



Ramat Gan, July 17, 2025

To
Israel Securities Authority
www.isa.gov.il

To
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Re: Completion of the Transaction between CARR and J.P. Morgan Assets Management

1. Notice is hereby given that on Wednesday, July 16, 2025, CARR Properties Holdings (a partnership in which there is a 47.8% holdings in equity and 50% holdings in control) (hereinafter: "**CARR**")¹ signed with an American company owned by institutional investors managed by J.P. Morgan Assets Management (holding 35.5% equity and 50% control in CARR) (hereinafter: "**JPM**") a binding agreement whereby CARR redeemed JPM's holdings in CARR in exchange for transferring full ownership of 3 assets² of CARR to JPM, free and clear of any debt (hereinafter: "**the Transaction**").
2. At the completion of the Transaction, the Company invested equity capital in a scope of \$100 million in CARR, the Company's holding percentage in CARR increased to 79%³ **and it will be consolidated for the first time in the Company's financial statements for the third quarter of 2025⁴.**

3. Details of CARR's Assets and Liabilities Following Transaction Completion

Assets - Following the Transaction completion, CARR holds 7 income-generating assets⁵ and 2 development-stage projects⁶.

Below is data on CARR's income-generating assets following the Transaction (the data represents CARR's share):

¹ For description of CARR's business prior to transaction completion, for 2024 and the three months ending March 31, 2025, see the periodic report for 2024 published on March 10, 2025 (reference no.: 2025-01-015923) (the "Periodic Report") and section 2.3.5.2 of the Board of Directors' report published on May 20, 2025 as part of the Company's quarterly report for the three-month period ending March 31, 2025 (reference no.: 2025-01-035121) (the "**Quarterly Report**").

² The assets transferred to JPM: Signal House, 1701 Duke Street, and 1875 K Street.

³ Clal Insurance Company Ltd.'s ("**Clal**") holding percentage at the Transaction completion is 17.6%.

⁴ The Company's reports for the third quarter of 2025 are expected to be published during November 2025.

⁵ Midtown Center (Washington DC) (50%); 1700 NY (Washington DC) (100%); The Willson (Bethesda MD) (100%); 2311 Wilson (Arlington, VA) (100%); One Congress (Boston, MA) (75%); 200 State (Boston, MA) (100%); and 100 Congress (Austin, TX) (50%).

⁶ 3033 Clardon Square (100%) and 425 Montgomery (10%).

Total Leasable Area	Aggregate Value (Based on data as of March 31, 2025)	Projected NOI for 12 months (AS IS basis)⁷	Weighted Average Occupancy Rate	Average Lease Term
2.3 million sq ft	\$1.63 billion ⁸	\$118 million	91.4%	11 years

Net Financial Liabilities - As of the Transaction completion date, CARR has net financial liabilities totaling \$1.1 billion, with an average debt maturity of 4.8 years and weighted annual financing cost of 5.1%.

The above information in this section, regarding projected NOI for 12 months, constitutes forward-looking information as its realization depends on variables not under the control of the Company and/or CARR.

4. Accounting Implications Following the Transaction

Due to the transition to control and the first-time consolidation of CARR's reports as above mentioned, and in accordance with IFRS 3 requirements, the Company's previous holding in CARR will be measured by way of deemed disposal of the entire previous holding and its repurchase at fair value at the date of transition to control. Consequently, Cumulative translation differences recognized in equity in the Company's reports regarding the investment in CARR, totaling a negative amount of approximately NIS 400 million (according to the exchange rate as of the date of publication of this immediate report), will be charged to the profit and loss statement for the third quarter of 2025. Recognition of the aforementioned loss **has no impact on the Company's equity balance.**

Respectfully,

Alony Hetz Properties and Investments Ltd.

By the Company's CEO - Natan Hetz
and EVP Business Development - Moti Barzilay

⁷ not including projected NOI of \$12 million annually from property management.

⁸ This excludes two development projects for the construction of 546 residential rental units with a total value of \$33 million (as of March 2025).