition of an included company or joint venture is presented as part of the investment in the included company or joint venture, measured by cost and not systematically reduced. Reputation is examined for the purpose of examining impairment as part of an investment in the included company or in the joint venture as a whole.

The financial statements of the company and the affiliate or joint venture are prepared for the same dates and periods. The accounting policy in the financial statements of the included company or joint venture was implemented uniformly and consistently with that implemented in the group's financial statements.

F. Activity Currency, Presented Currency And Foreign Currency

1. Activity Currency And Presented Currency

The financial statements are presented in NIS, since the company is of the opinion that financial statements in NIS provide relevant information to investors and users of the financial statements located in Israel.

The Group determines for each company in the Group, including companies presented on the basis of the balance sheet value, what is the currency of the activity of each company.

Assets and liabilities of a holding company that constitutes a foreign activity including cost surpluses generated are translated according to the SegYera rate on each reporting date. Profit or loss statement items are translated by average exchange rates.

Intercompany loans in the Group, which have no intention of clearing and are not expected to be repaid in the foreseeable future, are essentially part of the investment in foreign activities, and therefore, rate differences from these loans (net of the tax effect) are credited as a different total profit (loss).

At the time of the realization of an external activity, or when partially realizing an external activity, while losing control, the cumulative profit (loss) relating to that activity, which was recognized as another total profit, is credited to the profit or loss. When partially exercising foreign activities while maintaining control of the consolidated company, a proportional part of the amount recognized in the other total profit is re-attributed to rights that do not confer control.

Meidar GanEden Ltd.

Notes of the financial statements

Note 2 - Principles of Accounting Policy (Continued):

F. Activity currency, display currency and foreign currency (continued)

2. Foreign Currency Transactions, Assets And Liabilities

Transactions set in foreign currency are recorded upon their initial recognition according to the exchange rate at the time of the transaction. After the initial recognition, financial assets and liabilities denominated in foreign currency are translated on each reporting date into the currency of the activity according to the exchange rate at that time. Exchange rate differentials, except those that are discounted to qualified assets or are credited to equity in hedging transactions, are credited to profit or loss. Non-monetary assets and liabilities denominated in foreign currency presented at fair value are translated into the currency of activity in accordance with the exchange rate at the time when the fair value is determined.

3. Index-linked monetary items

Assets and financial liabilities indexed according to their terms to changes in the Consumer Price Index in Israel (hereinafter: the "Index") are adjusted according to the relevant index, on each reporting date, in accordance with the terms of the agreement.

G. Cash equivalents

Cash equivalents are considered high-liquidity investments, which include deposits in short-term banking corporations that are not limited by pledge, whose original term does not exceed three months from the date of investment or exceeds three months but can be withdrawn immediately without penalty, and form part of the Group's cash management.

H. Inventory of land for construction

Real estate under construction is measured on the basis of cost. The cost of real estate includes credit costs relating to financing the construction of the property

up to the date of completion, planning and design costs, allocated indirect construction costs and other related costs.

I. Capitalization of credit costs

The Group discounts credit costs related to the purchase, establishment, or production of eligible assets, which require a significant period of time for their preparation, intended use or sale.

The capitalization of the credit begins on the date on which the credit was spent on and on the property itself, the actions to prepare the property began and credit costs were incurred and ends when all the actions for the preparation of the property that is fit for its intended use or sale have been materially completed. The amount of discounted credit costs in the reporting period includes direct credit and credit increases according to a weighted capitalization rate.

The company capitalizes rate differences resulting from credit in foreign currency if they are considered as coordination with interest costs.

J. Investment Real Estate And Investment Real Estate Under Construction

Investment real estate is real estate (land or structure, or both) held by the owner (leasing under operating lease) or leasing under a financial lease for the purpose of generating rent or for the purpose of increasing value or both and not for the purpose of exporting or supplying goods or services or for administrative purposes, or for sale in the ordinary course of business.

Investment real estate is withdrawn when it is realized or when its use is stopped, and no future economic benefits are expected from its realization. The difference between the net proceeds from the realization of the asset and the balance in the financial statements is recognized in the statement of all profit or loss during the period in which the asset was withdrawn.

Investment real estate is measured for the first time by cost including direct purchase increases. After the initial recognition, investment real estate is measured at the fair value, which reflects the market conditions at the time of reporting. Profits or losses arising from changes in the fair value of investment real estate are

credited to the profit or loss at the time of their formation. Investment real estate is not systematically reduced.

Real estate for investment in development intended for future use as investment real estate is also measured at fair value as stated above when the fair value can be reliably measured. When fair value is not reliably measurable, due to the nature and scope of the project's risks, then it is measured according to its cost, minus losses from impairment if any, until the date when the fair value can be reliably measured or the construction is completed, whichever is earlier. The cost base of real estate for investment in development includes the cost of real estate plus credit costs used to finance the construction, direct additional planning and development costs and brokerage fees due to contracts in agreements for renting it.

In order to determine the fair value of investment real estate, the Group relies on a valuation carried out by independent external appraisers who are experts in real estate valuations and have the necessary knowledge and experience.

The transfer of an asset from fixed assets to investment real estate is carried out at the time of the cessation of use of the property by the owner. The transfer of property from investment real estate to fixed assets is carried out on the date of commencement of use of the property on the owner. The transfer of property from inventory to investment real estate is carried out on the date of commencement of an operating lease to another party. The transfer of property from investment real estate to inventory is carried out on the date of commencement of development with the intention of selling the real estate.

The cost of the asset transferred from investment real estate to fixed assets or inventory is the fair value at the time of the transition, while the difference between the fair value and the cost of an asset transferred from fixed assets to investment real estate is treated as a reassessment in accordance with IAS 16 and is credited to a reassessment fund.

K. Intangible assets

Intangible assets acquired separately are measured with the initial recognition by cost plus direct acquisition costs. Intangible assets acquired in business combinations are measured at fair value at the time of purchase. Costs for

intangible assets that are developed internally, excluding capitalized development costs, are credited to the profit or loss at the time of their formation.

Intangible assets with a defined useful lifespan are reduced over their useful lifespan and value depreciation is examined when there are signs indicating a decrease in value. The amortization period and method of amortization of an intangible asset are examined at least at the end of each year.

Intangible assets with indefinite useful lifespan are not systematically reduced and are subject to an examination of impairment every year as well as whenever there is a sign indicating that there may have been a depreciation.

The useful life span of these assets is reviewed annually to determine whether the lifetime estimate as indeterminate is still valid. If the events and circumstances no longer support such an estimate, the change in the useful life from undefined to defined is treated as a change in the accounting estimate and at the same time a decrease in value is also examined. Starting from that date, the property is systematically reduced over the period of its useful life.

Meidar GanEden Ltd.

Notes of the financial statements

Note 2 - Principles of Accounting Policy (Continued):

L. Depreciation of non-financial assets

In cases where the balance in the financial statements of the non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the highest of fair value minus selling costs to use value. In the valuation of the use, the expected cash flows are discounted according to a pre-tax discount rate that reflects the risks specific to each asset. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Losses from impairment are credited to profit or loss.

A loss from a decrease in the value of an asset, excluding Reputation, is canceled only when there have been changes in the estimates used to determine the recoverable amount of the asset from the date on which the loss from the decrease in value was last recognized. Such loss is limited to the lower of the amount of impairment of the previously recognized asset (less depreciation or amortization) or the recoverable amount of the asset. For an asset measured by cost, the cancellation of such loss is credited to a profit or loss.

The useful life span of intangible assets is as follows:

	<u>%</u>
Website	33

M. Fixed assets

Fixed assets items are presented according to the cost plus direct purchase costs, minus accrued depreciation. Depreciation is calculated at equal annual rates based on the straight-line method over the period of useful life in the asset. The useful life of fixed asset items is as follows:

	<u>%</u>
Computers	33

N. Financial Instruments

The group implements the provisions of IFRS 9 :

1. Financial assets

Financial assets under IAS 39 are recognized at the time of initial recognition at fair value plus direct transaction costs, except for financial assets measured at fair value through profit or loss, transaction costs are credited to profit or loss. After the initial recognition, the accounting treatment of financial assets is based on their classification as follows:

Loans and Debtors

Loans and debtors are investments that are repaid in fixed or determined payments that are not traded on an active market. After the initial recognition, loans are presented according to their terms according to the cost plus direct transaction costs, using the effective interest method and minus the provision for impairment. Short-term debtors are presented according to their terms, usually in their nominal value.

2. Financial Liabilities

Obligations are initially recognized at fair value. Loans and other liabilities measured at a reduced cost are presented minus direct transaction costs. After the initial recognition, the accounting treatment of financial obligations is based on their classification as detailed below:

Financial liabilities at a reduced cost

After the initial recognition, loans and other liabilities, are presented according to their terms according to the cost minus direct transaction costs using the effective interest method .

Liabilities in respect of financial guarantees

Liabilities in respect of financial guarantees are recognized for the first time at fair value taking into account also direct transaction costs

attributable to the provision of the guarantee. After the initial recognition, the liability is measured by the amount higher than the amount first recognized (minus an appropriate reduction over the period of the guarantee) and the estimate of the amount required (if required) to be recognized for the reporting date under UAS 37 with respect to the guarantee agreement.

3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statement on the financial condition if there is a legally enforceable right to offset the amounts recognized, and there is also an intention to remove the asset and the liability on a net basis or to realize the asset and remove the obligation at the same time.

Meidar GanEden Ltd.

In the Note of the financial statements

Note 2 - Principles of Accounting Policy (Continued):

N. Financial Instruments (continued)

4. Subtracting financial instruments

Financial assets

A financial asset is deducted when the contractual rights to receive cash flows from the financial asset have expired, or when the company has transferred the contractual rights to receive cash flows from the financial asset or when the company has undertaken an obligation to pay the cash flows received in full to the third party, without significant delay. In addition, the transferor materially transferred all the risks and benefits related to the property or did not even materially leave all the risks and benefits associated with the property but transferred control of the property.

Financial liabilities

A financial obligation is deducted when it is cleared, that is, the liability is repaid, canceled, or expired. A financial liability is settled when the debtor (group) repays the obligation by paying in cash, other financial assets, goods, or services, or is legally released from the liability.

When an existing financial liability is replaced by another liability towards the same lender under materially different conditions, or when a material change is made to the terms of an existing liability, the replacement or change is treated as a subtraction of the original liability and as recognition of a new liability. The difference between the balance of the above two liabilities in the financial statements is credited to the statement of profit or loss. If the replacement or change is not material, it is treated as a change in the terms of the original commitment and profit or loss from the exchange is not recognized at that time. When examining whether this is a material change in the terms of an existing

commitment, the company takes into account qualitative and quantitative considerations.

5. Depreciation of financial assets

The group examines on each reporting date whether there is objective evidence of a decrease in the value of a financial asset, or a group of financial assets presented at the reduced cost.

If there is objective evidence that there is a loss from a decrease in value in respect of loans and receivables presented at their reduced cost, the amount of the loss credited to the profit and loss is measured as the difference between the book amount of the asset and the current value of the estimate of future cash flows (excluding future credit losses that have not yet been formed), which are discounted in accordance with the original effective interest rate of the financial asset.

O. Leases

The Group assesses whether a contract is a lease (or includes a lease) at the time of entering into a contract. The Group recognizes the property as a right of use on the one hand and a lease obligation on the other in respect of all leases in which it is the lessee, except for short-term leases (for a period of up to 12 months) and leases of low-value assets. In these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease period, unless another systematic basis better represents the pattern of consumption of economic benefits by the group than the leased assets.

P. Provisions

A provision under IAS 37 is recognized when the group has a legal obligation in the present or implied as a result of a past event, it is expected that economic resources will be required to eliminate the obligation and can be reliably estimated. When the group expects that part or all of the expense will be reimbursed to the company, such as in an insurance contract, the reimbursement will be recognized as a separate asset only at the time when there is actual certainty of receiving

the asset. The expense will be recognized in the profit or loss statement minus the reimbursement of the expense.

Q. Income taxes

The tax consequences for current or deferred taxes are credited to profit or loss, unless they relate to items that are credited to other total profit or capital.

1. Current taxes

Liability for current taxes is determined using the tax rates and tax laws enacted or whose enactment has actually been completed, up to the reporting date, as well as necessary adjustments in connection with the tax liability payable for previous years.

2. Deferred taxes

Deferred taxes are calculated for temporary differences between the amounts included in the financial statements and the amounts taken into account for tax purposes. The deferred tax balances are calculated at the expected tax rate that will apply when the asset is realized or the liability is settled, based on the tax laws enacted or whose enactment has actually been completed by the reporting date.

In the calculation of deferred taxes, the taxes that would have applied in the event of the realization of investments in held companies are not taken into account, as long as the sale of investments in held companies is not expected in the foreseeable future. Also, deferred taxes were not taken into account for the distribution of profits by companies held as dividends, since the distribution of the dividend does not involve reprimand tax liability or due to the company's policy not to initiate a dividend distribution that entails additional tax liability.

Income taxes relating to equity instrument owner distributions and capital transaction costs are treated according to IAS 12.

Deferred taxes are offset if there is a legal right to offset a current tax asset against a current tax obligation and the deferred taxes refer to the same taxable entity and the same tax authority.

K. EPS

Earnings per share is calculated by dividing the net profit attributable to the company's shareholders by the weighted number of ordinary shares actually existing during the period.

L. Fair Value Measurement

Fair value is the price that would have been obtained at the sale of an asset or the price that would have been paid for the transfer of a pledge in a regular transaction between market participants at the time of measurement.

Fair value measurement is based on the assumption that the transaction occurs in the main market of the asset or liability, or in the absence of a major market, in the most advantageous market.

The fair value of an asset or liability is measured using the assumptions that market participants will use when pricing the asset or liability, assuming that market participants are acting in the interests of their own economic interests.

Measuring the fair value of a non-financial asset takes into account the ability of the market participant to derive economic benefits through the asset in its optimal use or by selling it to another market participant who will use the asset in its optimal use.

The group uses assessment techniques that are appropriate to the circumstances and for which there is enough achievable data to measure fair value, maximizing the use of relevant observable data and minimizing the use of unobservable data.

Meidar GanEden Ltd.

Note of the financial statements

Note 2 - Principles of Accounting Policy (Continued):

L. Fair Value Measurement (continued)

All assets and liabilities measured at fair value or whose fair value can be disclosed are categorized within the fair value scale, based on the lowest level of data that is significant for measuring fair value as a whole:

Level 1: Quoted prices (no adjustments) in an active market of identical assets and liabilities.

Level 2: Data other than quoted prices included in Level 1 that can be viewed directly or indirectly.

Level 3: Data that is not based on observable market information (assessment techniques without the use of observable market data).

M. Advertising Expenses

Advertising expenses are credited to a profit or loss statement as they arise.

N. Financing income and expenses

Financing income includes interest income for amounts invested, dividend income, changes in the fair value of financial assets measured at fair value through profit or loss, and profits from exchange rate differentials. Interest income is recognized as they are accrued, using the effective interest method. Income from dividends is recognized at the time when the group is granted the right to receive payment.

Financing expenses include interest expenses on loans received, changes in the fair value of financial assets measured at fair value through profit or loss, and losses from impairment of financial assets. Credit costs that are not capitalized on eligible assets are credited to profit and loss according to the effective interest method.

Note 3 – Cash And Cash Equivalents:

	As of December 31st 2020
	<hr/>
Cash in the bank	233,082
	<hr/>
	<u>233,082</u>

Meidar GanEden Ltd.

Notes of the financial statements

Note 4 - Debtors and Debt balances:

	As of December 31st 2020
Government institutions	394,192
Shareholders	74,459
Income receive	721,000
Upfront expenses	7,400
	<u>1,197,051</u>

Note 5 - Investments in Consolidated Companies:

A. General information as appears in the company's separate financial information:

	<u>Rights in equity</u>	<u>Capital investment</u>	<u>Loans transferred by the company to the consolidated company</u>	<u>The company's share in an equity fund in the consolidated company</u>	<u>The company's share in the profits of the consolidated company</u>	<u>Total investment</u>
<u>December 31, 2020</u>						
Meidar Lev Ha'ir Ltd.	88%	9	200,221	1,587,775	1,346,828	3,134,833
		<u>9</u>	<u>200,221</u>	<u>1,587,775</u>	<u>1,346,828</u>	<u>3,134,833</u>

B. Information regarding the activities of the consolidated companies:

Meidar Lev Ha'ir Ltd. - owns real estate property known as plot 169 in block 3703 at 178 Herzl St. corner of 1 Yaakov Street in Rehovot - See Note 9b.

Meidar GanEden Ltd.

Notes of the financial statements

Note 6-Investments in companies handled according to the balance sheet valuation method:

A. Information regarding companies treated according to the balance sheet valuation method:

	<u>Rights in equity</u>	<u>Capital investment</u>	<u>The company's share in an equity fund in the consolidate d company</u>	<u>The company's share in the profits of the consolidated company</u>	<u>Total investment</u>
<u>December 31, 2020</u>					
Meidar at the Station Ltd.	50%	2,000	726,977	313,833	1,042,810
		<u>2,000</u>	<u>726,977</u>	<u>313,833</u>	<u>1,042,810</u>

B. Information regarding the activities of the consolidated companies:

Meidar at the Station Ltd.- owns half of a real estate property known as plots 402,403,404 405,406,407 in block 6123 at 12 Jabotinsky St. in Bnei Brak.

The property is a 1,700-square-meter lot on which an old one-story building is built, used for commerce and with a variety of shops.

The lot is intended for commercial and employment construction in accordance with an existing zoning plan and the potential for commercial and residential construction in accordance with the Bnei Brak master plan.

On the land, a master plan is approved for the construction of a 10-story office building above a commercial floor and above 2 parking lots.

The proposed plan for the project is the construction of two 6.5-story residential buildings above a commercial floor and above 2 basement floors, the upper basement floor will be used for commerce and the lower basement floor will be used for parking.

Meidar GanEden Ltd.

Notes of the financial statements

C. Summary of financial information of the patient company according to the balance sheet valuation method

	As of December 31st 2020
In the report on the financial condition of the included companies:	
Current assets	659,137
Non-current assets	30,193,094
Current liabilities	25,517,000
Non-current liabilities	3,249,611
Total Capital	<u>2,085,620</u>
	For the six months ending December 31 2020
The results of the actions of the companies included in the period:	
Other income	<u>819,147</u>
Profit for the period	<u>627,666</u>

Note 7-inventory of real estate for construction:

Composition:

	As of December 31st 2020
Cost of real estate for construction	<u>5,133,027</u>
Ancillary costs	<u>146,217</u>
	<u>5,279,244</u>

Note 8 - Investments in Projects:

	As of December 31st 2020
The Armon Hanatziv Project	<u>10,432</u>
	<u>10,432</u>

Meidar GanEden Ltd.

Notes of the financial statements

Note 9- Real Estate for investment under construction:

A. Constitution:

	As of December 31st 2020
Balance for the beginning of the period	-
<u>Additions:</u>	
Cost of real estate	8,123,473
Direct set-up costs	192,374
Credit costs	38,798
Fair value adjustment	2,001,535
	<u>10,356,180</u>
Balance for the end of the period	<u>10,356,180</u>

B. More information:

Real estate at 178 Herzl St., corner of 1 Yaakov St., Rehovot:

The property is a 1,600-square-meter lot on which an old 2-story building is built, which is a conservation building, as well as another one-story building used for a variety of street stores. There is also a parking lot for cars.

On the land there are building rights for a commercial floor, an office floor and residential floors.

The proposed plan for the project is a zoning change that will allow the construction of 2 basement floors, a commercial floor, an office floor, an additional office floor for the benefit of the municipality and 56 apartments.

In 2020, the company acquired 50% of the rights in the land as well as an irrevocable option to purchase 50% of the additional rights, in 2021 the company fully exercised the option and acquired the said rights.

Meidar GanEden Ltd.

Notes of the financial statements

Note 10-fixed assets, net:

	<u>Computers</u>	<u>Total</u>
Cost		
Balance for the beginning of the year	-	-
Extras	<u>2,564</u>	<u>2,564</u>
Year-end balance	<u>2,564</u>	<u>2,564</u>
Accrued depreciation		
Balance for the beginning of the year	-	-
Depreciation per year	<u>101</u>	<u>101</u>
Year-end balance	<u>101</u>	<u>101</u>
Reduced balance as of December 31, 2020	<u><u>2,463</u></u>	<u><u>2,463</u></u>

Note 11-Intangible assets:

	<u>cost</u>	<u>Accrued depreciation</u>	<u>Reduced balance as of December 31, 2020</u>
Website	<u>22,656</u>	<u>2,924</u>	<u>19,732</u>
	<u><u>22,656</u></u>	<u><u>2,924</u></u>	<u><u>19,732</u></u>

Note 12- Short-term loans:

A. Composition:

	<u>As of December 31st 2020</u>
From Related parties	<u>873,998</u>
	<u><u>873,998</u></u>

B. The loans are from related parties without interest and linkage. The interest rate was set at 18% on the basis of an expert opinion, in accordance with the fair value according to the provisions of IFRS 7, as stated in Note 2(17).

Meidar GanEden Ltd.

Notes of the financial statements

Note13 - Creditors and Credit Balances:

	As of December 31st 2020
Work	47,981
Institutions for employees	32,080
Other eligible individuals	4,335
	<u>84,396</u>

Note 14- Long Term Loans:

A. Composition:

	As of December 31st 2020
From Related parties	<u>1,353,383</u>
	<u>1,353,383</u>

B. The loans are from related parties without interest and linkage.

The interest rate was set at 18% on the basis of an expert opinion, in accordance with the fair value according to the provisions of IFRS 7 , as stated in Note 2 (17).

Note 15 - Share Capital:

	<u>Registered</u>	As of December 31, 2020 <u>Issued and repaid</u>
Ordinary shares of 0.1 NIS each	<u>100</u>	<u>10</u>

Meidar GanEden Ltd.

Notes of the financial statements

Note 16 - General and administrative expenses:

	For the six months ending December 31 2020
Labor Pay and additional	127,386
Issuance expenses	189,421
Professional Services	250,524
Travel abroad	13,021
Rental fees and property management	51,800
Taxes and fees	2,182
decrease	3,025
Office & Maintenance	2,160
	<u>639,519</u>

Note 17 - Expenses and Financing Income:

	For the six months ending December 31 2020
<u>Financing income:</u>	
Related parties	606
Interest Authorities	-
	<u>606</u>
<u>Financial expenses:</u>	
Bank fees	124
Related Parties	8,257
Rate differentials	10,712
	<u>19,093</u>

Meidar GanEden Ltd.

Notes of the financial statements

Note 18 - Taxes on Income:

	For the six months ending December 31 2020
Current taxes	-
Deferred taxes	460,300
	<u>460,300</u>

Note 19 - Net Earnings Per Share:

Details of the number of shares used in calculating earnings per share from continuing operations

	For the six months ending December 31 2020	
	Weighted stock quantity	Profit attributable to the company's shareholders
For the purpose of calculating a base profit	100	1,734,404
Impact of diluted potential stocks	-	-
For the purpose of calculating diluted profit	100	1,734,404

Note 20 - Liens and Outstanding liabilities:

1. Lien of Share capital of Meidar at the station Ltd., Company No. 516247251 held by the company, including the rights arising from the shares as aforesaid, including rights to receive receipts and/or income and/or dividends and/or value of money, in favor of Barak Tama Yam Suf 8 Ltd., Company No. 515600245.
2. According to the statement of the company's managers approved by its legal advisors, the company does not have dependent liabilities as of the balance sheet date.

Meidar GanEden Ltd.

Notes of the financial statements

Note 21- Balances and transactions with related parties:

A. Remuneration of senior officers

	For the six months ending December 31 2020
Remuneration of controlling shareholders in the company	127,386
The number of people for whom the remuneration relates	3

B. Balances with related parties

	As of December 31st 2020
Loans from related companies	2,227,381

C. Transactions with affiliates

	As of December 31st 2020
Provision of management fee services, see section D	721,000

D. Entering into an agreement with the company for the provision of management fee services

On October 3, 2021, the Company signed an agreement to provide management services to related companies of Weizmann Dormitories Ltd. Company No. 515977106 and Palms Real Estate and Investments Ltd. Company No. 515976777. Management services were provided as of 6/2020 for a project to build student dormitories and commerce on 56 Derech Yavne Street known as Block 30702 Plots 151,152.

The companies are subsidiaries of the company's shareholders, and they will pay, each company, a management fee of 51,500 NIS per month, the management fee

will be paid retroactively from the date of commencement of the provision of the services.

Note22 - Material events after the date of the report:

On August 12, 2021, Meidar Lev Ha'ir Ltd. exercised the option to purchase 50% of the rights in real estate at 178 Herzl Street at the corner of 1 Yaakov Street in Rehovot. (See Note 9b. above).

Meidar GanEden Ltd.

Appendix to the Financial Statements

List of held companies

Company Name	Holding Company	Place of registration of the company held	The rate of control and ownership of the company as of the date of the report	How to present in the financial statements
Meidar Lev Ha'ir Ltd.	Meidar GanEden Ltd.	(Company registered in Israel)	88%	Consolidated
Meidar at the Station Ltd.	Meidar GanEden Ltd.	(Company registered in Israel)	50%	Held

18 VALUATION REPORTS

18.1 Investment properties

Investment properties comprise all properties which are held in the long-term to realize rental income and increases in value. The fair value of the investment properties is determined on the basis of opinions of external experts based on current market data collected by means of recognized valuation methods.

18.2 Excerpts of real property expert opinions

The independent, external valuer Shalom Steinberg, License No. 4136489, 15 Michael St., Haifa, Israel, has prepared a condensed valuation report on the fair value of the investment properties of MEIDAR GANEDEN with a valuation date as of 31 December 2021 each. The independent external appraiser has drafted the property expert opinions for the properties which are included on the following pages V-2 *et seq.* of this Prospectus.

The appraiser has consented to the inclusion of the expert opinions in the Prospectus in an unchanged form authorized by them and in the context in which they were translated from Hebrew into English. Unless disclosed elsewhere, the Company hereby confirms that, according to its knowledge, there have been no major changes in the overall value of the properties, which are the subject of the expert opinions, since the effective dates of the expert opinions.

Date: 19/07/22
Mole no.: 3123/22

**Re: Summary of a comprehensive real estate assessment in
accordance with Standard 17
Block 6123 Plots 402,403,404,405,406,407
Lot 3 according to plan 501-0246629
Land in various designations
Har Shalom neighborhood, Bnei Brak.**

1. Details of the summary order

The summary of the assessment was ordered by Mr. Yechiel Porush, the company's CEO, from the company "Meidar Gan Eden" on 19.07.2022.

2. Appraiser's Details

Expert Name: **Shalom Steinberg License No. 4136489**

A Certified real estate appraiser, real estate consultant and business coach. Member of the board of directors of the 'Association of Mortgage Consultants' and a member of the Courses Committee and the Banks Committee of the Real Estate Appraisers' Association.

Office address: 15 Michael St., Haifa.

And these are the details of my education: A certified real estate appraiser by the Council of Real Estate Appraisers in the Ministry of Justice. A multidisciplinary general BA combined with the Department of Economics from the University of Haifa. In addition, is a mortgage consultant, a licensed real estate broker, and a lecturer in economic and real estate fields in many forums.

And these are the details of my experience: For the past decade I have been managing a mortgage consulting firm, for the past three years I have been operating additional

departments in the field of architecture, real estate appraisal and marketing of real estate property projects. I issue many property assessments which are accepted regularly in the various banks in Israel and in non banking funds. As well as for the Real Estate Tax Authority and local committees.

As an independent real estate entrepreneur and a service provider in the real estate field, for the past decade I have developed skills and acquired extensive experience in examining real estate properties with all their characteristics and complex valuations adapted to this report.

And below is my opinion – this opinion is prepared as a real estate appraisal according to the appraisal standards.

3. The effective date of the assessment

The effective date for the assessment is December 31st, 2021.

The date of the visit to the property was held on November 11th, 2021, by Shmuel Wiener – economist and real estate appraiser.

Due to the purpose of the assessment and its treatment as empty land, no meticulous visit was made inside the existing buildings.

At the same time, a sample visit was made to some of the buildings within them in order to understand the land.

4. Property Details

Type of identification	Description / Notes
Property type	Land for commerce and employment – with residential potential
Block	6123
Plot	402,403,404,405,406,407
Plots size	About 1.7 dunams*
Built area	Approximately 600 Sqm
Rights	Ownership
Lot	3, according to TPS 501-0246629
Location of the property	West Bnei Brak

*Dunam - a unit of land area used especially in the state of Israel equal to 1000 square meters or about 1/4 acre.

5. History of the property, assessments and transactions:

- In accordance with a sale agreement, half of the plot rights were purchased by the company on October 22nd, 2020 From "Savyon Central Ltd." company in the amount of 27,000,00 NIS.
- I was presented with a real estate assessment conducted by appraiser Gil Lazar on February 1st, 2018 for the effective date of February 1st, 2018. In accordance with his opinion. The value of the entire lot is 52,855,000 NIS.
- I was presented with a Standard 19 real estate assessment conducted by appraiser Reli Triestman-Agami and appraiser Gilat Moshe on February 1st, 2018 for the effective date of September 13th, 2018. In accordance with his opinion. The value of the entire lot is 27,100,100 NIS.
- I was presented with a determining assessment for an improvement levy that was conducted by the appraiser David Tiggerman on August 19th, 2018 . In accordance with the decision of the appraiser deciding on the tax payer's lot, an improvement levy rate was set for a variety of plans totaling approximately 1,300,000 NIS, excluding indexation.
- An IFRS assessment was conducted by our firm for the effective date of December 31st, 2020. In which, the value of the entire lot was determined at 37,400,000 NIS and an additional value that includes a potential of 62,500,000 NIS.
- Regarding the discrepancy between the assessments below and the value set forth in this assessment. This difference is due to the purpose of the various assessments, when the assessments presented to me are assessments according to Standard 19, while the aforementioned assessment is according to Standard 17 and relates to a full market value including all the characteristics of the property and potential. In addition, in the last year there has been a progress was made in the preparation of the plan that grants additional building rights to the property.

6. Details of the value of the assets

The value includes 2 components, a value in an existing situation according to an approved plan and a value as a potential after the approval of the zoning plan.

1. The market value of the entire property in accordance with a potential plan is within the limits of 75,300,000 NIS.
(This value is after subtracting the estimated payment of an improvement levy of 6,000,000 NIS)

The market value of Meidar's share in the property, in accordance with such a potential plan, is within the limits of 37,650,000 NIS.
(This value is after subtracting the estimated payment of an improvement levy of 3,000,000 NIS)

2. The market value of the entire property in accordance with the approved plan is within the limits of 43,400,000 NIS.

The market value of Meider's share, which constitutes half, in accordance with an approved plan, is within the limits of 21,700,000 NIS.

7. Declarations and signatures

I declare that I have no personal interest in the real estate that is the subject of the assessment, in the owners of the rights in it or in the commissioner of the work. The report was prepared in accordance with the Real Estate Appraiser Regulations (Professional Ethics), 5726-1966 and in accordance with the professional standards of the Appraiser's Standards Committee.

And I sign hereto

Date: 19/07/22
Assesment No.: 3122/22

**Re: Summary of a comprehensive real estate assessment in
accordance with Standard 17
Block 3703 Plot 169
Land in various designations
178 Herzl St., corner of 1 Yaakov St., Rehovot**

1. Details of the summary order

The summary of the assessment was ordered by Mr. Yechiel Porush, the company's CEO, from the company "Meidar-Lev Ha'ir" on July 19th, 2022.

2. Appraiser's Details

Expert Name: **Shalom Steinberg License No. 4136489**

A Certified real estate appraiser, real estate consultant and business coach. Member of the board of directors of the 'Association of Mortgage Consultants' and a member of the Courses Committee and the Banks Committee of the Real Estate Appraisers' Association.

Office address: 15 Michael St., Haifa.

And these are the details of my education: A certified real estate appraiser by the Council of Real Estate Appraisers in the Ministry of Justice. A multidisciplinary general BA combined with the Department of Economics from the University of Haifa. In addition, is a mortgage consultant, a licensed real estate broker, and a lecturer in economic and real estate fields in many forums.

And these are the details of my experience: For the past decade I have been managing a mortgage consulting firm, for the past three years I have been operating additional departments in the field of architecture, real estate appraisal and marketing of real estate

property projects. I issue many property assessments which are accepted regularly in the various banks in Israel and in non banking funds. As well as for the Real Estate Tax Authority and local committees.

As an independent real estate entrepreneur and a service provider in the real estate field, for the past decade I have developed skills and acquired extensive experience in examining real estate properties with all their characteristics and complex valuations adapted to this report.

And below is my opinion – this opinion is prepared as a real estate appraisal according to the appraisal standards.

3. The effective date of the assessment

The effective date for the assessment is December 31st, 2021.

The date of the visit to the property was held on November 21st, 2021, by Shmuel Wiener – economist and real estate appraiser.

Due to the purpose of the assessment and its treatment as empty land, no meticulous visit was made inside the existing buildings.

At the same time, a sample visit was made to some of the buildings within them in order to understand the land.

4. Property Details

Type of identification	Description / Notes
Property type	Land for commerce and employment – residential potential
Block	3703
Plot	169
Plot size	About 1.6 dunams*
Built area	Approx. 500 sqm
Rights	Ownership
Location of the property	Herzl Street at the corner of Yaakov Street - Rehovot

*Dunam - a unit of land area used especially in the state of Israel equal to 1000 square meters or about 1/4 acre.

The complex is 1,600 square meters of land at the corner of Herzl and Yaakov streets in

date of this assessment summary.

6. Details of the value of the assets

The value includes 2 components, a value in an existing condition according to an approved plan and a value as a potential after the approval of the zoning plan.

1. The market value of the property according to a potential plan is within the limits of 41,550,000 NIS.
(This value is after subtracting the estimated payment of an improvement levy of 4,300,000 NIS)
2. The market value of the property in question in accordance with an approved plan is within the limits of 38,500,000 NIS.

7. Declarations and signatures

I declare that I have no personal interest in the real estate that is the subject of the assessment, in the owners of the rights in it or in the commissioner of the work. The report was prepared in accordance with the Real Estate Appraiser Regulations (Professional Ethics), 5726-1966 and in accordance with the professional standards of the Appraisers' Standards Committee.

And I sign hereto