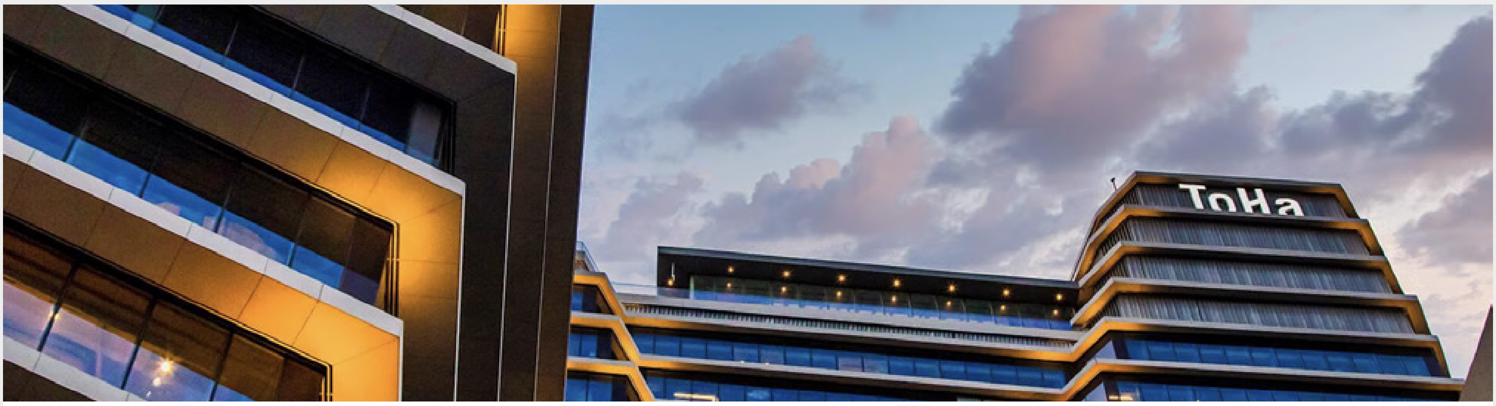
This document is an unofficial translation of the Company's Board of Directors' Report and certain parts of its 2024 Annual Financial Statement (main reports without notes) from the original report in Hebrew dated March 11, 2025 (Reference Number: 2025-01-015923) (the "Report"). This translation is published for convenience purposes only, while the Hebrew version of the Report is the binding one.

TOHA II / AMOT / TEL AVIV / SIMULATION

QUARTERLY REPORT AS OF MARCH 31, 2025

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd



AMOT / TOHA I / TEL AVIV, ISRAEL

Description of the Corporation's Business

Consolidated Financial Statements

QUARTERLY REPORT AS OF MARCH 31, 2025

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

ATRIUM / AMOT / RAMAT GAN

DESCRIPTION OF THE CORPORATION'S BUSINESS

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

Ramat Gan, May 19, 2025

Board of Directors' Report for the Three Month Period ended March 31, 2025

The Board of Directors of Alony-Hetz Properties and Investments Ltd. (hereinafter: the "**Company**") is pleased to submit the Company's Board of Directors' Report for the three-month period ended March 31, 2025 (hereinafter: the "**Reporting Period**"). This Board of Directors' Report and its updates were prepared on the assumption that the reader has access to the Company's periodic report for the year 2024, which the Company published on March 11, 2025 (Ref: 2025-01-015923), including the "Description of the Corporation's Business" chapter, the "Report of the Board of Directors on the Status of the Corporation's Business" and the "Consolidated Financial Statements" (hereinafter, collectively - the "**2024 Periodic Report**").

1. Concise description of the Group

The Company and its consolidated companies (hereinafter: the "**Group**") have two areas of activity:

- **Main area of activity** - long-term investments in income-generating property companies in Israel and in western countries. As of the publication date of this report, the Group operates in the following markets: Israel, the United States, and the United Kingdom.
- **Additional area of activity** - investment in renewable energies. The Group has income-generating investments in the photovoltaic energy and wind energy sectors, as well as in the development and initiation of electricity generating and storage facilities in Israel, Poland and in the United States.

1.1 The Group's main income-generating property investments as of March 31, 2025:

Activity in Israel

Holdings at a rate of 51.05% in Amot Investments Ltd. (hereinafter - "**Amot**"), a publicly traded income-generating property company whose securities are listed on the Tel Aviv Stock Exchange Ltd. For additional information, see Section 2.3.4 below.

Activity in the United States

- Holdings of 47.8% of the equity rights and 50% of the controlling interest in Carr Properties (hereinafter - "**Carr**"), a private company, a private company with income-generating property operations whose properties are located in the United States, in the Washington D.C. area, in Boston and in Austin, Texas. For additional information, please see Section 2.3.5 below.

- Holdings at a rate of 55% of the equity rights and 50% of the control in three property companies in the Boston metropolitan area (hereinafter - "**AH Boston**"). Two of the properties are in the Boston CBD and one is in East Cambridge. For additional information, see Section 2.3.6 below.

Activity in the UK

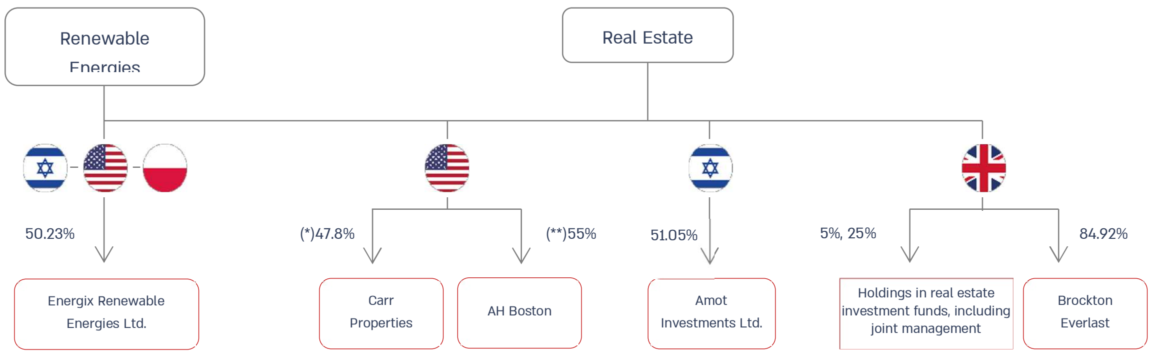
- Holdings of 84.92% in the rights of Brockton Everlast Inc. Limited (hereinafter - "**BE**"), a private company engaged in the purchase, development and betterment, construction, management and maintenance of income-generating property in the London, Cambridge and Oxford metropolitan areas in the UK. For additional information, please see Section 2.3.7 below.

- Holdings in two UK real estate funds from the Brockton Group.

1.2 The Group's renewable energy investments as of March 31, 2025:

Holdings of 50.23% in Energix - Renewable Energies Ltd. (hereinafter - "**Energix**"), a public company whose securities are listed for trading on the Tel Aviv Stock Exchange Ltd. Energix engages in the initiation, development, financing, construction, management and operation of facilities for the electricity generation from renewable energy sources, storage and sale of electricity generated in these facilities, with the intention of holding them for the long term. As of the date of the report, Energix has operations in Israel, Poland and in the United States. For additional information, please see Section 2.3.8 below.

1.3 The following are the Group's main holdings as of March 31, 2025:



* The Company and JP Morgan (through SSPF Investment Fund, managed by JP Morgan) have joint control in Carr.

** Joint holdings with Oxford Properties in three property companies that own office buildings and a laboratory building in Boston. The Company and Oxford Properties have a joint control agreement.

1.4 Stock Market Indices

The Company's shares are traded on the Tel Aviv Stock Exchange Ltd. (hereinafter - the "**TASE**"). The main stock market indices to which the Company's securities belong are: TA-90, TA-125, TEREAL, TA-Investment Properties in Israel, Tel-Div, the various TelBond indices, TA 125 - Fossil-Fuel-Free Climate index and the Tel Aviv - Maala index.

1.5 Main events from the beginning of 2025 to the date of publication of the report

Alony-Hetz **(the Company expanded solo)**	▪ A new credit facility of NIS 200 million and an increase in an existing credit facility of an additional NIS 50 million, replacing a credit facility of NIS 250 million that was canceled.
BROCKTON EVERLAST	▪ Start of construction of the Dovetail building in the City of London (BE is in the process of demolishing the buildings existing on the site).
CARR PROPERTIES	▪ Engagement in a non-binding memorandum of understanding for the redemption of JPM's holdings in Carr. ▪ Engagement in agreements for the sale of two properties for total consideration of USD 120 million. ▪ Engagement in a loan agreement for the One Congress building in the amount of USD 650 million (7-year average duration) replacing a construction financing loan in the amount of USD 570 million.
Energix Renewable Energies	▪ **Lithuania** - Estimates for the completion of the first project's acquisition in Lithuania (140 MW wind and 330 MWp photovoltaic). ▪ **USA** - Completion of the construction of 3 projects from the E4 backlog with a capacity of 70 MWp. ▪ Debt raising through the expansion of bonds (Series A) in the amount of NIS 549 million for a total net consideration of approx. NIS 504 million. ▪ Increase in credit facilities in the amount of approx. NIS 800 million.

1.6 Summary of the main data - the Group

Main financial results - Consolidated Statements	Unit	Q1/2025	Q1/2024	2024	% Change[1]
Revenue from rental fees and management of investment property	NIS thousands	349,134	331,478	1,389,184	5.3
Fair value adjustments of investment property	NIS thousands	7,225	(73,372)	607,208	109.8
Group share in the profits (losses) of associates, net	NIS thousands	53,126	(319,174)	(540,178)	116.6
Revenue from sale of electricity and green certificates	NIS thousands	169,293	222,548	856,210	23.9
Profit (loss) for the period	NIS thousands	164,956	(238,853)	249,206	169.1
Profit (loss) for the period attributed to Company shareholders	NIS thousands	66,974	(339,821)	(346,199)	119.7
Comprehensive income (loss) for the period, attributed to Company shareholders	NIS thousands	209,475	(313,205)	(443,351)	166.9
Total balance sheet	NIS thousands	40,755,400	38,453,745	40,047,643	1.8
Equity (including non-controlling interests)	NIS thousands	11,817,344	10,698,776	11,632,526	1.6
Financial debt (bank credit and bonds)[2]	NIS thousands	22,954,440	22,862,704	22,419,722	2.4
Net financial debt[3]	NIS thousands	22,122,424	21,308,885	20,895,396	5.9
Ratio of net financial debt to total balance sheet[4]	%	56.4	57.7	54.2	(2.3)
Main financial results - Expanded Solo[5]					
Total balance sheet	NIS thousands	11,057,932	10,655,325	11,329,550	(2.4)
Equity attributed to Company shareholders	NIS thousands	5,572,385	4,658,838	5,413,576	2.9
Financial debt (bank credit and bonds)[2]	NIS thousands	5,392,020	6,102,223	5,825,236	(7.4)
Net financial debt[3]	NIS thousands	5,293,557	5,962,761	5,183,474	2.1
Ratio of net financial debt to total balance sheet[4]	%	48.3	56.7	48.5	(.4)
Earnings (loss) per share data					
Earnings (loss) per share - basic	NIS	0.31	(1.89)	(1.81)	116.4
Comprehensive income (loss) per share - basic	NIS	0.97	(1.74)	(2.32)	156
Current dividend per share	NIS	0.24	0.18	0.72	33.3
NAV per share	NIS	25.91	25.92	25.18	2.9
NNAV per share[6]	NIS	30.47	30.92	29.65	2.8
Price per share at end of period	NIS	29.00	26.53	30.40	(4.6)

1. Balance sheet data of March 31, 2025 compared to December 31, 2024. Result data of 1-3/2025 compared to 1-3/2024.
2. Financial debt also includes assets/liabilities of derivative transactions carried out by the Group.
3. Financial debt presented net of cash balances. The Company's financial debt (expanded solo) as of March 31, 2025 is the financial debt less cash balances. For information regarding the adjusted leverage rate, please see Section 2.4.3 below.
4. Net financial debt as a percent of total balance sheet, less cash balances. The Company's net financial debt (expanded solo) as of March 31, 2025 is the financial debt less cash balances. For information regarding the adjusted leverage rate, please see Section 2.4.3 below.
5. In the expanded solo balance sheet, the investment in Amot, Energix and BE is presented on an equity basis instead of the consolidation of their statements with the Company's statements (the remaining investments are presented unchanged in the statement presented in accordance with IFRS principles).
6. When calculating the NNAV per share, the Company's tax reserves (expanded solo) were neutralized, as was the Company's share in the tax reserves of investees.

1.7 Summary of the main data - Investees

		Q1/2025	Q1/2024	2024	% Change[7]
Investment in Israel - Amot Investments Ltd. (rate of holdings - 51.05%)[8]					
Number of income-generating properties	Unit	112	113	112	
Value of investment property (without property in development)	NIS thousands	17,316,751	16,838,309	17,294,792	0.1
Weighted discount rate derived from investment property	%	6.4	6.35	6.42	
Occupancy rate at end of period[9]	%	93.2	93.2	92.3	
Value of investment property in development	NIS thousands	3,506,985	2,839,107	3,316,001	5.8
Ratio of net financial debt to total balance sheet	%	45.0	45.0	44.0	
NOI[10]	NIS thousands	264,328	255,116	1,042,713	3.6
FFO[11] per share - according to the Management's approach	NIS	0.429	0.429	1.746	-
NAV per share	NIS	19.28	18.6	19.44	(0.8)
Price per share at end of period	NIS	17.96	17.49	20.64	(13.0)
Investment in the United States - Carr Properties Corporation (rate of holdings - 47.8%)[12]					
Number of income-generating properties	Unit	12	13	12	
Value of investment property (without property in self-development)	USD thousands	2,006,740	1,512,512	1,976,408	1.5
Rental rate	%	88.2	89.9	89.4	
Number of properties in development	Unit	2	3	2	
Value of self-developed properties	USD thousands	33,647	742,795	48,406	(30.5)
Ratio of net financial debt to total balance sheet	%	62.6	59.4	64	
[13]NOI	USD thousands	39,337	41,108	151,879	(4.3)
FFO [11]	USD thousands	18,008	18,063	62,458	(0.3)

7. Balance sheet data of March 31, 2025 compared to December 31, 2024. Result data of 1-3/2025 compared to 1-3/2024.
8. The main figures for Amot are from the Amot's expanded consolidated financial statements published in Amot's Board of Directors' Report (hereinafter: "**Amot's Pro Forma Reports**"). Amot's Pro Forma Reports are Amot's reports presented according to IFRS principles, with the exception of the implementation of IFRS 11 "Joint Arrangements", which came into effect on January 1, 2013. In Amot's Pro Forma Reports, the investments in investees, presented based on the equity method in Amot's Financial Statements, are neutralized and presented according to the relative consolidation method, similar to their treatment prior to IFRS coming into effect.
9. Without a property realized subsequent to the balance sheet date.
10. Net operating income.
11. Funds from operations.
12. The financial data presented above includes Carr's economic share in its assets and liabilities and those of all its investees, including of companies that are not consolidated in its financial statements prepared in accordance with IFRS principles.
13. Including NOI from property management.

1.8 Summary of the main data - Investees (continued)

		Q1/2025	Q1/2024	2024	% Change[14]
Investment in the UK - Brockton Everlast Inc. Limited (rate of holdings - 84.92%)					
Number of income-generating properties	Unit	11	10	10	
Value of investment property	GBP thousands	712,825	682,200	690,500	3.2
Occupancy rate at end of period	%	97.4	97.9	97.3	
Value of land for initiation	GBP thousands	428,950	372,950	421,450	1.8
Ratio of financial debt to total balance sheet	%	30.4	31.8	29	
NOI	GBP thousands	9,751	10,433	42,730	(6.5)
FFO	GBP thousands	2,047	2,672	12,375	(23.4)
Investment in renewable energy - Energix Renewable Energies Ltd. (rate of holdings – 50.23%)					
Installed capacity from connected photovoltaic systems (MWp) - Energix's share	Unit	1,048.8	978.0	1029.0	1.9
Installed capacity from connected wind systems (MW) - Energix's share	Unit	301.2	301.2	301.2	-
Balance of connected electricity-generating facilities - according to book value	NIS thousands	5,970,870	5,612,583	5,674,033	5.2
Price per share at end of period	NIS	10.13	13.52	12.5	(19)

14. Balance sheet data of March 31, 2025 compared to December 31, 2024. Result data of 1-3/2025 compared to 1-3/2024.

2. Board of Directors' Explanations for the State of Corporate Affairs

2.1 The business environment

1. For additional information regarding the business environment in which the Group operates in the areas of income-generating property and renewable energies, please see the Description of the Corporation's Business chapter in the 2024 Periodic Report.

2. **Income-generating property sector - The following is information regarding significant developments that occurred in the business environment of the Group companies engaged in the income-generating property sector, from the beginning of 2025 until close to the date of publication of the report:**

A. <u>Developments in Israel</u>

The Bank of Israel Research Division's macroeconomic forecast from April 2025 predicts GDP growth of 3.5% in 2025 and 4.0% in 2026. The forecast is based on the assumption that the renewed fighting in Gaza will not extend beyond the second quarter of 2025, and will not spread to additional fronts. The forecast includes estimates of the impact of the import tariffs imposed by the United States in April 2025, which are expected to lead to a 4% decline in global trade by the end of 2026, and reduce Israeli GDP growth by approx. 0.5 percentage points, in each of 2025 and 2026.

According to the above forecast, inflation in the next four quarters (until the first quarter of 2026) is expected to be 2.5%, during 2025 it is expected to be 2.6% and during 2026 approx. 2.2%. The average interest rate in the first quarter of 2026 is expected to be 4.0%, which represents a gradual decrease from its current level.

The state budget deficit is expected to be 4.2% of the GDP in 2025 and to decrease to 2.9% in 2026. The public debt is expected to be 69% of the GDP in 2025 and 68% in 2026.

Since the beginning of the year, there has been a gradual recovery in demand and transactions from tenants actively searching. In the local high-tech sector, there has been an increase in investments. In addition, it is evident that the "Flight to Quality" trend will continue and that the new space in Amot's core markets will continue to be almost fully occupied, compared to secondary markets, including Petah Tikva, Bnei Brak and Holon, where there is difficulty in filling vacancies and in trying to match rental fees with the rate of inflation.

B. <u>Developments in the United States</u>

During the first quarter of 2025, the US economy contracted, for the first time since the first quarter of 2022, by approx. 0.3%. The sharp reversal from the previous quarter's growth rate of 2.4% was mainly due to a sharp increase in imports of goods, as business owners prepare for the possible impact of the new tariffs that entered into effect. Additional data released shows that the unemployment rate in the United States rose slightly from 4.1% at the end of 2024 to 4.2% in the first quarter of 2025, indicating that labor markets remain strong.

The inflation rate decreased during the first quarter to an annual rate of approx. 2.4%, compared to an annual rate of approx. 2.9% in the fourth quarter of 2024. Despite the downward trend in the inflation rate, the Federal Reserve (the "**Fed**") decided to leave the Fed interest rate unchanged at its last meeting in May 2025, noting that the tariffs imposed were larger than expected and therefore short-term inflation expectations had increased. As of the date of publication of the report, the Fed interest rate is approx. 4.25%-4.50%. The yield on 10-year government bonds remains high despite having declined slightly since the end of the year - from 4.6% to around 4.4%.

Washington D.C.

As of March 2025, the vacancy rate for Trophy offices in Washington, D.C. was 12.9%, compared to 18.7% for Class A offices. Approx. 89% of the unleased space in Class A offices is in buildings built before 2015. Rental rates have remained stable, with a 28% gap between the two office types mentioned above.

During the first quarter of 2025, the leased space in Washington, D.C. amounted to approx. 1.4 million sq ft, with government and law firms leading the leasing volume. In the first quarter of 2025, there was a significant increase in the rate of return to offices, which is expected to have a positive effect on the continued demand for offices.

It should be noted that as of the date of publication of this report, in Washington, D.C. There is only one Trophy office building, which will be completed in 2025, half of which is already pre-leased.

The office-to-residential conversion trend continued to gain momentum during the first quarter of 2025, with 18 projects planned and 8 projects currently under construction.

Boston

As of March 2025, the vacancy rate in Boston's CBD remained at approx. 19.8% for Class A office space and 14.5% for Trophy office space. Rental prices for Trophy properties are approx. 24% higher than lower-level properties.

There was a positive trend in leasing in the first quarter of 2025, with over 1 million sq ft of leases signed. This is a 40% increase compared to the space leased in the first quarter of 2024.

Space offered for sublease remained unchanged at approx. 3.5 million sq ft, down 20% from the peak recorded in the third quarter of 2023.

C. Developments in the UK

According to the Bank of England's ("**BOE**") updated forecasts, the GDP is expected to increase by 1% in 2025, the same rate of increase as in 2024.

The UK unemployment rate rose from approx. 4.1% in August 2024 to 4.4% in November 2024, and remained at 4.4% as of February 2025.

As of March 2025, the annual inflation rate in the UK was 2.6%, above the central bank's target of 2%. The BOE maintained the monetary interest rate at 4.5% in March 2025, following a 25 basis point reduction from 4.75% in February 2025.

In the first quarter of 2025, London office leasing activity totaled 1.9 million sq ft, led by the City of London. This is a 15% increase compared to the corresponding period in 2024.

Prime rental fees rose for the third consecutive quarter to approx. GBP 160 per sq ft, reflecting annual rental fee growth of over 14%.

In the first quarter of 2025, the supply of offices decreased by 1% to approx. 22.5 million sq ft. The overall vacancy rate decreased marginally from 9.0% to 8.9% over the same period. The vacancy rate for new builds remained stable at 1.4%.

During the first quarter of 2025, office and laboratory leasing activity remained stable in Cambridge and Oxford while rental fees continued to rise. Laboratory discount rates remained at 4.75% and office discount rates also remained unchanged at 6.0%.

3. Renewable Energy Sector - **The following is information regarding a significant development as of the date of publication of the report in the US business environment in the renewable energy sector in which Energix operates:**

   In April 2025, the current US administration imposed a series of tariffs at a base rate of 10% on all goods, as part of its stated policy. Additional tariffs may apply to specific countries. According to publications, it is not possible to estimate how long the tariff decisions will be in effect and in any case, according to information provided to the Company based on Energix's assessment, the import tariff decisions are not expected to have a material impact on Energix's projects under construction and pre-construction in the United States.

   In addition, as of the date of approval of the report, discussions are underway regarding possible changes to the IRA law, under which, among other things, tax benefits (ITC) relevant to Energix's activities in the United States were regulated. In this context, in May 2025, a draft budget law was published that includes possible changes to the IRA legislation, including a gradual reduction of tax benefits from 2029 to 2032. However, according to publications regarding the published draft law, it appears that the changes with respect to tax benefits for the renewable energy sector are not significant for Energix's activities, among other things, in view of Energix's strategic cooperations, with an emphasis on First Solar and the guarantee of US-made panels for Energix's future projects in the United States.

   It should be clarified that as of the date of approval of the report, no changes have occurred in the provisions of the IRA Act, and although there is no certainty that there will indeed be an impairment of the ITC benefit structure, Energix has prepared in advance for possible changes in legislation as part of Safe Harbor protection under the current legislation. Accordingly, Energix estimates that it will be entitled to tax benefits in accordance with the current legislation in relation to the total number of projects expected to begin construction in the years 2025-2027, at a rate of 40%-50% of the construction cost recognized for the tax benefit.

The Company's estimates of the possible consequences of future developments in the economic environment in which the Group operates, as detailed above, constitute forward-looking information, as defined in the Securities Law, 1968 ("Forward-looking Information"), which is based, among other things, on the Company's assessments as of the date of publication of this report with respect to factors that are not under its control. The Company's assessments are based on information available to the Company, on publications and research on these subjects and on the guidelines of the relevant authorities in the various countries in which the Group operates. It should be clarified that there is no certainty that the above assessments will be realized, in whole or in part, due to factors beyond the Company's control.

2.2 Statement of Financial Position

Statement of Financial Position item	March 31, 2025 NIS millions	December 31, 2024 NIS millions	Notes and explanations
Cash and cash equivalents	832	1,524	For Statement of Cash Flows, please see Section 2.6 below.
Investment property, investment property in development and land rights (including investment property held for sale)	25,629	25,006	The increase stems from investments in property in development and in existing income-generating properties. Part of the increase stems from Amot in the amount of approx. NIS 192 million (approx. NIS 41.5 million for the acquisition of half of a land division with an area of approx. 1 dunam adjacent to the ToHa project) and NIS 140 million in BE, as well as from the effect of exchange rates on BE's properties (approx. NIS 276 million).
Investments in companies accounted for according to the equity method and securities measured at fair value through profit and loss	2,381	2,303	The following are the main changes: • Profits recorded in associates in the amount of approx. NIS 53 million, which stems in part from positive real estate valuations in the United States (Carr and AH Boston) in the reporting period. For information on this matter, please see Sections 2.3.3 and 2.5.2 below. For information regarding changes in the balance of investments in associates, please see Notes 6, 7 and 11(c) to the financial statements.
Electricity-generating facilities - connected and in development	10,593	9,943	Most of the increase is due to Energix's investments in the initiation and development of projects in the United States and in Israel. For information regarding electricity-generating facilities, please see Note 5 to the financial statements.
Other assets	1,320	1,272	
Total assets	40,755	40,048	
Loans and bonds	22,623	22,082	The following are the main changes: • Raising of bonds and receipt of loans in the amount of NIS 1 billion. • Repayment of bonds and loans in the amount of NIS 0.8 billion. For information regarding the main changes in the Group's financial debt, please see Section 2.4.3 below.
Other liabilities	6,315	6,333	
Total liabilities	28,938	28,415	
Equity attributed to shareholders	5,572	5,414	For information regarding the main changes in equity attributed to shareholders, please see Section 2.7.2 below.
Non-controlling interests	6,245	6,219	
Total equity	11,817	11,633	
Total liabilities and equity	40,755	40,048	

2.3 Investments

2.3.1 The following are the Company's investments (expanded solo) as of March 31, 2025:

	Currency	Number of shares	Balance in the Company's books (expanded solo)	Value	Value measurement basis
			NIS thousands	NIS thousands	
Amot	NIS	240,718,672	4,621,466	4,323,307	Stock market value - tradable
Energix	USD/PLN/NIS	276,060,936	1,135,644	2,796,497	Stock market value - tradable
CARR	USD	-	1,372,580	1,372,580	Equity method
BOSTON AH	USD	-	353,027	353,027	Equity method
BROCKTON EVERLAST	GBP	-	3,188,664	3,188,664	Equity method
BROCKTON FUNDS[15]	GBP	-	219,616	219,616	Equity method
Other[16]			102,942	102,942	
Total			10,993,938	12,356,633(*)	

(*) As of the date of publication of this report, the value of the holdings is NIS 13.3 billion.

2.3.2 The Company's investments (expanded solo) in the reporting period and subsequent to the balance sheet date

During the reporting period and subsequent to the balance sheet date, the Company (expanded solo) invested in its investees, as follows:

	Q1/2025	Subsequent to the balance sheet date	Total
	In NIS millions	In NIS millions	In NIS millions
Brockton Everlast	53	-	53
AH Boston	6	4	10
	59	4	63

[16] Including mainly cash in the amount of NIS 98 million.

2.3.3 Property revaluations

For information regarding the concentration of the investment property valuations recorded by the Company's investees in the reporting period (the three-month period ended March 31, 2025), please see Note 2.3.4, 2.3.5, 2.3.6 and 2.3.7 below.

2.3.4 Investment in property in Israel - through Amot

As of March 31, 2025, the Company holds 51.05% in Amot.

2.3.4.1 Information regarding Energix's activity in Israel

For information regarding Amot's activity, see Chapter B of the Company's Description of Corporate Business for 2024 and Section 2.3.4 of the Company's Board of Directors' Report for 2024.

2.3.4.2 Developments in Amot's business in the reporting period are as follows:

Further to Note 4b to the 2024 Annual Financial Statements -

- **Halehi Complex (the Park)** - Amot has signed lease contracts for approx. 13 thousand sq m (Amot's share - 50%), which are expected to generate annual rental fees of approx. NIS 21 million (Amot's share - 50%). Form 4 for the office tower is expected in the fourth quarter of 2025.
- **ToHa2 tower** - The construction of the tower is progressing and as of the date of publication of the report, approx. 65% of the skeleton work has been completed in accordance with the planned schedule. The ToHa2 envelope and systems work are also progressing according to plan and the expected completion of construction and receipt of Form 4 is at the end of 2026.
- **Acquisition of land reserves adjacent to ToHa** - In January 2025, Amot entered into an agreement with an unrelated third party for the acquisition of half of a land division of approx. one dunam adjacent to the ToHa project, on which it will be possible to build approx. 2,000 sq m of employment and approx. 33 residential units, for a payment of NIS 41.5 million, plus VAT as required by law.

2.3.4.3 Fair value adjustments of investment property

In the reporting period, Amot recorded a positive revaluation in its financial statements in the amount of approx. NIS 13 million.

Amot's FFO

	Amot Investments Ltd.		
	NIS thousands		
	Q1/2025	Q1/2024	2024
Profit for the year	**159,231**	**149,171**	**919,002**
Adjustments:			
Profit from change in fair value of investment property and profit from sale of investment property	(16,797)	(22,633)	(570,485)
Acquisition costs recognized in profit and loss	3,510	19,302	23,053
Current and deferred tax effects of the above adjustments	29,005	29,743	154,578
FFO - according to the Authority's approach	**174,949**	**175,583**	**526,148**
Management's approach, additional adjustments:			
Share-based payment	2,118	1,814	8,324
Depreciation and amortizations	726	795	2,850
Linkage differential expenses on the debt principal	24,534	23,577	285,863
FFO - according to the Management's approach	**202,327**	**201,769**	**823,185**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**89,316**	**89,803**	**268,752**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**103,293**	**103,197**	**420,476**

(*) The FFO in respect of Amot is presented without excluding intercompany balances.

2.3.5 Investment in Carr

As of March 31, 2025 and close to the date of publication of the financial statements, the Group's effective holding in Carr is 47.8%. The balance of the investment in Carr in the financial statements as of March 31, 2025, is USD 369 million (NIS 1.37 billion).

2.3.5.1 Information regarding Carr's activity

For information regarding Carr's activity, see Chapter C1 of the Company's Description of Corporate Business for 2024 and Section 2.3.5 of the Board of Directors' Report for 2024.

2.3.5.2 Developments in Amot's business in the reporting period and subsequent to the date of the report are as follows:

Non-binding memorandum of understanding with JPM - In February 2025, Carr entered into a non-binding memorandum of understanding with JPM (hereinafter - the "**Memorandum of Understanding**"), under which Carr will redeem JPM's entire holdings in Carr, in exchange for the transfer of full ownership of three of its property assets (net of liabilities) (hereinafter in this section - the "**transaction**").

As part of the preparations for the aforementioned redemption, Carr has performed and is performing the following actions (in the following order):

1.) **Realization of properties** - Subsequent to the date of the report, in April 2025, Carr engaged in agreements for the sale of two properties for a total consideration of USD 120 million. For information, please see Note 6c to the financial statements.

2.) **One Congress Building -** During May 2025, Carr and its partner in the building entered into a loan agreement in the amount of USD 650 million. The loan is for a period of 7 years and has a fixed interest rate of 5.78%. The loan was used by Carr and its partner to repay the financing for the building's construction in the amount of USD 570 million, while the balance was used to repay capital to the partnership (Carr's share - USD 60 million).

3.) Carr is working to obtain an additional loan, against a lien on three of its properties.

4.) The Company will inject equity into Carr in the amount of approx. USD 50 million.

5.) Carr will repay its entire utilized credit facilities, including short-term loans.

Upon completion of all of the steps detailed in Sections 1-5 above, Carr will redeem JPM's holdings (35.5%) in exchange for the transfer of full ownership of three properties free of any debt.

The Company's holding in Carr will increase to approx. 80% and it will be consolidated for the first time in the Company's financial statements.

Carr will relinquish ownership of, among other things, the Trophy properties it built, including One Congress in Boston, Midtown Center, The Willson and 1700 NY in Washington.

The information regarding the feasibility of the transaction's completion, including Carr's completion of the sale of the properties and taking new loans, the Company's injection of capital into Carr, is forward-looking information within the meaning of the Securities Law, 1968. Such information is based on estimates by the Company and Carr and there is no certainty that they will materialize in full or in part, due, among other things, to factors beyond the control of the Company or Carr.

Carr's FFO is as follows:

	Carr's FFO		
	NIS thousands		
	Q1/2025	Q1/2024	2024
Profit for the year	**31,337**	**(140,820)**	**(145,080)**
Adjustments:			
Profit from change in fair value of investment property	(12,715)	98,304	129,392
Acquisition costs recognized in profit and loss	845	1,254	6,433
Current and deferred tax effects of the above adjustments	(110)	(45)	1,921
Adjustments as detailed above in respect of associates	924	62,651	74,725
FFO - according to the Authority's approach	**20,281**	**21,344**	**67,391**
Attributed to non-controlling interests	(2,992)	1,097	1,643
Adjustments stemming from the non-controlling interests' share in FFO	720	(4,378)	(6,576)
FFO - according to the Authority's approach attributed to Company shareholders	**18,009**	**18,063**	**62,458**
FFO - according to the Management's approach, in USD thousands	**18,009**	**18,063**	**62,458**
Management's approach, additional adjustments:			
NOI	36,806	38,722	137,168
Administrative and general expenses	(3,237)	(3,341)	(7,843)
Financing expenses	(15,560)	(17,318)	(66,867)
FFO - according to the Management's approach	**18,009**	**18,063**	**62,458**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	31,089	31,573	110,216
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	31,089	31,573	110,216

2.3.5.3 Fair value adjustments of investment property

In the reporting period, Carr recorded a net positive revaluation in the amount of USD 10 million in its financial statements (the Group's share in the positive revaluation before tax is approx. USD 5 million, (NIS 18 million)).

2.3.6 Investment in AH Boston

2.3.6.1 General

The Company holds approx. 55% of the capital rights and 50% of the controlling rights (through fully owned corporations) in three companies that hold two office towers and a laboratory building for the Life Sciences (two in the Boston CBD (Boston's central business district) and one in East Cambridge) (hereinafter, collectively - the "**Boston Partnerships**"). The Company's partner in the Boston Partnerships is the Oxford Properties Group (hereinafter: "**Oxford**").

The balance of the investment in the three Boston Partnerships, in the financial statements as of March 31, 2025, is USD 95 million (approx. NIS 353 million).

2.3.6.2 745 Atlantic:

As of the date of the report, the conversion of the 745 Atlantic building from an office building to a life science laboratory building has been completed, with the exception of tenant adaptation work, which is budgeted at USD 35 million. As of the date of publication of this report, no space has been leased yet in the building.

The information included in this section above regarding the project's adaptation work budget constitutes forward-looking information as defined in Section 32A of the Securities Law.

2.3.6.3 Summer 125:

In the reporting period, the main tenant in the building expanded the lease agreement by an additional 100 thousand sq.ft. and extended its total lease agreement by 256 thousand sq.ft. until 2033. The rate of leased space in the building is 92%.

2.3.6.3 Fair value adjustments of investment property

In the reporting period, positive revaluations were recorded in the amount of USD 1 million (the Group's share in the positive revaluation before tax is approx. USD 0.5 million, (NIS 2 million)).

AH Boston's FFO

	FFO - AH Boston		
	USD thousands		
	Q1/2025	Q1/2024	2024
Profit (loss) for the year	804	(37,018)	(136,952)
Adjustments:			
Loss (profit) from change in fair value of investment property	(719)	39,575	142,942
Depreciation and amortizations	1,400	1,302	5,202
Loss from changes in fair value or sale of financial instruments	471	838	3,498
FFO - according to the Authority's approach	1,956	4,696	14,690
FFO - according to the Management's approach	1,956	4,696	14,690
Management's approach, additional adjustments:			
NOI	5,633	7,607	28,510
Administrative and general expenses	(1,642)	(327)	(1,122)
Financing expenses	(2,035)	(2,311)	(12,698)
FFO - according to the Management's approach (*)	**1,956**	**4,969**	**14,690**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**3,887**	**9,466**	**29,869**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**3,887**	**9,466**	**29,869**

(*) For the three month period ended March 31, 2025 and for the year ended December 31, 2024, the amount includes a cash flow deficit of USD 1 million and USD 3 million, respectively, in respect of operating expenses and interest on a project in development (Atlantic 745) that has not yet been leased.

2.3.7 Investment in Brockton Everlast ("**BE**"):

As of March 31, 2025 and close to the date of publication of the report, the Company indirectly held approx. 84.9% of the rights in BE. During the reporting period, the Company invested approx. GBP 11 million (approx. NIS 53 million) in BE's capital.

2.3.7.1 Information regarding BE's activity

- In the reporting period, BE commenced construction of the Dovetail building in the City of London (BE is in the process of demolishing the buildings existing on the site).
- During the reporting period, BE completed the acquisition of a 40 thousand sq ft office building in the Cambridge Science Park (hereinafter - the "**Building**"), for a consideration of approx. GBP 22 million (approx. GBP 24 million, including transaction costs).

  The building, which is fully leased to a single tenant, includes a car park which is planned to be used as a replacement for the construction of approx. half of the parking spaces in a project promoted by BE in the area, thereby saving the construction costs of that project by an amount exceeding the cost of purchasing the building.

In order to finance the acquisition of the building, BE took a loan in the amount of approx. GBP 13 million and the balance was financed through shareholders' equity.

For additional information regarding BE's activity, please see Chapter D of the Company's Description of Corporate Business for 2024 and Section 2.3.6 of the Board of Directors' Report for 2024.

2.3.7.2 Fair value adjustments of investment property

In the reporting period, BE recorded a negative revaluation of GBP 1.3 million (NIS 6 million) resulting from a reduction in the acquisition costs of a property in the Cambridge Science Park (see section 2.3.7.1 above).

2.3.7.3 Financial debt

- In February 2025, BE took a loan in the amount of GBP 45 million (NIS 202 million), replacing a loan of GBP 46 million, which was due. For additional information, please see Note 8d to the financial statements.
- As of March 31, 2025, BE had loans from banking corporations totaling approx. GBP 380 million, of which approx. GBP 280 million will be repaid during 2026. BE is in contact with financial institutions to refinance the aforementioned debts.

2.3.7.4 BE's FFO:

	FFO - BE		
	GDP thousands		
	Q1/2025	Q1/2024	2024
Loss for the year	**(1,133)**	**(15,521)**	**(26,942)**
<u>Adjustments</u>:			
Loss (profit) from change in fair value of investment property	1,333	16,504	(11,940)
Loss or reversal of an impairment loss according to IAS 36 (including impairment of an investment measured according to the equity method) or profit from a purchase at a bargain price	-	-	42,800
Loss (profit) from changes in fair value or sale of financial instruments	1,454	1,186	4,480
Current and deferred tax effects of the above adjustments	-	9	1,495
FFO - according to the Authority's approach, in GBP thousands	**1,654**	**2,178**	**9,893**
<u>Management's approach, additional adjustments</u>:			
Depreciation and amortizations	193	80	527
Share-based payment	200	494	2,314
Adjustment of tax expenses or income resulting from all of the above adjustments	-	(80)	(359)
FFO - according to the Management's approach, in GBP thousands	**2,047**	**2,672**	**12,375**
<u>The following is a breakdown of FFO according to the Management's approach</u>:			
NOI	9,752	10,260	42,730
Administrative and general expenses	(2,322)	(3,619)	(12,816)
Financing expenses	(5,383)	(4,977)	(20,006)
Management fee revenue from Brockton Funds	-	1,008	2,467
FFO - according to the Management's approach, in GBP thousands	2,047	2,672	12,375
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**6,386**	**8,454**	**39,208**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**7,903**	**10,367**	**49,032**

2.3.8 Investment in renewable energy through Energix

As part of Energix's total activity in Israel, the United States and Poland, the total capacity of its photovoltaic and wind energy systems, as of the date of approval of the report, amounts to approx. 1.4 GW and 189 MWh (storage), projects in commercial operation, approx. 844 MW and 258 MWh (storage) development and pre-construction (and up to an additional 470 MW, subject to the completion of the acquisition of the Jonava project in Lithuania), and approx. 633MW and 50 MWh (storage) in projects in advanced stages of initiation. In addition, Energix has photovoltaic and wind energy projects in initiation with a capacity of approx. 5 GW and storage projects in initiation with a capacity of approx. 11 GWh[17].

2.3.8.1 Information regarding Energix's activity

For information regarding Energix's activity, see Chapter F of the Company's Description of Corporate Business for 2024 and Section 2.3.8 of the Board of Directors' Report for 2024.

2.3.8.2 Developments in Energix's business in the reporting period and subsequent to the balance sheet date are as follows:

- **Construction work** - As of the date of approval of the report, Energix is in the midst of construction work on 13 projects with a total capacity of approx. 738 MW + 100 MWh, of which 7 projects are in the United States with a total capacity of approx. 563 MWp, 3 projects are in Poland with a total capacity of 30 MW + 100 MWh and 3 projects are in Israel with a total capacity of approx. 145 MW + 158 MWh.
- **Entry into operations in Lithuania** - In March 2025, Energix entered into an agreement for the acquisition of a combined wind and photovoltaic project with a total capacity of approx. 470 MW in Lithuania (approx. 140 MW wind and up to 330 MWp photovoltaic). This is Energix's first project in Lithuania, in the context of Energix's considerations for expanding its operations to Lithuania under its independent operations in Poland. The completion of the transaction and the transfer of ownership of the project to Energix for a total consideration of approx. EUR 25 million is subject to the granting of a construction permit for the project, which is expected in the coming weeks.

  As part of Energix's preparations to complete the transaction and commence construction of the project, in May 2025, Energix entered into a memorandum of understanding for the receipt of financing in the amount of up to EUR 240 million for the construction of the project, and it is in negotiations for an agreement with construction contractors and to purchase the main equipment required for the project.

  The total construction cost of the project is estimated at approx. EUR 350-390 million. Based on the expected electricity prices in Lithuania, the expected average revenue, project EBITDA and net cash flow in the first five years are EUR 50-60 million, EUR 40-48 million and EUR 16-22 million, respectively.

[17] Including 3 projects with a capacity of approx. 70 MWp that were connected and began commercial operation subsequent to the balance sheet date.

United States

- For information regarding the imposition of tariffs by the Trump administration, please see Section 2.1(3) above and Note 5b.1 to the financial statements.
- **Completion of construction and commercial operation of 3 projects from the E4 backlog** - As of the date of approval of the report, Energix has completed the construction of 3 projects with a capacity of approx. 70 MWp from the E4 backlog, which have been connected to electricity. The remaining projects in the E4 backlog are expected to reach commercial operation in the second half of 2025.

Poland

- **Construction and expected commercial operation of the first storage project in Poland** - Energix is in the midst of construction work on the first stand-alone storage project being built in Poland with a capacity of 48 MWh, which is expected to reach commercial operation at the end of the second quarter. Energix is also preparing to commence construction on its second stand-alone storage project in Poland, with a total capacity of approx. 52 MWh, which is expected to reach commercial operation towards the end of 2025. Energix estimates that these two projects are expected to be eligible for a government grant of up to 45% of the construction costs, as part of a grant program funded by the European Union for storage solutions to improve the stability of the electricity grid.
- **Win in the storage tender in Poland for 2026** - Subsequent to the balance sheet date, Energix won a tender for a fixed payment in exchange for availability from the first storage facility, in relation to a capacity of 13 MW for 2026. This win is in addition to the capacity that Energix won in December 2024 for annual availability revenues for 17 years starting in 2029.

The provisions of Section 2.3 above regarding projects in initiation, development and construction include forecasts, valuations, estimates or other information relating to a future event or matter, the realization of which is uncertain and beyond the control of the Company and/or the Group, and therefore constitutes forward-looking information as the term is defined in Section 32A of the Securities Law, 1968 ("**Forward-Looking Information**").

For additional information regarding Energix's business developments during the reporting period and after the balance sheet date, please see Note 5 to the financial statements.

The following is an analysis of project-based EBITDA used by Energix to calculate its operating results:

	Q1/2025	Q1/2024	2024
	NIS thousands	NIS thousands	NIS thousands
Energix's accounting EBITDA	97,945	166,516	625,934
Lease expenses (IFRS 16)	(7,474)	(6,031)	(30,396)
Other revenue/expenses, including initiation expenses	7,472	5,973	10,046
Administrative and general	30,726	26,984	135,090
Total project EBITDA	128,669	193,442	740,675

2.3.9 Dividend receipts

The following are the dividends received from the Company's main investments (expanded solo) in 2025, up to the date of publication of the financial statements, and the projected receipts of dividends for 2025:

	From January 2025 to the date of publication of the reports	2025 forecast
	In NIS millions	
Amot	120	315
BE	-	48
Energix	28	110
AH Boston	7.5	29
Total cash dividend	155.5	502
[18]Carr – Dividend Reinvestment Plan	-	118
Total dividend	155.5	620

The dividend receipt forecast for 2025 is calculated in accordance with the declared dividend distribution policy of each of the companies mentioned above, and is based on the Company's existing investment portfolio as of the date of publication of this report.

The above table does not include dividends and returns on investments from the Brockton Funds, which were received and which may be received upon realization of their properties.

The information on dividend receipts for 2025 constitutes forward-looking information in accordance with Section 32A of the Securities Law, 1968, in view of the fact that there is no certainty that the authorized bodies of the investees will actually approve the dividend distributions, and this is at their sole discretion.

2.4 Liquidity and financing sources

2.4.1 Cash and credit facilities

As of March 31, 2025, the Group has cash balances of NIS 0.8 billion (of which the Company's expanded solo balance - NIS 98 million) and unutilized lines of credit in the amount of approx. NIS 2.1 billion (of which the Company's expanded solo unutilized lines of credit - NIS 500 million, NIS 550 million as of the date of publication of the report).

2.4.2 Unencumbered assets

As of March 31, 2025, all of the Company's assets (expanded solo) are unencumbered. Their balance (not including cash) as of March 31, 2025 is NIS 10.9 billion (a market value of NIS 12.3 billion). As of March 31, 2025, Amot has a balance of unencumbered assets (approx. 98%) in the amount of approx. NIS 20 billion.

2.4.3 Financial debt

As of March 31, 2025, the Group's net financial debt amounted to NIS 22.1 billion, constituting 56.4% of the Group's total assets, compared to a net financial debt of NIS 20.9 billion, which constituted 54.2% of the Group's assets as of December 31, 2024.

As of March 31, 2025, the net financial debt of the Company (expanded solo) amounted to NIS 5.3 billion, constituting 48.3% of the total assets of the Company (expanded solo), compared to net financial debt of NIS 5.2 billion, constituting 48.5% of the assets of the Company (expanded solo), as of December 31, 2024.

The Company's adjusted leverage rate (expanded solo) based on the stock exchange value of the Company's tradable holdings close to the date of publication of the report amounts to 40%.

[18] As part of the Company's choice to participate in Carr's DRIP program, the dividend amount to which the Company is entitled in Carr will remain after its receipt and reinvestment.

2.4.3.1 The Company (expanded solo):

As of March 31, 2025, the Company has a credit facility in the total amount of NIS 500 million, which is unutilized (as of the date of publication of the report - NIS 550 million).

For information regarding the Company's credit facilities, please see Note 12b to the Annual Financial Statements and Note 8 to the financial statements.

2.4.3.2 Consolidated companies:

During the reporting period and subsequent to the balance sheet date, the consolidated companies carried out the following actions:

Energix:

- In March 2025, Energix issued NIS 549 million PV of Energix bonds (Series A) by way of a series expansion by way of shelf offering report, for a total net consideration of NIS 504 million. In addition, subsequent to the date of the report, Energix issued non-tradable securities in the amount of NIS 100 million PV, with interest in the range of 4.5%-5%. Please see Note 9(b) to the financial statements.

- In the reporting period, Energix increased its credit facilities by approx. NIS 150 million, of which approx. USD 20 million (approx. NIS 75 million) was with banking corporations in the United States and the remainder with banking corporations in Israel.

- In addition, in the reporting period and subsequent to the date of the report, Energix signed for long-term credit facilities with banking corporations in Israel for up to USD 175 million, of which approx. USD 50 million was utilized as of the date of the report. The credit facilities are for periods of one to three years. Against these facilities, Energix has pledged equipment it owns that has not yet been financed through project financing.

- **Completion of a tax partner investment for projects with a capacity of approx. 70 MWp from the E4 backlog** - As of the date of publication of the report, Energix has received a total of approx. USD 13 million in relation to 3 projects with a total capacity of approx. 70 MWp. The remaining investment of USD 54-57 million is expected to be received in the coming weeks.

As of the date of the report, the Group is in compliance with all financial covenants in respect of its loans and bonds.

2.4.4 Working capital deficit

The working capital deficit as of March 31, 2025 amounted to a total of NIS 2.5 billion in the consolidated financial statements (NIS 0.4 billion in the Company's expanded solo statements). As of March 31, 2025, the Group has a high balance of unutilized long-term credit facilities and a high balance of unencumbered assets. In view of this, the Company's Board of Directors believes that the existence of a working capital deficit does not indicate a liquidity problem.

2.5 Operating results

In the reporting period, the Group recorded a profit of NIS 165 million, compared to a loss of NIS 239 million in the corresponding period last year. The share attributed to Company shareholders in the reporting period amounted to a profit of approx. NIS 67 million, compared to a loss of NIS 340 million attributed to Company shareholders in the corresponding period last year.

In the reporting period, the Group recorded comprehensive income of NIS 364 million, compared to a comprehensive loss of NIS 205 million in the corresponding period last year. The share attributed to Company shareholders in the reporting period amounted to a profit of approx. NIS 209 million, compared to a comprehensive loss of NIS 313 million attributed to Company shareholders in the corresponding period last year. For an explanation of the operating results in the reporting period, please see Sections 2.5.1 and 2.5.2 below.

2.5.1 The following table provides a summary of the operating results (in NIS thousands):

	Q1/2025	Q1/2024	2024
	NIS thousands	NIS thousands	NIS thousands
Revenue and profits			
Revenue from rental fees and management of investment property	349,134	331,478	1,389,184
Fair value adjustments of investment property	7,225	(73,372)	607,208
Group share in the losses of associates, net	53,126	(319,174)	(540,178)
Net profits (losses) from investments in securities measured at fair value through profit or loss	(10,174)	(17,379)	(227,508)
Profit from decrease in rate of holding, from acquisition and realization of associates	(72)	10	23
Revenue from sale of electricity and green certificates	169,293	222,548	856,210
Other revenue, net	578	2,665	26,010
	569,110	146,776	2,110,949
Costs and expenses			
Cost of investment property rental and operation	48,789	37,134	180,460
Initiation, maintenance and operation costs of electricity-generating facilities	41,199	31,682	121,400
Depreciation and amortizations	60,307	43,286	228,141
Administrative and general	61,017	58,051	266,809
Financing expenses, net	195,406	174,516	987,298
	406,718	344,669	1,784,108
Loss before taxes on income	162,392	(197,893)	326,841
Income tax expenses	(2,564)	40,960	77,635
Loss for the period	**164,956**	**(238,853)**	**249,206**
Allocation of net profit (loss) for the period:			
Share of Company shareholders	66,974	(339,821)	(346,199)
Share of non-controlling interests	97,982	100,968	595,405
	164,956	**(238,853)**	**249,206**

Comparison between the results of operations in the reporting period and in the corresponding period last year:

Revenues from rental fees and management of investment property – amounted to NIS 349 million in the reporting period, compared to NIS 331 million in the corresponding period last year, an increase of NIS 18 million (approx. 5%).
The increase stems mainly from revenue from Amot properties (approx. NIS 16 million) due to additional revenue from identical properties (among other things as a result of occupancy, price increases, and the increase in the CPI).

Fair value adjustment of investment property - In the reporting period, positive property revaluations were recorded in the amount of NIS 7 million, which stem from an adjustment of the value of an Amot property in the amount of NIS 13 million, which was offset by negative property revaluations in BE in the amount of approx. NIS 6 million, which stemmed mainly from a reduction of costs to profit and loss.

In the corresponding period last year, negative property revaluations were recorded in the amount of NIS 73 million, which stem mainly from a fair value adjustment in respect of BE's properties, which stemmed from an increase of 0.25% in the discount rate of the projected cash flow of some of the properties.

Group share in the losses of associates, net - The changes between the profit in the reporting period and in the corresponding period last year are mainly due to the following factors:

- **Group share in Carr's profits** - A profit of NIS 46 million was recorded in the reporting period, compared to a loss of NIS 249 million in the corresponding period last year. The profit in the reporting period is due to a positive value adjustment of Carr's properties in the amount of USD 10 million (the Company's share in the loss before tax - NIS 5 million, approx. NIS 18 million).

- **Group share in AH Boston's profits** - A profit of NIS 2 million was recorded in the reporting period, compared to a loss of NIS 74 million recorded in the corresponding period last year.

  In the corresponding period, negative revaluations were recorded in the amount of USD 40 million in respect of the Boston properties (the Group's share in the negative revaluation before tax is approx. USD 21.7 million (NIS 80 million)).
  The negative revaluations of properties in the reporting period resulted mainly from the increase of 0.25%-0.50% in the discount rate of the properties' projected cash flow.

Net profits (losses) relating to investments in securities measured at fair value through profit and loss - The profit (loss) in the reporting period and in the corresponding period last year stems from the fair value adjustment of investments measured at fair value through profit or loss (mainly the Brockton Funds).

Revenues from the sale of electricity and green certificates - Revenues from the sale of electricity and green certificates in the reporting period amounted to NIS 169 million compared to NIS 222 million in the corresponding period last year, a decrease of NIS 53 million.

The decrease is mainly due to a decrease in electricity revenues from Poland (approx. NIS 54 million) stemming from lower yields in Poland due to weak wind conditions and lower electricity prices in Poland (taking into account electricity hedging).

Net financing expenses - Financing expenses in the reporting period amounted to NIS 195 million compared to NIS 175 million in the corresponding period last year, an increase of NIS 20 million. The increase is mainly due to an increase in the Group's financial debt balance as well as an increase in interest rates.

Tax expenses (income) - In the reporting period, the Company did not create deferred tax assets due to the fact that they are not expected to be utilized in the near future.

2.5.2 The following is information regarding the Group's comprehensive income (loss) (in NIS thousands):

	Q1/2025	Q1/2024	2024
	NIS thousands	NIS thousands	NIS thousands
Loss for the period	**164,956**	**(238,853)**	**249,206**
Profit (loss) from investment in AH Boston properties (1)	2,779	1,985	(2,443)
Profit from investment in BE (1) (3)	125,248	19,182	(52,143)
Profit from investment in Energix and others (4)	59,378	5,048	(57,840)
Tax effects	200	(408)	2,582
Other comprehensive income for the period	199,120	33,681	(131,188)
Total comprehensive income (loss) for the period	**364,076**	**(205,172)**	**118,018**
Allocation of comprehensive income (loss) for the period:			
Share of Company shareholders	**209,475**	**(313,205)**	**(443,351)**
Share of non-controlling interests	154,601	108,033	561,369
	364,076	(205,172)	118,018

(1) Profit (loss) from investment in respect of foreign currency - The profit (loss) represents the increase (decrease) in the Company's investments due to changes in the NIS against the investment currencies in the reporting periods presented above. This profit (loss) is presented net of the effect of forward transactions and cross-currency swap transactions in USD, designated as hedges for investments. In the first quarter of 2025, there was a devaluation of the NIS by a rate of 1.86% and 5.27% against the USD and the GBP, respectively. In the corresponding quarter last year, there was a devaluation of the NIS by a rate of 1.49% and 0.74% against the USD and the GBP, respectively.

(2) In addition to the description in Section 1 above, the total profit from the investment in Carr in the first quarter of 2025 also includes an other comprehensive loss in the amount of NIS 2.3 million resulting from the Company's share in changes in the fair value of interest rate fixing transactions carried out by Carr (in the corresponding period last year - a decrease in other comprehensive income in the amount of NIS 1 million due to changes in the fair value of Carr's interest rate fixing transactions).

(3) In addition to the description in Section 1 above, the other comprehensive income from the investment in BE also includes an other comprehensive loss in the amount of NIS 5.3 million stemming from the changes in the fair value of interest rate fixing transactions carried out by BE (in the corresponding period, there was income in an immaterial amount).

(4) The profit in the reporting period is mainly due to the effect of exchange rates (net of hedging) at Energix due to the depreciation of the NIS against the USD, which was offset by a loss from electricity price fixing transactions in the United States. In the corresponding period last year, the profit is mainly due to the effect of exchange rates on Energix (net of hedging) due to the depreciation of the NIS against the USD and the PLN.

2.6 Cash Flows

	Q1/2025	Q1/2024	2024
	NIS millions	NIS millions	NIS millions
Total cash provided by operating activities	**65**	**185**	**1,064**
Cash flows used in investing activities			
Investment in investment property and fixed assets (including property in development)	(353)	(388)	(864)
Proceeds from the realization of investment property	14	222	334
Investment in electricity-generating systems	(442)	(323)	(1,429)
Investment in AH Boston	(6)	(3)	(124)
Repaid hedging transactions	(66)	(26)	(388)
Investment in Brockton Funds, net	-	(56)	(69)
Repayment (provision) of loans, net	(.2)	(12)	(24)
Net increase in deposits (including encumbered deposits) and realization of tradable securities	(46)	(1)	636
Total cash used in investing activities	**(899)**	**(587)**	**(1,929)**
Cash flows provided by financing activities			
Receipt of loans (long-term loans and utilization of short-term bank credit)	544	847	2,056
Proceeds from the issuance of bonds	503	555	555
Repayment of liabilities (long-term loans, bonds and repayment of short-term credit)	(828)	(1,507)	(2,827)
Capital raised by the Company	-	-	1,004
Capital raised by Amot (net of the Company's investment in the issue)	-	2	-
Capital raised by Energix (net of the Company's investment in the issue)	-	10	-
Capital raised by BE (net of the Company's investment in the issue)	-	41	-
Proceeds from the issue of shares and options to non-controlling interests	21	-	92
Acquisition of shares from non-controlling interests	-	-	(59)
Payment of dividends to Company shareholders and to non-controlling interests in consolidated companies	(115)	(195)	(611)
Total cash provided by financing activities	**125**	**(247)**	**210**
Total decrease in cash balances in the period	**(710)**	**(649)**	**(655)**
Other influences	**20**	**6**	**5**
Cash and cash equivalents and designated deposit balance at end of period	863	1,558	1,552
Less designated deposit	(31)	(4)	(28)

	Q1/2025	Q1/2024	2024
	NIS millions	NIS millions	NIS millions
Cash and cash equivalents at end of period	832	1,554	1,524

2.7 Equity

2.7.1 Equity per share

	As of March 31 2025	As of December 31 2024
	NIS millions	NIS millions
Equity	11,817	11,633
Less non-controlling interests	(6245)	(6,219)
Equity attributed to Company shareholders	**5,572**	**5,414**
Equity per share (NAV per share)	**25.91**	**25.18**
Equity per share, not including tax reserves (NNAV per share)	**30.47**	**29.65**

2.7.2 Explanation of changes in equity

During the reporting period, the capital attributed to the Company's shareholders increased by NIS 158 million.

The main changes are as follows:

- Profit attributed to the Company shareholders in the amount of NIS 67 million - please see additional information in Section 2.5.2 above.
- Other comprehensive income attributed to the Company shareholders in the amount of NIS 142 million - please see additional details in Section 2.5.3 above.
- A reduction in capital following dividends declared in the amount of NIS 51.6 million.

2.7.3 Effects of exchange rate changes on the Company's equity

The composition of the excess assets over liabilities based on the Company's statements (expanded solo) by currency as of March 31, 2025 (in NIS millions)[19]:

As of March 31, 2025	Assets	Liabilities	Net assets	%
USD	1,746	(714)	1,032	19%
GBP	3,412	(1,475)	1,937	35%
Excess assets over liabilities in foreign currency	5,158	(2,189)	2,969	53%
Excess assets over liabilities in NIS	5,900	(3,297)	2,603	47%
Equity as of March 31, 2025	11,058	(5,486)	5,572	100%

2.7.4 Dividends distributed by the Company in 2025

For information regarding dividends distributed by the Company in 2025, please see Note 10(a) to the financial statements.

2.8 Remuneration of senior officers and directors

For information regarding options granted to the Company's senior officers and directors, please see Note 17e to the Annual Financial Statements and Note 10b to the financial statements.

For information regarding the new terms of service of the Company CEO and the Chairman of the Board of Directors for the years 2025-2027, please see Notes 19a and 19b to the Annual Financial Statements, respectively.

3. Market risk exposure and management

3.1 Over the course of the reporting period, no material changes have occurred in the types of market risks as reported in the Board of Directors Report for 2024 and in Company policy regarding the management of these risks.

3.2 Regarding the linkage base report for monetary balances (expanded solo) as of March 31, 2025, see Section 2.7.3 above and Appendix B.

[19] Including the effect of forward transactions and cross currency swaps (CCS) on the foreign currency.

4. Corporate governance aspects

4.1 The Company's Board of Directors

As of the date of publication of this report, the Company's Board of Directors has 9 directors, of which:

5 directors meet the definition of an independent director (Prof. Zvi Eckstein - External Director, CPA Shlomi Shuv - External Director, Dr. Samer Haj-Yehia - External Director, Ms. Rony Patishi-Chillim and Ms. Batsheva Moshe) and 8 directors have accounting and financial expertise (Mr. Natan Hetz, Mr. Aviram Wertheim, Prof. Zvi Eckstein, CPA Shlomi Shuv, Ms. Rony Patishi-Chillim, Dr. Samer Haj-Yehia, Mr. Ilan Gifman and Ms. Batsheva Moshe).

For years, the composition of the Company's Board of Directors has included a majority of Board members who are independent directors, even though the Company did not include a provision on this matter in its Articles of Association.

In this regard, "independent director" means a director who meets qualification requirements for the appointment of an independent director set in Section 240 (b) through (f) of the Companies Law, who has been approved by the Audit Committee, and who has not served as a Company director for over nine consecutive years, and in this regard a gap in their service of no longer than two years will not be seen as ending the continuity of their service.

4.2 The Company's Internal Auditor

On November 16, 2022, the Audit Committee approved a multi-year work plan for the years 2023-2026, subject to a new risk survey (which was carried out). At its meeting on November 12, 2024, the Audit Committee approved the work plan for 2025 (within the three-year work plan framework), which includes the following topics: (a) Control over public investees - Amot; (b) General procurement (including travel abroad); (c) Employee options; (d) Information systems - information security. At its meeting on May 14, 2025, the Audit Committee discussed the Internal Auditor's report on employee stock options.

The Company's Board of Directors would like to thank the holders of Company securities for the confidence they have shown in the Company.

Nathan Hetz	Aviram Wertheim
Director and CEO	Chairman of the Board of Directors

Appendices to the Board of Directors' Report on the State of Corporate Affairs

Appendix A - Financial Information, Expanded Solo

Appendix B - Balance of Linkage Bases for Monetary Balances

Special Disclosure for Bondholders

Appendix D - Rating Reports

Appendix E - Separate Financial Statement of the Corporation in accordance with Regulation 9C and Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Appendix A – Financial Information, Expanded Solo

1. Financial Statements - Expanded Solo

The Company's expanded solo financial statements are the Company's condensed financial statements presented in accordance with IFRS principles, except for the investments in Amot, in Energix and in Brockton Everlast, which are presented on an equity basis instead of consolidating their financial statements with those of the Company (all other investments are presented unchanged from the statements presented in accordance with IFRS principles). These Statements do not constitute separate financial statements as defined in International Accounting Standard IAS 27, and are not part of the information whose publishing is required in accordance with the securities laws. Nevertheless, the Company's management believes that analysts, investors, shareholders and bondholders may obtain valuable information from the presentation of this data.

1.1 Condensed expanded solo balance sheet (NIS thousands):

	As of March 31	As of December 31
	2025	2024
	NIS thousands	NIS thousands
<u>Current assets</u>		
Cash and cash equivalents	98,463	641,761
Other accounts receivable	62,213	38,533
Total current assets	160,676	680,294
<u>Non-current assets</u>		
Securities measured at fair value through profit and loss	219,616	218,459
Investments in Investees	10,675,859	10,415,263
Others	1,781	15,534
Total non-current assets	10,897,256	10,649,256
Total assets	11,057,932	11,329,550
<u>Current liabilities</u>		
Short-term credit and current maturities of long-term liabilities	355,919	378,454
Other accounts payable	202,385	295,661
Total current liabilities	558,304	674,115
<u>Non-current liabilities</u>		
Bonds and long-term loans	4,835,173	5,180,764
Deferred taxes	11,513	11,541
Others	80,557	49,554
Total non-current liabilities	4,927,243	5,241,859
Equity	5,572,385	5,413,576
Total liabilities and equity	11,057,932	11,329,550

Financial Data, Expanded Solo

1.2 Condensed Expanded Solo Statements of Income (NIS thousands):

	Q1/2025	Q1/2024	2024
	NIS thousands	NIS thousands	NIS thousands
<u>Revenues</u>			
Group share in the losses of associates, net	146,482	(266,905)	(13,211)
Profit from decrease in rate of holding, from purchase and realization of investees	(72)	10	23
Net profit (loss), relating to investments in long-term securities held for sale	(10,174)	(10,311)	(11,443)
Other revenue, net	5,625	5,449	22,296
	141,861	(271,757)	(2,335)
<u>Expenses</u>			
Administrative and general	8,398	9,397	39,136
Financing expenses, net	61,362	58,935	271,169
	69,760	68,332	310,305
Loss before taxes on income	72,101	(340,089)	(312,640)
Income tax income	5,127	(268)	33,559
Loss for the period	66,974	(339,821)	(346,199)

	Q1/2025	Q1/2024	2024
	NIS thousands	NIS thousands	NIS thousands
<u>Group share in the profits (losses) of associates, net</u>			
Group share in Amot's equity income	81,212	76,215	468,064
Group share in Energix's equity income	21,095	39,984	169,761
Group share in Carr's equity losses	46,273	(248,969)	(263,716)
Group share in AH Boston's equity losses	2,282	(73,814)	(277,752)
Group share in Brockton's equity losses	(4,380)	(60,322)	(104,164)
Other	-	-	(5,404)
Total profits (losses) of associates, net	**146,482**	**266,905**	**(13,211)**

1.3 Cash flow from the Company's operating activities - expanded solo (NIS thousands):

Starting from the financial statements as of the end of 2024, the Company began presenting a Statement of Cash Flows from Operating Activities (despite the fact that such presentation is not required under generally accepted accounting principles, including securities regulations regarding the publication of annual financial statements).

In view of the variation between quarters in all matters relating to interest payment dates and the dates for the receipt of dividends from investees (dates that vary from year to year), the Company will publish the aforementioned Statement in an annual format as part of the periodic reports.

2. The Company's liabilities (expanded solo) payable after March 31, 2025:

	Bonds	Bank loans	Total	%
	NIS thousands	NIS thousands	NIS thousands	
Current maturities	360,539	-	360,539	7
Second year	360,539	-	360,539	7
Third year	944,373	-	944,373	17
Fourth year	944,373	-	944,373	17
Fifth year	667,412	-	667,412	12
Sixth year onward	2,179,238	-	2,179,238	40
Total repayments	5,456,474	-	5,456,474	100
Others			(252,413)	
Balance of liabilities related to financial derivative transactions			188,444	
Total financial debt (taking into account the value of financial derivative transactions)			5,392,505	

(*) Including the effect of swap transactions with financial entities in Israel, so that NIS bonds were "converted" to liabilities in USD and GBP, and to liabilities linked to the CPI.

Appendix B - Balance of Linkage Bases for Monetary Balances (Expanded Solo)

As of March 31, 2025 NIS thousands	In unlinked NIS	In linked NIS	In USD	In GBP	Other	Total	Adjustments - non-monetary items	Total
<u>Current assets</u>								
Cash and cash equivalents	86,755	-	11,229	340	139	98,463	-	98,463
Other accounts receivable	41,585	-	340	-	-	41,925	20,288	62,213
Total current assets	128,340	-	11,569	340	139	140,388	20,288	160,676
<u>Non-current assets</u>								
Securities measured at fair value through profit and loss	3	-	-	219,613	-	219,616	-	219,616
Investments in associates	-	-	-	-	-	-	10,675,859	10,675,859
Others	-	-	-	-	-	-	1,781	1,781
Total non-current assets	3	-	-	219,613	-	219,616	10,677,640	10,897,256
Total assets	**128,343**	**-**	**11,569**	**219,953**	**139**	**360,004**	**10,697,928**	**11,057,932**
<u>Current liabilities</u>						-		
Short-term credit and current maturities of long-term liabilities	355,919	-	-	-	-	355,919	-	355,919
Other payables	182,483	10,291	-	-	-	192,774	9,611	202,385
Total current liabilities	538,402	10,291	-	-	-	548,693	9,611	558,304
<u>Non-current liabilities</u>						-		
Bonds and long-term loans	3,772,719	1,062,454	-	-	-	4,835,173	-	4,835,173
Deferred tax liabilities	-	-	-	-	-	-	11,513	11,513
Others	79,487	-	930	-	-	80,417	140	80,557
Total non-current liabilities	3,852,206	1,062,454	930	-	-	4,915,590	11,653	4,927,243
Total liabilities	**4,390,608**	**1,072,745**	**930**	**-**	**-**	**5,464,283**	**21,264**	**5,485,547**
Excess assets over liabilities (liabilities over assets)	**(4,262,265)**	**(1,072,745)**	**10,639**	**219,953**	**139**	**(5,104,279)**	**10,676,664**	**5,572,385**
Financial derivatives	2,388,110	(200,000)	(712,618)	(1,475,492)	-	-	-	-
Excess financial assets over financial liabilities (financial liabilities over financial assets)	**(1,874,155)**	**(1,272,745)**	**(701,979)**	**(1,255,539)**	**139**	**(5,104,279)**	**10,676,664**	**5,572,385**
Distribution of non-monetary assets (liabilities), net - by linkage basis	1,130,143	4,620,197	1,734,414	3,192,866	302	10,677,922	(10,677,922)	-
Excess assets over liabilities (liabilities over assets)	**(744,012)**	**3,347,452**	**1,032,435**	**1,937,327**	**441**	**5,573,643**	**(1,258)**	**5,572,385**

Appendix C - Special Disclosure for Bondholders

1.) FFO adjusted for the Company's liabilities

The Company has committed, in the trust deeds of its bond series and in credit agreements with financing entities, to financial covenants based on the calculation of FFO as stipulated in the trust deeds and in the aforementioned credit facility agreements. The following is the calculation of the FFO for the purpose of examining compliance with the criteria to which the Company has committed in the trust deeds for the Company's bonds (Series I, J, K, L, M and O) and the credit facility agreements in which the Company has engaged (please see Section 5.2.2 of the report on the Description of the Corporation's Business in the 2024 Periodic Report). It should be emphasized that the FFO presented below is not according to the Securities Authority approach to calculating FFO, as published by the Authority on January 16, 2025.

The following is the FFO calculation according to the Management's approach (in NIS thousands):

	Q1/2025	Q1/2024	2024
	NIS thousands	NIS thousands	NIS thousands
Share of Company shareholders in the loss for the period	**66,974**	**(339,821)**	**(346,199)**
Adjustments to profit and loss:			
Fair value adjustments of investment property	(7,225)	73,372	(607,208)
Company share in real estate revaluations and other non-FFO items in investees	(11,683)	365,936	702,641
Profit from decrease in rate of holding, from purchase and realization of investees	72	(10)	(23)
Net losses (profits) from investments in securities measured at fair value through profit or loss	10,174	17,379	231,945
Others (mainly depreciation and amortizations) (*)	62,870	34,001	208,458
Non-FFO financing expenses (mainly linkage differences and exchange rate differences)	17,391	50,033	354,889
Non-FFO deferred taxes and current taxes, net	(21,805)	2,953	(15,835)
Share of non-controlling interests in the above adjustments to FFO	(15,205)	(55,926)	7,557
Real FFO - according to the Management's approach	**101,563**	**147,917**	**536,225**
The sources of the FFO are as follows:			
Revenues			
Investment property NOI	300,345	293,536	1,208,724
NOI from the sale of electricity (**)	126,705	176,840	693,658
Group's share in Carr's FFO without real estate revaluations	31,089	31,573	110,216
Group's share in AH Boston's FFO without real estate revaluations	3,888	9,465	29,899
Group's share in FFO of associates in Amot and in Brockton Everlast	6,466	5,726	22,348
Other revenues	576	932	30,498
Total revenue	**469,069**	**518,072**	**2,095,343**
Expenses			
Real financing, net	(178,014)	(124,483)	(632,409)
Administrative and general	(57,064)	(50,771)	(245,391)
Current taxes	(19,241)	(38,007)	(93,470)
Share of non-controlling interests attributed to operating activities	(113,187)	(156,894)	(587,848)
Total expenses	**(367,506)**	**(370,155)**	**(1,559,118)**

	Q1/2025	Q1/2024	2024
	NIS thousands	NIS thousands	NIS thousands
Real FFO - according to the Management's approach	101,563	147,917	536,225

2.) Special Disclosure for Bondholders

The following is current data as of March 31, 2025 regarding bonds issued by the Company:

(in thousands)	Bonds (Series I)	Bonds (Series J)	Bonds (Series K)	Bonds (Series L)	Bonds (Series M)	Bonds (Series O)	Total
Par value as of March 31, 2025	311,729	400,109	160,746	2,054,943	1,361,803	1,050,480	5,339,810
Linked par value as of March 31, 2025	311,729	400,109	160,746	2,054,943	1,361,803	1,132,308	5,421,638
Value in the financial statements as of March 31, 2024 (at amortized cost)	315,957	402,053	159,310	1,945,925	1,302,306	1,062,454	5,188,005
Stock market value as of March 31, 2024	307,863	409,192	145,668	1,844,311	1,315,910	1,067,183	5,090,127
Accrued Interest as of March 31, 2024	1,019	2,290	363	4,206	5,714	2,462	16,054

The following are the main financial covenants regarding the Company's bonds (Series I, J, K, L, M and O):

Financial ratio		Criterion	Value as of March 31, 2025
Net financial debt to value of holdings[20]	%	Less than 80%	47.9%
Minimum equity (Series I, J, K, L, M and O)[21]	NIS billions	More than 2.2	5.6

For additional information, please see Section 5.2.2 of Chapter F(5) to the Description of the Corporation's Business in the 2024 Periodic Report.

[20] Value of the holdings as defined in the deed of trust. In order for grounds to exist for early redemption, the breach of the financial ratio must exist for four consecutive quarters.

[21] In order for there to be grounds for early repayment, the breach of the above provision must exist for four consecutive quarters. For Series I and J - the minimum equity is NIS 1.8 billion, for Series K and L - the minimum equity is NIS 2.1 billion and for Series M and O - the minimum equity is NIS 2.2 billion. The figure presented in the table is the strictest of the series due to the cross-violation clause that exists in the series.

Appendix D - Rating Reports[22]

Subsequent to the date of the report, Maalot the Israel Securities Rating Company Ltd. (hereinafter - "**Maalot**") and Midroog Ltd. (hereinafter - "**Midroog**") updated the Company's rating outlook from negative to stable.

As of the date of publication of this report:

- The Company's bonds (Series I, J, K, L, M and O) are rated ilAA- with a stable rating outlook by Maalot. The issuer's rating is the same. For a current rating report by Maalot, please see the immediate report dated April 8, 2025 (Ref: 2025-026195).

- The Company's bonds (Series I, J, L, M and O) are rated Aa3 with a stable outlook by Midroog. The issuer's rating is the same. For a rating report by Midroog, in which the Company's rating was confirmed and the outlook was updated from negative to stable, please see the immediate report published by the Company on May 6, 2025 (Ref: 2025-01-031642).

[22] The information detailed in the above immediate reports was included in this report by way of reference.

Appendix E - Separate Financial Statement of the Corporation in accordance with Regulation 9C and Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

The Company chose not to attach a separate financial statement in accordance with Regulation 9C and Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) 1970, since, according to its judgement, the separate financial statement does not add material information to the information contained in the annual financial statements and/or the quarterly financial statements of the Corporation that were presented in accordance with Regulation 9 and Regulation 38, as the case may be.

THE DOVETAIL BUILDING / BROCKTON EVERLAST / LONDON / UK / SIMULATION

CONSOLIDATED FINANCIAL STATEMENTS

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Financial Position

	As of March 31		As of December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	832,016	1,553,819	1,524,326
Deposits and designated deposit	44,113	640,202	30,940
Trade receivables	111,148	116,604	115,629
Current tax assets, net	26,601	19,500	29,777
Other receivables	316,730	418,294	302,817
Total current assets	1,330,608	2,748,419	2,003,489
Non-current assets			
Investment property	20,147,536	19,417,225	19,846,080
Investment property in development and land rights	5,481,492	4,493,208	5,160,484
Long-term investments:			
Securities measured at fair value through profit and loss	219,616	263,086	218,459
Investment in companies accounted for according to the equity method	2,160,971	2,234,345	2,084,985
Deferred tax assets	236,572	197,166	233,675
Electricity-generating facilities:			
Connected electricity-generating facilities	5,970,870	5,612,583	5,674,033
Right-of-use asset	633,156	649,108	617,966
Electricity-generating facilities in development	3,989,243	2,258,368	3,620,530
Restricted deposits	30,966	20,910	30,005
Fixed assets, net	120,490	116,902	120,407
Other assets	433,880	442,425	437,530
Total non-current assets	39,424,792	35,705,326	38,044,154
Total assets	40,755,400	38,453,745	40,047,643

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Financial Position

	As of March 31		As of December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Liabilities and equity			
Current liabilities			
Short term credit and current maturities of long term loans	661,067	1,712,842	850,251
Current maturities of bonds	1,149,657	1,294,452	1,048,061
Current maturities of lease liabilities	37,877	34,579	35,808
Current tax liabilities, net	94,745	191,715	133,592
Other payables	1,673,455	1,225,475	1,644,680
Deferred revenue in respect of agreement with the tax partner	214,365	210,145	228,112
Financial liability in respect of agreement with the tax partner	47,308	14,308	47,095
Total current liabilities	3,878,474	4,683,516	3,987,599
Non-current liabilities			
Bonds	14,078,973	14,072,300	14,192,726
Loans from banking corporations and financial institutions	6,732,555	5,067,294	5,991,375
Lease liability	694,982	694,763	676,820
Deferred tax liabilities	2,077,289	1,869,792	2,038,435
Provisions	16,483	16,483	16,483
Other liabilities	841,153	759,582	865,665
Deferred revenue in respect of agreement with the tax partner	529,301	578,649	549,025
Financial liability in respect of agreement with the tax partner	88,846	12,590	96,989
Total non-current liabilities	25,059,582	23,071,453	24,427,518
Equity			
Equity attributed to Company shareholders	5,572,385	4,658,838	5,413,576
Non-controlling interests	6,244,959	6,039,938	6,218,950
Total equity	11,817,344	10,698,776	11,632,526
Total liabilities and equity	40,755,400	38,453,745	40,047,643

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

On behalf of the Board of Directors:

Aviram Wertheim	______________________	Chairman of the Board of Directors
Nathan Hetz	______________________	Member of the Board of Directors and CEO
Oren Frenkel	______________________	CFO

19 of May 2025

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Income

	For the three month period ended March 31	For the three month period ended March 31	For the year ended December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Revenue from rental fees and management of investment property	349,134	331,478	1,389,184
Fair value adjustments of investment property	7,225	(73,372)	607,208
Group share in the profits (losses) of associates, net	53,126	(319,174)	(540,178)
Net losses from investments in securities measured at fair value through profit and loss	(10,174)	(17,379)	(227,508)
Profit (loss) from decrease in rate of holding, from acquisition and realization of associates	(72)	10	23
Revenue from sale of electricity and green certificates	169,293	222,548	856,210
Other revenue, net	578	2,665	26,010
	569,110	146,776	2,110,949
Costs and expenses			
Cost of investment property rental and operation	48,789	37,134	180,460
Initiation, maintenance and operation costs of electricity-generating facilities	41,199	31,682	121,400
Depreciation and amortizations	60,307	43,286	228,141
Administrative and general	61,017	58,051	266,809
Financing income	(13,788)	(21,747)	(92,140)
Financing expenses	209,194	196,263	1,079,438
	406,718	344,669	1,784,108
Profit (loss) before taxes on income	162,392	(197,893)	326,841
Income tax expenses (income)	(2,564)	40,960	77,635
Net profit (loss) for the period	164,956	(238,853)	249,206
Company shareholders	**66,974**	**(339,821)**	**(346,199)**
Non-controlling interests	97,982	100,968	595,405
	164,956	(238,853)	249,206
Net earnings (loss) per share attributed to Company shareholders (in NIS)			
Basic	0.31	(1.89)	(1.81)
Fully diluted	0.31	(1.89)	(1.81)
Weighted average of share capital used in calculation of earnings per share (thousands of shares)			
Basic	215,033	179,722	191,054
Fully diluted	215,106	179,722	191,054

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Comprehensive Income

	For the three month period ended March 31	For the three month period ended March 31	For the year ended December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Net profit (loss) for the period	164,956	(238,853)	249,206
Other comprehensive income			
Amounts to be classified in the future to profit or loss, net of tax			
Profit (loss) from the translation of financial statements for foreign activities	289,545	90,758	(23,218)
Loss from exchange rate differences in respect of credit and derivatives designated for the hedging of investments in companies that constitute foreign activity, net of tax	(105,712)	(50,673)	(65,473)
Profit (loss) from exchange rate differences and changes in fair value of instruments used for cash flow hedging, net of tax	18,191	(4,251)	(26,849)
Company's share in other comprehensive loss of associates, net of tax	(2,904)	(2,153)	(15,648)
Other comprehensive income (loss) for the period, net of tax	199,120	33,681	(131,188)
Total comprehensive income (loss) for the period	364,076	(205,172)	118,018
Allocation of comprehensive income (loss) for the period			
Company shareholders	**209,475**	**(313,205)**	**(443,351)**
Non-controlling interests	154,601	108,033	561,369
	364,076	(205,172)	118,018

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Three-Month Period ended March 31, 2025 (Unaudited) (NIS thousands)

	Share capital	Share premium	Receipts on account of options	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 2025	233,107	3,751,981	27,626	(636,807)	387,117	(589)	1,651,141	5,413,576	6,218,950	11,632,526
Total comprehensive income for the period	-	-	-	137,578	4,923	-	66,974	209,475	154,601	364,076
Dividends declared for Company shareholders	-	-	-	-	-	-	(51,608)	(51,608)	-	(51,608)
Dividends declared for non-controlling interests in consolidated companies	-	-	-	-	-	-	-	-	(142,749)	(142,749)
Issuance of capital in consolidated companies	-	-	-	-	(39)	-	-	(39)	8,618	8,579
Allocation of benefit in respect of options to employees and officers	-	-	-	-	981	-	-	981	5,539	6,520
Balance as of March 31, 2025	233,107	3,751,981	27,626	(499,229)	392,982	(589)	1,666,507	5,572,385	6,244,959	11,817,344

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Three-Month Period ended March 31, 2024 (Unaudited) (NIS thousands)

	Share capital	Share premium	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 2024	197,796	2,807,638	(569,499)	431,219	(589)	2,135,492	5,002,057	6,062,066	11,064,123
Total comprehensive income for the period	-	-	29,962	(3,343)	-	(339,821)	(313,202)	108,033	(205,169)
Dividends declared for Company shareholders	-	-	-	-	-	(32,350)	(32,350)	-	(32,350)
Dividends declared for non-controlling interests in consolidated companies	-	-	-	-	-	-	-	(194,500)	(194,500)
Issuance of capital in consolidated companies	-	-	-	1,411	-	-	1,411	54,897	56,308
Allocation of benefit in respect of options to employees and others	-	-	-	922	-	-	922	9,442	10,364
Balance as of March 31, 2024	197,796	2,807,638	(539,537)	430,209	(589)	1,763,321	4,658,838	6,039,938	10,698,776

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Year ended December 31, 2024

(NIS thousands)

	Share capital	Share premium	Receipts on account of options	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 2024	197,796	2,807,638	-	(569,499)	431,219	(589)	2,135,492	5,002,057	6,062,066	11,064,123
Total comprehensive income for the period	-	-	-	(67,308)	(29,844)	-	(346,199)	(443,351)	561,369	118,018
Dividend paid to Company shareholders	-	-	-	-	-	-	(138,152)	(138,152)	-	(138,152)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	-	(472,563)	(472,563)
Issuance of shares and options	35,311	940,875	27,626	-		-	-	1,003,812	-	1,003,812
Expiry of employee options	-	3,468	-	-	(3,468)	-	-	-	-	-
Allocation of benefit in respect of options to employees and officers	-	-	-	-	4,323	-	-	4,323	31,038	35,361
Issuance of capital in consolidated companies	-	-	-	-	1,436	-	-	1,436	94,113	95,549
Acquisition of shares from non-controlling interests in a consolidated company	-	-	-	-	(16,549)	-	-	(16,549)	(57,073)	(73,622)
Balance as of December 31, 2024	233,107	3,751,981	27,626	(636,807)	387,117	(589)	1,651,141	5,413,576	6,218,950	11,632,526

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Cash Flows

	For the three month period ended March 31	For the three month period ended March 31	For the year ended December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Cash flows - Operating activities			
Net profit (loss) for the period	164,956	(238,853)	249,206
Net expenses not entailing cash flows (Appendix A)	27,526	420,728	1,051,783
	192,482	181,875	1,300,989
Changes in working capital (Appendix B)	(128,380)	3,559	(236,656)
Net cash provided by operating activities	64,102	185,434	1,064,333
Cash flows - Investing activities			
Investment in fixed assets and investment property (including investment property in development)	(353,488)	(387,591)	(864,383)
Proceeds from the realization of investment property, net of tax	14,307	221,646	333,570
Investment in electricity-generating systems	(442,470)	(322,847)	(1,428,938)
Investment in associates	(5,545)	(3,015)	(124,240)
Decrease (increase) in pledged deposit and restricted cash	(16,789)	(1,540)	636,054
Repayments (provision) of loans and investments in associates, net	1,823	(316)	4,000
Provision of loans to others	(1,558)	(11,234)	(28,167)
Cash from forward transactions and options designated for hedging	(66,302)	(25,923)	(388,117)
Investment in investment property funds	-	(56,412)	(68,598)
Others	(28,596)	111	-
Net cash used in investing activities	(898,591)	(587,121)	(1,928,819)
Cash flows - Financing activities			
Proceeds from the Group's issuance of bonds, net	503,505	555,078	555,078
Repayment of bonds	(583,384)	(865,232)	(1,299,833)
Receipt of long-term loans, net of capital raising expenses paid	534,146	480,929	2,055,653
Repayment of long-term loans	(245,432)	(642,279)	(978,682)
Proceeds from the issuance of shares and options	-	-	1,003,812
Proceeds from the issuance of shares and options to non-controlling interests in consolidated companies	20,800	52,624	92,154
Acquisition of shares and options from non-controlling interests in consolidated companies, net	-	-	(58,961)
Increase (decrease) in short-term credit and in credit facilities	10,523	365,572	(548,551)
Dividend paid to Company shareholders	-	-	(138,152)
Dividends paid to non-controlling interests in consolidated companies	(115,406)	(194,500)	(472,563)
Net cash provided by (used in) financing activities	124,752	(247,808)	209,955

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Cash Flows

	For the three month period ended March 31	For the three month period ended March 31	For the year ended December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Decrease in cash and cash equivalents	(709,737)	(649,495)	(654,531)
Cash and cash equivalents at beginning of period	1,524,326	2,197,677	2,197,677
Designated deposit at beginning of period	27,931	3,615	3,627
Effect of exchange rates on foreign currency cash balances	20,205	5,703	5,484
Cash and cash equivalents at end of period	862,725	1,557,500	1,552,257
Less - Designated deposit at end of period	30,709	3,681	27,931
Total cash and cash equivalents	832,016	1,553,819	1,524,326

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.

Alony-Hetz Properties and Investments Ltd. | Appendices to the Condensed Consolidated Statements of Cash Flows

	For the three month period ended March 31	For the three month period ended March 31	For the year ended December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Adjustments required to present cash flows from operating activities			
a. Expenses (income) not entailing cash flows:			
Fair value adjustment of investment property and profit from its sale	(7,225)	73,372	(607,209)
Net profits from changes in holding rate and realization of investments in investees	72	(10)	(23)
Differences from adjustments, interest and discounting in respect of long-term liabilities and cash balances	(25,388)	(82,486)	474,223
Loss (profit) from fair value adjustment of financial assets at fair value through profit and loss	(3,336)	15,939	222,102
Company's share in results of associates, net of dividends and capital reductions received	(45,440)	323,694	569,073
Deferred taxes, net	43,263	29,592	170,419
Depreciation and amortizations	60,508	43,285	200,666
Allocation of benefit in respect of share-based payment	5,369	11,285	24,222
Miscellaneous, net	(297)	6,057	(1,690)
	27,526	420,728	1,051,783
b. Changes in asset and liability items (changes in working capital):			
Increase in customers and in accounts receivable and debit balances	(15,285)	(41,733)	(49,116)
Decrease (increase) in current tax assets	(2,790)	1,799	(5,839)
Increase (decrease) in payables and credit balances	(27,537)	8,642	(26,432)
Increase (decrease) in current tax liabilities	(79,701)	33,340	(156,805)
Sale (purchase) of CAP options	(2,867)	1,511	1,536
	(128,380)	3,559	(236,656)
c. Non-cash activity			
Increase in provision for evacuation and rehabilitation against systems	-	-	18,796
Exercise of employee options against receivables	-	12,670	12,353
Investment in electricity-generating systems against supplier credit and	282,099	42,129	855,213
Realization of investment property against receivables	-	-	8,250
Increase in right-of-use asset against lease liabilities	11,207	138,949	134,076
Investment in property and fixed assets against other payables and credit	24,313	35,566	61,761
Dividends declared for non-controlling interests in a consolidated company	27,343	-	-
Dividends declared for Company shareholders	51,608	32,350	-
Dividends not yet received from companies accounted for using the equity	2,250	1,500	-
d. Additional information			
Interest paid	294,277	272,134	559,420
Interest received	8,536	20,895	54,977
Taxes paid	56,700	27,436	74,297
Taxes received	6,157	682	14,696
Dividends and capital reductions received	7,436	4,621	27,459

The attached notes constitute an integral part of the Condensed Consolidated Financial Statements.