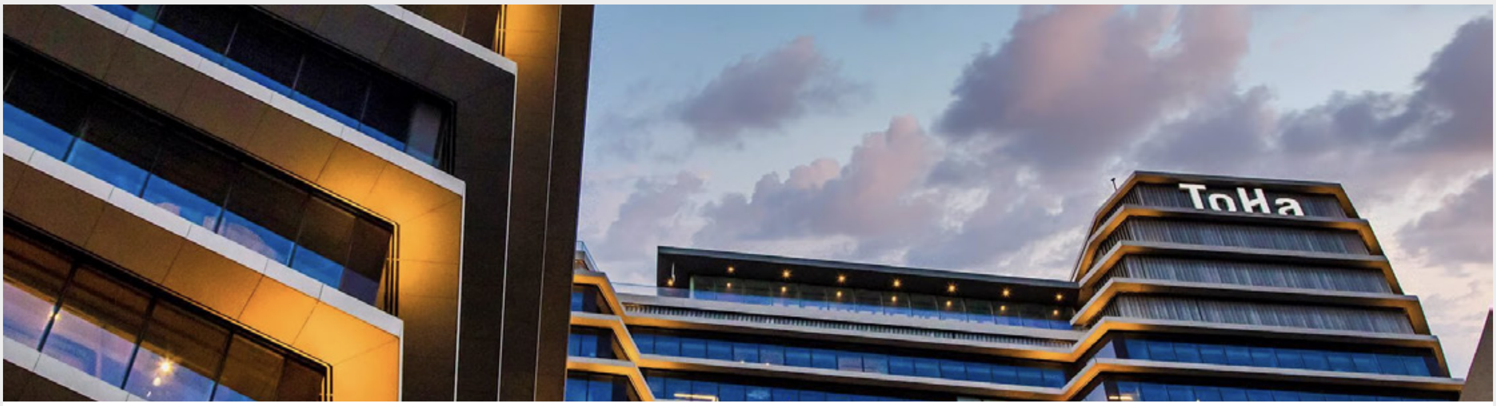
This document is an unofficial translation of the Company's Board of Directors' Report and certain parts of its 2024 Annual Financial Statement (main reports without notes) from the original report in Hebrew dated August 19, 2025 (Reference Number: 2025-01-061469) (the "Report"). This translation is 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 JUNE 30 2025

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd



AMOT / TOHA I / TEL AVIV, ISRAEL

QUARTERLY REPORT AS OF JUNE 30 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, August 18, 2025

Board of Directors' Report for the Six- and Three-Month Periods ended June 30, 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 six- and three-month periods ended June 30, 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 UK.
- **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 June 30, 2025:

Activity in Israel

Holdings at a rate of 50.99% 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, please 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. After the date of the report, the Company's holding rate in Carr rose to 79% and it has control over Carr. For additional information, see Section 2.3.5.2 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, please see Section 2.3.6 below.

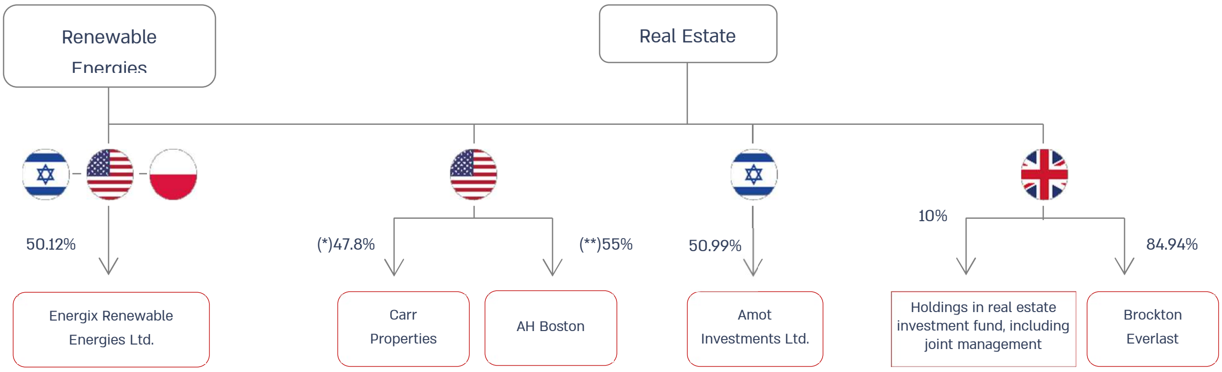
Activity in the UK

- Holdings of 84.94% 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 a UK real estate fund from the Brockton group.

1.2 The Group's renewable energy investments as of June 30, 2025:

Holdings of 50.12% 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 June 30, 2025:



* As of June 30, 2025, the Company and JP Morgan (through SSPF Investment Fund, managed by JP Morgan) had joint control in Carr. Regarding the redemption of JPMorgan's holdings, please see Section 2.3.5.2.

** Joint holdings with Oxford Properties in three property companies that own two 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) - during the reporting period	▪ 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. ▪ Debt raising through the expansion of bonds (Series M) in the amount of NIS 499 million PV for a total net consideration of approx. NIS 482 million.
Alony-Hetz (the Company expanded solo) - after the reporting period	▪ Investment of USD 100 million in Carr as part of the completion of the transaction redeeming JPM's holdings in Carr. The Company's effective holding in Carr as of the date of publication of the report is 79%. For information, please see Section 2.3.5.2 below. ▪ Investment of NIS 150 million in a public offering of shares and options (Series 12) exercisable for Amot shares.
Amot Investments - during the reporting period	▪ Debt raising through the expansion of bonds (Series J) in the amount of NIS 636 million PV for a total net consideration of approx. NIS 665 million.
Amot Investments - after the reporting period	▪ Capital issuance of approx. 20 million shares and approx. 10 million warrants exercisable for shares, for an immediate net consideration of approx. NIS 505 million and a future consideration (assuming full exercise) of approx. NIS 290 million.
Brockton Everlast	▪ Start of construction of the Dovetail building in the City of London (BE has completed the demolition of the buildings existing on the site).
Carr Properties - during the reporting period	▪ Sale of two properties for a total consideration of USD 120 million. ▪ Engagement in a new loan agreement for the One Congress building in the amount of USD 650 million, replacing a construction financing loan in the amount of USD 570 million.
Carr Properties - after the date of the report	▪ Completion of the transaction redeeming JPM's holdings in Carr in exchange for the transfer of full ownership of 3 Carr properties to JPM (hereinafter - the "**transaction**"). Upon completion of the transaction, the Company invested equity in the amount of USD 100 million in Carr, and its effective holding in Carr increased to 79%. ▪ Engagement in a loan agreement in the amount of USD 278 million against a lien on three Carr properties.
Energix Renewable Energies	▪ **USA** - Completion of the construction of 4 projects from the E4 backlog with a capacity of 148 MWp and signing of a tax partner investment agreement in the amount of approx. USD 100 million in a project with a capacity of approx. 78 MWp, as part of the framework transaction with Google. ▪ Receipt of project financing in the amount of up to USD 491 million for the financing of the construction of the E5 project backlog. ▪ **Poland** - Receipt of permits for the connection to the electricity grid in Poland with a total capacity of approx. 1 GW. ▪ **Lithuania** - Estimates for the completion of the first project's acquisition in Lithuania (140 MW wind and 330 MWp photovoltaic). ▪ 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.

1.6 Summary of the main data - the Group

Main financial results - Consolidated Statements	Unit	H1 2025	H1 2024	Q2 2025	Q2 2024	Year 2024	%
Revenue from rental fees and management of investment property	NIS thousands	702,295	675,682	353,161	344,204	1,389,184	3.9
Fair value adjustments of investment property	NIS thousands	295,090	11,627	287,865	84,999	607,208	2,438.0
Group share in the losses of associates, net	NIS thousands	52,576	(417,079)	(550)	(97,905)	(540,178)	(112.6)
Revenue from sale of electricity and green certificates	NIS thousands	365,152	436,066	195,859	213,518	856,210	(16.3)
Net profit (loss) for the period	NIS thousands	456,586	(272,880)	291,630	(34,027)	249,206	(267.3)
Net profit (loss) for the period attributed to Company shareholders	NIS thousands	201,306	(479,611)	134,332	(139,790)	(346,199)	(142.0)
Comprehensive income (loss) for the period, attributed to Company shareholders	NIS thousands	60,641	(410,986)	(148,834)	(97,781)	(443,351)	(114.8)
Total balance sheet	NIS thousands	41,755,709	38,097,464			40,047,643	4.3
Equity (including non-controlling interests)	NIS thousands	11,618,905	10,578,478			11,632,526	(.1)
Financial debt (bank credit and bonds)[2]	NIS thousands	22,316,892	22,429,051			22,419,722	(.5)
Net financial debt[3]	NIS thousands	22,576,163	21,058,947			20,895,396	8.0
Ratio of net financial debt to total balance	%	56.4	57.4			54.2	
Main financial results - Expanded Solo[5]							
Total balance sheet	NIS thousands	11,268,929	10,548,511			11,329,550	(.5)
Equity attributed to Company shareholders	NIS thousands	5,388,254	4,513,664			5,413,576	(.5)
Financial debt (bank credit and bonds)[2]	NIS thousands	5,802,493	5,983,051			5,825,236	(.4)
Net financial debt[3]	NIS thousands	5,293,407	5,889,176			5,183,474	2.1
Ratio of net financial debt to total balance	%	49.2	56.3			48.5	
Earnings (loss) per share data							
Earnings (loss) per share - basic	NIS	0.94	(2.67)	0.63	(.78)	(1.81)	(135.2)
Comprehensive income (loss) per share -	NIS	0.28	(2.29)	(.69)	(.55)	(2.32)	(112.3)
Current dividend per share	NIS	0.48	0.36	0.24	0.18	0.72	33.3
NAV per share	NIS	25.06	25.11			25.18	(.5)
NNAV per share[6]	NIS	29.64	30.14			29.65	-
Price per share at end of period	NIS	34.89	23.50			30.40	14.8

1. Balance sheet data of June 30, 2025 compared to December 31, 2024. Result data of 1-6/2025 compared to 1-6/2024.
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 June 30, 2025 and December 31, 2024 is the financial debt less cash balances.
4. Net financial debt as a percent of total balance sheet, less cash balances. The Company's net financial debt (expanded solo) as of June 30, 2025 and December 31, 2024 is the financial debt less cash balances.
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

		H1 2025	H1 2024	Q2 2025	Q2 2024	Year 2024	% Change[7]
Investment in Israel - Amot Investments Ltd. (rate of holdings as of June 30, 2025 - 50.99%)[8]							
Number of income-generating properties	Unit	113	113			112	
Value of investment property (not including property in development)	NIS thousands	17,679,764	16,857,590			17,294,792	2.2
Weighted discount rate derived from investment property	%	6.36	6.45			6.42	
Occupancy rate at end of period	%	93.2	93.2			92.3	
Value of investment property in self-development	NIS thousands	3,546,932	3,038,044			3,316,001	7.0
Ratio of net financial debt to total balance sheet	%	44.6	45.0			44	
NOI[9]	NIS thousands	527,174	513,623	262,846	258,507	1,042,713	2.6
FFO[10] per share - according to the Management's approach	NIS	0.862	0.87	0.432	0.437	1,746	(.9)
NAV per share	NIS	19.64	18.69			19.44	1.0
Price per share at end of period	NIS	22.81	15.10			20.64	10.5
Investment in the United States - Carr Properties Corporation (rate of holdings as of June 30, 2025 - 47.8%)[11]							
Number of income-generating properties	Unit	10	11			12	
Value of investment property (not including property in development)	USD thousands	1,896,996	1,234,438			1,976,408	(4.0)
Rental rate at end of period	%	89.3	87.7			89.4	
Number of properties in development	Unit	2	3			2	
Value of self-developed properties	USD thousands	34,036	758,509			48,406	(29.7)
Ratio of net financial debt to total balance sheet	%	60.2	62.6			64	
[12]NOI	USD thousands	74,891	76,592	36,056	35,484	151,879	(2.2)
FFO	USD thousands	33,587	32,920	15,578	14,857	62,458	(2.0)

7. Balance sheet data of June 30, 2025 compared to December 31, 2024. Result data of 1-6/2025 compared to 1-6/2024.
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. Net operating income.
10. Funds from operations.
11. 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. For additional information regarding Carr's business development after the reporting period, please see Section 2.3.5.2.
12. Including NOI from the management of properties.

1.8 Summary of the main data - Investees (continued)

		H1 2025	H1 2024	Q2 2025	Q2/2024	2024	% Change
Investment in the UK - Brockton Everlast Inc. Limited (rate of holdings as of June 30, 2025 - 84.94%)							
Number of income-generating properties	Unit	11	10			10	
Value of investment property	GBP thousands	705,800	694,333			690,500	2.2
Occupancy rate at end of period	%	97.5	97.2			97.3	
Value of land for initiation	GBP thousands	454,150	374,155			421,450	7.8
Ratio of financial debt to total balance sheet	%	29	31.7			29	
NOI	GBP thousands	20,185	20,273	10,434	9,840	42,730	(.4)
FFO	GBP thousands	8,541	5,297	6,494	2,625	12,375	61.2
Investment in renewable energy - Energix Renewable Energies Ltd. (rate of holdings as of June 30, 2025 - 50.12%)							
Installed capacity from connected photovoltaic systems (MWp) - Energix's share	Unit	1,208.8	979			1,029.0	17.5
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	5,794,654	5,754,659			5,674,033	2.1
Price per share at end of period	NIS	12.44	13.95			12.5	(.5)

2. Board of Directors' Explanations regarding 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. Developments in Israel

   The Bank of Israel Research Division's macroeconomic forecast was formulated in July after the ceasefire was declared at the end of Operation "Am Kalavi" under the assumption that it would be maintained. Regarding the war in Gaza, the forecast was formulated under the assumption that there would be no heavy fighting in Gaza. The forecast takes into account the direct impact of Operation "Am Kalavi", which lasted 12 days and had a direct effect in a decline in economic activity during the days of fighting. However, depending on geopolitical developments, there may be long-term effects on the economy through changes in the risk premium, the amount of investments in the economy, the government deficit forecast, demand for exports and the growth rate. Indeed, the economy's risk premium has decreased compared to its level on the eve of Operation "Am Kalavi", but it is still higher than its level on the eve of the Iron Swords War. The forecast includes an updated assessment of the impact of the imposition of tariffs announced by the American administration, which increased the uncertainty that negatively affects activity, with an emphasis on investments around the world and in Israel.

   According to this forecast, the GDP is expected to grow by approx. 3.3% in 2025 and 4.6% in 2026. During 2025, the inflation rate is expected to be approx. 2.6% and during 2026, 2.0%. The average interest rate in the second quarter of 2026 is expected to be 3.75% compared to the current rate of 4.5%.

   The state budget deficit is expected to be 4.9% in 2025 and approx. 4.2% in 2026. Public debt is expected to be 70% of the GDP in 2025 and 71% 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, with an emphasis on cyber fields. The high-tech sector continues to demonstrate resilience with capital raisings and significant transactions, even in the midst of Operation "Am Kalavi." 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. Developments in the United States

The US economy grew by 3.0% in the second quarter of 2025, after contracting by 0.5% in the first quarter. The sharp reversal reflects the sharp decline in imports of goods and accelerated growth in private consumption. Additional published data show that the US labor market is strong and the unemployment rate in the United States dropped to 4.1% in the second quarter.

The inflation rate rose during the second quarter to an annual rate of approx. 2.7%, compared to an annual rate of approx. 2.4% in the first quarter of 2025. The Federal Reserve (the "**FED**") left the Fed rate unchanged at its last meeting in July 2025, after 5 consecutive meetings in which it did not make changes to the rate. The FED noted that the uncertainty stemming from the administration's tariff plan continues to negatively affect inflation. As of the date of publication of the report, the Fed interest rate is approx. 4.25%-4.50%. The 10-year government bond yield has declined since the end of 2024 and is currently 4.3%.

Offices in Washington D.C.

As of June 2025, the vacancy rate for trophy office space in Washington, D.C. was 12.8% compared to the overall market average of 19.4%. Since the beginning of the year, the negative absorption of space has amounted to less than half a million sq ft, which resulted from the evacuation of Class B and C buildings.

During the second quarter of 2025, the volume of leases amounted to approx. 1.2 million sq ft out of a total of approx. 2.6 million sq ft during the entire first half. The decrease below the multi-year average is due to a significant reduction in government leases. Total sublease space is 2.5 million sq ft, which is the same as at the end of 2019, on the eve of the outbreak of the Corona pandemic.

At the same time, there has been a significant increase in the number of employees returning to work in offices, mainly as a result of significant supervision by the government, which ordered its employees to immediately return to the offices. Currently, only one 400 thousand sq ft project is under construction in the city, which is expected to be built next year. The trend of converting offices into residential space continues to gain momentum, and at present, there are 24 projects in the city with a rental area of 5.1 million sq ft, of which 8 projects are currently under construction and the rest are in the planning and licensing stages.

Multi-housing in the Washington D.C. metropolitan area

Last year, the total population in the metropolitan area increased by 1.1%. The average income in the metropolitan area is 62% higher than the average income in the United States, and the rate of rental expenses in total income is 32%.

The inventory of rental apartments in Washington, D.C. is 585 thousand and the average price is USD 310 thousand. The vacancy rate was 7.7% at the end of June 2025, compared to 8.2% in the United States as a whole.

Total absorption (new rentals net of evictions) in the second quarter of 2025 was 3,300 apartments and for the entire year it amounted to approx. 11 thousand apartments. 12 thousand apartments are currently being built in the metropolitan area, 50% less than the average over the past decade.

During the second quarter of 2025, construction began on 1,000 apartments, a comparatively low number that will maintain a low level of available supply until the end of 2027.

Offices in Boston

As of June 2025, the vacancy rate for trophy office space in the Boston CBD was 10.9% compared to the overall market average of 17.5%.

During the second quarter of the year, lease transactions totaling approx. one million sq ft were signed, and the active search by companies for space increased by 6.7% compared to June 2024. The rate of return to work from Boston offices is among the highest (80%). Total sublease space is 3.5 million sq ft. Total space under construction is 1.8 million sq ft, of which approx. 30% is pre-leased.

c. Developments in the UK

The UK economy expanded by 0.7% in the first quarter of 2025. According to the Bank of England's ("**BOE**") updated forecasts, GDP is expected to rise by 1.25% in 2025, which is similar to 2024.

The trade deal between the US and the UK will be formally implemented in the second quarter of 2025 and includes a 10% tariff on most British goods. The UK was the first country to sign a trade deal with the US since the federal government launched its new tariff policy.

The UK unemployment rate rose to 4.7% in May 2025, from 4.4% in February 2025.

Inflation in the UK rose to 3.6% in June 2025, exceeding the BOE's target of 2%. The rise in inflation was mainly due to increases in fuel and travel prices.

Since April this year and up to the date of publication of the report, the BOE has made two interest rate cuts of 25 basis points, bringing the interest rate down to its current level of 4.00%.

<u>The London office market</u>

In the second quarter of this year, the volume of office space in central London reached 3.2 million sq ft, the highest figure recorded since 2015. The cumulative volume of rentals since the beginning of the year stands at 5.1 million sq ft, which is 34% higher than the first half of 2024 and approx. 14% higher than the decade average.

The volume of vacant office space in central London fell to 22 million sq ft, representing a rate of 8.9%. The vacancy rate in new buildings fell to the lowest level in recent years at approx. 1.3%.

Rental prices continued to rise due to limited supply, with rental fees per sq ft in the West End rising to GBP 165 and in the City to GBP 90, with benefits for tenants remaining at the same level as in previous quarters.

The volume of investments in the first half of the current year was approx. GBP 4.5 billion, representing a 60% increase compared to the first half of 2024. It is evident that financing options for large transactions have increased, which has enabled transactions of a higher volume, in amounts exceeding GBP 100 million.

<u>Cambridge</u>

In the first half of the year, office and laboratory leasing activity in Cambridge totaled 295 thousand sq ft. Laboratory discount rates remained at 4.75% and office discount rates remained 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:**

   I. **Adoption of the "One Big Beautiful Bill" and relevant provisions regarding the ITC tax benefit system in the US -** On July 4, 2025, the comprehensive federal law known as the "One Big Beautiful Bill" ("OBBB") entered into effect, which includes, among other things, legislative changes regarding the federal tax benefit system, ITC, which is relevant to Energix's operations in the United States.

   II. **The Safe Harbor Regulations -** In accordance with the law, on July 8, 2025, the Treasury Department and the tax authorities published new guidelines, effective September 2, 2025, for defining the "beginning of construction" of projects, which serves as the basis for determining the eligibility of a project for Safe Harbor protection in order to preserve the ITC tax benefit rate prior to the adoption of the OBBB Act.

III. In view of the above, Energix estimates that the above regulations will not have a material impact on its future operations in the United States and on its business plans until the end of 2030 to establish an aggregate capacity of 5 GWp.

The estimates of the Company and its investees of the possible consequences of future developments in the business and 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 as of the date of publication of the report. 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	30.6.2025 NIS millions	31.12.24 NIS millions	Notes and explanations
Cash and cash equivalents	1,741	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)	25,680	25,006	The increase stems from positive revaluations in Amot in the amount of approx. NIS 259 million, and positive revaluations in BE in the amount of NIS 37 million. In addition, the increase stems from investments in property in development and in existing income-generating properties, of which approx. NIS 344 million is in Amot and NIS 184 million is in BE. It also stems from the effect of exchange rates on BE's properties (approx. NIS 58 million). In addition, approx. NIS 213 million was classified in Amot as "Property held for sale".
Investments in companies accounted for according to the equity method and securities measured at fair value through profit and loss	2,210	2,303	The main changes are as follows: • Profits recorded in associates in the amount of approx. NIS 53 million. • A loss recorded from the capital reserve from translation differences in the US (Carr and AH Boston) in the amount of NIS 127 million. 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	10,290	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	1,835	1,272	
Total assets	41,756	40,048	
Loans and bonds	24,240	22,082	The main changes are as follows: • Raising of bonds and receipt of loans in the amount of NIS 1 billion. • Repayment of bonds and loans in the amount of NIS 1.3 billion. For information regarding the main changes in the Group's financial debt, please see Section 2.4.3 below.
Other liabilities	5,897	6,333	
Total liabilities	30,137	28,415	
Equity attributed to shareholders	5,388	5,414	For information regarding the main changes in equity attributed to shareholders, please see Section 2.7.2 below.
Non-controlling interests	6,231	6,219	
Total equity	11,619	11,633	
Total liabilities and equity	41,756	40,048	

2.3 Investments

2.3.1 The following are the Company's investments (expanded solo) as of June 30, 2025:

	Currency	Number of shares	Book balance of the Company (expanded solo)	Value	Value measurement basis
			NIS thousands	NIS thousands	
Amot	NIS	240,718,672(*)	4,712,593	5,490,793	Stock market value - tradable
Energix	USD/PLN/NIS	276,060,936	1,041,514	3,434,198	Stock market value - tradable
Carr	USD	-	1,273,956	1,273,956	Equity method
AH Boston	USD	-	282,635	282,635	Equity method
Brockton Everlast	GBP	-	3,163,260	3,163,260	Equity method
Brockton Funds	GBP	-	211,067	211,067	Equity method
Other[13]			513,401	513,401	
Total			11,198,426	14,369,310	

(*) The number of shares, as of the date of publication of the report, is 246,849,572.

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

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

	H1/2025	After the balance sheet date	Total
	In NIS millions	In NIS millions	In NIS millions
Brockton Everlast	103	-	103
Amot	-	150	150
Carr	-	335	335
AH Boston	15	57	72
Total	118	542	660

[13] Including mainly cash in the amount of NIS 509 million.

2.3.3 Property revaluations

For the six-month period ended June 30, 2025, the Company's share in the revaluation gains on investment property recorded by the investees amounted to NIS 159 million (compared to a loss of NIS 503 million). For the three-month period ended June 30, 2025, the Company's share in the revaluation gains on investment property recorded by the investees amounted to NIS 138 million (compared to a loss of NIS 87 million).For information regarding the investment property valuations recorded by the Company's investees in the reporting period (the six-month period ended June 30, 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 June 30, 2025, the Company holds 50.99% in Amot.

Issuance of capital - In July 2025, Amot issued 20,691,400 ordinary shares of NIS 1 PV each and 10,345,700 options (Series 12) exercisable for Amot's ordinary shares, through a shelf offering report[14]. The total (net) consideration received by Amot amounted to approx. NIS 505 million. The future (gross) consideration that will be received by Amot, assuming the full exercise of the options (Series 12) issued as stated for shares, subject to adjustments, will amount to a total of approx. NIS 290 million.

In the public offering, the Company was allocated 6,130,900 ordinary shares and 3,065,450 Amot options (Series 12) in consideration for a total of NIS 150 million. Following the above allocation, as of the date of publication of the report, the Company holds 50.05% of the rights in Amot (49.14% fully diluted).

2.3.4.1 Information regarding Energix's activity in Israel

For information regarding Amot's activity, please 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 Financial Statements -

- **HaLehi Complex (the Park)** - Amot has signed lease contracts for approx. 13 thousand sq m of commercial space in the project (Amot's share - 50%), which are expected to generate annual rental fees of approx. NIS 20 million (Amot's share - 50%). The project's office tower includes 80 thousand sq m of space and receipt of Form 4 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. 75% of the skeleton work has been completed in accordance with the

[14] Amot's options (Series 12) are exercisable for Amot's regular shares until December 31, 2026 (inclusive) against payment of an exercise price (dividend-adjusted) of NIS 28 (without linkage to any index or currency) per option.

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.

- **Occupancy** - The occupancy rate of all Amot properties as of June 30, 2025 is 93.2% (not including properties that were sold after the date of the report) and as of December 31, 2024 it was approx. 92.3% (the occupancy rate represents space for which there are signed contracts, some of which are in the process of being populated).

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 259 million.

Amot's FFO

	Amot Investments Ltd.				
	NIS thousands				
	H1/2025	H1/2024	Q2/2025	Q2/2024	2024
Profit for the year	**457,496**	**314,983**	**298,265**	**165,812**	**919,002**
Adjustments:					
Profit from change in fair value of investment property and profit from sale of investment property	(267,420)	(122,338)	(250,623)	(99,704)	(570,485)
Acquisition costs recognized in profit and loss	4,260	19,302	750	-	23,053
Current and deferred tax effects of the above adjustments	77,702	26,967	48,697	(2,776)	154,578
FFO - according to the Authority's approach	**272,038**	**238,914**	**97,089**	**63,332**	**526,148**
Management's approach, additional adjustments:					
Share-based payment	4,448	3,875	2,330	2,061	8,324
Depreciation and amortizations	1,483	1,389	756	593	2,850
Linkage differential expenses on the debt principal	128,325	163,633	103,791	140,057	285,863
FFO - according to the Management's approach	**406,294**	**407,811**	**203,966**	**206,043**	**823,185**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**138,867**	**122,137**	**49,552**	**32,333**	**268,752**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**207,391**	**208,389**	**104,099**	**105,193**	**420,476**

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

Investment in Carr

As of June 30, 2025 and close to the date of publication of the financial statements, the Group's effective holding in Carr is 47.8% and 79%, respectively. The balance of the investment in Carr in the financial statements as of June 30, 2025, is USD 378 million (approx. NIS 1.27 billion), and after completion of the transaction for the redemption of JPM's holdings and an investment of USD 100 million in Carr's equity, the value of the Company's investment is approx. USD 502 million (approx. NIS 1.7 billion).

2.3.5.1 Information regarding Carr's activity

For information regarding Carr's activity, please 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 Carr's business developments in the reporting period and after the date of the report are as follows:

(a) In July 2025, Carr completed the transaction for the redemption of JPM's holdings in Carr in exchange for the transfer of full ownership of three Carr properties[15] to JPM, free of any debt (hereinafter - the "**transaction**"). In addition, upon completion of the transaction, the Company invested equity in the amount of USD 100 million in Carr. As a result, the Company's effective holding in Carr increased to 79%[16].

Completion of the transaction will enable the Company to realize Carr's growth potential and move forward in the coming years by expanding its office and residential rental property operations, including through the inclusion of leading institutional investors in the United States.

(b) For information regarding the measures taken by Carr in preparation for the aforementioned redemption, please see Note 6b to the financial statements.

[15] The properties transferred to JPM: 1701 Duke Street, Signal House and 1875 K Street, at a total value of USD 241 million.

[16] The holding rate of Clal Insurance Company Ltd. ("**Clal**") on the date of completion of the transaction is 17.6%.

(c) The following is information regarding Carr after the transaction (the data represent Carr's share):

	USD millions	Reference
Investment property	1,654	(1)
Investment property in development	34	(2)
Cash and cash equivalents	112	(3)
Working capital and others	12	
Total assets	1,812	
Long-Term Loans	1,176	(4)
Equity	636	
Total loans and equity	1,812	
Company's share in equity	**502**	

(1) Additional information regarding investment property:
- According to the property value as of June 30, 2025.
- As of the date of publication of the report, Carr owns 7 income-generating properties: Midtown Center (Washington D.C.) (51%); 1700 NY (Washington D.C.) (100%); The Wilson (Bethesda, MD) (100 ;(2311 Wilson (Arlington, VA) (60%); One Congress (Boston, MA) (75%); 200 State (Boston, MA) (100%) and 100 Congress (Austin, TX) (51%).
- Carr's share in the income-generating property space is approx. 2.3 million sq ft.
- The occupancy rate is 91.7%.
- Average rental period - 11 years.
- Weighted discount rate - 7.5%.

(2) Additional information regarding projects in initiation:
- As of the date of publication of the report, Carr owns two projects in initiation for the construction of buildings designated for rental:
  - 425 Montgomery Street building - A residential development project with 237 rental units, in which Carr owns 10% and the partner holds the remaining ownership rights in the project.
  - 3033 Wilson building - A residential development project with 309 rental units, in which Carr owns 100%.

(3) Including cash in the amount of approx. USD 87 million designated for investment in existing income-generating properties.

(4) Additional information regarding long-term loans:
- Average loan duration period - 4.8 years.
- Weighted discount rate - 5.1%.
- The loans are secured by a lien on Carr's assets.
- Carr has fixed the interest rate on all of its loans.

The following is a forecast of Carr's operations for the 12-month period between July 2025 and June 2026 on an [17]"as is" basis:

	USD millions	Note
NOI forecast	135	(1)
FFO forecast	50	(2)

(1) Including USD 11 million in revenue from the management of jointly owned and other assets, including management fees on projects initiated with partners.

(2) Represents an 8% FFO return on Carr's equity after the completion of the JPM holdings redemption transaction.

The information regarding the NOI and FFO forecast as well as the expected expenses are forward-looking information, as that term is defined in Section 32 of the Securities Law. The information is based on the Carr management's work plans, according to its estimates, and its realization is uncertain and not within the control of the Carr management, since there is no certainty that the many variables that make up the work plan will be realized as planned.

[17] Without reference to purchases and/or disposals of assets that may occur during the period.

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 19 million in its financial statements (the Group's share in the positive revaluation before tax is approx. USD 9 million, (NIS 32 million)).

Carr's FFO is as follows:

	FFO - Carr				
	NIS thousands				
	H1 2025	H1 2024	Q2 2025	Q2 2024	For the year 2024
Profit (loss) for the period	53,543	(156,970)	22,206	(16,150)	(145,080)
Adjustments:					
Profit from change in fair value of investment property	(20,879)	90,844	(8,164)	(7,460)	129,392
Acquisition costs recognized in profit and loss	2,753	2,468	1,908	1,214	6,433
Current and deferred tax effects of the above adjustments	(105)	(35)	5	10	1,921
Adjustments as detailed above in respect of associates	2,286	100,421	1,362	37,770	74,725
FFO - according to the Authority's approach	**37,598**	**36,728**	**17,317**	**15,384**	**67,391**
Attributed to non-controlling interests	(5,188)	570	(2,196)	(527)	1,643
Adjustments stemming from the non-controlling interests' share in FFO	1,177	(4,378)	457	-	(6,576)
FFO - according to the Authority's approach attributed to Company shareholders	**33,587**	**32,920**	**15,578**	**14,857**	**62,458**
FFO - according to the Management's approach, in USD thousands	**33,587**	**32,920**	**15,578**	**14,857**	**62,458**
Management's approach, additional adjustments:					
NOI	70,649	72,026	33,843	33,304	137,168
Administrative and general expenses	(6,159)	(5,484)	(2,922)	(2,143)	(7,843)
Financing expenses	(30,903)	(33,622)	(15,343)	(16,304)	(66,867)
FFO - according to the Management's approach	**33,587**	**32,920**	**15,578**	**14,857**	**62,458**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**57,753**	**57,555**	**26,675**	**25,401**	**110,216**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**57,753**	**57,555**	**26,675**	**25,401**	**110,216**

2.3.5 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 wholly-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 June 30, 2025 is USD 84 million (approx. NIS 283 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 32 million. As of the date of publication of this report, no space has been leased 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.

After the reporting period, in July 2025, the property company entered into a loan refinancing agreement, under which USD 27 million was repaid (from a balance of USD 159 million to a balance of USD 132 million). The Company's share of the repayment was approx. USD 15 million. The property company was given the option to increase the loan amount to up to USD 180 million, mainly for the financing of future rental costs.

The new loan bears a fixed interest rate of 7% for a period of three years with an extension option for an additional year.

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. As of the date of the report, the rate of leased space in the building is 92%.

2.3.6.3 Fair value adjustments of investment property

In the reporting period, negative revaluations totaling USD 20 million were recorded (the Group's share of the negative revaluation before tax is approx. USD 11 million (NIS 39 million), mainly due to the 745 Atlantic building as a result of the decline in rental prices in Boston in the laboratory sector and the increase in vacant space in the sector (as a result of excess speculative construction and a decrease in active rental demand), which will prolong the period of the building's rental efforts.

AH Boston's FFO is as follows:

	FFO - AH Boston				
	USD thousands				
	H1/2025	H1/2024	Q1/2025	Q1/2024	2024
Loss for the period	(19,587)	(72,384)	(20,391)	(35,366)	(136,952)
Adjustments:					
Loss from change in fair value of investment property	19,627	76,197	20,346	36,622	142,942
Depreciation and amortizations	2,710	2,594	1,310	1,292	5,202
Loss from changes in fair value or sale of financial instruments	561	1,869	148	1,031	3,498
FFO - according to the Authority's approach	3,311	8,276	1,413	3,579	14,690
FFO - according to the Management's approach	3,311	8,276	1,413	3,579	14,690
Management's approach, additional adjustments:					
NOI	12,832	15,279	7,194	7,944	28,510
Administrative and general expenses	(183)	(591)	(95)	(264)	(1,122)
Financing expenses	(9,338)	(6,412)	(5,686)	(4,101)	(12,698)
FFO - according to the Management's approach (*)	3,311	8,276	1,413	3,579	14,690
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	6,552	16,606	2,784	7,140	29,869
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	6,552	16,606	2,784	7,140	29,869

(*) The decrease in NOI and FFO between the aforementioned periods is due to the cessation of capitalization of financing and maintenance costs in the 745 Atlantic building, which as of the date of publication of this report has not yet been leased.

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

As of June 30, 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 21.6 million (approx. NIS 103 million) in BE's capital.

2.3.7.1 Information regarding BE's activity

- During the reporting period, BE completed the demolition of the buildings on the site and is preparing to begin reinforcement and excavation work for the construction of the Dovetail building in the City of London.
- 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 required for a project promoted by BE on an adjacent lot. BE estimates that the savings in the construction costs of the car park in the aforementioned project will exceed the cost of purchasing the aforementioned 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 positive revaluation of GBP 8 million (NIS 37 million) resulting mainly an increase in the value of a property in development in the City of London (please 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 June 30, 2025, BE had loans from banking corporations totaling approx. GBP 377 million, of which approx. GBP 280 million will be repaid during 2026. BE is in contact with financial institutions for the refinancing of the aforementioned debts.

2.3.7.4 BE's FFO:

	FFO – BE				
	GDP thousands				
	H1/2025	H1/2024	Q2/2025	Q2/2024	2024
Profit (loss) for the period	**13,880**	**(38,798)**	**15,013**	**(23,277)**	**(26,942)**
Adjustments:					
Loss (profit) from change in fair value of investment property	(7,609)	19,633	(8,942)	3,129	(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	(866)	21,130	(866)	21,130	42,800
Loss from changes in fair value or from sale of financial instruments	2,351	1,966	897	780	4,480
Current and deferred tax effects of the above adjustments	-	(19)	-	(28)	1,495
FFO - according to the Authority's approach, in GBP thousands	**7,756**	**3,912**	**6,102**	**1,734**	**9,893**
Management's approach, additional adjustments:					
Depreciation and amortizations	385	191	192	111	527
Share-based payment	400	1,456	200	962	2,314
Adjustment of tax expenses or income resulting from all of the above adjustments	-	(262)	-	(182)	(359)
FFO - according to the Management's approach, in GBP thousands	**8,541**	**5,297**	**6,494**	**2,625**	**12,375**
The following is a breakdown of FFO according to the Management's approach:					
NOI	20,185	19,926	10,433	9,666	42,730
Administrative and general expenses	(4,998)	(7,034)	(2,676)	(3,415)	(12,816)
Financing expenses	(6,646)	(9,860)	(1,263)	(4,883)	(20,006)
Management fee revenue from Brockton Funds	-	2,265	-	1,257	2,467
FFO - according to the Management's approach, in GBP thousands	**8,541**	**5,297**	**6,494**	**2,625**	**12,375**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**31,098**	**15,354**	**24,712**	**6,900**	**39,208**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**34,244**	**20,778**	**26,341**	**10,411**	**49,032**

2.3.7 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. 1.5 GW and 189 MWh (storage),[18]projects in commercial operation, approx. 735 MW and 257 MWh (storage) development and pre-construction (and up to an additional 570 MW, subject to the completion of the acquisition of the Jonava project in Lithuania and the Nottingham project in Ohio), and approx. 644 MW 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.

2.3.8.1 Information regarding Energix's activity

For information regarding Energix's activity, please 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 12 projects with a total capacity of approx. 734 MW + 210 MWh in the United States, Poland and Israel. In addition, Energix is in preparations for the start of construction on projects with a total capacity of 570 MW (photovoltaic and wind), which will begin immediately subject to the completion of the acquisition transactions for the Jonava project in Lithuania and the Nottingham project in the United States.
- **Receipt of connection permits in Poland with a capacity of over 1 GW** - In July 2025, Energix received permits to connect to the electricity grid for new projects with a total capacity of approx. 1 GW. Accordingly, as of the date of approval of the report, Energix has permits to connect to the electricity grid for projects in development in Poland, in the years 2026-2031 with a total capacity of approx. 1.35 GW, of which approx. 880 MW is for wind facilities, approx. 230 MWp is for photovoltaic facilities and approx. 240 MW is for storage facilities.[19]
- **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) for the amount of EUR 25 million. 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, and with the completion of the acquisition transaction Energix intends to begin

[18] Including a project with a capacity of approx. 78 MWp that was connected and began commercial operation subsequent to the balance sheet date.

[19] It should be noted that grid connection permits currently constitute the bottleneck and main obstacle to the promotion of new electricity generation projects in Poland, and their receipt significantly reduces the entrepreneurial risk associated with projects that are in various stages of development, as well as future projects that Energix may acquire, and this supports the continued growth of Energix's activities in the coming years.

construction immediately. During the reporting period, a construction permit was received for the wind farm, and completion of the project acquisition is expected in the fourth quarter of 2025, following receipt of the remaining approvals (including a permit for the solar facility).

Israel

The ARAN Project for the construction of a wind farm with a capacity of 104 MW - Following the end of the war on the northern front and considering the geopolitical changes in Syria, over the past few months Energix has been preparing to resume construction work on the project, but has encountered violent resistance, in violation of the law, from several Druze residents who oppose the project. In view of the above, Energix is again preparing to begin construction work, with the necessary security, with respect to the 10 turbines farthest from residential areas and adjacent to the border as Phase A. Energix will subsequently work to construct Phase B.

Although Energix intends to construct the project in full in accordance with its rights under the law, in the absence of intensive involvement by the Israeli government to reach an arrangement and to instruct the Israel Police to secure the construction of the turbines, Energix sees a higher risk in the construction of the remaining 11 turbines (of the 21 turbines) since they are closer to the Druze communities and have a higher potential for resistance. Therefore, Energix's Board of Directors has decided that, as of the date of the report, the probability of the remaining 11 turbines that constitute Phase B being constructed is less than 50%. In view of this, Energix recorded an impairment loss on the project during the reporting period in the amount of approx. NIS 36 million. For additional information, please see Note 5b to the financial statements.

United States

- For additional information regarding regulatory changes in the United States, please see Section 2.1(3) above.
- **Completion of construction of 4 projects from the E4 backlog** - In the reporting period, Energix completed the construction of an additional photovoltaic project with a capacity of approx. 78 MWp from the E4 backlog, and in total it has completed the construction of 4 projects with a total capacity of approx. 148 MWp from this backlog.

Poland

During the quarter, Energix completed the grid connection and commercial operation of its photovoltaic project in Poland with a capacity of approx. 30 MWp. In addition, the construction of a stand alone storage project with a capacity of approx. 48 MWh was completed and its commercial operation is expected in the coming weeks.

Energix also began construction of another stand alone storage project with a total capacity of approx. 52 MWh, which is expected to reach commercial operation towards the end of 2025.

The construction of the storage projects will be financed through a dedicated credit facility granted to Energix in the reporting period in the amount of PLN 100 million. For information, please see Note 8c(4) to the financial statements.

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 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**").

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

	Energix's EBITDA NIS thousands				
	H1/2025	H1/2024	Q2/2025	Q2/2024	2024
Energix's accounting EBITDA	123,759	156,397	221,705	322,913	625,934
Lease expenses (IFRS 16)	(8,936)	(8,006)	(16,410)	(14,037)	(30,396)
Other revenue/expenses, including initiation expenses	6,113	2,679	13,585	8,652	10,046
Administrative and general	35,045	28,661	65,771	55,645	135,090
Total project EBITDA	155,981	179,731	284,651	373,173	740,674

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
	NIS millions	
Amot	185	319
BE	-	47
Energix	55	110
AH Boston	15	31
Total cash dividend	256	507
[20]Carr – Dividend reinvestment plan	-	159
Total dividend	256	666

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.

[20] 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 Liquidity and financing sources

2.4.1 Cash and credit facilities

As of June 30, 2025, the Group has cash balances of NIS 1.7 billion (of which the Company's expanded solo balance - NIS 509 million) and unutilized lines of credit in the amount of approx. NIS 2.5 billion (of which the Company's expanded solo lines of credit - NIS 550 million).

2.4.2 Unencumbered assets

As of June 30, 2025, all of the Company's assets (expanded solo) are not encumbered. Their balance (not including cash) as of June 30, 2025 is NIS 10.7 billion (a market value of NIS 13.9 billion). As of June 30 2025, Amot has a balance of unencumbered assets (approx. 98%) in the amount of approx. NIS 21 billion.

2.4.3 Financial debt

As of June 30, 2025, the Group's net financial debt amounted to NIS 22.6 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 June 30, 2025, the net financial debt of the Company (expanded solo) amounted to NIS 5.3 billion, constituting 49.2% 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.

2.4.3.1 The Company (expanded solo)

- In June 2025, the Company issued NIS 499 million PV of bonds (Series M) by way of a series expansion through a shelf offering report, for a total net consideration of NIS 482 million.
- As of June 30, 2025, the Company has a credit facility in the total amount of NIS 550 million, which is unutilized. As of the date of publication of the report, the Company has utilized approx. NIS 41 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 after the balance sheet date, the consolidated companies carried out the following actions:

Amot:

- In May 2025, through an expansion of an existing bond series, Amot issued bonds (Series J) in the amount of NIS 636 million PV in consideration for a net amount of NIS 665 million (including accrued interest). For additional information, please see Note 9b to the financial statements.

- In July 2025, Amot issued 20,691,400 ordinary shares of NIS 1 PV each and 10,345,700 options (Series 12) exercisable for Amot's ordinary shares, through a shelf offering report. The total (net) consideration received by Amot amounted to approx. NIS 505 million. The future (gross) consideration that will be received by Amot, assuming the full exercise of the options (Series 12) issued as stated for shares, subject to adjustments, will amount to a total of approx. NIS 290 million.

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. Also in the reporting period, Energix issued non-tradable securities in the amount of NIS 100 million PV, with interest in the range of 4.5%-5% for a period of one year with an option to renew for additional one year periods up to a maximum period of five years.

- **Project financing agreement in the amount of up to USD 491 million** - During July 2025, Energix engaged in a transaction with MUFG Bank for the receipt of project financing in the amount of up to USD 491 million for the financing of the construction of the E5 project backlog with a total capacity of approx. 270 MWp. The financing provided by MUFG Bank will include short-term financing for the construction period, which will be replaced by long-term back leverage financing, and a bridging loan until the investment of the projects' tax partner. For additional information, please see Note 8c.3 to the financial statements.

- **Credit facilities** - As of the date of the report, Energix has credit facilities, used for providing guarantees and short-term loans, totaling approx. NIS 1.6 billion, of which a total of NIS 1 billion is utilized.

  In addition, Energix signed for long-term credit facilities with banking corporations in Israel for up to USD 175 million, of which approx. USD 128 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.

- **Signing of an investment agreement (tax partner) and first time completion of the set of agreements for implementing Energix's cooperation agreement with Google for Energix's projects in the United States** - In the reporting period, Energix signed a tax partner investment agreement with Google for up to USD 100 million, which for the first time completes the set of binding agreements (sale of electricity and green certificates and tax partner investment) for implementing the cooperation with Google. This is expected to be used by the parties for additional projects to be established by Energix in the United States and will be part of the aforementioned cooperation (subject to necessary adjustments in accordance with the terms of a specific project).

- **Signing of a transaction for the financing of a project in Israel with a capacity of approx. 30 MWp + 48 MWh** - After the balance sheet date, Energix signed an agreement for the receipt of financing for the project in the amount of up to NIS 94 million and is preparing to make withdrawals. The financing transaction is on a non-recourse basis under the terms accepted for project finance transactions.

- **E4 backlog - tax partner investment** - During the reporting period, Energix received a total of approx. USD 13 million, which constitutes approx. 20% of the total tax partner investment in relation to 3 projects with a total capacity of approx. 70 MWp included in the E4 Backlog. The remaining tax partner investment estimated at approx. USD 63 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 June 30, 2025 amounted to a total of NIS 1.6 billion in the consolidated statements (not including a working capital deficit in the Company's expanded solo statements). As of June 30, 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 457 million, compared to a loss of NIS 273 million in the corresponding period last year. The share attributed to Company shareholders in the reporting period amounted to a profit of approx. NIS 201 million, compared to a loss of NIS 480 million attributed to Company shareholders in the corresponding period last year.

In the reporting period, the Group recorded comprehensive income of NIS 270 million, compared to a comprehensive loss of NIS 182 million in the corresponding period last year. The share attributed to Company shareholders in the reporting period amounted to a profit of approx. NIS 61 million, compared to a comprehensive loss of NIS 410 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):

	H1	H1	Q2	Q2	For the Year
	2025	2024	2025	2024	2024
Revenue and profits	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue from rental fees and management of investment property	702,295	675,682	353,161	344,204	1,389,184
Fair value adjustments of investment property	295,090	11,627	287,865	84,999	607,208
Group share in the losses of associates, net	52,576	(417,079)	(550)	(97,905)	(540,178)
Net profits (losses) from investments in securities measured at fair value through profit and loss	(7,583)	(69,056)	2,591	(51,677)	(227,508)
Profit from decrease in rate of holding, from acquisition and realization of associates	(78)	12	(6)	2	23
Revenue from sale of electricity and green certificates	365,152	436,066	195,859	213,518	856,210
Other revenue, net	402	3,656	(176)	991	26,010
	1,407,854	640,908	838,744	494,132	2,110,949
Costs and expenses					
Cost of investment property rental and operation	97,960	86,033	49,171	48,899	180,460
Initiation, maintenance and operation costs of electricity-generating facilities	78,310	61,132	37,111	29,450	121,400
Depreciation and amortizations	169,075	98,680	108,768	55,394	228,141
Administrative and general	130,424	117,011	69,407	58,960	266,809
Financing expenses, net	478,706	557,567	283,300	383,051	987,298
	954,475	920,423	547,757	575,754	1,784,108
Profit (loss) before taxes on income	453,379	(279,515)	290,987	(81,622)	326,841
Income tax expenses	(3,207)	(6,635)	(643)	(47,595)	77,635
Net profit (loss) for the period	**456,586**	**(272,880)**	**291,630**	**(34,027)**	**249,206**
Distribution of net income (loss) for the period:					
Share of Company shareholders	**201,306**	**(479,611)**	**134,332**	**(139,790)**	**(346,199)**
Share of non-controlling interests	255,280	206,731	157,298	105,763	595,405
	456,586	**(272,880)**	**291,630**	**(34,027)**	**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 702 million in the reporting period, compared to NIS 676 million in the corresponding period last year, an increase of NIS 26 million (approx. 4%).

The increase stems mainly from revenue from Amot properties (approx. NIS 17 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 295 million, which stem from an adjustment of the value of an Amot property in the amount of NIS 259 million (the increase stems from a revaluation for the effect of the CPI in the period on the property values and a revaluation of a property in development) and in BE in the amount of approx. NIS 37 million, which stemmed mainly from an increase in the value of a property in development in the City of London resulting from the expected rise in rental fees.

In the corresponding period last year, positive property revaluations were recorded in the amount of NIS 12 million, which stem from a positive revaluation in Amot in the amount of NIS 103 million, which was offset by fair value losses in respect of BE's properties in the amount of NIS 91 million, resulting from an increase of 0.25% in the discount rate of the projected cash flow of some of the properties.

Group share in the profits 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 79 million was recorded in the reporting period, compared to a loss of NIS 278 million in the corresponding period last year. The profit in the reporting period is partially due to a positive value adjustment of Carr's properties in the amount of USD 19 million (the Company's share in the profit before tax - USD 9 million, approx. NIS 32 million).

- **Group share in AH Boston's profits** - A loss of NIS 38 million was recorded in the reporting period, compared to a loss of NIS 145 million recorded in the corresponding period last year.

  Negative revaluations were recorded in the amount of USD 76 million in respect of the Boston properties (the Group's share in the negative revaluation before tax is approx. USD 41.7 million (NIS 155 million)). The negative revaluations of properties in the corresponding 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 and 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 365 million compared to NIS 436 million in the corresponding period last year, a decrease of NIS 71 million.

The decrease is mainly due to a decrease in electricity revenues from Poland (approx. NIS 43 million) stemming from lower yields in Poland due to weak wind conditions and lower electricity prices in Poland (approx. NIS 55 million) (taking into account electricity hedging), which were offset by an increase in revenues in respect of the connection of facilities in the United States and in Israel.

Net financing expenses - Financing expenses in the reporting period amounted to NIS 479 million compared to NIS 558 million in the corresponding period last year, a decrease of NIS 79 million. The decrease stems mainly from a decrease in the Group's financial debt balance.

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):

	H1	H1	Q2	Q2	For the year
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Net loss for the period	**456,586**	**(272,880)**	**291,630**	**(34,027)**	**249,206**
Profit (loss) from investment in Carr (1) (2)	(77,368)	16,701	(88,883)	8,827	(21,344)
Profit (loss) from investment in AH Boston (1)	(19,094)	3,829	(21,873)	1,844	(2,443)
Profit from investment in BE (1) (3)	3,822	57,763	(121,426)	38,581	(52,143)
Profit (loss) from investment in Energix and others (4)	(97,192)	13,673	(156,570)	8,625	(57,840)
Tax effects	3,572	(1,209)	3,372	(801)	2,582
Other comprehensive income for the period	(186,260)	90,757	(385,380)	57,076	(131,188)
Total comprehensive income (loss) for the period	**270,326**	**(182,123)**	**(93,750)**	**23,049**	**118,018**
Allocation of comprehensive income (loss) for the period:					
Share of Company shareholders	**60,641**	**(410,986)**	**(148,834)**	**(97,781)**	**(443,351)**
Share of non-controlling interests	209,685	228,863	55,084	120,830	561,369
	270,326	(182,123)	(93,750)	23,049	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 half of 2025, there was an appreciation of the NIS by 7.7% against the USD and a devaluation of 1.09% against the GBP. In the corresponding half last year, there was a devaluation of the NIS by a rate of 3.6% and 2.81% 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 half of 2025 also includes another comprehensive loss in the amount of NIS 4.5 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 3 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 another comprehensive loss in the amount of approx. NIS 15.3 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 loss in the reporting period is mainly due to the effect of exchange rates (net of hedging) at Energix due to the appreciation 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 devaluation of the NIS against the USD and the PLN.

2.6 Cash Flows

	H1/2025	H1/2024	2024
	NIS millions		
Total cash provided by operating activities	**375**	**427**	**1,064**
Cash flows used in investing activities			
Investment in investment property and fixed assets (including property in development)	(544)	(504)	(864)
Proceeds from the realization of investment property	25	243	334
Investment in electricity-generating systems	(1,071)	(612)	(1,429)
Investment in AH Boston	(15)	(15)	(124)
Repaid hedging transactions	(74)	(124)	(388)
Investment in Brockton Funds, net	-	(56)	(69)
Repayment (provision) of loans, net	(3.0)	(17)	(24)
Net increase in deposits (including encumbered deposits) and realization of tradable securities	(152)	636	636
Total cash used in investing activities	**(1,834)**	**(449)**	**(1,929)**
Cash flows provided by financing activities			
Receipt of loans (long-term loans and utilization of short-term bank credit)	1,314	538	2,056
Proceeds from the issuance of bonds	1,629	555	555
Repayment of liabilities (long-term loans, bonds and repayment of short-term credit)	(953)	(1,583)	(2,827)
Capital raised by the Company	-	12	1,004
Capital raised by Amot (net of the Company's investment in the issue)	-	16	-
Capital raised by Energix (net of the Company's investment in the issue)	-	41	-
Proceeds from the issue of shares and options to non-controlling interests	39	-	92
Acquisition of shares from non-controlling interests	-	(19)	(59)
Payment of dividends to Company shareholders and to non-controlling interests in consolidated companies	(336)	(349)	(611)
Total cash provided by financing activities	**1,693**	**(789)**	**210**
Total increase (decrease) in cash balances in the period	**234**	**(811)**	**(655)**
Other influences	**(20)**	**8**	**5**
Cash and cash equivalents and designated deposit balance at end of period	1,766	1,398	1,552
Less designated deposit	(26)	(28)	(28)
Cash and cash equivalents at end of period	**1,740**	**1,370**	**1,524**

2.7 Equity

2.7.1 Equity per share

	As of June 30 2025	As of December 31 2024
	NIS millions	NIS millions
Equity	11,619	11,633
Less non-controlling interests	(6,231)	(6,219)
Equity attributed to Company shareholders	5,388	5,414
Equity per share (NAV per share)	25.06	25.18
Equity per share, not including tax reserves (NNAV per share)	29.64	29.65

2.7.2 Explanation of changes in equity

During the reporting period, the capital attributed to the Company's shareholders decreased by NIS 26 million.

The main changes are as follows:

- Profit attributed to the Company shareholders in the amount of NIS 201 million - please see additional information in Section 2.5.2 above.
- Other comprehensive loss attributed to the Company shareholders in the amount of NIS 140 million - please see additional details in Section 2.5.3 above.
- A reduction in capital following dividends declared in the amount of NIS 103.2 million.

2.7.3 Effects of changes in exchange rates on the Company's equity

The following is the composition of the surplus of assets over liabilities on the basis of the Company's statements (expanded solo) by currency, as of June 30, 2025 (in NIS millions)[21]:

As of June 30, 2025	Assets	Liabilities	Assets, net	%
USD	1,626	(732)	894	17%
GBP	3,376	(1,463)	1,913	36%
Other	-	(1)	(1)	0%
Excess assets over liabilities in foreign currency	5,002	(2,196)	2,806	52%
Excess assets over liabilities in NIS	6,267	(3,685)	2,582	48%
Equity as of June 30, 2025	11,269	(5,881)	5,388	100%

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

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 June 30, 2025, please see Section 2.7.3 above and Appendix B.

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, based on 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 May 14, 2025 meeting, the Audit Committee discussed the Internal Auditor's report on employee options.

At its July 29, 2025 meeting, the Audit Committee discussed the Internal Auditor's report on general procurement (including travel abroad).

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 (Expanded Solo)

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 June 30	As of December 31
	2025	2024
	NIS thousands	NIS thousands
<u>Current assets</u>		
Cash and cash equivalents	509,086	641,761
Other accounts receivable	50,245	38,533
Total current assets	559,331	680,294
<u>Non-current assets</u>		
Securities measured at fair value through profit and loss	211,074	218,459
Investments in investees	10,478,266	10,415,263
Miscellaneous	20,258	15,534
Total non-current assets	10,709,598	10,649,256
Total assets	11,268,929	11,329,550
<u>Current liabilities</u>		
Short-term credit and current maturities of long-term liabilities	363,689	378,454
Other accounts payable	116,889	295,661
Total current liabilities	480,578	674,115
<u>Non-current liabilities</u>		
Bonds and long-term loans	5,337,466	5,180,764
Deferred taxes	10,190	11,541
Miscellaneous	52,441	49,554
Total non-current liabilities	5,400,097	5,241,859
Equity	5,388,254	5,413,576
Total liabilities and equity	11,268,929	11,329,550

Financial Data, Expanded Solo

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

	H1	H1	Q2	Q2	For the Year
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue					
Group share in the profits (losses) of associates, net	352,258	(330,661)	205,776	(63,756)	(13,211)
Profit from decrease in rate of holding, from purchase and realization of investees	(78)	12	(6)	2	23
Net profit (loss), relating to investments in long-term securities held for sale	(11,623)	(11,537)	(1,449)	(1,226)	(11,443)
Other revenue, net	11,063	12,779	5,438	7,330	22,296
	351,621	(329,407)	209,760	(57,650)	(2,335)
Expenses					
Administrative and general	18,756	18,431	10,358	9,034	39,136
Financing expenses, net	122,650	137,471	61,288	78,536	271,169
	141,406	155,902	71,646	87,570	310,305
Profit (loss) before taxes on income	210,215	(485,309)	138,114	(145,220)	(312,640)
Income tax income	8,909	(5,698)	3,782	(5,430)	33,559
Profit (loss) for the period	201,306	(479,611)	134,332	(139,790)	(346,199)

	H1	H1	Q2	Q2	For the Year
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Group share in the profits (losses) of associates, net					
Group share in Amot's equity income	232,957	160,789	151,745	84,574	468,064
Group share in Energix's equity income	21,954	83,369	859	43,385	169,761
Group share in Carr's equity losses	79,440	(278,160)	33,167	(29,191)	(263,716)
Group share in AH Boston's equity losses	(38,576)	(145,121)	(40,849)	(71,308)	(277,752)
Group share in Brockton's equity losses	56,454	(151,251)	60,830	(91,106)	(104,164)
Miscellaneous	29	(287)	25	(110)	(5,404)
Total profits (losses) of associates, net	**352,258**	**(330,661)**	**205,777**	**(63,756)**	**(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) maturing after June 30, 2025:

	Bonds	Short-term credit	Total	%
	NIS thousands	NIS thousands	NIS thousands	
Current maturities	355,919	7,770	363,689	6
Second year	355,919	-	355,919	6
Third year	993,187	-	993,187	17
Fourth year	993,187	-	993,187	17
Fifth year	716,226	-	716,226	12
Sixth year onward	2,520,930	-	2,520,930	42
Total repayments	5,935,368	7,770	5,943,138	100
Miscellaneous			(193,755)	
Balance of liabilities related to financial derivative transactions			53,110	
Total financial debt (taking into account the value of financial derivative transactions)			5,802,493	

(*) Not 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 June 30, 2025 NIS thousands	In NIS Unlinked NIS	In NIS CPI-Linked	In USD USA	In GBP	Other	Total	Adjustments - Non-monetary items	Total
Current assets								
Cash and cash equivalents	447,585	-	60,905	465	131	509,086	-	509,086
Other accounts receivable	31,183	-	67	-	-	31,250	18,995	50,245
Total current assets	478,768	-	60,972	465	131	540,336	18,995	559,331
Non-current assets								
Securities measured at fair value through profit and loss	7	-	-	211,067	-	211,074	-	211,074
Investments in associates	-	-	-	-	-	-	10,478,266	10,478,266
Miscellaneous	18,630	-	-	-	-	18,630	1,628	20,258
Total non-current assets	18,637	-	-	211,067	-	229,704	10,479,894	10,709,598
Total assets	**497,405**	**-**	**60,972**	**211,532**	**131**	**770,040**	**10,498,889**	**11,268,929**
Current liabilities								
Short-term credit and current maturities of long-term liabilities	363,689	-	-	-	-	363,689	-	363,689
Other payables	95,222	12,816	-	-	-	108,038	8,851	116,889
Total current liabilities	458,911	12,816	-	-	-	471,727	8,851	480,578
Non-current liabilities								
Bonds and long-term loans	4,259,264	1,078,202	-	-	-	5,337,466	-	5,337,466
Deferred tax liabilities	-	-	-	-	-	-	10,190	10,190
Miscellaneous	51,435	-	844	-	-	52,279	162	52,441
Total non-current liabilities	4,310,699	1,078,202	844	-	-	5,389,745	10,352	5,400,097
Total liabilities	**4,769,610**	**1,091,018**	**844**	**-**	**-**	**5,861,472**	**19,203**	**5,880,675**
Excess assets over liabilities (liabilities over assets)	**(4,272,205)**	**(1,091,018)**	**60,128**	**211,532**	**131**	**(5,091,432)**	**10,479,686**	**5,388,254**
Financial derivatives	1,944,023	250,000	(730,635)	(1,463,388)	-	-	-	-
Excess financial assets over financial liabilities (financial liabilities over financial assets)	**(2,328,182)**	**(841,018)**	**(670,507)**	**(1,251,856)**	**131**	**(5,091,432)**	**10,479,686**	**5,388,254**
Distribution of non-monetary assets (liabilities), net - by linkage basis	1,040,975	4,711,292	1,564,106	3,164,809	(1,496)	10,479,686	(10,479,686)	-
Excess assets over liabilities (liabilities over assets)	**(1,287,207)**	**3,870,274**	**893,599**	**1,912,953**	**(1,365)**	**5,388,254**	**-**	**5,388,254**

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):

	H1 2025 NIS thousands	H1 2024 NIS thousands	For the year 2024 NIS thousands
Share of Company shareholders in the loss for the period	**201,306**	**(479,611)**	**(346,199)**
Adjustments to profit and loss:			
Fair value adjustments of investment property	(295,090)	(11,627)	(607,208)
Company share in real estate revaluations and other non-FFO items in investees	22,517	514,928	702,641
Profit from decrease in rate of holding, from purchase and realization of investees	78	(12)	(23)
Net losses (profits) from investments in securities measured at fair value through profit or loss	7,583	69,056	231,945
Others (mainly depreciation and amortizations)	168,241	91,391	208,458
Non-FFO financing expenses (mainly linkage differences and exchange rate differences)	132,885	260,277	354,889
Non-FFO deferred taxes and current taxes, net	(34,508)	(44,169)	(15,835)
Share of non-controlling interests in the above adjustments to FFO	16,152	(96,682)	7,557
Real FFO - according to the Management's approach	**219,164**	**303,551**	**536,225**
The sources of the FFO are as follows:			
Revenues			
Investment property NOI	604,335	588,023	1,208,724
NOI from the sale of electricity	276,333	361,500	693,658
Group's share in Carr's FFO, not including real estate revaluations	57,764	57,950	110,216
Group's share in AH Boston's FFO, not including real estate revaluations	6,645	26,403	29,899
Group's share in FFO of associates in Amot and in Brockton Everlast	10,683	13,497	22,348
Other revenues	402	928	30,498
Total revenue	**956,162**	**1,048,301**	**2,095,343**
Expenses			
Real financing, net	(345,820)	(297,792)	(632,409)
Administrative and general	(120,749)	(106,012)	(245,391)
Current taxes	(31,301)	(37,533)	(93,470)
Share of non-controlling interests attributed to operating activities	(239,128)	(303,413)	(587,848)
Total expenses	**(736,998)**	**(744,750)**	**(1,559,118)**
Real FFO - according to the Management's approach	**219,164**	**303,551**	**536,225**

2.) Special Disclosure for Bondholders

The following is current data as of June 30, 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 June 30, 2025	311,729	400,109	160,746	2,054,943	1,861,029	1,050,480	5,839,036
Linked par value as of June 30, 2025	311,729	400,109	160,746	2,054,943	1,861,029	1,146,810	5,935,366
Value in the financial statements as of June 30, 2025 (at amortized cost)	315,187	401,714	159,392	1,951,875	1,778,171	1,078,202	5,684,541
Stock market value as of June 30, 2025	312,009	409,112	149,863	1,897,329	1,859,354	1,109,937	5,737,604
Accrued Interest as of June 30, 2025	4,044	2,290	1,441	16,553	22,959	9,786	57,073

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 June 30, 2025
Net financial debt to value of holdings[22]	%	Less than 80%	47.0%
Minimum equity (Series I, J, K, L, M and O)[23]	NIS billions	More than 2.2	5.4

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.

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

[23] 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[24]

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).

[24] The detailed information 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

Deloitte.

A Review Report of the Independent Auditor to the shareholders of
<u>Alony Hetz Properties & Investments Ltd.</u>

Introduction

We have reviewed the accompanying financial information of **Alony Hetz Properties & Investments Ltd.** the Company and subsidiaries (hereafter- “the Company”) which includes the condensed consolidated statement of financial position as of June 30, 2025, and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the period of six and three months ended on that date. The board of directors and management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 “Interim Financial Reporting” and they are also responsible for the preparation of this interim financial information in accordance with Chapter D of Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the interim condensed financial information of companies that were consolidated, whose assets included in consolidation constitute approximately 11% of the total consolidated assets as of June 30, 2025, and whose revenues included in consolidation constitute approximately 16% and 15% of the consolidated revenues from rental fees, management of investment property and sale of electricity and green certificates, for the six and three-month period then ended. Furthermore, we did not review the interim condensed financial information of certain affiliates presented on the equity method basis, the investment in which amounted to approximately 1,274 million NIS as of June 30, 2025, and the share of the results of which for the six and three-month period then ended, amounted to Income of approximately 79 million NIS and Income of 33 million NIS, respectively. The interim condensed financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the financial information included for those companies, is based on the review reports of the other auditors.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the abovementioned financial information is not prepared, in all material respects, in accordance with IAS 34.

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

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, August 18, 2025

תל אביב - משרד ראשי
מרכז עזריאלי 1 תל אביב ת.ד. 16593 תל אביב 6116402 | טלפון: 03-6085555 | info@deloitte.co.il

משרד ירושלים
קרית המדע 3
מגדל הר חוצבים
ירושלים, 914510
ת.ח. 45396

טלפון: +972 (2) 501 8888
פקס: +972 (2) 537 4173
info-jer@deloitte.co.il

משרד חיפה
מעלה השחרור 5
ת.ד. 5648
חיפה, 3105502

טלפון: +972 (4) 860 7333
פקס: +972 (2) 867 2528
info-haifa@deloitte.co.il

משרד אילת
מרכז העירוני
ת.ד. 538
אילת, 88104002

טלפון: +972 (8) 637 5676
פקס: +972 (2) 637 1628
info-eilat@deloitte.co.il

משרד נצרת
מרג' אבן עאמר 9
נצרת, 16100

טלפון: +972 (73) 399 4455
פקס: +972 (73) 637 4455
info-
nazareth@deloitte.co.il

משרד בית שמש
יגאל אלון 1
בית שמש, 9906201

משרד רעננה - מתחם אינפיניטי
הפנינה 8,
רעננה

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

	As of June 30		As of December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	1,740,729	1,370,098	1,524,326
Deposits and designated deposit	156,135	33,763	30,940
Trade receivables	142,368	137,762	115,629
Current tax assets, net	33,589	21,345	29,777
Other receivables	417,784	385,145	302,817
Assets designated for sale	212,860	-	-
Total current assets	2,703,465	1,948,113	2,003,489
Non-current assets			
Investment property	20,089,119	19,516,189	19,846,080
Investment property in development and land rights	5,591,196	4,724,243	5,160,484
Long-term investments			
Securities measured at fair value through profit and loss	211,074	216,850	218,459
Investment in companies accounted for according to the equity method	1,998,879	2,182,903	2,084,985
Deferred tax assets	311,993	208,959	233,675
Electricity-generating facilities			
Connected electricity-generating facilities	5,794,654	5,754,659	5,674,033
Right-of-use asset	667,525	655,627	617,966
Electricity-generating facilities in development	3,804,846	2,317,044	3,620,530
Restricted deposits	24,097	29,648	30,005
Fixed assets, net	119,190	120,491	120,407
Other assets	439,671	422,738	437,530
Total non-current assets	39,052,244	36,149,351	38,044,154
Total assets	41,755,709	38,097,464	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 June 30		As of December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Liabilities and equity			
<u>Current liabilities</u>			
Short term credit and current maturities of long term loans	1,567,647	1,106,325	850,251
Current maturities of bonds	1,157,586	1,303,862	1,048,061
Current maturities of lease liabilities	40,182	37,419	35,808
Current tax liabilities, net	101,410	95,700	133,592
Other payables	1,210,045	1,182,481	1,644,680
Deferred revenue in respect of agreement with the tax partner	190,533	251,485	228,112
Financial liability in respect of agreement with the tax partner	42,442	44,875	47,095
Total current liabilities	4,309,845	4,022,147	3,987,599
<u>Non-current liabilities</u>			
Bonds	15,359,807	14,223,482	14,192,726
Loans from banking corporations and financial institutions	6,153,872	5,079,566	5,991,375
Lease liability	729,341	705,881	676,820
Deferred tax liabilities	2,166,231	1,897,575	2,038,435
Provisions	16,483	16,483	16,483
Other liabilities	800,324	767,430	865,665
Deferred revenue in respect of agreement with the tax partner	509,348	663,143	549,025
Financial liability in respect of agreement with the tax partner	91,553	143,279	96,989
Total non-current liabilities	25,826,959	23,496,839	24,427,518
<u>Equity</u>			
Equity attributed to Company shareholders	5,388,254	4,513,665	5,413,576
Non-controlling interests	6,230,651	6,064,813	6,218,950
Total equity	11,618,905	10,578,478	11,632,526
Total liabilities and equity	41,755,709	38,097,464	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

August 18, 2025

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

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from rental fees and management of investment property	702,295	675,682	353,161	344,204	1,389,184
Fair value adjustments of investment property	295,090	11,627	287,865	84,999	607,208
Group share in the profits (losses) of associates, net	52,576	(417,079)	(550)	(97,905)	(540,178)
Net profits (losses) from investments in securities measured at fair value through profit and loss	(7,583)	(69,056)	2,591	(51,677)	(227,508)
Revenue from sale of electricity and green certificates	365,152	436,066	195,859	213,518	856,210
Profit (loss) from decrease in rate of holding, from acquisition and realization of associates	(78)	12	(6)	2	23
Other revenues (expenses), net	402	3,656	(176)	991	26,010
	1,407,854	640,908	838,744	494,132	2,110,949
<u>Costs and expenses</u>					
Cost of investment property rental and operation	97,960	86,033	49,171	48,899	180,460
Initiation, maintenance and operation costs of electricity-generating facilities	78,310	61,132	37,111	29,450	121,400
Depreciation and amortizations (see Note 5b(2))	169,075	98,680	108,768	55,394	228,141
Administrative and general	130,424	117,011	69,407	58,960	266,809
Financing income	(24,725)	(44,416)	(10,937)	(22,669)	(92,140)
Financing expenses	503,431	601,983	294,237	405,720	1,079,438
	954,475	920,423	547,757	575,754	1,784,108
Profit (loss) before taxes on income	453,379	(279,515)	290,987	(81,622)	326,841
Income tax expenses (income)	(3,207)	(6,635)	(643)	(47,595)	77,635
Net profit (loss) for the period	456,586	(272,880)	291,630	(34,027)	249,206
Company shareholders	**201,306**	**(479,611)**	**134,332**	**(139,790)**	**(346,199)**
Non-controlling interests	255,280	206,731	157,298	105,763	595,405
	456,586	(272,880)	291,630	(34,027)	249,206
Net earnings (loss) per share attributed to Company shareholders (in NIS)					
Basic	0.94	(2.67)	0.63	(0.78)	(1.81)
Fully diluted	0.94	(2.67)	0.62	(0.78)	(1.81)
Weighted average of share capital used in calculation of earnings per share (thousands of shares)					
Basic	215,033	179,722	215,033	179,722	191,054
Fully diluted	215,104	179,722	215,082	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 six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net profit (loss) for the period	456,586	(272,880)	291,630	(34,027)	249,206
Other comprehensive income					
Amounts to be classified in the future to profit and loss, net of tax					
Profit (loss) from the translation of financial statements for foreign activities	(306,566)	241,086	(596,111)	150,328	(23,218)
Profit (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	126,201	(155,378)	231,913	(104,705)	(65,473)
Profit (loss) from exchange rate differences and changes in fair value of instruments used for cash flow hedging, net of tax	(540)	10,655	(18,731)	14,906	(26,849)
Company's share in other comprehensive loss of associates, net of tax	(5,355)	(5,606)	(2,451)	(3,453)	(15,648)
Other comprehensive income (loss) for the period, net of tax	(186,260)	90,757	(385,380)	57,076	(131,188)
Total comprehensive income (loss) for the period	270,326	(182,123)	(93,750)	23,049	118,018
Allocation of comprehensive income (loss) for the period					
Company shareholders	**60,641**	**(410,986)**	**(148,834)**	**(97,781)**	**(443,351)**
Non-controlling interests	209,685	228,863	55,084	120,830	561,369
	270,326	(182,123)	(93,750)	23,049	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 Six-Month Period ended June 30, 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	-	-	-	(130,531)	(10,134)	-	201,306	60,641	209,685	270,326
Dividend paid to Company shareholders	-	-	-	-	-	-	(103,216)	(103,216)	-	(103,216)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	-	(232,547)	(232,547)
Issuance of capital in consolidated companies	-	-	-	-	7	-	-	7	16,148	16,155
Exercise of employee options in subsidiaries	-	-	-	-	7,312	-	-	7,312	14,886	22,198
Expiry of employee options in the Company and in consolidated companies	-	3,687	-	-	4,296	-	-	7,983	(7,983)	-
Allocation of benefit in respect of options to employees and officers	-	-	-	-	1,951	-	-	1,951	11,512	13,463
Balance as of June 30, 2025	233,107	3,755,668	27,626	(767,338)	390,549	(589)	1,749,231	5,388,254	6,230,651	11,618,905

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 June 30, 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 April 1, 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
Total comprehensive income (loss) for the period	-	-	-	(268,109)	(15,057)	-	134,332	(148,834)	55,084	(93,750)
Dividend paid to Company shareholders	-	-	-	-	-	-	(51,608)	(51,608)	-	(51,608)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	-	(89,798)	(89,798)
Issuance of capital in consolidated companies	-	-	-	-	46	-	-	46	7,530	7,576
Exercise of employee options in subsidiaries	-	-	-	-	7,312	-	-	7,312	14,886	22,198
Expiry of employee options in the Company and in consolidated companies	-	3,687	-	-	4,296	-	-	7,983	(7,983)	-
Allocation of benefit in respect of options to employees and officers	-	-	-	-	970	-	-	970	5,973	6,943
Balance as of June 30, 2025	233,107	3,755,668	27,626	(767,338)	390,549	(589)	1,749,231	5,388,254	6,230,651	11,618,905

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Six-Month Period ended June 30, 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 (loss) for the period	-	-	67,721	904	-	(479,611)	(410,986)	228,863	(182,123)
Dividend paid to Company shareholders	-	-	-	-	-	(64,700)	(64,700)	-	(64,700)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	(284,178)	(284,178)
Issuance of capital in consolidated companies	-	-	-	1,578	-	-	1,578	57,650	59,228
Expiry of employee options	-	3,229	-	(3,229)	-	-	-	-	-
Allocation of benefit in respect of options to employees and officers	-	-	-	2,263	-	-	2,263	17,458	19,721
Acquisition of shares from non-controlling interests in a consolidated company	-	-	-	(16,547)	-	-	(16,547)	(17,046)	(33,593)
Balance as of June 30, 2024	197,796	2,810,867	(501,778)	416,188	(589)	1,591,181	4,513,665	6,064,813	10,578,478

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 June 30, 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 April 1, 2024	197,796	2,807,638	(539,537)	430,209	(589)	1,763,321	4,658,838	6,039,938	10,698,776
Total comprehensive income (loss) for the period	-	-	37,759	4,247	-	(139,790)	(97,781)	120,830	23,046
Dividend paid to Company shareholders	-	-	-	-	-	(32,350)	(32,350)	-	(32,350)
Dividends paid to non-controlling interests in a consolidated company	-	-	-	-	-	-	-	(89,678)	(89,678)
Issuance of capital	-	-	-	167	-	-	167	2,753	2,920
Expiry of options	-	3,229	-	(3,229)	-	-	-	-	-
Allocation of benefit in respect of options to employees and others	-	-	-	1,341	-	-	1,341	8,016	9,357
Acquisition of shares from non-controlling interests in a consolidated company	-	-	-	(16,547)	-	-	(16,547)	(17,046)	(33,593)
Balance as of June 30, 2024	197,796	2,810,867	(501,778)	416,188	(589)	1,591,181	4,513,668	6,064,813	10,578,478

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Year ended December 31, 2024 (Audited) (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 six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Cash flows - Operating activities					
Net profit for the period	456,586	(272,880)	291,630	(34,027)	249,206
Net income (expenses) not entailing cash flows (Appendix A)	41,506	805,805	13,980	385,077	1,051,783
	498,092	532,925	305,610	351,050	1,300,989
Changes in working capital (Appendix B)	(122,882)	(105,055)	5,498	(108,614)	(236,656)
Net cash provided by operating activities	375,210	427,870	311,108	242,436	1,064,333
Cash flows - Investing activities					
Investment in fixed assets and investment property (including investment property in development)	(544,326)	(504,287)	(190,838)	(116,696)	(864,383)
Proceeds from the realization of investment property, net of tax	25,185	242,646	10,878	21,000	333,570
Investment in electricity-generating systems	(1,070,825)	(612,230)	(628,355)	(289,383)	(1,428,938)
Investment in associates	(14,630)	(15,357)	(9,085)	(12,342)	(124,240)
Decrease (increase) in pledged deposit and restricted cash	(123,984)	636,363	(107,195)	637,903	636,054
Repayments (provision) of loans and investments in associates, net	2,077	416	254	732	4,000
Repayment (provision) of loans to others	(4,739)	(15,930)	(3,181)	(4,696)	(28,167)
Cash from forward transactions and options designated for hedging	(74,414)	(124,588)	(8,112)	(98,665)	(388,117)
Net investment in investment property funds	-	(56,412)	-	-	(68,598)
Miscellaneous	(28,349)	221	220	110	-
Net cash provided by (used in) investing activities	(1,834,005)	(449,158)	(935,414)	137,963	(1,928,819)
Cash flows - Financing activities					
Proceeds from the Group's issuance of bonds, net	1,628,753	555,078	1,125,248	-	555,078
Repayment of bonds	(583,384)	(865,232)	-	-	(1,299,833)
Receipt of long-term loans, net of capital raising expenses paid	957,605	818,843	423,459	337,914	2,055,653
Repayment of long-term loans	(370,336)	(718,498)	(124,904)	(76,219)	(978,682)
Proceeds from the issuance of shares and options	-	-	-	-	1,003,812

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Proceeds from the issuance of shares and options to non-controlling interests in consolidated companies	39,888	68,583	19,088	15,959	92,154
Acquisition of shares and options from non-controlling interests in consolidated companies, net	-	(18,947)	-	(18,947)	(58,961)
Increase (decrease) in short-term credit and in utilized credit facilities	355,663	(280,313)	345,140	(645,885)	(548,551)
Dividend paid to Company shareholders	(103,216)	(64,700)	(103,216)	(64,700)	(138,152)
Dividends paid to non-controlling interests in consolidated companies	(232,547)	(284,178)	(117,141)	(89,678)	(472,563)
Net cash provided by (used in) financing activities	1,692,426	(789,364)	1,567,674	(541,556)	209,955
Increase (decrease) in cash and cash equivalents	233,631	(810,652)	943,368	(161,157)	(654,531)
Cash and cash equivalents at beginning of period	1,524,326	2,197,677	832,016	1,553,819	2,197,677
Designated deposit at beginning of period	27,931	3,615	30,709	3,681	3,627
Effect of exchange rates on foreign currency cash balances	(19,935)	7,520	(40,140)	1,817	5,484
Cash and cash equivalents at end of period	1,765,953	1,398,160	1,765,953	1,398,160	1,552,257
Less - Designated deposit at end of period	25,224	28,062	25,224	28,062	27,931
Total cash and cash equivalents	1,740,729	1,370,098	1,740,729	1,370,098	1,524,326

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

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(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	(295,090)	(11,628)	(287,865)	(85,000)	(607,209)
Net profits from changes in holding rate and realization of investments in investees	78	(12)	6	(2)	(23)
Differences from adjustments, interest and discounting in respect of long-term liabilities and cash balances	169,825	173,968	195,213	256,454	474,223
Loss from fair value adjustment of financial assets at fair value through profit and loss	9,853	62,465	13,189	46,526	222,102
Company's share in results of associates, net of dividends and capital reductions received	(35,463)	427,293	9,977	103,599	569,073
Deferred taxes, net	11,134	37,346	(32,129)	7,754	170,419
Depreciation and amortizations	176,937	104,715	116,429	61,430	200,666
Allocation of benefit in respect of share-based payment	12,821	12,636	7,452	1,351	24,222
Miscellaneous, net	(8,589)	(978)	(8,292)	(7,035)	(1,690)
	41,506	805,805	13,980	385,077	1,051,783
b. Changes in asset and liability items (changes in working capital)					
Decrease (increase) in trade receivables and in other receivables	(35,076)	(100,929)	(19,791)	(59,196)	(49,116)
Decrease (increase) in current tax assets	(550)	(826)	2,240	(2,625)	(5,839)
Increase (decrease) in payables and credit balances	31,299	(27,374)	58,836	(36,016)	(26,432)
Increase (decrease) in current tax liabilities	(115,615)	22,555	(35,714)	(10,785)	(156,805)
Purchase (exercise) of CAP options	(2,940)	1,519	(73)	8	1,536
	(122,882)	(105,055)	5,498	(108,614)	(236,656)

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2025	2024	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
c. Non-cash activity					
Increase in provision for evacuation and rehabilitation against systems under construction	-	8,360	-	8,360	18,796
Exercise of employee options against receivables	11,115	595	11,115	595	12,353
Investment in electricity-generating systems against supplier credit and payables	491,449	22,913	209,350	22,913	855,213
Realization of investment property against receivables	-	79,000	-	79,000	8,250
Increase in right-of-use asset against lease liabilities resulting from new lease agreements	99,183	144,789	87,976	144,789	134,076
Investment in property and fixed assets against other payables and credit balances	13,708	23,518	13,708	23,518	61,761
d. Additional information					
Interest paid	413,953	319,648	119,676	47,514	593,261
Interest received	31,147	23,684	22,611	2,178	83,458
Taxes paid	135,029	35,478	78,329	8,042	89,588
Taxes received	13,603	11,092	7,446	10,410	11,739
Dividends and capital reductions received	17,392	10,412	9,956	5,791	21,017

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

Note 1 – General

The Group's focus is on long-term investments in income-generating property companies in Israel and abroad (in Western countries). In addition, the Group invests in renewable energy, in Israel and around the world.

These Condensed Consolidated Financial Statements (hereinafter - the "**Interim Financial Statements**") have been prepared as of June 30, 2025 and for the six- and three-month periods ended on that date. These statements should be reviewed within the context of the Company's Consolidated annual financial statements as of December 31, 2024 and for the year ended on that date and with their accompanying notes (hereinafter - the "**Annual Financial Statements**").

Note 2 – Significant Accounting Policies

a. Preparation basis for the financial statements

The Group's Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting" (hereinafter - "IAS 34").

The Condensed Consolidated Financial Statements have been prepared in accordance with disclosure directives in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

In the preparation of these interim financial statements, the Group has implemented accounting policies, presentation principles and calculation methods identical to those implemented in the preparation of its financial statements as of December 31, 2024.

b. New reporting standards

Amendment to IFRS 9 - "Financial Instruments" and IFRS 7 - "Financial Instruments: Disclosures" (regarding contracts referencing nature-dependent electricity) - In December 2024, an amendment to IFRS 9 and to IFRS 7 was published regarding contracts referencing nature-dependent electricity.

The amendment's main points are as follows:

- The provisions of the exemption from the application of IFRS 9 for contracts to purchase or sell non-financial items in accordance with the entity's projected purchase, sale or use requirements (the 'own-use' exemption) have been amended to include the factors that an entity is required to consider when assessing whether contracts for the purchase or sale of electricity from renewable energy sources where the generation of electricity is dependent on nature (such as solar or wind conditions) are within the scope of IFRS 9.
- The cash flow hedge accounting provisions in IFRS 9 have been amended to allow an entity that uses a contract for electricity from renewable energy sources that are nature-dependent within the scope of the standard (for example, a contract to sell electricity according to the actual generation profile of a renewable energy facility, settled net in cash) as a hedging instrument in a cash flow hedge relationship (hedging the projected revenue from the sale of electricity generated by that renewable energy facility to which the hedging instrument relates).

Note 2 – Significant Accounting Policies (continued)

  - To designate as a hedged item a variable amount of electricity generation in a projected electricity sale transaction that is aligned with the variable amount of electricity expected to be supplied by the electricity generation facility to which the hedging instrument relates, since there is a presumption that this projected transaction is highly probable to occur; and
  - To measure the hedged item using the same assumptions regarding the electricity generation capacity as those used by the hedging instrument, in a way that improves the effectiveness of the hedge.
- New disclosure requirements were added to IFRS 7 for contracts referencing nature-dependent electricity with certain characteristics.

The amendment will enter into effect for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendment will be applied retrospectively, except for the amendment to the cash flow hedge accounting requirements in IFRS 9. An entity must apply the amendment to the hedge accounting requirements of IFRS 9 prospectively for new hedging relationships designated on or after the date of initial application of the amendment.

In addition, on the date of initial application of the amendment, an entity may discontinue hedge accounting relationships in which a contract referencing nature-dependent electricity was designated as a hedging instrument before the date of initial application of the amendment, if that hedging instrument is designated in a new hedging relationship in accordance with the hedge accounting provisions of IFRS 9 after the amendment.

The Group is examining the effects of the amendment on the financial statements.

c. Determining the fair value of investment property and investment property in development

The Group determines the fair value of income-generating property in accordance with the provisions of IAS 40 and IFRS 13. In order to determine the fair value in the annual financial statements, the Group's management relies on valuations of independent external appraisers. In the semi-annual reports, the Group relies on professional independent external appraisers who review all of the Group's assets. In the first and third quarters, the Group's management relies on letters of no change from external assessors or on valuations of external appraisers.

d. Impairment test of an investment

In order to determine whether there has been an impairment of the investment in the ARAN project (hereinafter - the "project"), Energix's management estimates the value in use of the cash-generating unit, which is the project. In order to calculate value in use, Energix calculates the estimated expected future cash flows, resulting from the cash-generating unit and the appropriate discount rate in order to calculate the present value. Regarding the assumptions on which the impairment test is based, please see Note 5b.2 below.

Note 2 – Significant Accounting Policies (continued)

e. Exchange rates and linkage bases

- Balances in or linked to foreign currency are included in the financial statements according to the representative rates of exchange published by the Bank of Israel and in effect as of the end of the reporting period.
- Balances linked to the Consumer Price Index (CPI) are presented according to the most recent known CPI at the end of the reporting period (the CPI for the month preceding the month of the financial statements date) or in accordance with the CPI in lieu of the last month of the reporting period (the CPI for the month of the financial statements date), according to the terms of the transaction.
- The following is information regarding exchange rates and the CPI:

	As of June 30 / for the month of June	As of June 30 / for the month of June	As of December 31 / for the month of December	Change for the six-month period ended June 30	Change for the six-month period ended June 30	Change for the three-month period ended June 30	Change for the three-month period ended June 30	Change for the period ended December 31
	2025	2024	2024	2025	2024	2025	2024	2024
				%	%	%	%	%
Consumer Price Index (2000 base)								
In Israel (in lieu CPI)	117.26	113.53	114.80	2.14	2.09	1.07	1.13	3.24
In Israel (known CPI)	116.92	113.42	115.11	1.57	1.90	1.28	1.61	3.43
Exchange rate against the NIS								
USD	3.37	3.68	3.65	(7.67)	3.58	(9.36)	2.15	0.55
GBP	4.62	4.65	4.57	1.09	2.81	(3.97)	2.06	(1.08)
PLN	0.94	0.93	0.89	5.62	1.46	(2.08)	1.09	(3.26)

f. Seasonal factors

Naturally, solar radiation and wind speed in various seasons influence the output of photovoltaic systems or wind farms. In the photovoltaic sector, in the spring and summer months, when solar radiation levels are high, the photovoltaic systems' output increases. In the autumn and winter months, when solar radiation levels are relatively low, the systems' output declines. In the wind energy sector, electricity generation is subject to changes in the wind regime in the different seasons, according to the specific region in which the turbines are located and to the variation in wind regimes from year to year. Based on wind measurements in the regions where Energix's wind farms are located in Poland, the forecast is that the fall and winter months (fourth and first quarters), which are characterized by strong winds, will be the months in which the wind farm's output increases. It should be clarified that the weather conditions that will actually exist in a certain period may have a material impact on the ability of Energix's facilities to generate electricity, and accordingly on its operating results, in both photovoltaic and wind energy sectors.

Note 3 – Amot Investments inc. (a consolidated company)

As of June 30, 2025, the Company held 50.99% of the rights in Amot.

After the date of the report, in July 2025, Amot issued 20,691,400 ordinary shares of NIS 1 PV each and 10,345,700 options (Series 12) exercisable for Amot's ordinary shares, through a shelf offering report.[1] The total (net) consideration received by Amot amounted to approx. NIS 505 million. The future (gross) consideration that will be received by Amot, assuming the full exercise of the options (Series 12) issued as stated for shares, subject to adjustments, will amount to a total of approx. NIS 290 million.

In the public offering, the Company was allocated 6,130,900 ordinary shares and 3,065,450 Amot options (Series 12) in consideration for a total of NIS 153 million. Following the above allocation, as of the date of publication of the report, the Company holds approx. 50.05% of the rights in Amot (approx. 49.14% fully diluted).

For information regarding dividends received from Amot in the reported period, please see Note 10a below.

a. Management agreement for the years 2025-2027

Further to Note 6c.4 to the annual financial statements, in the reporting period, the Company engaged in an agreement for an extension to the management agreement with Amot for the years 2025-2027. The annual management fees will be NIS 11 million (linked to the CPI for the month of November 2024), and to the extent that Amot's annual FFO return according to the management approach is less than 6%, the management fees for that year will be reduced by NIS 600 thousand (linked to the CPI for November 2024). The remaining terms of the management agreement will remain unchanged.

b. Realization of assets

After the balance sheet date, two income-generating properties were realized for the amount of approx. NIS 212 million, which was received in full. As of the balance sheet date, those properties were classified as properties held for sale.

c. Fair value adjustment of investment property

In the reporting period, Amot recorded a positive revaluation in its financial statements in the amount of NIS 259 million.

Note 4 – Brockton Everlast Inc. ("BE") (a consolidated company)

a. The Company's holdings in BE

As of June 30, 2025 and close to the date of publication of the report, the Company indirectly held approx. 84.94% of the rights in BE. During the reporting period, the Company invested approx. GBP 21.6 million (approx. NIS 103 million) in BE's capital.

b. Financial debt

Regarding the engagement in a financing agreement in the reporting period, please see Note 8d below.

[1] Amot's options (Series 12) are exercisable for Amot's ordinary shares until December 31, 2026 (inclusive) against payment of an exercise price (dividend-adjusted) of NIS 28 (without linkage to any index or currency) per option.

Note 4 – Brockton Everlast Inc. ("BE") (a consolidated company) (continued)

c. Fair value adjustment of investment property

In the reporting period, BE recorded a positive revaluation in the amount of GBP 8 million (NIS 37 million), mainly due to an increase in the value of a property under development in the City of London, as a result of an increase in the projected rent.

Note 5 – Energix (a consolidated company)

a. Company holdings in Energix

As of June 30, 2025 and close to the date of publication of the report, the Company held 50.12% of the rights in Energix. For information regarding dividends received from Amot in the reporting period, please see Note 10a below.

b. The following are transactions carried out by Energix in the reporting period and subsequent to the balance sheet date:

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 publication of the report, amounts to approx. 1.5 GW and 189 MWh (storage), in projects in commercial operation, approx. 735 MW and approx. 257 MWh (storage) in projects in development and in pre-construction and approx. 644 MW and approx. 50 MWh (storage) in projects in advanced 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.

United States

Photovoltaic projects in the United States -

1. In July, after the date of the report, the comprehensive federal law known as the "One Big Beautiful Bill" ("OBBB") entered into effect, which includes, among other things, legislative changes regarding the federal tax benefit system, ITC, which is relevant to Energix's operations in the United States. According to the published text of the law, Energix estimates that this will not have an impact on Energix's operations in the United States as of the date of approval of the report.

2. E4 Portfolio with a total capacity of approx. 210 MWp - Further to Note 8c to the annual financial statements, during the reporting period and up to the date of approval of the report, commercial operation has commenced at 4 projects with a capacity of approx. 148 MWh from this backlog. Construction work on another project with a capacity of approx. 62 MWp is underway and is expected to reach commercial operation in the fourth quarter of 2025.

A tax partner investment of approx. USD 13 million was received for projects with a capacity of approx. 70 MWp.

In June 2025, Energix signed a tax partner investment agreement with a subsidiary of Google LLC ("Google") for approx. USD 100 million, for a project with a capacity of approx. 78 MWp from the E4 portfolio. Close to the signing, a tax partner investment for this project was received in the amount of approx. USD 20 million, and the balance of the investment is expected to be received in the coming weeks, on the date of the project's commercial operation (Substantial Completion). The agreement was signed by virtue of the strategic cooperation agreement between the parties from May 2024.

Note 5 – Energix (a consolidated company) (continued)

As of the date of the report, Energix has recognized assets in the amount of approx. NIS 297 million, which were recorded under the "Connected electricity generating systems" item and in the amount of approx. NIS 639 million, recorded under the "Systems in development and initiation" item.

3. E5 portfolio with a total capacity of approx. 422 MWp - Further to Note 8c to the annual financial statements, as of the date of the report and the date of approval of the report, Energix is in the process of construction work on 4 projects with a capacity of approx. 270 MWp and is about to commence construction on another project with a capacity of approx. 152 MWp, which constitute the E5 project backlog.

During the reporting period, Energix entered into an agreement for the sale of electricity and green certificates to be issued for the generation of electricity in a project with a capacity of 60 MWp, as part of the strategic cooperation with Google, in addition to electricity agreements for projects with a capacity of approx. 210 MWp that have already been signed.

As of the date of the report, Energix has recognized assets in the amount of NIS 844 million in respect of this project backlog, which were recorded under the 'Systems in development and initiation' item.

For the projects' financing, please see Note 8c below.

Israel

Wind energy projects in Israel - ARAN -

a. Further to the above in Note 8b to the annual financial statements, since the end of the war on the northern front and considering the geopolitical changes in Syria, over the past few months Energix has been preparing to resume construction work on the project, but has encountered violent resistance, in violation of the law, from several Druze residents who oppose the project.

   In view of the above, Energix is again preparing to begin construction work, with the necessary security, with respect to the 10 turbines farthest from residential areas and adjacent to the border as Phase A. Energix will subsequently work to construct Phase B.

   Although Energix intends to construct the project in full in accordance with its rights under the law, Energix sees a higher risk in the construction of the remaining 11 turbines (of the 21 turbines) since they are closer to the Druze communities and have a higher potential for resistance. Therefore, Energix's Board of Directors has decided that, as of the date of the report, the probability of the remaining 11 turbines that constitute Phase B being constructed is less than 50%.

b. **Impairment test of a system under construction** - In view of the above, Energix has identified signs of impairment in accordance with IAS 36 and has performed an impairment test for 10 turbines that are expected to be constructed. The impairment test as of June 30, 2025 was performed according to the Value-in-use method, which was calculated using the Discounted Cash Flow (DCF) method, in which the projected cash flows that will result from the continued use of the project were estimated (10 turbines). The cash flows were discounted to their present value using a discount rate appropriate for these future cash flows.

Note 5 – Energix (a consolidated company) (continued)

The following are the main assumptions on which Energix based its valuation:

- The Weighted Average Cost of Capital (WACC) is estimated at approx. 8.85% before tax.
- The assumption is that the project will operate for 35 years from the date of commercial operation, in 2027.
- Revenues in the first 20 years were calculated based on the rate Energix received from the Electricity Authority plus a projected CPI-linkage of approx. 2.4% per year and in the 15 years following the end of the tariff regulation, according to the market price forecast.

According to Energix's value-in-use calculation, the value of the 10 turbines as of June 30, 2025 was determined to be NIS 307 million compared to the amount of NIS 343 million recorded in Energix's books, and therefore, losses of approx. NIS 36 million before tax were recorded under the "Depreciation and amortizations" item.

Energix estimates that it will be able to recover part of the project costs recorded in the financial statements in the amount of NIS 217 million, mainly through the use of the remaining 11 turbines in its other projects.

c. Accordingly, the balance of the project in Energix's books as of June 30, 2025 after amortization (including a deferred tax asset of NIS 8 million) is NIS 532 million.

Photovoltaic projects in Israel -

d. **The winning projects under Competitive Procedure 2 for the construction of photovoltaic facilities with combined storage capacity (approx. 81 MWp and 299 MWh)**

Further to Note 8a(2) to the annual financial statements, as of the date of approval of the report, photovoltaic projects with a capacity of approx. 53 MWp, combined with storage capacity of approx. 189 MWh, are in commercial operation, and the construction work on the remaining projects with a total capacity of 28 MWp combined with storage capacity of 110 MWh is underway.

As of the date of the report, Energix has recognized assets in the amount of NIS 216 million in respect of the projects under this competitive procedure, which were recorded under the "Systems in development and initiation" item, and approx. NIS 316 million recorded under the "Connected electricity generating systems" item.

e. **Project under construction with a capacity of approx. 30 MWp with combined storage capacity of approx. 48 MWh**

As of the reporting date, Energix has recognized assets in the amount of approx. NIS 130 million in respect of the project that was recorded under "Systems in development and initiation".

Note 5 – Energix (a consolidated company) (continued)

Poland

- **Receipt of permits to connect to the electricity grid in Poland with a total capacity of approx. 1 GW:** After the date of the report, in July 2025, permits to connect to the electricity grid were received for new projects with a total capacity of approx. 1 GW. Accordingly, as of the date of publication of the report, Energix has permits to connect to the electricity grid for projects in development in Poland, in the years 2026-2031 with a total capacity of approx. 1.35 GW, of which approx. 880 MW is for wind facilities, approx. 230 MWp is for photovoltaic facilities and approx. 240 MW is for storage facilities. In addition, Energix has submitted additional applications for permits to connect projects to the electricity grid with a capacity of over 2 GW, for which a response has not yet been received from the Polish grid operator.

- **Electricity and green certificate price fixing transactions:** Further to Note 7d(b) to the annual financial statements, Energix engaged in price-fixing transactions for 7 years, for the years 2025-2031, for the Banie 1+2 wind farms with a capacity of 106 MW, which reflects a rate of approx. 90% of the annual electricity generation expectations at the Banie 1+2 wind farms at a price of PLN 460-480 per 1 MWh.

- **Wind energy projects - Banie 4 project (56 MW)** - Further to Note 7d to the annual financial statements, during the reporting periodת Energix decided to enter the tender regulation owing to its win in the tariff tender. As part of the tender terms, each of the wind farms that won and complete their entry into the tender regulation will be entitled to a guaranteed index-linked rate during their commercial operation for a period of 15 years from the date of entry into the tender and in relation to electricity output at an average rate of approx. 80% of the expected electricity generation at the relevant wind farm. The balance will be sold by Energix at market prices, or as part of price fixing transactions, similar to transactions in connection with the electricity output of Energix's projects in commercial operation.

- **Storage projects in development and pre-construction with a capacity of approx. 100 MWh** - As of the date of the report and the date of approval of the report, Energix has completed the construction work on a storage project in Poland with a capacity of approx. 48 MWh and has started the construction of another storage project with a capacity of approx. 52 MWh. In addition, in the reporting period, Energix won the storage capacity availability tender for 2026. This win is in addition to the capacity that Energix won in December 2024 for 17 years starting in 2029.

Note 5 – Energix (a consolidated company) (continued)

Lithuania

- **Wind energy and photovoltaic projects**

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), for a consideration of approx. EUR 25 million, of which 80% will be paid upon finalization and the remaining 20% upon completion of the actual construction work. Completion of the transaction and transfer of the project's ownership to Energix is subject to completion of the project development procedures and receipt of all necessary permits until full readiness for immediate construction.

Note 6 – Carr Properties Holdings LP (hereinafter - "Carr") (as of the date of the report - an associate)

a. The Company's Holdings in Carr

As of June 30, 2025, the Group's holdings in Carr is 52.3% and as of the date of publication of the report - 88.66%. The Group's effective holdings in Carr as of June 30, 2025 was 47.8% and as of the date of publication of the report - 79%. The balance of the investment in Carr in the financial statements as of June 30, 2025, is USD 378 million (Billion 1.27 million).

b. Redemption of JPM's holdings in Carr

Further to Note 6g.2 to the annual financial statements, after the date of the report, in July 2025, Carr completed the transaction for the redemption of JPM's holdings in Carr in exchange for the transfer of full ownership of three Carr properties[2] to JPM, free of any debt (hereinafter - the "**transaction**"). In addition, on the transaction completion date, the Company invested USD 100 million in equity in Carr. As a result, the Company's effective holding in Carr rose to 79%[3] and it will be consolidated for the first time in the Company's financial statements for the third quarter of 2025[4].

As part of the preparations for the aforementioned redemption, Carr has performed the following actions:

1. **425 Montgomery Street building:** Further to Note 6g(4) to the annual financial statements, in January 2025, Carr entered into a joint venture agreement with a partner (hereinafter in this subsection - the "**Partner**") for the development of a 237-unit rental housing project, according to which Carr holds 10% and the partner holds 90% of the project's ownership rights. As part of the agreement, the partner reimbursed Carr for its share of the costs incurred in the project. In addition, the joint venture entered into a financing agreement for the project's construction, under which a construction loan of USD 84 million was provided, which will be withdrawn in accordance with the progress of the construction work.

[2] The properties transferred to JPM: 1701 Duke Street, Signal House and 1875 K Street, at a total value of USD 241 million.

[3] The holding rate of Clal Insurance Company Ltd. ("**Clal**") on the date of completion of the transaction is 17.6%.

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

Note 6 – Carr Properties Holdings LP (hereinafter - "Carr") (as of the date of the report - an associate) (continued)

2. Realization of properties - In April 2025, Carr engaged in agreements for the sale of two properties at prices that represent their values as of the end of 2024:

1. In May 2025 - Completion of the transaction for the sale of the 4500 West-East building for the amount of USD 35 million (NIS 120 million).
2. In June 2025 - Completion of the transaction for the sale of the 901 K Street building for the amount of USD 84 million (NIS 300 million).

3. One Congress building - During May 2025, Carr and its partner in the tower entered into a new 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 5.8%. 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).

4. Loan in the amount of USD 280 million: During July 2025, Carr received a loan from a banking corporation in the amount of approx. USD 280 million for a period of 3 years at fixed annual interest of 6.9%.

As part of the activities described in Subsections 1-4 above, including the Company's investment described in Section B above, Carr repaid all credit facilities that it had received.

Accounting implications following the transaction

Due to the transfer of control and the first-time consolidation of Carr's financial statements as stated, and in accordance with the requirements of IFRS 3, the Company's existing holding in Carr will be measured at fair value on the date control was obtained. As a result, the foreign currency translation reserve and cash flow hedge reserves in respect of variable interest exposure, which had accumulated in the Company's statements in relation to the investment in Carr, in a negative amount of approximately NIS 400 million, will be reclassified to the Statement of Income for the third quarter of 2025. The recognition of this loss has no impact on the Company's equity balance. In addition, the Company will recognize a gain from the acquisition of control at the time of Carr's consolidation in the third quarter, in the amount of approximately USD 20–25 million.

Corporate governance

Further to Note 6g.8 to the annual financial statements, following the transaction's completion, the Company has full control with a majority on the Board of Directors and in the Board of Directors' committees.

c. Fair value adjustment of investment property

In the reporting period, Carr recorded a net positive revaluation in the amount of USD 19 million in its financial statements (the Group's share in the positive revaluation before tax is approx. USD 9 million, (NIS 32 million)).

d. The NOI and the positive revaluations for the first half-year in respect of the properties remaining after the redemption of JPM's holdings amounted to USD 59 million and USD 18 million, respectively.

Note 6 – Carr Properties (hereinafter – "Carr") (an associate) (continued)

e. The following is condensed information regarding Carr:

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2025	2024	2025	2024	2024
	USD thousands				
Revenues (not including real estate valuations)	101,599	73,720	50,229	31,848	165,444
Adjustment of investment property value (*)	19,789	(189,246)	7,407	(29,556)	(202,130)
Net loss from continuing activity	53,438	(156,970)	22,206	(16,150)	(145,080)
Other comprehensive income (loss)	(3,271)	(1,774)	(1,589)	(1,315)	(7,661)
Total comprehensive income (loss) (including share of non-controlling interests in profit (loss)	50,272	(158,744)	20,637	(17,465)	(152,741)
Company's share in Carr's net profit (loss) in USD thousands	22,059	(75,783)	9,257	(5,847)	(71,984)
Company's share in Carr's comprehensive income (loss) in USD thousands	20,804	(907)	8,634	(570)	(75,452)
Company's share in Carr's net profit (loss) in NIS thousands	79,440	(278,160)	33,167	(29,201)	(263,716)
Company's share in Carr's comprehensive income (loss) in NIS thousands	74,924	(3,355)	30,936	(2,122)	(276,588)

The item includes the adjustment of the investment property value as presented in Carr's Consolidated Financial Statements, as well as Carr's share in the adjustments of the investment property value of its associates.

	As of June 30	As of June 30	As of December 31
	2025	2024	2024
	USD thousands		
Investment property	1,422,327	782,222	1,712,421
Property in development and land for development	27,585	46,101	48,111
Investment in investees	116,572	356,894	100,455
Other non-current assets	98,827	140,217	133,397
Other current assets (*)	298,767	40,503	52,621
Total assets	1,964,078	1,365,937	2,047,005
Current liabilities	55,572	34,361	59,090
Non-current liabilities	1,048,032	605,938	1,158,353
Total liabilities	1,103,604	640,299	1,217,443
Equity attributed to shareholders	721,747	679,672	682,043
Non-controlling interests	138,727	45,966	147,519
Equity (including non-controlling interests)	860,474	725,638	829,562
Total liabilities and equity	1,964,078	1,365,937	2,047,005
Company's share in net assets - in USD thousands	377,804	355,779	357,020
Book value of investment - in NIS thousands	1,273,955	1,337,373	1,302,056

(*) Includes properties held for sale that were transferred as part of the transaction redeeming JPM's holdings at a value of USD 250 million.

Note 7 – The Company's Holdings in Boston (associated companies)

a. The Company's holdings in Boston

The Company holds approx. 55% of the capital rights and 50% of the controlling rights (through wholly-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**"), which provides asset management services under agreed terms identical to market terms.

The balance of the investment in the three Boston Partnerships, in the financial statements as of June 30, 2025, is USD 84 million (approx. NIS 283 million).

In and after the reporting period, the Group invested a total of USD 20 million (approx. NIS 71 million) in the Boston Partnerships, of which approx. USD 15.5 million (NIS 52 million) were for refinancing. Please see Note 8b below.

In the reporting period, the Group received dividends and returns of capital from the Boston Partnerships in the total amount of USD 4.2 million (approx. NIS 15 million).

b. Fair value adjustment of investment property

In the reporting period, negative revaluations were recorded in the amount of USD 20 million (the Group's share in the said negative revaluation before tax is approximately USD 11 million (approx. NIS 39 million)), mainly in respect of the Atlantic 745 building, as a result of a decrease in rental prices in the Boston laboratory sector and an increase in vacancy levels in the industry (due to speculative overbuilding and a decline in active leasing demand), which is expected to prolong the leasing efforts for the building.

Note 8 – Loans from Banking Corporations and Financial Institutions

a. The Company

1. Further to Note 12b(c) to the annual financial statements, during the reporting period, the Company signed a credit facility agreement with a banking institution in Israel in the amount of NIS 200 million for a utilization and repayment period until February 26, 2026. The utilized credit will bear variable interest at a nominal annual rate not exceeding Prime + 0.8%, calculated on an annual basis. The Company has committed to financial covenants and conditions for immediate repayment that are substantially similar to the terms specified in the Company's bonds (Series O). For information, please see Note 11g to the annual financial statements.
2. Further to Note 12b.a to the annual financial statements, in May 2025, the Company entered into a credit facility agreement with a banking institution in Israel (hereinafter, in this subsection - the "Bank") in the amount of NIS 200 million (replacing a credit facility agreement with the Bank in the amount of NIS 150 million), for a utilization period of one year until May 2026 and for repayment by May 2028. The utilized credit will be at terms similar to the description in Note 12b to the annual financial statements. The criteria to which the Company committed are essentially similar to those described in Note 12b to the annual financial statements.

Note 8 – Loans from Banking Corporations and Financial Institutions (continued)

3. Further to Note 12b.c to the annual financial statements, on August 18, 2025, after the balance sheet date, an amendment to the agreement was signed extending the credit facility for a utilization period until September 29, 2026 and for final repayment until September 29, 2028, all other terms being the same as described in Note 12b to the annual financial statements.

   As of June 30, 2025, the Company has credit facilities in the total amount of NIS 550 million that are not utilized, and as of the date of publication of the report, a total of approx. NIS 41 million has been utilized from these facilities.

b. AH-Boston (Boston Partnerships)

745 Atlantic - After the date of the report, in July 2025, the property company entered into a refinancing agreement, according to which:

- USD 27 million was repaid (from a balance of USD 159 million to a balance of USD 132 million). The Company's share of the repayment was approx. USD 15.5 million, at the property company's request. If certain conditions are met, the financing can be increased to approx. USD 180 million, which will be used mainly to finance future rental costs.
- The variable interest rate (SOFR) was replaced with a fixed annual interest rate of 7%.
- The repayment date was extended by three years (until July 2028) with an additional one-year extension option, for a fee of 0.25%.

c. Energix (a consolidated company)

1. Energix has credit facilities from financial institutions used for the provision of guarantees and short-term loans. As of the date of the report, Energix has credit facilities totaling approx. NIS 1.6 billion. Of the total credit facilities, the facilities utilized as of the reporting date are approx. NIS 1 billion, which have been used for guarantees and short-term loans.
2. Further to Note 12g(4) to the annual financial statements, in the reporting period, Energix made withdrawals in the amount of approx. NIS 92 million and a cumulative amount of NIS 365 million from a total facility of up to NIS 400 million.
3. Further to Note 5b.1(3) above, after the date of the report, through its wholly-owned companies, Energix entered into a transaction with MUFG Bank Ltd. for the receipt of project financing in the amount of up to USD 491 million to finance the construction of projects with a capacity of approx. 270 MWp from the E5 portfolio. The financing transaction includes short-term construction loans in the amount of up to $160 million that will be converted into long-term 5-year back leverage financing, a bridge loan in the amount of up to USD 321 million until the full investment of the tax partner is received, and a credit facility of up to USD 10 million. The financing is designated for the construction of solar projects with a total capacity of approx. 270 MWp in the United States. It bears a variable interest rate of SOFR plus a margin of 1.5%-2%, and is secured by a lien on the projects and a limited shareholder guarantee. The provision of financing is subject to the fulfillment of preconditions, including the signing of an investment agreement with the tax partner.
4. During the reporting period, Energix signed a dedicated credit facility, which was granted to a subsidiary in Poland for the financing of the construction of storage projects in Poland, in the amount of approx. PLN 100 million. As of the date of approval of the report, Energix had withdrawn approx. PLN 55 million from the facility.

Note 8 – Loans from Banking Corporations and Financial Institutions (continued)

5. Further to Note 5b.1(3) above, during the reporting period, a bridging loan was taken for an investment by a tax partner in the amount of approx. USD 51 million, which is expected to be repaid on the date of the investment by the tax partner.

d. BE (a consolidated company)

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. The loan bears SONIA interest plus an annual margin of 3%. The loan principal will be repaid in February 2029 and BE has an extension option for an additional year, subject to the lender's consent. As part of the loan, BE committed to an LTV ratio not to exceed 65% and a coverage ratio of no less than 1.1-1.35. In addition, BE entered into a SWAP transaction with the financing bank so that the annual SONIA interest rate will be approx. 4% (3% starting in 2026).

Note 9 – Bonds

a. The Company

Further to Note 11f to the annual financial statements, in June 2025, the Company issued NIS 499 million PV of bonds (Series M) by way of a series expansion through a shelf offering report, for a total net consideration of NIS 482 million. The effective interest of the bonds (Series M) is 5.74%.

As of June 30, 2025, the Company's bonds amount to approx. NIS 5,693,385 thousand, of which NIS 355,919 thousand are classified as current liabilities in the Condensed Consolidated Statements of Financial Position. For additional information, please see Note 11 to the Annual Consolidated Financial Statements.

b. Amot (a consolidated company)

In May 2025, through an expansion of an existing series, Amot issued bonds (Series J) in the amount of NIS 636 million PV in consideration for a net amount of NIS 665 million (including accrued interest classified under "Short-term credit"). The bonds bear an effective CPI-linked interest rate of 3.4% (after the effect of a hedging transaction) and have a maturity of approx. 7.5 years. For additional information regarding bonds (Series J), please see Note 11j to the annual financial statements.

Following the issue of the bonds (Series J), the Company carried out hedging transactions with financial bodies in Israel, which converted the annual NIS interest rate of 5.79% into a CPI-linked principal and a weighted linked interest rate of 3.66%, with a principal amount of NIS 600 million.

c. Energix

Further to Note 11p to the annual financial statements, 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 503.5 million. The effective interest of Energix's bonds (Series A) is 5.36%.

Note 10 – Additional Information and Events Subsequent to the Date of the Statement of Financial Position

a. Dividend distributed and dividend declared

The Company - In March 2025, the Company's Board of Directors made a decision regarding the dividend distribution policy for 2025, according to which the Company will distribute a total dividend of NIS 0.96 per share in 2025, which will be paid in 4 payments of NIS 0.24 per share (subject to a specific decision of the Board of Directors at the end of each quarter, taking into account business considerations and in accordance with any law).

In accordance with the above, in April and June 2025, the Company paid the dividend for the first and second quarters (respectively) of 2025 in the total amount of NIS 0.48 per share (NIS 103 million).

In August 2025, the Company declared that it would distribute a dividend for the third quarter of 2025 in the amount of NIS 0.24 per share (NIS 52 million), which will be paid during September 2025.

Note 10 – Additional Information and Events Subsequent to the Date of the Statement of Financial Position (continued)

Amot (a consolidated company) - In February 2025, Amot's Board of Directors stated that in 2025 Amot intends to distribute an annual dividend of NIS 1.08 per share, to be paid in 4 equal payments in the amount of NIS 0.27 per share (subject to a specific decision of the Amot Board of Directors at the end of each quarter). In addition, the Amot Board of Directors decided to distribute an additional dividend in respect of 2024 in the amount of NIS 0.23 per share.

In accordance with this policy, in March and June 2025, Amot paid a dividend for the first and second quarters of 2025 in the total amount (including the additional dividend) of NIS 0.77 per share (approx. NIS 363 million, the Company's share - approx. NIS 185 million).

In August 2025, Amot declared a dividend distribution for the third quarter of 2025 in the amount of NIS 0.27 per share (approx. NIS 133 million, the Company's share - approx. NIS 67 million), which will be paid in September 2025.

Energix (a consolidated company) - In March 2025, the Energix Board of Directors stated that in 2025 it intends to distribute an annual dividend in the amount of NIS 0.40 per share, which will be paid in 4 quarterly payments of NIS 0.10 per share (subject to a specific decision of the Energix Board of Directors at the end of each quarter).

In accordance with this policy, in April 2025 Energix paid a dividend for the first and second quarters of 2025 in the total amount of NIS 0.20 per share (approx. NIS 110 million, the Company's share - approx. NIS 55 million).

In August 2025, Energix declared a dividend distribution for the third quarter of 2025 in the amount of NIS 0.10 per share (approx. NIS 55 million, the Company's share - approx. NIS 28 million), which will be paid in September 2025.

b. Remuneration of employees and officers

In March 2025, the Company's Board of Directors decided to grant an annual ration of 635,479 non-tradable options to three Company officers, 7 directors (including a director who is the daughter of the Company CEO), the Chairman of the Company's Board of Directors and to 8 employees. The total economic value of the above granted options amounts to approx. NIS 4.3 million. For additional information, please see Note 17e to the annual financial statements.

Note 11 – Financial Instruments

a. Financial instruments not presented at fair value in the financial statements

The following table presents the book value and fair value of financial assets and liabilities that are not presented in the financial statements at their fair value. Except as presented in the following table, the Group believes that the book value of financial assets and liabilities presented at amortized cost in the financial statements is nearly identical to their fair value:

	As of June 30, 2025		As of June 30, 2024		As of December 31, 2024	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Financial liabilities						
Long-term loans (including maturities)	7,016,391	6,985,059	5,597,625	5,298,948	6,554,750	6,370,065
Bonds (including maturities)	16,671,920	16,313,759	15,735,740	14,580,909	15,521,427	14,895,755
	23,688,311	23,298,818	21,333,365	19,879,857	22,076,177	21,265,820

- The fair value of long-term loans is determined according to the discounted cash flows. Interest rates used for discounting are based on a quote obtained from a financial institution for a loan under similar conditions. Calculation of the fair value of long-term loans is according to Level 2.
- Bonds in the above table include only the liability component of convertible bonds (Series B) issued by Energix. The fair value of the bonds is determined by discounting the expected cash flows according to interest rates of similar debt instruments that do not include a conversion option and is in accordance with Level 2.
- The fair value of the traded bonds, except for Energix's convertible bonds (Series B), is determined based on prices quoted on the stock exchange in Israel and is in accordance with Level 1.

Note 11 – Financial Instruments (continued)

b. Financial instruments presented in the financial statements at fair value

The following is information regarding the Group's financial instruments measured at fair value, by level:

	As of June 30, 2025		
	Level 2	Level 3	Total
	NIS thousands	NIS thousands	NIS thousands
Financial assets at fair value			
Derivatives			
Financial derivatives (swap contract, swapping the NIS principal and interest with USD principal and interest)	38,274	-	38,274
Financial derivatives (swap contract, swapping the NIS principal and interest with GBP principal and interest) designated for hedging	992	-	992
Financial derivatives (forward contract for foreign currency swap) designated for hedging	144,955	-	144,955
Financial derivatives (Swap contract for fixing electricity prices in the US) designated for hedging (1) (3)	-	114,763	114,763
Financial derivatives (CAP options for hedging the exposure to variable interest)	44,047	-	44,047
Financial derivatives (Swap contract swapping variable interest with fixed interest) designated for hedging	68,697	-	68,697
Financial assets measured at fair value through profit and loss			
Real estate investment funds (1)	-	211,074	211,074
	296,965	325,837	622,802
Financial liabilities at fair value			
Derivatives			
Financial derivatives (swap contract, swapping NIS principal and interest with CPI-linked principal and interest) designated for hedging	(203,217)	-	(203,217)
Financial derivatives (Swap contract for fixing electricity prices in the US) designated for hedging (1) (3)	-	(146,612)	(146,612)
Financial derivatives (swap contract, swapping the NIS principal and interest with USD principal and interest) designated for hedging	(13,412)	-	(13,412)
Financial derivatives (swap contract, swapping the NIS principal and interest with GBP principal and interest) designated for hedging	(15,056)	-	(15,056)
Financial derivatives (Swap contract for swapping NIS principal and interest with PLN principal and interest) designated for hedging	(8,228)	-	(8,228)
Financial derivatives (swap contract, swapping the NIS principal and interest with CHF principal and interest)	(1,015)	-	(1,015)
Financial derivatives (Swap contract swapping variable interest with fixed interest) designated for hedging	(34,701)	-	(34,701)
Financial derivatives (forward contract for foreign currency swap) designated for hedging	(63,212)	-	(63,212)
Financial derivatives (options for hedging the exposure to foreign currency)	(4,342)		(4,342)
Contingent consideration for a transaction carried out by Energix with non-controlling interests and for the acquisition of assets in the United States (1) (2)	-	(72,484)	(72,484)
	(343,183)	(219,096)	(562,279)

Note 11 – Financial Instruments (continued)

(1) Financial instruments at fair value measured according to Level 3:

	For the six-month period ended June 30, 2025
	NIS thousands
Balance as of January 1, 2025	13,177
Initial recognition against deferred profit	35,572
Recognition against electricity-generating facilities in development	3,790
Amounts recorded to profit and loss in the period	(8,471)
Amounts recorded to other comprehensive income in the period	62,673
Balance as of June 30, 2025	106,741

(2) Contingent consideration for a transaction carried out by Energix with non-controlling interests in the United States:

Description of the measured instrument	Fair value as of June 30, 2025	Valuation technique	Discount rate
	NIS thousands		
Contingent consideration	72,484	Discounted cash flow	5.2%-7.57%

(3) Hedging transactions on electricity prices in the United States

The fair value of hedging transactions on electricity prices in the United States are classified in these statements at Level 3. In the fair value measurement of these financial derivatives, Energix uses quoted market data as well as estimates and assessments based on non-quoted data, such as yield curves and future electricity prices in the US electricity market, as well as the historical standard deviation of electricity prices in the market. These estimates include assumptions regarding future electricity prices for periods in which there are no observable electricity prices in the market, as well as assumptions regarding the discount rates that are used for determining the fair value of these derivatives. Changes in such estimates and assessments may result in material changes in the fair value. These basic assumptions are the result of the exercising of subjective judgment in an environment of uncertainty, sometimes particularly significant, and therefore changes in the basic assumptions may result in changes in the fair value of these derivatives, sometimes materially, and therefore affect Energix's financial position as of June 30, 2025 and its results of operations for the same period.

	As of June 30, 2025		As of June 30, 2024		As of December 31, 2024	
Main assumptions used in the fair value calculation	Range		Range		Range	
Discount rate	4.54%	3.44%	5.57%	4.01%	4.47%	4.09%
Standard deviation	57.86	41.91	-	-	58.30	41.26
Future electricity price range	112.45	47.02	133.45	26.25	120.09	23.11
Fixed price range in agreements (*)	85.77	26.25	49.00	26.25	85.77	26.25
Lifespan (in years)	15.80	1.97	15.64	2.97	16.30	2.47

(*) The differences in the range are mainly due to seasonal effects.

Note 11 – Financial Instruments (continued)

b. Financial instruments presented in the financial statements at fair value

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Financial assets at fair value				
Derivatives				
Financial derivatives (swap contract, swapping the NIS principal and interest with CHF principal and interest)	-	2,954	-	2,954
Financial derivatives (forward contract for foreign currency swap) designated for hedging	-	10,885	-	10,885
Financial derivatives (CAP options for hedging the exposure to variable interest)	-	89,552	-	89,552
Financial derivatives (Swap contract swapping variable interest with fixed interest) designated for hedging	-	112,097	-	112,097
Financial derivatives (Swap contract for fixing electricity prices in the US) designated for hedging (1) (3)	-	-	995	995
Financial assets measured at fair value through profit and loss				
Tradable securities	4	-	-	4
Real estate investment funds (1)	-	-	216,846	216,846
	4	215,488	217,841	433,333
Financial liabilities at fair value				
Derivatives				
Financial derivatives (swap contract, swapping NIS principal and interest with CPI-linked principal and interest) designated for hedging	-	(227,935)	-	(227,935)
Financial derivatives (Swap contract for fixing electricity prices in the US) designated for hedging (1) (3)	-	-	(179,134)	(179,134)
Financial derivatives (swap contract, swapping the NIS principal and interest with USD principal and interest) designated for hedging	-	(50,037)	-	(50,037)
Financial derivatives (swap contract, swapping the NIS principal and interest with GBP principal and interest) designated for hedging	-	(7,278)	-	(7,278)
Financial derivatives (Swap contract for swapping NIS principal and interest with PLN principal and interest) designated for hedging	-	(7,388)	-	(7,388)
Financial derivatives (swap contract, swapping the NIS principal and interest with CHF principal and interest) designated for hedging	-	(1,014)	-	(1,014)
Financial derivatives (Swap contract swapping variable interest with fixed interest) designated for hedging	-	(15,126)	-	(15,126)
Financial derivatives (forward contract for foreign currency swap) designated for hedging	-	(467,462)	-	(467,462)
Contingent consideration for a transaction carried out by Energix with non-controlling interests in the United States (1)	-	-	(60,236)	(60,236)
	-	(776,240)	(239,370)	(1,015,610)

Note 11 – Financial Instruments (continued)

a. Financial instruments at fair value measured according to Level 3:

	For the six-month period ended June 30, 2024
	NIS thousands
Balance as of January 1, 2024	23,745
Investments	56,412
Amounts recorded to profit and loss in the period	(39,295)
Amounts recorded to other comprehensive income in the period	(62,391)
Balance as of June 30, 2024	(21,529)

b. Financial instruments presented in the financial statements at fair value:

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Financial assets at fair value				
Derivatives				
Financial derivatives (swap contract, swapping the NIS principal and interest with CHF principal and interest)	-	2,954	-	2,954
Financial derivatives (Swap contract for swapping NIS principal and interest with PLN principal and interest) designated for hedging	-	6,935	-	6,935
Financial derivatives (swap contract, swapping the NIS principal and interest with USD principal and interest) designated for hedging	-	618	-	618
Financial derivatives (forward contract for foreign currency swap) designated for hedging	-	47,689	-	47,689
Financial derivatives (Swap contract for fixing electricity prices in the US) designated for hedging	-	-	82,076	82,076
Financial derivatives (CAP options for hedging the exposure to variable interest)	-	68,646	-	68,646
Financial derivatives (Swap contract swapping variable interest with fixed interest) designated for hedging	-	98,361	-	98,361
Financial assets measured at fair value through profit and loss				
Tradable securities	5	-	-	5
Real estate investment funds (1)	-	-	218,454	218,454
	5	225,203	300,530	525,738

Note 11 – Financial Instruments (continued)

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Financial liabilities at fair value				
Derivatives				
Financial derivatives (swap contract, swapping NIS principal and interest with CPI-linked principal and interest) designated for hedging	-	(234,627)	-	(234,627)
Financial derivatives (Swap contract for fixing electricity prices in the US) designated for hedging	-	-	(197,250)	(197,250)
Financial derivatives (swap contract, swapping the NIS principal and interest with USD principal and interest) designated for hedging	-	(39,764)	-	(39,764)
Financial derivatives (swap contract, swapping the NIS principal and interest with GBP principal and interest) designated for hedging	-	(4,431)	-	(4,431)
Financial derivatives (Swap contract for swapping NIS principal and interest with PLN principal and interest) designated for hedging	-	(2,136)	-	(2,136)
Financial derivatives (swap contract, swapping the NIS principal and interest with CHF principal and interest)	-	(1,015)	-	(1,015)
Financial derivatives (Swap contract swapping variable interest with fixed interest) designated for hedging	-	(7,456)	-	(7,456)
Financial derivatives (forward contract for foreign currency swap) designated for hedging	-	(146,633)	-	(146,633)
Financial derivatives (options for hedging the exposure to foreign currency)	-	(11,276)	-	(11,276)
Contingent consideration for a transaction carried out by Energix with non-controlling interests and for the acquisition of assets in the United States	-	-	(90,103)	(90,103)
	-	(447,338)	(287,353)	(734,691)

(1) Financial instruments at fair value measured according to Level 3:

	For the year ended December 31, 2024
	NIS thousands
Balance as of January 1, 2024	23,745
Net investment in real estate investment funds	67,137
Initial recognition against deferred profit	89,400
Initial recognition against electricity-generation facilities in development	(63,847)
Amounts recorded to profit and loss in the period	(8,857)
Amounts recorded to other comprehensive income in the period	(94,401)
Balance as of December 31, 2024	13,177

Note 11 – Financial Instruments (continued)

c. Changes in investments in associates

The following are the material changes that have occurred in investments in key associates in the following periods:

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	In NIS millions	In NIS millions	In NIS millions	In NIS millions	In NIS millions
Investment in Carr	(28)	(231)	(99)	(3)	(266)
Investment in Boston	(64)	(124)	(70)	(56)	(179)

- Investment in Carr - The decrease in the balance of the investment in the reporting period was mainly a result of the decrease in the USD exchange rate (a decrease of approx. NIS 103 million), offset by an increase in the Group's share in Carr's comprehensive income (an increase of approx. NIS 75 million).
- Investment in Boston - The decrease in the balance of the investment in the reporting period was mainly a result of accumulated equity losses in the amount of approx. NIS 39 million and a result of the decrease in the USD exchange rate (a decrease of approx. NIS 24 million).

Note 12 – Operating Segments

The Group has two areas of activity:

(1) Main area of activity - long-term investments in income-generating property companies in Israel and in other western countries, which mainly includes its investments in Amot, Carr, and BE;

(2) additional area of activity - investment in renewable energy, which consists of its investment in Energix.

Segment results are measured based on the Company's share in the operating results of each investment as included in the reports reviewed regularly by the chief decision maker and by management.

Note 12 – Operating Segments (continued)

Segment revenues and results:

	For the six-month period ended June 30, 2025							
	Income-generating property segment				Energy segment			
	Amot	CARR	BE	Others	Energix	Unattributed results	Adjustments	Total
	NIS thousands							
Group share in investees' profits, net	232,956	79,441	56,454	(38,547)	21,954	-	(299,682)	52,576
Net losses from investments in securities measured at fair value through profit and loss	-	-	-	(11,623)	-	-	4,040	(7,583)
Revenues from decrease in holdings in investees	-	(78)	-	-	-	-	-	(78)
Other revenues, net (*)	5,551	-	-	-	5,512	-	1,351,876	1,362,939
	238,507	79,363	56,454	(50,170)	27,466	-	1,056,234	1,407,854
Administrative and general	-	-	-	-	-	18,758	111,666	130,424
Financing expenses, net	-	-	-	-	-	122,650	356,056	478,706
Other expenses, net (*)	-	-	-	-	-	-	345,345	345,345
	-	-	-	-	-	141,408	813,067	954,475
Profit before tax	238,507	79,363	56,454	(50,170)	27,466	(141,408)	243,167	453,379
Additional information regarding segment results:								
Revenues (in the investee's books) including revaluation profits (losses)	850,318	435,737	148,885		365,789			
Revaluation profits (in the investee's books), before tax (**)	259,423	71,293	36,690		-			
Revenues from the tax partner	-	-	-		112,647			
Net profit (in the investee's books)	457,497	192,828	66,475		43,776			
Company share in net profits	232,956	79,441	56,454		21,954			

For additional information regarding Carr's condensed financial information, please see Note 6e above.

(*) Other net revenues/expenses, mainly consisting of revenues/expenses from rental fees and management of investment property and from the activation of electricity-generating facilities.

(**) The item includes the adjustment of the investment property value as presented in Carr's Consolidated Financial Statements, as well as Carr's share in the adjustments of the investment property value of its associates.

Note 12 – Operating Segments (continued)

Segment revenues and results

	For the three-month period ended June 30, 2025							
	Income-generating property segment				Energy segment	Unattributed results	Adjustments	Total
	Amot	CARR	BE	Others	Energix			
	NIS thousands							
Group's share of profits (losses) of investees, net	151,744	33,168	60,830	(40,829)	859	4	(206,326)	(550)
Net losses from investments in securities measured at fair value through profit and loss	-	-	-	(1,449)	-	-	4,040	2,591
Revenues from decrease in holdings in investees	-	(6)	-	-	-	-	-	(6)
Other revenues, net (*)	2,662	-	-	-	2,774	-	831,273	836,709
	154,406	33,162	60,830	(42,278)	3,633	4	628,987	838,744
Administrative and general	-	-	-	-	-	10,360	59,047	69,407
Financing expenses, net	-	-	-	-	-	61,288	222,012	283,300
Other expenses, net (*)	-	-	-	-	-	-	195,050	195,050
	-	-	-	-	-	71,648	476,109	547,757
Profit before tax	154,406	33,162	60,830	(42,278)	3,633	(71,644)	152,878	290,987
Additional information regarding segment results:								
Revenues (in the investee's books) including revaluation profits	541,408	205,305	101,033		195,918			
Revaluation profits (in the investee's books), before tax (**)	246,886	26,538	42,752		-			
Revenues from the tax partner	-	-	-		53,720			
Net profit (in the investee's books)	298,266	79,560	71,629		1,784			
Company share in net profits	151,744	33,168	60,830		859			

For additional information regarding Carr's condensed financial information, please see Note 6e above.

(*) Other net revenues/expenses, mainly consisting of revenues/expenses from rental fees and management of investment property and from the activation of electricity-generating facilities.

(**) The item includes the adjustment of the investment property value as presented in Carr's Consolidated Financial Statements, as well as Carr's share in the adjustments of the investment property value of its associates.

Note 12 – Operating Segments (continued)

Segment assets and liabilities:

	As of June 30, 2025							
	Income-generating property segment	Income-generating property segment	Income-generating property segment	Income-generating property segment	Energy segment	Unattributed assets and liabilities	Adjustments	Total
	Amot	CARR	BE	Others	Energix			
	NIS thousands							
Assets:								
Investment in investees	4,712,593	1,273,956	3,163,260	282,635	1,041,514	4,250	(8,479,329)	1,998,879
Investment in securities measured at fair value through profit and loss	-	-	-	211,067	-	7	-	211,074
Other assets	-	-	-	-	-	579,647	38,966,109	39,545,756
	4,712,593	1,273,956	3,163,260	493,702	1,041,514	583,904	30,486,780	41,755,709
Liabilities	-	-	-	-	-	5,880,675	24,256,129	30,136,804

Note 12 – Operating Segments (continued)

Segment revenues and results:

	For the six-month period ended June 30, 2024							
	Income-generating property segment				Energy segment			
	Amot	CARR	BE	Others	Energix	Unattributed results	Adjustments	Total
	NIS thousands							
Group share in investees' profits, net	160,789	(278,160)	(151,326)	(145,121)	83,368	-	(86,629)	(417,079)
Net profits (losses) from investments in securities measured at fair value through profit and loss	-	-	-	(11,650)	-	(9)	(57,397)	(69,056)
Profit from decrease in rate of holding, from acquisition and realization of associates	-	12	-	-	-	-	-	12
Other revenues, net (*)	5,648	-	-	-	7,131	-	1,114,252	1,127,031
	166,437	(278,148)	(151,326)	(156,771)	90,499	(9)	970,226	640,908
Administrative and general	-	-	-	-	-	18,618	98,393	117,011
Financing expenses, net	-	-	-	-	-	137,471	420,096	557,567
Other expenses, net (*)	-	-	-	-	-	-	245,845	245,845
	-	-	-	-	-	156,089	764,334	920,423
Profit before tax	166,437	(278,148)	(151,326)	(156,771)	90,499	(156,098)	205,892	(279,515)
Additional information regarding segment results:								
Revenues (in the investee's books) including revaluation profits (losses)	675,176	(423,226)	13,085		448,038			
Revaluation profits (losses) (in the investee's books), before tax (**)	103,034	(695,198)	(91,409)		-			
Revenues from a tax partner	-	-	-		82,575			
Net profit (in the investee's books)	314,983	(576,154)	(181,016)		165,914			
Company share in net profits	160,789	(278,160)	(151,326)		83,368			

For additional information regarding Carr's condensed financial information, please see Note 6e above.

(*) Other net revenues/expenses, mainly consisting of revenues/expenses from rental fees and management of investment property and from the activation of electricity-generating facilities, which are included in other items in the Statement of Income.

(**) The item includes the adjustment of the investment property value as presented in Carr's Consolidated Financial Statements, as well as Carr's share in the adjustments of the investment property value of its associates.

Note 12 – Operating Segments (continued)

Segment revenues and results:

	For the three-month period ended June 30, 2024							
	Income-generating property segment				Energy segment			
	Amot	CARR	BE	Others	Energix	Unattributed results	Adjustments	Total
	NIS thousands							
Group share in investees' profits, net	84,574	(29,191)	(91,105)	(71,307)	43,384	-	(34,260)	(97,905)
Net profits (losses) from investments in securities measured at fair value through profit and loss	-	-	-	(1,339)	-	(9)	(50,329)	(51,677)
Profit from decrease in rate of holding, from acquisition and realization of associates	-	2	-	-	-	-	-	2
Other revenues, net (*)	2,847	-	-	-	4,483	-	636,382	643,712
	87,421	(29,189)	(91,105)	(72,646)	47,867	(9)	551,793	494,132
Administrative and general	-	-	-	-	-	9,221	49,739	58,960
Financing expenses, net	-	-	-	-	-	78,536	304,515	383,051
Other expenses, net (*)	-	-	-	-	-	-	133,743	133,743
	-	-	-	-	-	87,757	487,997	575,754
Profit before tax	87,421	(29,189)	(91,105)	(72,646)	47,867	(87,766)	63,796	(81,622)
Additional information regarding segment results:								
Revenues (in the investee's books) including revaluation profits (losses)	425,505	8,538	37,573		217,558			
Revaluation profits (losses) (in the investee's books), before tax (**)	99,703	(109,991)	(14,706)		-			
Revenues from a tax partner	-	-	-		65,105			
Net profit (loss) (in the investee's books)	165,812	(60,109)	(108,884)		85,849			
Company share in net profits (losses)	84,574	(29,191)	(91,105)		43,384			

For additional information regarding Carr's condensed financial information, please see Note 6e above.

(*) Other net revenues/expenses, mainly consisting of revenues/expenses from rental fees and management of investment property and from the activation of electricity-generating facilities, which are included in other items in the Statement of Income.

(**) The item includes the adjustment of the investment property value as presented in Carr's Consolidated Financial Statements, as well as Carr's share in the adjustments of the investment property value of its associates.

Note 12 – Operating Segments (continued)

Segment assets and liabilities:

	As of June 30, 2024							
	Income-generating property segment	Income-generating property segment	Income-generating property segment	Income-generating property segment	Energy segment	Unattributed assets and liabilities	Adjustments	Total
	Amot	CARR	BE	Others	Energix			
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	
Assets:								
Investment in investees	4,483,319	1,337,377	2,846,137	401,393	1,116,216	10,013	(8,011,552)	2,182,903
Investment in securities measured at fair value through profit and loss	-	-	-	216,846	-	4	-	216,850
Other assets	-	-	-	-	-	137,351	35,560,360	35,697,711
	4,483,319	1,337,377	2,846,137	618,239	1,116,216	147,368	27,548,808	38,097,464
Liabilities	-	-	-	-	-	6,034,846	21,484,140	27,518,986

Note 12 – Operating Segments (continued)

Segment revenues and results:

	For the year ended December 31, 2024							
	Income-generating property segment				Energy segment			
	Amot	CARR	BE	Others	Energix	Unattributed results	Adjustments	Total
	NIS thousands							
Group share in investees' profits (losses), net (**)	468,063	(263,716)	(104,164)	(277,751)	169,762	(5,405)	(526,967)	(540,178)
Net profits (losses) from investments in securities measured at fair value through profit and loss	-	-	-	(11,444)	-	(1)	(216,063)	(227,508)
Revenues from decrease in holdings in investees	-	23	-	-	-		-	23
Other revenues, net (*)	11,429	-	(112)	-	10,922	60	2,856,313	2,878,612
	479,492	(263,693)	(104,276)	(289,195)	180,684	(5,346)	2,113,283	2,110,949
Administrative and general	-	-	-	-	-	39,136	227,673	266,809
Financing expenses, net	-	-	-	-	-	271,169	716,129	987,298
Other expenses, net (*)	-	-	-	-	-	-	530,001	530,001
	-	-	-	-	-	310,305	1,473,803	1,784,108
Profit before tax	479,492	(263,693)	(104,276)	(289,195)	180,684	(315,651)	639,480	326,841
Additional information regarding segment results:								
Revenues (in the investee's books) including revaluation profits (losses)	1,718,488	(145,188)	281,868		897,628			
Revaluation profits (losses) (in the investee's books), before tax (**)	572,739	(756,866)	57,522		-			
Revenues from the tax partner	-	-	-		213,834			
Net profit (loss) (in the investee's books)	919,002	(531,991)	(125,478)		338,008			
Company share in net profits (loss)	468,063	(263,716)	(104,164)		169,762			

For additional information regarding Carr's condensed financial information, please see Note 6e to the annual financial statements.

(*) Other net revenues/expenses, mainly consisting of revenues/expenses from rental fees and management of investment property and from the activation of electricity-generating facilities.

(**) The item includes the adjustment of the investment property value as presented in Carr's Consolidated Financial Statements, as well as Carr's share in the adjustments of the investment property value of its associates.

(***) Under Others - The Group's share in profits of investees represents the results from the Company's holdings in Boston; losses related to investments in securities represents the movement in the Brockton Funds.

Note 12 – Operating Segments (continued)

Segment assets and liabilities:

	As of December 31, 2024							
	Income-generating property segment	Income-generating property segment	Income-generating property segment	Income-generating property segment	Energy segment	Unattributed assets and liabilities	Adjustments	Total
	Amot	CARR	BE	Others	Energix			
	NIS thousands							
Assets:								
Investment in investees	4,660,711	1,302,056	2,989,406	346,381	1,112,313	4,396	(8,330,278)	2,084,985
Investment in securities measured at fair value through profit and loss	-	-	-	218,454	-	5	-	218,459
Other assets	-	-	-	-	-	695,828	37,048,371	37,744,199
	4,660,711	1,302,056	2,989,406	564,835	1,112,313	700,229	28,718,093	40,047,643
Liabilities	-	-	-	-	-	5,915,975	22,499,142	28,415,117

Note 12 – Operating Segments (continued)

Geographic information:

	For the six-month period ended June 30, 2025							
	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy		
	Israel	USA	UK	Israel	Poland	USA	Others and unassigned expenses	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue and profits								
Revenue from rental fees and management of investment property	590,100	-	112,195	-	-	-	-	702,295
Fair value adjustments of investment property	258,400	-	36,690	-	-	-	-	295,090
Group share in profits (losses) of associates, net	11,683	40,893	-	-	-	-	-	52,576
Revenue from sale of electricity and green certificates	-	-	-	101,337	171,357	92,458	-	365,152
Miscellaneous	(236)	(78)	(7,583)	112	526	-	-	(7,259)
	859,947	40,815	141,302	101,449	171,883	92,458	-	1,407,854
Costs and expenses								
Cost of investment property rental and operation	79,901	-	18,059	-	-	-	-	97,960
Initiation, maintenance and operation costs of electricity-generating facilities	-	-	-	24,477	37,430	16,403	-	78,310
Depreciation and amortizations	1,480	-	1,796	79,377	32,822	52,933	667	169,075
	81,381	-	19,855	103,854	70,252	69,336	667	345,345
Administrative and general expenses	26,584	-	25,175	1,947	7,613	24,773	44,332	130,424
Financing expenses, net	198,427	-	41,421	35,296	47,128	63,660	92,774	478,706
Profit before taxes on income	553,555	40,815	54,851	(39,648)	46,890	(65,311)	(137,773)	453,379

Note 12 – Operating Segments (continued)

Geographic information:

	For the three-month period ended June 30, 2025							
	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy		
	Israel	USA	UK	Israel	Poland	USA	Others and unassigned expenses	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue and profits								
Revenue from rental fees and management of investment property	294,880	-	58,281	-	-	-	-	353,161
Fair value adjustments of investment property	245,113	-	42,752	-	-	-	-	287,865
Group share in profits (losses) of associates, net	7,109	(7,659)	-	-	-	-	-	(550)
Revenue from sale of electricity and green certificates	-	-	-	59,926	79,665	56,268	-	195,859
Miscellaneous	(236)	(6)	2,591	112	(52)	-	-	2,409
	546,866	(7,665)	103,624	60,038	79,613	56,268	-	838,744
Costs and expenses								
Cost of investment property rental and operation	40,678	-	8,493	-	-	-	-	49,171
Initiation, maintenance and operation costs of electricity-generating facilities	-	-	-	12,469	17,525	7,117	-	37,111
Depreciation and amortizations	755	-	919	62,687	17,236	26,838	333	108,768
	41,433	-	9,412	75,156	34,761	33,955	333	195,050
Administrative and general expenses	9,954	-	13,705	(1,874)	2,830	13,891	30,901	69,407
Financing expenses, net	140,107	-	10,327	21,918	23,501	41,454	45,993	283,300
Profit before taxes on income	355,372	(7,665)	70,180	(35,162)	18,521	(33,032)	(77,227)	290,987

Note 12 – Operating Segments (continued)

Geographic information:

	As of June 30, 2025							
	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy		
	Israel	USA (*)	UK	Israel	Poland	USA	Others	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Main assets								
Investment property (including investment property in development and land rights)	20,261,940	-	5,418,375	-	-	-	-	25,680,315
Investments in associates	437,980	1,556,592	-	-	-	-	4,307	1,998,879
Connected electricity-generating facilities	-	-	-	1,232,102	1,455,719	3,106,833	-	5,794,654
Electricity-generating facilities in development	-	-	-	1,349,296	231,432	2,224,118	-	3,804,846
Right-of-use asset	-	-	-	221,899	134,780	310,846	-	667,525
Securities measured at fair value through profit and loss (**)	-	-	211,067	-	-	-	7	211,074
	20,699,920	1,556,592	5,629,442	2,803,297	1,821,931	5,641,797	4,314	38,157,293

(*) The balance is in respect of an investment in Carr in the amount of NIS 1,274 million and for an investment in Boston in the amount of NIS 283 million.

(**) The investment in securities measured at fair value through profit and loss is presented above despite its inclusion in the financial assets category.

Note 12 – Operating Segments (continued)

Geographic information:

Geographic information:

	For the six-month period ended June 30, 2024							
	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy		
	Israel	USA	UK	Israel	Poland	USA	Others and unassigned expenses	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue and profits								
Revenue from rental fees and management of investment property	571,188	-	104,494	-	-	-	-	675,682
Fair value adjustments of investment property	103,035	-	(91,408)	-	-	-	-	11,627
Group share in profits (losses) of associates, net	8,649	(423,281)	(2,447)	-	-	-	-	(417,079)
Revenue from sale of electricity and green certificates	-	-	-	79,571	267,910	88,585	-	436,066
Miscellaneous	-	12	(69,047)	2,759	-	897	(9)	(65,388)
	682,872	(423,269)	(58,408)	82,330	267,910	89,482	(9)	640,908
Costs and expenses								
Cost of investment property rental and operation	76,343	-	9,690	-	-	-	-	86,033
Initiation, maintenance and operation costs of electricity-generating facilities	-	-	-	21,979	29,009	10,144	-	61,132
Depreciation and amortizations	1,701	-	1,031	23,453	32,219	32,777	7,499	98,680
	78,044	-	10,721	45,432	61,228	42,921	7,499	245,845
Administrative and general expenses	24,674	-	25,559	(1,775)	8,267	20,869	39,417	117,011
Financing expenses, net	219,706	-	97,944	32,771	29,902	37,947	139,297	557,567
Profit before taxes on income	360,448	(423,269)	(192,632)	5,902	168,513	(12,255)	(186,222)	(279,515)

Note 12 – Operating Segments (continued)

	For the three-month period ended June 30, 2024							
	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy		
	Israel	USA	UK	Israel	Poland	USA	Others and unassigned expenses	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue and profits								
Revenue from rental fees and management of investment property	291,924	-	52,280	-	-	-	-	344,204
Fair value adjustments of investment property	99,704	-	(14,705)	-	-	-	-	84,999
Group share in profits (losses) of associates, net	3,952	(100,499)	(1,358)	-	-	-	-	(97,905)
Revenue from sale of electricity and green certificates	-	-	-	47,563	105,528	60,427	-	213,518
Miscellaneous	(32)	2	(51,668)	126	-	897	(9)	(50,684)
	395,548	(100,497)	(15,451)	47,689	105,528	61,324	(9)	494,132
Costs and expenses								
Cost of investment property rental and operation	42,936	-	5,963	-	-	-	-	48,899
Initiation, maintenance and operation costs of electricity-generating facilities	-	-	-	13,636	11,248	4,566	-	29,450
Depreciation and amortizations	908	-	499	9,255	16,469	21,092	7,171	55,394
	43,844	-	6,462	22,891	27,717	25,658	7,171	133,743
Administrative and general expenses	13,216	-	12,528	(1,262)	4,047	11,085	19,346	58,960
Financing expenses, net	167,910	-	75,789	16,513	14,961	29,191	78,687	383,051
Profit before taxes on income	170,578	(100,497)	(110,230)	9,547	58,803	(4,610)	(105,213)	(81,622)

Note 12 – Operating Segments (continued)

Geographic information:

	As of June 30, 2024							
	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy		
	Israel	USA (*)	UK	Israel	Poland	USA	Others	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Main assets								
Investment property (including investment property in development and land rights)	19,164,581	-	5,075,851	-	-	-	-	24,240,432
Investments in associates	427,237	1,738,770	7,029	-	-	-	9,867	2,182,903
Connected electricity-generating facilities	-	-	-	999,724	1,513,875	3,241,060	-	5,754,659
Electricity-generating facilities in development	-	-	-	1,380,772	102,620	833,652	-	2,317,044
Right-of-use asset	-	-	-	195,809	139,431	320,387	-	655,627
Securities measured at fair value through profit and loss (**)	-	-	216,846	-	-	-	4	216,850
	19,591,818	1,738,770	5,299,726	2,576,305	1,755,926	4,395,099	9,871	35,367,515

(*) The balance is in respect of an investment in Carr in the amount of NIS 1,337 million and for an investment in Boston in the amount of NIS 401 million.

(**) The investment in securities measured at fair value through profit and loss is presented above despite its inclusion in the financial assets category.

Note 12 – Operating Segments (continued)

Geographic information:

	For the year ended December 31, 2024								
	Income-generating property	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy		
	Israel	USA	Switzerland	UK	Israel	Poland	USA	Others and unassigned expenses	Total
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue and profits									
Revenue from rental fees and management of investment property	1,164,838	-	-	224,346	-	-	-	-	1,389,184
Fair value adjustments of investment property	549,686	-	-	57,522	-	-	-	-	607,208
Group share in profits (losses) of associates, net	14,513	(541,467)	-	(7,819)	-	-	-	(5,405)	(540,178)
Revenue from sale of electricity and green certificates	-	-	-	-	163,357	519,938	172,915	-	856,210
Miscellaneous	(202)	22	-	(227,509)	3,041	21,526	1,647	-	(201,475)
	1,728,835	(541,445)	-	46,540	166,398	541,464	174,562	(5,405)	2,110,949
Costs and expenses									
Cost of investment property rental and operation	158,037	-	-	22,423	-	-	-	-	180,460
Initiation, maintenance and operation costs of electricity-generating facilities	-	-	-	-	48,027	69,798	3,575	-	121,400
Depreciation and amortizations	2,845	-	-	1,948	66,363	63,886	91,581	1,518	228,141
	160,882	-	-	24,371	114,390	133,684	95,156	1,518	530,001
Administrative and general expenses	50,861	-	-	66,539	13,686	18,709	48,278	68,736	266,809
Financing expenses, net	405,168	-	-	101,296	61,548	71,186	88,106	259,994	987,298
Profit before taxes on income	1,111,924	(541,445)	-	(145,666)	(23,226)	317,885	(56,978)	(335,653)	326,841

Note 12 – Operating Segments (continued)

Geographic information:

	As of December 31, 2024							
	Income-generating property	Income-generating property	Income-generating property	Energy	Energy	Energy	Others	Total
	Israel	USA (*)	UK	Israel	Poland	USA		
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Main assets								
Investment property (including investment property in development and land rights)	19,872,150	-	5,134,414	-	-	-	-	25,006,564
Investments in associates	429,863	1,648,437	2,289	-	-	-	4,396	2,084,985
Connected electricity-generating facilities	-	-	-	1,198,164	1,418,789	3,057,080	-	5,674,033
Electricity-generating facilities in development	-	-	-	1,344,218	119,364	2,156,948	-	3,620,530
Right-of-use asset	-	-	-	235,548	130,158	252,260	-	617,966
Securities measured at fair value through profit and loss (**)	-	-	218,459	-	-	-	-	218,459
	20,302,013	1,648,437	5,355,162	2,777,930	1,668,311	5,466,288	4,396	37,222,537

(*) The balance is in respect of an investment in Carr in the amount of NIS 1,302 million and for an investment in Boston in the amount of NIS 346 million.

Note 13 – Deposits, Tradable Securities and Restricted Cash

Deposits, tradable securities and restricted cash	As of June 30		As of December 31
	2025	2024	2024
	NIS thousands	NIS thousands	NIS thousands
Short-term pledged deposits and restricted cash	135,734	12,655	9,756
Designated cash (*)	20,401	21,108	21,184
	156,135	33,763	30,940


PLATINUM / AMOT / PETAH TIKVA

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROL

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure according to Regulation 38C(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

For Q2/2025

Management, under the supervision of the Board of Directors of Alony-Hetz Properties and Investments Ltd. (hereinafter - the "**Corporation**"), is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure in the Corporation.

In this regard, the members of management are:

1. Nathan Hetz, CEO;

2. Moti Barzilay, VP of Business Development;

3. Oren Frenkel, Chief Financial Officer;

4. Hanan Feldmus, Legal Counsel;

Internal control over financial reporting and disclosure includes controls and procedures existing in the Corporation, which have been designed by the CEO and the Senior Finance Officer or under their supervision, or by those who actually perform these functions, under the supervision of the Corporation's Board of Directors, which are intended to provide reasonable assurance as to the reliability of the financial reporting and preparation of the reports in accordance with the provisions of the law, and to ensure that information the Corporation is required to disclose in the reports it publishes according to the provisions of the law has been collected, processed, summarized and reported at the time and according to the format stipulated by law.

Internal control includes, among other things, controls and procedures designed to ensure that information the Corporation is required to disclose has been accumulated and passed on to the Corporation's management, including to the CEO and to the Senior Finance Officer or to whoever actually performs these functions, in order to enable the making of decisions in a timely manner, while taking the disclosure requirements into consideration.

Due to its structural limitations, internal control over financial reporting and disclosure is not intended to provide absolute certainty that misrepresentation or omission of information in the statements will be avoided or discovered.

The Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure, which was attached to the quarterly Report for the period ended March 31, 2025 (hereinafter - the "**latest quarterly report on internal control**"), found the internal control over financial reporting and disclosure to be effective.

As of the date of the report, based on the assessment of the effectiveness of the internal control in the last quarterly report on internal control, and based on information brought to the attention of management and the Board of Directors as noted above, the internal control over financial reporting and disclosure is effective.

Executive Statements

(a) Statement of the CEO in accordance with Regulation 38C(d)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970

Executive Statement | Statement of the CEO

I, Nathan Hetz, do hereby state that:

1. I have examined the quarterly report of Alony-Hetz Properties and Investments Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2025 (hereinafter - the "**Reports**");

2. In my opinion, the Reports do not contain any untrue statement of a material fact nor omit to state a material fact necessary so that the exhibits included therein, in light of the circumstances under which such exhibits were made, will not be misleading with respect to the reporting period;

3. To the best of my knowledge, the financial statements and the other financial information included in the Reports adequately reflect, in all material respects, the financial position, results of operations and cash flows of the Corporation for the dates and periods referred to in the Reports;

4. I have disclosed to the Corporation's Independent Auditor, the Board of Directors, the Audit Committee and the Financial Statements Review Committee of the Corporation's Board of Directors, based on my most up-to-date evaluation of internal control over financial reporting and disclosure;

   a. All significant deficiencies and weaknesses in the determination or operation of internal controls over financial reporting and disclosure that are reasonably likely to negatively impact the Corporation's ability to collect, process, summarize and report financial information in a manner that would cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the law, and –

   b. Any fraud, whether material or not, involving the CEO or his direct subordinates or other employees who have a significant role in the internal control over financial reporting and disclosure;

5. I, by myself or with others in the Corporation:

   a. Have established controls and procedures, or have verified the establishment and existence of controls and procedures under my supervision, designed to ensure that material information referring to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, brought to my attention by others in the Corporation and in its consolidated companies, particularly during the preparation period of the reports; and –

   b. Have established controls and procedures, or have verified the establishment and existence of controls and procedures under my supervision, designed to provide reasonable assurance of the reliability of financial reporting and preparation of the financial statements in accordance with the law, including generally accepted accounting principles;

No event or issue has come to my attention which has occurred during the period between the last report date (quarterly or periodic, as the case may be), that may be such as to change the conclusions of the Board of Directors and management regarding the effectiveness of internal controls over the Corporation's financial reporting and disclosure.

The above does not detract from my responsibility or the responsibility of any other person according to the law.

Signature

August 18, 2025	Nathan Hetz, CEO

(b) Statement of the Senior Finance Officer in accordance with Regulation 38C(d)(2) of the Securities Regulations (Periodic and Immediate Reports), 1970

Executive Statement | Statement of the Senior Finance Officer

I, Oren Frenkel, do hereby state that:

1. I have examined the interim financial statements and the other financial information included in the interim reports of Alony-Hetz Properties and Investments Ltd. (hereinafter - the "**Corporation**") for the second quarter of 2025 (hereinafter - the "**Reports**" or the "**Interim Reports**");
2. To the best of my knowledge, the Interim Financial Statements and the other financial information included in the interim reports do not include any misrepresentation of a material fact, nor do they lack the representation of a material fact that is necessary so that the representations included therein, in view of the circumstances in which those representations were included, will not be misleading with respect to the reporting period;
3. To the best of my knowledge, the Interim Financial Statements and the other financial information included in the interim reports adequately reflect, in all material respects, the financial position, results of operations and cash flows of the Corporation for the dates and periods referred to in the Reports;
4. I have disclosed to the Corporation's Independent Auditor, the Board of Directors, the Audit Committee and the Financial Statements Review Committee of the Corporation's Board of Directors, based on my most up-to-date evaluation of internal control over financial reporting and disclosure;
   a. All significant deficiencies and material weaknesses in the determination or operation of internal controls over financial reporting and disclosure, as it relates to the Interim Financial Statements and the other financial information included in the Interim Financial Statements, that are reasonably likely to negatively impact the Corporation's ability to collect, process, summarize and report financial information in a manner that would cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the law; and –
   b. Any fraud, whether material or not, involving the CEO or his direct subordinates or other employees who have a significant role in the internal control over financial reporting and disclosure;
5. I, by myself or with others in the Corporation:
   a. Have established controls and procedures, or have verified the establishment and existence of controls and procedures under our supervision, designed to ensure that material information referring to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, brought to my attention by others in the Corporation and in its consolidated companies, particularly during the preparation period of the reports; and –
   b. Have established controls and procedures, or have verified the establishment and existence of controls and procedures under my supervision, designed to provide reasonable assurance of the reliability of financial reporting and preparation of the financial statements in accordance with the law, including generally accepted accounting principles;

No event or issue has come to my attention which has occurred during the period between the last report date (quarterly or periodic, as the case may be) and the date of this report that refers to the Interim Financial Statements and any other financial information included in the Interim Financial Statements, that may be such as to change the conclusions of the Board of Directors and management regarding the effectiveness of internal control over the Corporation's financial reporting and disclosure.

The above does not detract from my responsibility or the responsibility of any other person according to the law.

	Signature
August 18, 2025	Oren Frenkel, Chief Financial Officer

LONDON, UK / WATERSIDE HOUSE / BROCKTON EVERLAST / SIMULATION

REFERENCE TO THE REPORT ON THE CORPORATION'S LIABILITIES BY REPAYMENT DATES

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

Report on the Status of Liabilities by Repayment Dates, as of June 30, 2025

Regarding the status of liabilities by repayment dates as of June 30, 2025, please see the Immediate Report dated August 19, 2025.

THE WILSON / WASHINGTON DC

ATTACHMENT OF THE FINANCIAL STATEMENTS OF AN ASSOCIATE - CARR

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

CARR PROPERTIES HOLDINGS L.P.

Condensed Consolidated Financial Statements as of June 30, 2025
(Unaudited)

CARR PROPERTIES HOLDINGS L.P.

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Report of Independent Auditors

To the Management of Carr Properties Holdings L.P.

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated interim financial information of Carr Properties Holdings L.P. and its subsidiaries (the "Partnership"), which comprise the condensed consolidated balance sheet as of June 30, 2025, and the related condensed consolidated statements of operations and comprehensive income (loss) and of cash flows for the three-month and six-month periods ended June 30, 2025 and 2024, and the condensed consolidated statements of changes in equity for the six-month periods ended June 30, 2025 and 2024 including the related notes (collectively referred to as the "condensed consolidated interim financial information").

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB).

Basis for Review Results

We conducted our review in accordance with auditing standards generally accepted in the United States of America (US GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with US GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Condensed Consolidated Interim Financial Information

Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial information in accordance with IAS 34, *Interim Financial Reporting*, as issued by IASB and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the condensed consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

Other Matter

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Carr Properties Holdings L.P. and its subsidiaries as of December 31, 2024, and the related consolidated statements of operations and comprehensive income (loss), of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated February 20, 2025, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2024, is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP

Washington, District of Columbia
August 7, 2025

CARR PROPERTIES HOLDINGS L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands of US Dollars)

	Notes	June 30, 2025	December 31, 2024
ASSETS			
Non-current assets			
Investment properties, at fair value			
Income generating properties	4,12	$ 1,422,327	$ 1,712,421
Properties in development	4,12	27,585	48,111
Investments in associates and joint ventures	6	116,572	100,455
Goodwill	9	9,326	9,326
Derivative assets	13	3,613	5,406
Straight-line rent receivable		66,164	91,185
Deferred leasing costs and other, net		19,724	27,480
		1,665,311	1,994,384
Current assets			
Trade receivables, net	11	6,045	6,428
Prepaid expense and other assets		5,782	9,010
Restricted cash	11	8,432	428
Cash and cash equivalents	11	28,497	33,355
Derivative assets	13	—	3,400
Assets held for sale	7	250,011	—
		298,767	52,621
Total assets		$ 1,964,078	$ 2,047,005
EQUITY			
Equity attributable to common shareholders	19	$ 1,666,082	$ 1,666,082
Equity reserve from increase in CPP		9,696	9,737
Equity reserve for cash flow hedges		(13,320)	(10,923)
Retained earnings (accumulated deficit)		(940,711)	(982,853)
Equity attributable to non-controlling interests	5	138,727	147,519
Total equity		860,474	829,562
LIABILITIES			
Non-current liabilities			
Credit facility, net of deferred financing fees	10,11	$ 295,637	$ 473,345
Notes payable, net of deferred financing fees	9,10	737,762	661,832
Lease liabilities	8	1,323	9,184
Security deposits		1,962	2,546
Other liabilities		11,348	11,446
		1,048,032	1,158,353
Current liabilities			
Notes payable, net of deferred financing fees	10,11	—	1,726
Lease liabilities	8	204	1,383
Redeemable non-controlling interests	18	21,835	20,046
Rent received in advance		6,454	6,723
Trade and other payables		18,624	29,212
Liabilities held for sale	7	8,455	—
		55,572	59,090
Total liabilities		1,103,604	1,217,443
Total equity and liabilities		$ 1,964,078	$ 2,047,005

Oliver T. Carr		Member of the Board and Chief Executive Officer
Eric Tracy	Eric Tracy	Chief Financial Officer
Financial Statements Approval Date	August 7, 2025	

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

CARR PROPERTIES HOLDINGS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands of US Dollars)

	Notes	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues					
Rental revenue		$ 36,064	$ 23,410	$ 74,230	$ 57,017
Recoveries from tenants		9,919	3,997	19,038	8,884
Parking income		1,623	1,746	3,327	3,751
Property management fees and other		2,623	2,695	5,004	4,068
Total revenues		$ 50,229	$ 31,848	$ 101,599	$ 73,720
Operating expenses					
Property operating expenses					
Direct payroll and benefits		1,635	1,426	3,584	3,227
Repairs and maintenance		2,460	1,839	4,643	3,861
Cleaning		1,417	775	2,841	1,955
Utilities		1,826	1,028	4,102	3,008
Real estate and other taxes		7,319	4,739	14,973	11,746
Other expenses		4,970	3,959	10,137	8,907
Total property operating expenses		19,627	13,766	40,280	32,704
Non-property general and administrative expenses	14	5,555	5,154	10,819	10,832
Total operating expenses		$ 25,182	$ 18,920	$ 51,099	$ 43,536
Other operating income (loss)					
Net gain (loss) on investment properties	4	8,165	7,460	20,880	(90,844)
Income (loss) from investments in associates and joint ventures	6	5,271	(29,771)	10,937	(84,271)
Total other operating income (loss)		13,436	(22,311)	31,817	(175,115)
Operating income (loss)		$ 38,483	$ (9,383)	$ 82,317	$ (144,931)
Other income (expense)					
Loss on extinguishment of debt	8	(428)	(5)	(428)	(5)
Other income		264	72	4,127	228
Revaluation of redeemable non-controlling interests	18	(490)	514	(1,210)	4,892
Interest expense	10	(15,618)	(7,338)	(31,368)	(17,189)
Pre-tax income (loss)		22,211	(16,140)	53,438	(157,005)
Income and franchise tax expense (benefit)		5	10	(105)	(35)
Net income (loss)		$ 22,206	$ (16,150)	$ 53,543	$ (156,970)
Attribution of net income (loss)					
Common shareholders		17,685	(14,984)	42,142	(144,774)
Non-controlling interests		4,521	(1,166)	11,401	(12,196)
		$ 22,206	$ (16,150)	$ 53,543	$ (156,970)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to income or loss:					
Unrealized gain (loss) on cash flow hedges	13	18	1,703	(142)	6,235
Hedging gain reclassified to net income	13	(1,587)	(3,018)	(3,129)	(8,009)
Other comprehensive loss		(1,569)	(1,315)	(3,271)	(1,774)
Total comprehensive income (loss)		$ 20,637	$ (17,465)	$ 50,272	$ (158,744)
Attribution of comprehensive income (loss)					
Common shareholders		16,495	(16,073)	39,745	(146,506)
Non-controlling interests		4,142	(1,392)	10,527	(12,238)
		$ 20,637	$ (17,465)	$ 50,272	$ (158,744)

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

CARR PROPERTIES HOLDINGS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of US Dollars, except share data)

	Notes	Equity Attributable to Common Shareholders		Equity Reserve from Increase in CPP	Accumulated Other Comprehensive Income (Loss)	Retained Earnings/ (Accumulated Deficit)	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
		Units	Amount						
Balance as of December 31, 2023		15,472	$ 1,666,082	$ 9,725	$ (4,298)	$ (845,337)	$ 826,172	$ 59,698	$ 885,870
Issuance of preferred shares by a subsidiary, net of offering costs		—	—	—	—	—	—	(129)	(129)
Non-controlling interest partner distribution	5,6	—	—	—	—	—	—	(1,335)	(1,335)
Change in equity reserve from increase in CPP		—	—	6	—	—	6	(6)	—
Net income (loss)		—	—	—	—	(144,774)	(144,774)	(12,196)	(156,970)
Other comprehensive income	13	—	—	—	(1,732)	—	(1,732)	(42)	(1,774)
Dividends	19	—	—	—	—	—	—	(24)	(24)
Balance as of June 30, 2024		15,472	$ 1,666,082	$ 9,731	$ (6,030)	$ (990,111)	$ 679,672	45,966	$ 725,638

	Notes	Equity Attributable to Common Shareholders		Equity Reserve From Increase in CPP	Accumulated Other Comprehensive Income (Loss)	Retained Earnings/ (Accumulated Deficit)	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
		Units	Amount						
Balance as of December 31, 2024		16,820	$ 1,666,082	$ 9,737	$ (10,923)	$ (982,853)	$ 682,043	$ 147,519	$ 829,562
Issuance of preferred shares by a subsidiary, net of offering costs		—	—	—	—	—	—	(68)	(68)
Non-controlling interest partner distribution	5,6	—	—	—	—	—	—	(19,239)	(19,239)
Change in equity reserve from increase in CPP		—	—	(41)	—	—	(41)	41	—
Net income		—	—	—	—	42,142	42,142	11,401	53,543
Other comprehensive loss	13	—	—	—	(2,397)	—	(2,397)	(874)	(3,271)
Dividends	19	—	—	—	—	—	—	(53)	(53)
Balance as of June 30, 2025		16,820	$ 1,666,082	$ 9,696	$ (13,320)	$ (940,711)	$ 721,747	$ 138,727	$ 860,474

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

CARR PROPERTIES HOLDINGS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of US Dollars)

	Notes	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cash flows from operating activities					
Net income (loss)		**$ 22,206**	**$ (16,150)**	**$ 53,543**	**$ (156,970)**
Adjustments to reconcile net income (loss) to net cash provided by operating activities					
Net (gain) loss on investment properties		(8,165)	(7,460)	(20,880)	90,844
(Income) loss from investments in associates and joint ventures	6	(5,271)	29,771	(10,937)	84,271
Return on investments in associates and joint ventures	6	8	—	10	—
Income and franchise tax expense (benefit)		5	10	(105)	(35)
Interest expense	2, 10	15,618	7,338	31,368	17,189
Amortization of deferred leasing costs and lease incentives		941	2,206	2,021	2,661
Amortization of other non-cash items		137	103	273	228
Provision for bad debt expense		29	177	31	620
Impairment of straight-line rent receivable		(6)	(136)	42	938
Straight-line rent		(149)	442	(6,014)	199
Loss on extinguishment of debt		428	—	428	—
Long-Term Incentive Plan ("LTIP") expense		736	124	1,441	64
Revaluation of redeemable non-controlling interests		490	(514)	1,210	(4,892)
Changes in assets and liabilities					
Trade receivables		(2,404)	(1,249)	299	1,843
Purchase of interest rate cap		—	(1,808)	—	(9,700)
Prepaid expense and other assets		2,196	2,222	3,228	7,261
Trade and other payables		(2,996)	2,911	(8,549)	(3,024)
Rent received in advance		(1,165)	(622)	(269)	(3,067)
Cash generated by operations		**22,638**	**17,365**	**47,140**	**28,430**
Cash paid for interest		(15,252)	(5,540)	(29,859)	(13,824)
Net cash provided by operating activities		**7,386**	**11,825**	**17,281**	**14,606**
Cash flows from investing activities					
Proceeds from the sale of investment property	4	117,055	—	134,252	—
Deconsolidation of cash and cash equivalents	4	—	(2,152)	—	(5,858)
Contributions to investment in associates and joint ventures	6	(8)	(1,362)	(11)	(2,712)
Return of capital from investments in associates		—	34	—	42
Acquisition of development property		—	—	—	(19,473)
Additions to deferred leasing costs		(865)	(1,799)	(4,308)	(2,479)
Additions to tenant improvements		(3,053)	(1,032)	(7,466)	(1,901)
Additions to construction in progress, including capitalized interest		(1,152)	(2,819)	(2,100)	(3,842)
Other capital improvements on income generating properties		(2,710)	(2,772)	(7,153)	(6,547)
(Increase) decrease in restricted cash		(7,859)	—	(7,859)	29
Net cash provided by (used in) investing activities		**101,408**	**(11,902)**	**105,355**	**(42,741)**
Cash flows from financing activities					
Redemption of redeemable non-controlling interest	18	(523)	(1,103)	(2,063)	(1,784)
Distribution to non-controlling interest	5	(18,595)	(655)	(19,239)	(1,335)
Principal portion of lease payments	8	(336)	(49)	(674)	(145)
Borrowings under credit facility	10	—	63,000	9,500	81,000
Repayments under credit facility	10	(167,800)	—	(188,100)	—
Borrowings on notes payable	10	650,000	—	650,000	—
Repayments of notes payable	10	(563,744)	(61,396)	(564,180)	(62,098)
Payment of financing fees		(12,617)	(603)	(12,617)	(1,021)
Dividends to preferred shareholders		(53)	(16)	(53)	(24)
Issuance of preferred shares of consolidated subsidiary, net of offering costs		(68)	(129)	(68)	(129)

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

CARR PROPERTIES HOLDINGS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of US Dollars)
(continued)

	Notes	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net cash (used in) provided by financing activities		**(113,736)**	**(951)**	**(127,494)**	**14,464**
Net decrease in cash and cash equivalents		**(4,942)**	**(1,028)**	**(4,858)**	**(13,671)**
Cash and cash equivalents, beginning of the period		**33,439**	**18,407**	**33,355**	**31,050**
Cash and cash equivalents, end of the period		**$ 28,497**	**$ 17,379**	**$ 28,497**	**$ 17,379**
Supplemental disclosures of non-cash information:					
Capitalized interest	10	$ 309	$ 505	$ 715	$ 1,088
Interest expense attributable to ground leases	10	35	443	68	1,052
Accrual of retainage liabilities and construction requisitions for income generating properties and development projects		(1,113)	67	727	490
Lease liabilities arising from obtaining/revaluing right-of-use assets	8	(141)	59	20	59
Deconsolidation of property and other assets	4	—	70,655	—	126,414
Deconsolidation of debt and other liabilities	4	—	(140,077)	—	(211,097)
Issuance of redeemable non-controlling interests	18	—	—	2,642	—

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

1. Organization and Description of Business

Carr Properties Holdings L.P. (“CPH”) was formed as a Delaware limited partnership. CPH’s corporate headquarters are located at 1615 L Street, NW, Suite 650, Washington, D.C. 20036. CPH owns a 100% interest in Carr Properties Corporation (“CPC”), which owns a 91.40% interest in Carr Properties Partnership (“CPP”), a consolidated subsidiary. Through CPP and various consolidated subsidiaries, CPH owns, operates and develops commercial office and residential real estate properties in the Greater Washington, D.C. area (defined as the District of Columbia, northern Virginia, and suburban Maryland), Boston, Massachusetts, and Austin, Texas. As of June 30, 2025, CPH had 9 consolidated properties and 3 unconsolidated properties owned through joint ventures.

CPH began operations on August 19, 2013 ("Inception"), through a series of transactions pursuant to a Master Framework Agreement (the “MFA”) dated May 2, 2013, as amended, between CET Acquisition Company Inc. (“CET”), a wholly owned investment of the Commingled Pension Trust Fund of JPMorgan Chase Bank, N.A., and AH Carr Properties Holdings LP (“Alony-Hetz”), a wholly owned subsidiary of Alony-Hetz Properties & Investments Ltd.

On January 2, 2018, Clal ENP RH, LP, Clal CW Mishtatef RH, LP, Clal CW Mishtatef US, LP, and Clal CW Hishtalmut US, LP, (collectively "Clal") acquired convertible notes in CPH, which were converted to common shares on August 16, 2018.

The ownership interests of Alony-Hetz, CET, and Clal in CPH as of June 30, 2025, were 52.34%, 38.89%, and 8.76%, respectively. The remaining interests were held by four additional investors.

On February 14, 2025, CPH signed a non-binding term sheet with CET to redeem the entirety of CET's interest in CPH in exchange for the CPH's ownership interest in three commercial office buildings located at 1875 K Street NW in Washington, DC ("1875 K Street"), 1255 Union Street NE in Washington, DC ("Signal House"), and 1701 Duke Street in Alexandria, Virginia ("1701 Duke") (collectively the "CET Redemption Properties") and cash consideration. As of June 30, 2025, the CET Redemption Properties were classified as held for sale on the Condensed Consolidated Balance Sheets with a fair value of $250.0 million. Refer to Note 7 - Assets Held for Sale for additional details.

On July 16, 2025, CPH redeemed the entirety of CET's interest in CPH, which was represented by 6.5 million common partnership units, in exchange for CPH's ownership interest in the CET Redemption Properties and cash consideration. CPH simultaneously received a $100.0 million equity investment from Alony-Hetz and closed on a $278.3 million cross collateralized mortgage encumbering three wholly owned assets (the "Three Asset Financing"). The proceeds from the new equity investment and loan were used to pay off and retire CPH's Credit Facility. As a result of the redemption, Alony-Hetz assumed control of CPH.

2. Basis of Presentation and Summary of Significant Accounting Policies

(a) Statement of Compliance

The accompanying unaudited interim Condensed Consolidated Financial Statements have been prepared in accordance with Interim Financial Reporting guidance under IFRS® Accounting Standards. As such, the Condensed Consolidated Financial Statements do not include all the disclosures that would be included in annual consolidated financial statements and should be read in conjunction with CPH's consolidated financial statements and notes thereto contained in CPH's audited annual consolidated financial statements for the year ended December 31, 2024. Any changes to accounting policies and methods of computation during the three and six months ended June 30, 2025 are specifically disclosed.

CPH believes the disclosures are adequate to ensure the information presented is not misleading. All adjustments and eliminations, consisting only of normal, recurring adjustments necessary for a fair statement of the Condensed Consolidated Financial Statements for the interim periods, have been included. The results of operations for the interim periods are not necessarily indicative of the operating results for the full year.

(b) Basis of Presentation

The preparation of financial statements requires CPH to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. These financial statements are presented in United States dollars, which is CPH's functional and reporting currency. CPH has elected to present a single statement of operations and comprehensive income and to disclose its expenses by nature.

CPH reports cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows using the indirect method. Interest received and paid is presented as operating activities. The acquisitions and dispositions of investment properties are disclosed as investing activities because this most appropriately reflects CPH's business activities.

(c) Principles of Consolidation

General

The Condensed Consolidated Financial Statements include the financial statements of CPH and its subsidiaries. Subsidiaries are all entities which CPH has control over, generally accompanying an ownership of more than 50% of the voting rights. Control exists when CPH is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Barriers that would deter CPH from exercising its power over the entity may indicate control does not exist. Subsidiaries are fully consolidated in the financial statements from the date on which control is transferred to CPH and deconsolidated from the date that control ceases. All intercompany balances and transactions, primarily management fees, have been eliminated in consolidation.

Investments in associates and joint ventures

Associates are entities over which CPH has significant influence but does not unilaterally control the voting rights nor the most significant activities. Investments in associates and joint ventures are accounted for by the equity method of accounting and are initially recognized at cost, with the carrying amount increased or decreased based on CPH's share of profits, losses, contributions and distributions. Significant influence is derived when CPH is the general partner or managing member, participates in the policy making processes, including preparation of the budgets and initiation of contracts, or is involved in certain decisions.

The real estate investments owned by associates and joint ventures are carried at fair value as determined by the associates and joint ventures. CPH's share of profits or losses is recorded within "Income (loss) from investments in associates and joint ventures" on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). CPH records its share of losses until the carrying amount of its investment is reduced to zero. No further losses are recorded by CPH unless it has an obligation, legal or constructive, or has made payments, to satisfy the associates' or joint ventures' liabilities.

With regard to distributions from associates and joint ventures, CPH uses the information that is available to determine the nature of the underlying activity that generated the distributions. Using the nature of distribution approach, cash flows generated from the operations of an associate or joint venture are classified as a return on investment (cash inflow from operating activities) and cash flows from property sales, debt refinancing or sales of our investments are classified as a return of investment (cash inflow from investing activities).

Joint Arrangements

CPH may enter into contractual arrangements related to the ownership of real estate investments or development properties. CPH evaluates such arrangements to determine the type of joint arrangement by assessing its contractual rights and obligations. This determination includes the assessment of joint control and the classification of a joint arrangement as a joint operation or a joint venture. Joint arrangements that are classified as a joint operation will result in CPH recognizing its proportionate ownership interest in the underlying assets, liabilities, revenue and expenses. Joint arrangements that are classified as a joint venture will be accounted for using the equity method.

Non-Controlling Interests

CPH's Condensed Consolidated Financial Statements include the accounts of CPH and its subsidiaries. The equity interests of preferred shareholders and other limited partners in CPP and its subsidiaries are reflected as "Equity attributable to non-controlling interests" on the Condensed Consolidated Balance Sheets. Certain redeemable non-controlling interests retain redemption rights and are classified within current and non-current liabilities as "Redeemable non-controlling interests" on the Condensed Consolidated Balance Sheets depending on the contractual provisions of the redemption features. Redeemable non-controlling interests are recorded at contractual redemption amounts based on the Net Asset Value ("NAV") of CPP at each period end. The associated gains and losses are recorded within "Revaluation of redeemable non-controlling interests" on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

(d) Leases as Lessee

CPH is the lessee to a ground lease at our 1701 Duke Street property. CPH also enters into various ground, air right, office equipment, and copier leases in the normal course of business.

At inception or upon reassessment of a contract that contains multiple lease components or both lease and non-lease components, CPH allocates the consideration in the contract to each component on the basis of their relative stand-alone prices. However, for the leases of land and air rights, CPH has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

For leases in which CPH is a lessee, CPH recognizes a lease liability and Right-of-Use Asset ("ROUA") on the Condensed Consolidated Balance Sheets at the lease commencement date.

Lease liabilities are initially measured at the present value of the lease payments, discounted using CPH's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that CPH is reasonably certain to exercise,
- lease payments in an optional renewal period if CPH is reasonably certain to exercise an extension option, and,
- penalties for early termination of a lease unless CPH is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost using the effective interest method. The associated interest expense is included within "Interest expense" on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

The ROUA is initially measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROUA for ground and air rights leases qualify as investment property and are measured at fair value. The ROUA for office and equipment leases are depreciated using the straight-line method from the lease commencement date to the end of the lease term. In addition, the ROUA for office and equipment leases is periodically reduced by impairment losses. Both the ROUA for ground and air rights leases and office and equipment leases are adjusted for certain remeasurements of the corresponding lease liabilities.

(e) Acquisitions of Investment Property

CPH applies judgment to determine whether the acquisition of an investment property is the acquisition of an asset or the acquisition of a business.

An asset acquisition exists when: (i) it is probable that the future economic benefits associated with the investment property will flow to CPH; and (ii) the cost of the investment property can be measured reliably. CPH classifies an acquisition as an asset acquisition when it acquires a property or a portfolio of properties that do not meet the definition of a business. Acquisition related costs for asset acquisitions are capitalized in the period incurred.

CPH classifies an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their acquisition date fair value. CPH also recognizes the fair value of any contingent consideration to be transferred by CPH in the future. Goodwill represents the purchase price of acquired businesses in excess of the fair value of net assets acquired and liabilities assumed. Acquisition related costs for business combinations are expensed in the period incurred.

(f) Investment Properties

Investment properties are properties held to earn rental income and are accounted for using the fair value model. Investment properties also includes properties being constructed or developed to earn rental income in the future.

Income generating properties are initially measured at cost, and subsequently measured at fair value as of each balance sheet date. Gains and losses from changes in fair value, as well as realized gains and losses, are recorded in "Net income (loss) on investment properties" on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), in the period in which they arise.

The fair value reflects any benefits derived from expected cash outflows in respect to investment property. Some of those outflows are recognized as a separate liability on the Condensed Consolidated Balance Sheets, including lease liabilities associated with ground or air rights, while others are expensed as incurred. Those cash outflows recognized as a separate liability are excluded from the determination of fair value of "Investment Properties" on the Condensed Consolidated Balance Sheets.

Properties in development are also measured at fair value, however fair value measurement of an investment property in development is only applied if the fair value is considered to be reliably measurable. If CPH determines that the fair value of an investment property in development is not reliably determinable when construction is incomplete, it measures that property in development at cost until either its fair value becomes reliably determinable or construction is completed. Real estate taxes, insurance, and any directly attributable costs are capitalized into the cost basis of properties in development. Borrowing costs incurred for the construction of assets are also capitalized during the period of time that is required to complete and prepare the asset for its intended use.

In order to evaluate whether the fair value of an investment property in development can be determined reliably, CPH considers the following factors, among others:

- Provisions of the construction contract;
- Stage of completion;
- Whether the project or property is standard (typical for the market) or non-standard;
- Level of reliability of cash inflows after completion;
- Development risk specific to the property;
- Past experience with similar construction; and
- Status of construction permits.

When determined to be reliable, the fair value of properties in development is determined giving consideration to costs incurred to date and to key development risk factors, including entitlement risk, construction risk, leasing/sales risk, operations risk, credit risk, capital market risk, pricing risk, event risk and valuation risk. The fair value of properties in development includes the timely recognition of profit.

CPH will reclassify portions of an investment property, including tenant improvements, that are placed into service from “Properties in development” to “Income generating properties” when those portions are deemed to be substantially complete. CPH considers a property in development as substantially complete after major construction has ended, the property is available for tenant occupancy, and revenue recognition associated with the property has commenced. For properties that are built in phases, CPH ceases capitalization on the portion of a property that is considered substantially complete but no later than one year from completion of major construction activity if not occupied.

Development rights are opportunities in the early phase of the development process where CPH either has an option to acquire land, enter into a leasehold interest or where CPH is the buyer under a long-term conditional contract to purchase land. CPH capitalizes pre-development costs incurred in pursuit of new developments for which CPH currently believes future development is probable.

Assets Held for Sale

Non-current assets, primarily consisting of investment properties and investments in associates, are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than the asset's continued use. For this to be the case, the asset must be available for immediate sale in its present condition, and management, having the authority to approve action, commits to a plan to sell the property with completion expected within one year.

The assets and liabilities of an investment held for sale are presented separately from the other assets and liabilities in the Condensed Consolidated Balance Sheets.

(g) Goodwill

Goodwill arises on the acquisition of a business and represents the excess of consideration transferred over the fair value of the net identifiable assets acquired and the liabilities assumed. CPH evaluates the values assigned to its goodwill, which has an indefinite life, through an impairment test on an annual basis or more frequently if indicators of impairment are present. No such losses have been identified and reflected in the accompanying Condensed Consolidated Financial Statements.

(h) Restricted Cash

CPH classifies cash that is restricted as to usage or withdrawal as restricted cash. Restricted cash includes amounts established pursuant to various agreements for property taxes, insurance, repairs and maintenance, and other future lease operations. Restricted cash consists of funds restricted by agreements with financial institutions. These funds will be released upon the completion of agreed-upon events, tasks, or time-lines as specified in the respective agreements. For purposes of the Condensed Consolidated Statements of Cash Flows, changes in restricted cash are classified according to their nature.

(i) Fair Value Measurements

CPH categorizes the valuations of its assets and liabilities into a hierarchy based on the lowest level input that is significant to the fair value measurement of the asset or liability. Disclosure of fair value measurements is according to the following hierarchy:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers in and out of Level 1, 2, or 3 during the six months ended June 30, 2025 and 2024.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

Investment Properties and Real Estate Investments Owned by Associates and Joint Ventures

The fair value of investment properties and real estate investments owned by associates and joint ventures is estimated based on the price that would be received to sell the property in an orderly transaction between marketplace participants at the measurement date. The properties are valued based upon various fair value assumptions and valuation techniques, including income capitalization and sales comparison approaches. Consideration is given to actual sale negotiations and bona fide purchase offers received from third parties, as well as independent third-party appraisals, which are obtained quarterly for all properties subject to fair value measurement. In general, multiple valuation techniques are considered when measuring the fair value of a property. However, in certain circumstances, a single valuation technique may be appropriate. As part of the valuation process, factors that may adversely impact the fair value assessments are evaluated, including projected rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

> *Income Capitalization Approach:* This approach is based on the principle that value is created by the expectation of future income. This approach is particularly applicable in the case of income producing properties. One technique to convert income to value is direct capitalization, which involves dividing the net operating income by a market capitalization rate. A second technique is the discounted cash flow analysis, in which projected cash flows (net operating income less periodic capital expenditures and reversion value at the conclusion of the holding period) are converted to present value by applying an annual discount rate. In

both techniques, net operating income and cash flow are estimated based on an analysis of market rent and occupancy levels and projected property expenses. Key inputs and assumptions include rental income and expense amounts and related growth rates, as well as discount and income capitalization rates. Significant increases (decreases) in any of these inputs in isolation would result in a significantly lower (higher) fair value measurement. Generally, a change in the assumptions used for the discount and the capitalization rate is accompanied by a directionally opposite change in the fair value measurement and a change in the assumptions used for the future cash flows is accompanied by a directionally similar change in the fair value measurement.

Sales Comparison Approach: This approach is a method of estimating fair value based on analyzing transactions of similar properties in the market area. A major premise of this approach is that the fair value of the property is directly related to the prices of comparable, competitive properties. The reliability of this approach is dependent upon the availability of comparable data, the verification of sales data, the degree of comparability and the absence of atypical conditions affecting the sales price. Once sales data is gathered, adjustments involving judgment are made to the comparable properties to determine a value range for the property being valued. Generally, a point of value within the adjusted range is selected.

Cost Approach: The application of the cost approach is based on the principle of substitution and the concept that a market participant would not pay more for a property than the cost to develop a substitute property of equivalent desirability and utility. This approach involves the valuation of the land as if vacant, estimation of the replacement cost of the existing or proposed structure and site improvements, estimation of accrued depreciation found in the improvements and estimation of an appropriate entrepreneurial profit as applicable. The cost approach is typically utilized to determine value for new or proposed properties, special use properties or where the cost of reproducing the improvements is easily and accurately quantified and there is no economic obsolescence.

Derivative Instruments

The fair value of derivative contracts is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each contract. This analysis reflects the contractual terms of the derivative instrument, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatility.

The valuation of derivative contracts also considers the nonperformance risk of counterparties. In adjusting the fair value of its derivative contracts for the effect of counterparty nonperformance risk, CPH considers the impact of its net position with a given counterparty, as well as any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees. CPH minimizes its credit risk on these transactions by dealing with major, credit-worthy financial institutions which have an A or better credit rating by the Standard & Poor’s Ratings Group, and by monitoring its aggregate exposure to any single entity.

The majority of the inputs used to value derivative contracts fall within Level 2 of the fair value hierarchy. However, the credit valuation adjustments use Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of counterparty default. CPH determined the likelihood of realizing losses from counterparty nonperformance is remote and accordingly has classified the derivative assets and liabilities as Level 2 in the fair value hierarchy.

(j) Revenue Recognition

Rental Revenue

CPH leases office space to tenants under various non-cancelable operating leases with remaining lease terms expiring through February 29, 2040. Revenue from rental properties is comprised of minimum base rent, straight-line rent adjustments, lease termination fee income, and the amortization of any non-cash consideration, less any lease incentive amortization.

Rental revenue from tenants is recognized on a straight-line basis over the terms of the leases, including all fixed and determinable rent escalations and any periods of free rent (rent abatement), regardless of when contractual rent payments are due. When a renewal option is included within a lease, the option is assessed to determine if it is reasonably certain of being exercised against relevant economic factors to determine whether the option period should be included as part of the lease term. Recognition of rental revenue commences when control of the leased space has been transferred to the tenant and the leased space is ready for its intended use.

(US Dollar amounts expressed in thousands, except share and per share data)

CPH assesses its straight-line rent receivable balances for impairment when the collectibility of future lease payments is in doubt. To the extent CPH expects future credit losses on straight-line rent receivable balances, impairment losses are recognized for the total expected credit losses over the term of the lease within "Other expenses" on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

If CPH makes cash payments to, or on behalf of, the tenant for purposes other than funding the construction of landlord assets in connection with a tenant’s execution or modification of a lease, CPH defers the amount of such payments as lease incentive assets. Lease incentives assets are amortized as reductions of rental revenue on a straight-line basis over the term of the lease. To the extent tenants fund the cost of construction of landlord assets in excess of any allowance provided by CPH to the tenant, such amounts are deferred and amortized into lease revenue on a straight-line basis of over the terms of the respective leases.

Rental revenue also includes payments received in connection with lease termination agreements. Lease termination income is recognized from execution of a lease termination agreement through the effective date of termination on a straight-line basis. When a tenant's lease is terminated early but the tenant continues to lease such space under a new or modified lease in the property, the net revenue from the early termination of the lease is recognized evenly over the remaining life of the new or modified lease in place on that property, unless CPH cannot determine that collectability of the lease termination revenue is reasonably assured.

Future cash revenues under non-cancelable leases as of June 30, 2025 are as follows:

Years Ending December 31,	Amount
2025	65,515
2026	134,150
2027	133,301
2028	124,689
2029	124,907
Thereafter	1,018,549
	$ 1,601,111

Recoveries from Tenants

CPH incurs certain property operating expenses that are subject to reimbursement by the tenant. For all investment properties, CPH reports these operating expenses on a gross basis. CPH recognizes all property operating costs reimbursable by the tenants as recoveries from tenants as the costs are incurred.

Construction Management Fees

Construction management fees are earned by CPH for managing the construction of tenant and capital improvements at properties owned by related or third parties. Construction management fees are recognized as a single performance obligation comprised of a series of distinct services. Construction management fees are based upon contractual rates as defined in the relevant leasing and property management agreements. CPH determined the overall service of providing construction management activities has substantially the same pattern of performance over the term of the construction management agreement, therefore construction management fee income is recognized ratably over the estimated term of the project. Construction management fees for consolidated properties and CPH’s proportion of the management fees earned from unconsolidated entities in which CPH is invested have been eliminated in consolidation.

Property Management Fees

Property management fees are earned by CPH for managing properties owned by related or third parties. Property management fees are based upon contractual rates applied to gross cash receipts from property operation. Property management fees are recognized on a monthly basis as a single performance obligation comprised of a series of distinct services related to property operations. CPH determined the overall service of providing property management activities has the same pattern of performance over the term of the agreement. Property management fees for consolidated properties have been eliminated in consolidation.

Parking Income

CPH generates revenues from the parking garages located within its investment properties through third-party management agreements. CPH operates as a principal with respect to parking activities as it retains the ability to direct the use of and derive substantially all of the benefits from the parking facilities and, accordingly, records parking revenue on a gross basis.

(k) Trade and Other Payables

Trade and other payables include accrued real estate taxes, accrued interest expense, accrued compensation expense, accrued capital expenditures, and other accrued expenses. Trade payables are expected to be settled within the next 30 days, with a year being the maximum duration for CPH to settle any outstanding short term payables.

(l) Other Expenses

Other expenses are comprised of parking management fees associated with third-party agreements, tenant specific charges for which CPH is substantially reimbursed through recovery income, amortization of deferred leasing commissions, reserves for accounts receivable and straight-line rent receivable, and other non-recoverable charges including marketing and owner costs.

3. Standards Issued

IFRS 18, Presentation and disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, Presentation and disclosure in Financial Statements, which replaces International Accounting Standards ("IAS") 1, Presentation of Financial Statements. The new standard is a result of the IASB’s Primary Financial Statements project, which is aimed at improving comparability and transparency of communication in financial statements.

While a number of sections have been brought forward from IAS 1, with limited wording changes, IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including the specified totals and subtotals. It also requires disclosure of management defined performance measures and includes new requirements for aggregation and disaggregation of financial information.

In addition, certain amendments have been made to IAS 7, Statements of Cash flows.

IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. Comparative periods in both interim and annual financial statements will need to be restated.

CPH is currently assessing the new requirements of IFRS 18.

IFRS 9, Financial Instruments

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*, which amended IFRS 9, Financial Instruments. The amendment clarifies the date of recognition and derecognition of financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments apply for reporting periods beginning on or after January 1, 2026.

CPH is currently assessing the new requirements of IFRS 9 but does not expect it to have a material impact on CPH's financial position or results from operations.

4. Investment Properties

Acquisitions and Consolidations

On February 5, 2024, CPH acquired 901 N. Pitt Street, LLC for $15.4 million, which included the underlying land and office building located at 901 N. Pitt Street in Alexandria, Virginia. The property was subsequently renamed 425

Montgomery. The site is in the process of being re-developed into a multifamily property. As part of the acquisition, CPH paid the seller $4.0 million as a reimbursement of certain pre-development expenses.

On July 1, 2024, CPH consolidated the joint venture that owns a recently developed 1,008,122 square foot commercial office building located at 1 Congress Street in Boston, Massachusetts (“One Congress”), of which CPH owns a 75% interest. CPH reassessed its power to affect the returns of One Congress in accordance with IFRS' continuous assessment guidance, and determined that as the property transitioned from a property under development to a stabilized operating property, specific substantive rights that had been assigned to CPH gained significance, thereby granting CPH the power to affect One Congress' returns. The consolidation of One Congress resulted in the derecognition of the $288.3 million investment recorded within "Investment in associates and joint ventures”, the recognition of the $943.8 million fair value of the property within “Investment Property”, the recognition of the $556.6 million mortgage within “Note Payable”, and the recognition of a $96.6 million non-controlling interest attributable to the remaining 25% interest in the joint venture, each within the accompanying Condensed Consolidated Balance Sheets. The consolidation also resulted in the recognition of other working capital and a $2.4 million gain on the change in power to affect One Congress’ returns within “Income (loss) from investments in associates” on the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Dispositions and Deconsolidations

On March 12, 2024, CPH deconsolidated the subsidiary that owns a commercial office building and leases air rights at 2001 Pennsylvania Avenue NW, Washington, D.C. ("2001 Penn"). CPH lost the power to affect the returns of 2001 Penn in conjunction with a modification to the loan encumbering the asset, which gave the lender approval over major decisions impacting the property and included a cash management agreement where all rents and profits of the property will be deposited to lender controlled bank accounts, but retained significant influence over the subsidiary. A gain of $15.3 million was recorded upon deconsolidation within "Net gain (loss) on investment properties" in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). On October 31, 2024, CPH sold its interest in 2001 Penn and was fully relieved of its debt obligation on the loan encumbering the asset. CPH received no consideration as part of the sale.

On April 1, 2024, CPH sold its interest in a commercial office building located at 75-101 Federal Street, Boston, Massachusetts ("75-101 Federal") for nominal consideration, which included the assignment of CPH's interest in the mortgage encumbering the building and the related interest rate cap. CPH incurred $0.1 million of transaction costs in connection with the disposition. Until the property's sale on April 1, 2024, CPH jointly controlled the operations associated with 75-101 Federal, as it shared the rights to direct and control the activities that most significantly impact its returns through its 50% ownership interest. Accordingly, CPH recognized its proportionate ownership of the assets, liabilities, revenue and expenses within its financial statements through March 31, 2024.

On May 8, 2024, CPH deconsolidated the subsidiary that owns a commercial office building at 1152 15th Street, NW, Washington, D.C. ("Columbia Center"). CPH lost the power to affect the returns of Columbia Center in conjunction with the execution of a preferred equity agreement with the property's fee simple land owner, who unilaterally infused capital into the entity that own's Columbia Center. A gain of $66.6 million was recorded upon deconsolidation within "Net gain (loss) on investment properties" in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). CPH incurred $0.3 million of transaction costs in connection with the preferred equity agreement. On May 1, 2025, the property was sold, at which time the ground lease encumbering the asset was terminated. CPH received no consideration as part of the sale.

On January 31, 2025, CPH formed a joint venture with Barings, in which CPH will ultimately have a 10% ownership interest, to recapitalize 425 Montgomery in conjunction with its development into a 237 unit multifamily building. The transaction valued 425 Montgomery at $22.4 million, and resulted in Barings reimbursing CPH $17.2 million in costs incurred to date on the project. CPH deconsolidated its interest in 425 Montgomery upon the recapitalization as a result of losing the power to unilaterally affect the entity’s returns and subsequently accounts for its interest in 425 Montgomery as an unconsolidated investment in associate. The venture simultaneously closed on a construction loan with a principal amount of up to $84.0 million, which will be drawn over the course of the property's development.

On May 6, 2025, CPH sold 4500 East West Highway, a commercial office building located at 4500 East West Highway in Bethesda, Maryland, for a contractual price of $35.1 million. CPH incurred $1.1 million of transaction costs in connection with the sale.

(US Dollar amounts expressed in thousands, except share and per share data)

On June 5, 2025, CPH sold 901 K Street, a commercial office building located at 901 K Street NW, in Washington, DC, for a contractual price of $84.3 million. CPH incurred $1.8 million of transaction costs in connection with the sale.

Income Generating Properties

The changes in CPH's income generating properties are set forth in the table below:

Balance, December 31, 2024	**$ 1,712,421**
Capital expenditures, additions, and other	9,784
Net gain from fair value adjustment of income generating properties	23,431
Disposition of 4500 East-West	(25,443)
Disposition of 901 K Street	(72,010)
Reclassification of assets to properties held for sale	(225,856)
Balance, June 30, 2025	**$ 1,422,327**

Properties in Development

The changes in CPH's properties in development are set forth below:

Balance, December 31, 2024	**$ 48,111**
Capital expenditures, additions, and other	1,865
Recapitalization of 425 Montgomery	(22,391)
Balance, June 30, 2025	**$ 27,585**

5. Consolidated, Non-Wholly Owned Properties

Consolidated, Non-Wholly Owned Properties, and Capital Contributions

CPH is the controlling partner of the subsidiary that owns 2311 Wilson Boulevard, Arlington, Virginia ("2311 Wilson"), an approximately 178,000 square foot office building completed in February 2018. As of June 30, 2025, 2311 Wilson was 98% leased. During six months ended June 30, 2025, the consolidated non-wholly owned operating property distributed a total of $2.4 million, of which $0.9 million was distributed to the non-controlling interests, and $1.4 million to CPH. During six months ended June 30, 2024, 2311 Wilson distributed a total of $3.3 million, of which $1.3 million was distributed to the non-controlling interests, and $2.0 million to CPH.

As of July 1, 2024, CPH became the controlling partner of One Congress. As of June 30, 2025, One Congress was 99% leased. See Note 4 - "Investment Properties" for additional information. During the six months ended June 30, 2025, One Congress distributed a total of $73.1 million, of which $18.3 million was distributed to the non-controlling interests, and $54.8 million to CPH. During six months ended June 30, 2024, One Congress made no distributions.

A summary of the financial information for the consolidated, non-wholly owned properties, is as follows:

	As of June 30, 2025						Six Months Ended June 30, 2025	
Property	Percent Owned	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Equity	Revenues	Net Income (Loss)
One Congress	75.00 %	$ 10,797	$ 1,008,353	$ 8,933	$ 638,756	$ 371,461	$ 47,757	$ 34,664
2311 Wilson	60.00 %	3,309	76,866	1,414	80,697	(1,936)	4,857	(41)
		$ 14,106	$ 1,085,219	$ 10,347	$ 719,453	$ 369,525	$ 52,614	$ 34,623
Less interest held by non-controlling interests						(92,082)		(8,650)
Equity attributable to CPH						$ 277,443		$ 25,973

(US Dollar amounts expressed in thousands, except share and per share data)

	As of December 31, 2024						Six Months Ended June 30, 2024	
Property	Percent Owned	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Equity	Revenues	Net Income (Loss)
One Congress [1]	75.00 %	$ 9,806	$ 974,847	$ 11,236	$ 563,488	$ 409,929	$ —	$ —
2311 Wilson	60.00 %	2,807	81,200	1,035	80,721	2,251	4,804	(7,060)
		$ 12,613	$1,056,047	$ 12,271	$ 644,209	$ 412,180	$ 4,804	$ (7,060)
Less interest held by non-controlling interests						(103,373)		2,827
Equity attributable to CPH						$ 308,807		$ (4,233)

(1) On July 1, 2024, CPH consolidated One Congress in its consolidated financial statements. Revenues and net income (loss) will reflect the results of One Congress from July 1, 2024, the date of its consolidation, through December 31, 2024. See Note 4 - "Investment Properties" for additional information.

6. Investments in Associates and Joint Ventures

The changes in CPH's investments in associates and joint ventures are set forth below:

Balance, December 31, 2024	**$ 100,455**
Contributions	11
Distributions	(25)
Recapitalization of 425 Montgomery [1]	5,194
Share of unrealized loss on valuation of underlying properties	(1,091)
Share of net income (excluding unrealized loss on valuation)	12,028
Balance, June 30, 2025	**$ 116,572**

(1) On January 31, 2025, CPH formed a joint venture with Barings, in which CPH will ultimately hold a 10% ownership interest, to recapitalize 425 Montgomery in conjunction with its development into a 237 unit multifamily building. See Note 4 - "Investment Properties" for additional information.

Financial information related to CPH's investments in associates and joint ventures is as follows:

	As of June 30, 2025						Six Months Ended June 30, 2025	
Property	Percent Owned	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Equity	Revenues	Net Income (Loss)
Midtown Center	51.00 %	$ 34,823	$ 663,940	$ 13,352	$ 528,124	$ 157,287	$ 41,511	$ 29,552
100 Congress	51.00 %	3,791	204,023	4,737	140,009	63,068	13,081	(8,141)
425 Montgomery	10.00 %	75	39,973	6,541	6,036	27,471	—	(412)
		$ 38,689	$ 907,936	$ 24,630	$ 674,169	$ 247,826	$ 54,592	$ 20,999
Less: interest held by third-parties						(131,254)		(10,062)
Amounts per financial statements						$ 116,572		$ 10,937

(US Dollar amounts expressed in thousands, except share and per share data)

	As of December 31, 2024						Six Months Ended June 30, 2024	
Property	Percent Owned	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Equity	Revenues	Net Income (Loss)
Midtown Center	51.00 %	$ 25,863	$ 642,875	$ 12,500	$ 528,488	$ 127,750	37,961	(38,283)
100 Congress	51.00 %	8,405	212,440	9,096	140,540	71,209	14,440	(31,085)
One Congress [(1)]	75.00 %	—	—	—	—	—	36,324	(63,256)
		$ 34,268	$ 855,315	$ 21,596	$ 669,028	$ 198,959	$ 88,725	$(132,624)
Less: interest held by third-parties						(98,504)		48,353
Amounts per financial statements						$ 100,455		$ (84,271)

(1) On July 1, 2024, CPH consolidated One Congress in its consolidated financial statements. See Note 4 - "Investment Properties" for additional information.

Debt

The debt related to CPH's investments in associates and joint ventures is as follows:

			Principal Balance as of [(1)]	
Property	Contractual Rate	Maturity	June 30, 2025	December 31, 2024
Midtown Center	3.09%	10/11/2029	$ 267,750	$ 267,750
100 Congress	3.30%	11/1/2026	70,867	70,980
425 Montgomery	SOFR + 3.60%	1/31/2029	604	—
			$ 339,221	**$ 338,730**

(1) Principal balances represent CPH's ownership share in the outstanding debt.

7. Assets Held for Sale

As of June 30, 2025, CPH's interests in the CET Redemption Properties were classified as held for sale. See Note 1 - "Organization and Description of Business" for additional information.

The following is a summary of the corresponding assets and liabilities:

	June 30, 2025
Assets	
Income generating properties	$ 225,856
Straight-line rent receivable	16,029
Deferred leasing costs and other, net	8,126
Total Assets	**$ 250,011**
Liabilities	
Lease liabilities	$ 8,455
Total Liabilities	**$ 8,455**

(US Dollar amounts expressed in thousands, except share and per share data)

The operating results of the CET Redemption Properties for the three and six months ended June 30, 2025 is as follows:

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Revenues		
Rental revenue	$ 5,301	$ 10,769
Recoveries from tenants	1,393	2,804
Parking income	380	718
Property management fees and other	23	50
Total revenues	$ 7,097	$ 14,341
Operating expenses		
Property operating expenses		
Direct payroll and benefits	$ 295	$ 546
Repairs and maintenance	470	885
Cleaning	232	455
Utilities	396	862
Real estate and other taxes	1,134	2,267
Other expenses	1,108	2,448
Total property operating expenses	$ 3,635	$ 7,463
Net income (loss)	$ 3,462	$ 6,878

There were no assets or liabilities classified as Held for Sale as of December 31, 2024.

8. Leases as Lessee

The Condensed Consolidated Balance Sheets reflect various ROUA within "Investment properties, at fair value", primarily related to ground leases and air rights, and "Prepaid expense and other assets", primarily related to CPH's corporate office, equipment, and copier leases.

	June 30, 2025	December 31, 2024
Non-current assets		
Income generating properties, net of ROUA	$ 1,416,627	$ 1,706,721
ROUA, at fair value	5,700	5,700
Income generating properties, at fair value	1,422,327	1,712,421
Properties in development	27,585	48,111
Total investment properties, at fair value	**1,449,912**	**1,760,532**
Current assets		
Prepaid expense and other assets, net of ROUA	4,081	6,678
ROUA, net of accumulated depreciation	1,701	2,332
Prepaid expense and other assets	**$ 5,782**	**$ 9,010**

(US Dollar amounts expressed in thousands, except share and per share data)

A summary of CPH's lease assets is as follows:

ROUA	Ground Lease and Air Rights, at fair value	Corporate Office, Equipment, and Copier Leases	Total
Balance as of December 31, 2024	**$ 5,700**	**$ 2,332**	**$ 8,032**
ROUA Additions and Disposals, net	—	(414)	(414)
Depreciation Expense	—	(217)	(217)
Balance as of June 30, 2025	**$ 5,700**	**$ 1,701**	**$ 7,401**

As of June 30, 2025, the ground lease has a remaining term of 82 years. The equipment and copier leases have remaining terms ranging between one to five years.

A summary of CPH's lease liabilities is as follows:

Property	Discount Rate	Maturity	Carrying Value as of June 30, 2025	Carrying Value as of December 31, 2024
1701 Duke Street	5.20%	2107	$ 8,209	$ 8,141
Other equipment leases	Various	Various	1,773	2,426
Total lease liabilities			9,982	10,567
Less lease liabilities held for sale			8,455	—
Less current portion			204	1,383
Lease liabilities, net of current portion			**$ 1,323**	**$ 9,184**

Future Lease Maturities	June 30, 2025
Maturity analysis - contractual undiscounted cash flows	
Less than one year	$ 1,693
One to five years	1,560
More than five years	54,819
Total undiscounted lease liabilities as of June 30, 2025 [(1)]	$ 58,072

(1) Includes $56.3 million of undiscounted lease liabilities relating to 1701 Duke Street's ground lease which was classified as held for sale as of June 30. 2025.

Lease Expense	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Amounts recognized in profit or loss		
Interest expense on lease liabilities	$ 226	$ 2,546
Equipment lease depreciation	217	167
Total lease expense	**$ 443**	**$ 2,713**

Cash Flows	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Amounts recognized in the statements of cash flows		
Principal portion of lease payments	$ 674	$ 146
Interest paid on lease liabilities	158	1,494
Total cash outflows related to leases	**$ 832**	**$ 1,640**

(US Dollar amounts expressed in thousands, except share and per share data)

9. Goodwill

CPH maintains goodwill associated with the 2013 acquisition of the property management company, Carr Properties Services Subsidiary Corporation ("CPSSC"). The carrying value of goodwill was $9.3 million as of June 30, 2025 and December 31, 2024. No impairment losses were recognized in the three and six months ended June 30, 2025 and 2024, respectively.

10. Debt

CPH's debt obligations consist of the following:

			Principal Balance as of	
Borrower/Facility	**Contractual Rate**	**Maturity**	**June 30, 2025**	**December 31, 2024**
Credit facility				
Revolver	SOFR +1.36% to 2.11% (1) (2)	7/1/2026 (3)	$ 140,800	$ 275,000
Term Loan	SOFR +1.31% to 2.01% (1) (2)	7/1/2026	155,600	200,000
One Congress (4) (5)	5.78%	6/11/2032 (4)	650,000	563,303
Clarendon Square (5) (6)	4.66%	1/5/2027	25,253	26,130
2311 Wilson (5)	SOFR +1.46% (7)	3/27/2027	75,000	75,000
Total Debt			1,046,653	1,139,433
Less unamortized deferred financing fees			13,254	2,529
Total Debt, net of unamortized deferred financing fees			**1,033,399**	**1,136,904**
Less current portion, net of unamortized deferred financing fees (8)			—	1,726
Debt obligations, net of current portion			**$ 1,033,399**	**$ 1,135,178**

(1) As of June 30, 2025 and December 31, 2024, SOFR was 4.32% and 4.49%, respectively. As of June 30, 2025, the premium was 1.71% for the Revolver and 1.61% for the Term Loan. As of December 31, 2024, the premium was 1.71% for the Revolver and 1.61% for the Term Loan.
(2) On May 3, 2022, CPH purchased an interest rate cap with a notional amount of $400 million at a SOFR rate of 2.50% through July 1, 2025. See Note 13 - "Derivative Instruments" for additional information.
(3) The Revolver portion of the credit facility has an original maturity date of July 1, 2025, but is eligible for a one-year extension through July 2026, subject to maintaining compliance with the credit facility's defined covenants, including covenants pertaining to specific minimum asset and income thresholds, through July 1, 2025. On July 1, 2025, CPH executed its 12-month extension option on its corporate revolver to extend its maturity to July 1, 2026. On July 16, 2025, CPH paid off and retired the entirety of its corporate credit facility.
(4) On May 16, 2025, CPH repaid the construction loan encumbering One Congress, and entered into a $650 million mortgage note payable, increasing the outstanding principal encumbering the property by $86.7 million.
(5) The fair value of the collateral pledged to these notes was $1.1 billion as of June 30, 2025 and December 31, 2024, respectively.
(6) As of June 30, 2025 and 2024, the carrying value of the mortgage note encumbering Clarendon Square included a premium of $0.0 million and $0.4 million, respectively.
(7) As of June 30, 2025 and December 31, 2024, SOFR was 4.32% and 4.49%, respectively. As of June 30, 2025, an interest rate swap with a notional amount of $75 million fixes SOFR at 2.01% through March 27, 2027. See Note 13 - "Derivative Instruments" for additional information.
(8) The current portion of unamortized deferred financing fees was $1.8 million and $0.0 million as of June 30, 2025, and December 31, 2024, respectively.

All borrowings other than those made under the credit facility are collateralized by the land and buildings of the underlying properties.

On July 16, 2025, CPH closed on the $278.3 million Three Asset Financing, which is cross collateralized by 1700 New York Avenue, 200 State Street, and The Wilson. The Three Asset Financing has an interest rate of SOFR + 3.25% and matures in August 2027, but includes a one-year extension option through August 2028. CPH simultaneously entered into an interest rate swap with a notional amount equal to the loan balance, which fixes SOFR at 3.69% for 2 years. As a result, the Three Asset Financing has an all-in fixed rate of 6.94% for two years. See Note 13 - "Derivative Instruments" for additional information.

(US Dollar amounts expressed in thousands, except share and per share data)

Credit Facility

CPH has no outstanding letters of credit as of June 30, 2025 and December 31, 2024.

As of June 30, 2025, CPH had capacity to borrow an additional $403.6 million under the Credit Facility.

On July 16, 2025, CPH paid off and retired the entirety of the Credit Facility. Refer to Note 1 - Organization and Description of Business for additional details.

Interest Expense

Interest expense is comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
Description	**2025**	**2024**	**2025**	**2024**
Credit facility	$ 5,263	$ 5,774	$ 11,433	$ 11,332
Notes payable	9,747	845	18,980	3,450
Lease liabilities	115	790	226	2,546
Amortization of deferred financing fees	816	468	1,479	1,009
Gross interest expense	**$ 15,941**	**$ 7,877**	**$ 32,118**	**$ 18,337**
Capitalized interest expense				
Capitalized deferred financing fees	(14)	(34)	(35)	(60)
Capitalized interest	(309)	(505)	(715)	(1,088)
Total capitalized interest expense	**(323)**	**(539)**	**(750)**	**(1,148)**
Net interest expense	**$ 15,618**	**$ 7,338**	**$ 31,368**	**$ 17,189**

Future Maturities of Debt

Scheduled annual maturities of debt outstanding, including principal and interest and excluding the effect of extension options, as of June 30, 2025 are as follows:

Years Ending December 31,	**Amount**
2025 (1)	$ 171,381
2026 (1)	205,074
2027	135,875
2028	37,570
2029	37,570
Thereafter	743,925
	$ 1,331,395

(1) Including the effect of the pay down and retirement of CPH's Credit Facility, scheduled annual maturities of $149.0 million and $160.2 million are removed from the years ending December 31, 2025 and December 31, 2026, respectively.

(US Dollar amounts expressed in thousands, except share and per share data)

Debt Reconciliation

This section shows the changes in net debt for the three and six months ended June 30, 2025:

	Borrowings	Leases	Total
Net Debt, December 31 2024	$ (1,136,903)	$ (10,567)	$ (1,147,470)
Cash flows	878	674	1,552
New leases	—	(20)	(20)
Credit facility	178,600	—	178,600
One Congress refinancing [(1)]	(74,081)	—	(74,081)
Held for sale reclassification	$ —	$ 8,445	$ 8,445
Other changes	$ (1,893)	$ (59)	$ (1,952)
Net Debt, June 30, 2025	$ (1,033,399)	$ (1,527)	$ (1,034,926)

(1) One Congress refinancing costs shown net of deferred financing costs incurred.

11. Financial Instruments

CPH's cash, cash equivalents, and restricted cash are subject to market risk due to changes in interest rates that may result in reduced income if interest rates decline. The credit facility and certain floating rate notes payable are subject to interest rate risk that may result in higher interest expense and adversely impact fair values.

The fair values of financial instruments as of June 30, 2025 and December 31, 2024, in the accompanying Condensed Consolidated Financial Statements are set forth in the table below:

		June 30, 2025		December 31, 2024	
	Fair Value Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets					
Cash and cash equivalents	Level 1	$ 28,497	$ 28,497	$ 33,355	$ 33,355
Restricted cash	Level 1	8,432	8,432	428	428
Trade receivables, net	Level 3	6,045	6,045	6,428	6,428
Liabilities, including current portion					
Credit facility [(1) (2)]	Level 3	$ 296,400	$ 296,400	$ 475,000	$ 475,000
Notes payable [(1) (2)]	Level 3	750,253	736,617	664,434	653,805
Redeemable non-controlling interests	Level 3	21,835	21,835	20,046	20,046

(1) Excludes deferred financing fees and debt premium.
(2) The fair value reported is based on the outstanding balance of debt, and excludes the fair value of derivatives. See Note 12 - "Fair Value Measurements" for additional information.

The fair value of indebtedness has been determined by giving consideration to one or more of the following criteria, as appropriate: (i) interest rates and/or interest rate spreads for loans of comparable quality and remaining maturity, (ii) the value of the underlying collateral, (iii) the credit risk of the borrower based on key elements of the investment properties' valuation, (iv) market-based loan-to-value, and (v) key terms such as assumability, recourse provisions and guarantees. Following the date of inception, the notes payable have been recorded at amortized costs with the discounts and premiums amortized to interest expense using the effective interest method.

Due to their short-term maturities, the carrying values of financial instruments including trade receivables, and trade and other payables approximate their fair values.

(US Dollar amounts expressed in thousands, except share and per share data)

12. Fair Value Measurements

The following assets, measured at fair value as of June 30, 2025, are classified as follows:

Description	Level 1	Level 2	Level 3
Assets:			
Investments in income generating properties	$ —	$ —	$ 1,422,327
Derivative assets	—	3,613	—
Total Assets	**$ —**	**$ 3,613**	**$ 1,422,327**

The following assets, measured at fair value as of December 31, 2024, are classified as follows:

Description	Level 1	Level 2	Level 3
Assets:			
Investments in income generating properties	$ —	$ —	$ 1,712,421
425 Montgomery	—	—	22,391
Derivative assets	—	8,806	—
Total Assets	**$ —**	**$ 8,806**	**$ 1,734,812**

A summary of the changes in CPH's assets measured at fair value using significant unobservable inputs (Level 3) are set forth in Note 4 - "Investment Properties."

The following table, which excludes properties in development carried at their aggregate cost basis, sets forth quantitative information about the Level 3 fair value measurements as of June 30, 2025:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Avg)
Investments in income generating properties	$1,422,327	Discounted cash flow - Income capitalization	Discount Rate	7.50 - 8.50% (7.61%)
			Exit Capitalization Rate	6.50% - 7.25% (6.68%)

The following table sets forth quantitative information about the Level 3 fair value measurements as of December 31, 2024:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Avg)
Investments in income generating properties	$1,712,421	Discounted cash flow - Income capitalization	Discount Rate	7.50 - 10.00% (7.81%)
			Exit Capitalization Rate	6.50% - 7.75% (6.80%)
425 Montgomery	22,391	Market approach	N/A	N/A
Total	**$1,734,812**			

13. Derivative Instruments

The following table summarizes CPH's interest rate derivative agreements designated as cash flow hedges:

	June 30, 2025		December 31, 2024	
	Interest Rate Caps	Interest Rate Swaps	Interest Rate Caps	Interest Rate Swaps
Notional balance	$ 400,000	$ 75,000	$ 400,000	$ 75,000
Weighted average interest rate (1)	2.50 %	2.01 %	2.50 %	2.01 %
Earliest maturity date	July 1, 2025	March 27, 2027	July 1, 2025	March 27, 2027
Latest maturity date	July 1, 2025	March 27, 2027	July 1, 2025	March 27, 2027

(1) Represents the weighted average interest rate at which SOFR was fixed on the hedged debt.

(US Dollar amounts expressed in thousands, except share and per share data)

On March 20, 2024, CPH entered into multiple non-designated interest rate caps with a combined notional value of $375.0 million in an effort to hedge its interest rate exposure associated with debt collateralized by One Congress. The hedged instruments capped any interest rate exposure above SOFR of 2.00% and were effective from April 1, 2024, through December 1, 2024.

On March 28, 2024, CPH entered into an interest rate cap with a notional value of $292.0 million, of which its share was $146 million, in an effort to hedge its interest rate exposure on the loan associated with 75-101 Federal Street, as the existing interest rate swap expired on April 1, 2024. On April 1, 2024, CPH sold its interest in 75-101 Federal Street, which included the assignment of its interest in the debt collateralized by the property and the related interest rate cap. See Note 4 - "Investment Properties" for additional detail regarding the sale.

On April 18, 2024, CPH entered into multiple interest rate caps with a notional value of $75.0 million in an effort to hedge its interest rate exposure on its Credit Facility. The hedged instruments capped any interest rate exposure above SOFR of 1.50% and were effective from May 1, 2024 through December 31, 2024.

On July 1, 2025, the interest rate cap on the $400.0 million Credit Facility expired.

On July 16, 2025, CPH entered into an interest rate swap to hedge its interest rate exposure associated with the Three Asset Financing. The swap has a notional amount equal to the $278 million loan balance that fixes SOFR at 3.69% for 2 years. As a result, the Three Asset Financing has an all-in fixed rate of 6.94% for two years. See Note 10 - "Debt" for additional information.
There was no material hedge ineffectiveness recognized during the six months ended June 30, 2025 and 2024.

The following table summarizes changes in CPH's "Other Comprehensive Income (Loss)":

	Three Months Ended June 30,		Six Months Ended June 30,	
Description	**2025**	**2024**	**2025**	**2024**
Unrealized gain (loss) on cash flow hedges	$ 18	$ 1,703	$ (142)	$ 6,235
Swap hedging gains reclassified to net income	(704)	(1,108)	(1,404)	(4,161)
Interest rate cap hedging gains reclassified to net income	(1,844)	(3,339)	(3,647)	(6,238)
Amortization of interest rate cap	961	1,429	1,922	2,390
Other Comprehensive Loss	**$ (1,569)**	**$ (1,315)**	**$ (3,271)**	**$ (1,774)**

For the three and six months ended June 30, 2025, "Other comprehensive income" on the Condensed Consolidated Statements of Changes in Equity included $(2.4) million and $(1.3) million of unrealized loss on cash flow hedges for intrinsic value, respectively, $(0.2) million and $(3.9) million of unrealized loss on cash flow hedges for time value, respectively, and $1.0 million and $1.9 million, respectively, of interest rate cap amortization, net of hedging (gains) losses reclassified to net income, respectively, for the three and six months ended June 30, 2025.

For the three and six months ended June 30, 2024, "Other comprehensive income" on the Condensed Consolidated Statements of Changes in Equity included $(2.5) million and $(3.5) million of unrealized loss on cash flow hedges for intrinsic value, respectively, $(0.2) million and $(0.6) million, respectively, of unrealized loss on cash flow hedges for time value, and $1.4 million and $2.4 million, respectively, of interest rate cap amortization, net of hedging (gains) losses reclassified to net income.

14. Non-Property General and Administrative Expenses

CPH incurs personnel and compensation costs, professional fees, information technology costs and other corporate related costs that are collectively classified as non-property general and administrative expenses.

(US Dollar amounts expressed in thousands, except share and per share data)

The following summarizes the various expenses comprising this activity for the respective periods:

	Three Months Ended June 30,		Six Months Ended June 30,	
Description	**2025**	**2024**	**2025**	**2024**
Personnel and compensation	$ 3,883	$ 2,879	$ 7,380	$ 6,240
Professional fees	776	1,314	1,644	2,453
Information technology	216	222	379	579
Other corporate	680	739	1,416	1,560
Total non-property general and administrative	**$ 5,555**	**$ 5,154**	**$ 10,819**	**$ 10,832**

15. Related Party Transactions

CPH manages properties owned by associates and other related parties for which it receives fees for asset management, property management, construction management, leasing, and development services. All fees charged to consolidated properties are eliminated in consolidation. Fees for development, construction management, and leasing services charged to joint ventures and joint operations are eliminated to the extent of CPH's ownership. Property management fees earned from properties owned by associates and other related parties for the three and six months ended June 30, 2025 totaled $0.9 million and $1.6 million, respectively, and $2.0 million and $2.9 million, respectively, for the three and six months ended June 30, 2024. Construction management fees earned from properties owned by associates and other related parties for the three and six months ended June 30, 2025 totaled $0.4 million and $0.6 million, respectively, and $0.3 million and $0.4 million, respectively, for the three and six months ended June 30, 2024. Lease commissions earned from properties owned by associates and other related parties for the three and six months ended June 30, 2025 totaled $0.0 million and $0.3 million, respectively. Fees for asset management, property management, construction management, leasing, and development services are recorded in "Property management fees and other" on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). Outstanding related party receivables pertaining to these fees were $2.9 million and $2.0 million as of June 30, 2025 and December 31, 2024, respectively.

CPH leases the ground under the 1701 Duke Street property from related parties. See Note 8 - "Leases" for additional information.

On February 5, 2024, CPH acquired 425 Montgomery from a related party for $15.4 million. As part of the acquisition, CPH also paid the seller $4.0 million as reimbursement of pre-development expenses. CPH manages property operations for several properties owned by the related party, and the Chief Executive Officer serves on the related party's Board of Directors. See Note 4 - "Investment Properties" for additional information.

On May 21, 2025, CPH entered into an office lease with an unconsolidated associate for space that will serve as CPH's future corporate headquarters. As CPH had not taken possession of the leased space as of June 30, 2025, no rent expense has been incurred on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and six months ended June 30, 2025.

16. Commitments and Contingencies

Performance Bonds

In the ordinary course of business, CPH is required to post performance bonds to secure performance under development projects. These bonds guarantee CPH will perform under the terms of a contract. To date, CPH has not been required to make any reimbursements to its sureties for bond-related costs, and believes that it is highly unlikely it will have to fund significant claims under the surety arrangements in the foreseeable future. As of June 30, 2025, CPH had $1.6 million in performance bonds outstanding with commitment terms expiring through June 24, 2026.

Repayment Guarantees

With respect to borrowings, CPH has agreed, and may in the future agree, to (i) guarantee portions of the principal, interest and other amounts, (ii) provide customary environmental indemnifications and nonrecourse carve-outs (e.g., guarantees against fraud, misrepresentation and bankruptcy) or (iii) provide guarantees to lenders, tenants and other third parties for the completion of development projects. Guarantees (excluding environmental) customarily terminate either upon the satisfaction of specified circumstances or repayment of the underlying debt. Amounts that CPH may be required to pay in future periods in relation to guarantees associated with budget overruns or operating losses are not estimable.

As of June 30, 2025, CPH was in compliance with all guarantees and guarantee covenants.

Leases

CPH is obligated under non-cancellable leases, including ground leases, on certain of our properties. See Note 8 - "Leases" for additional information.

Litigation

There are various legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters will not have a material adverse effect on our financial condition, results of operations or cash flows.

Employee Benefits

The Equity Incentive Plan provides for the issuance of Long Term Incentive Plan ("LTIP") Units at CPP, which may be in the form of Service Units, Performance Units or both. The determination of units awarded to each grantee is based on CPH's respective NAV at the time of issuance.

Award Class	Units Granted (in thousands)	Grant Date	Vest Date	Outstanding Units (in thousands) (1)
2020 special service units	40	Dec 2019	Dec 2023, Dec 2024, Dec 2025	40.3
2023 service units	74	Jun 2023	March 2026, March 2027, March 2028	61.0
2024 service units	63	Jul 2024	Mar 2027	58.4
2024 absolute performance units	63	Jul 2024	Mar 2027	58.4
2024 relative performance units	63	Jul 2024	Mar 2027	58.4
Total outstanding units				**276.5**

(1) Vesting is based on continued employment services through the vesting dates. Compensation expense will be recognized over the respective vesting periods.

Vesting of the 2021 LTIP Performance Units was dependent upon CPH achieving certain return thresholds based on NAV over a three-year performance period, which were not met. As such, no 2021 LTIP Performance units were earned.

Vesting of the 2022 LTIP Performance Units was dependent upon CPH achieving certain return thresholds based on NAV over a three-year performance period, which were not met. As such, no 2022 LTIP Performance units were earned.

Vesting of the 2024 LTIP Absolute Performance Units is dependent upon CPH achieving certain return thresholds based on NAV over a three-year performance period. A cumulative return below -45% will result in no LTIP Absolute Performance Units being earned, a cumulative return between -45% and 150% will result in earning between 0% to 200% of LTIP Absolute Performance Units granted based on linear interpolation within that range, and a cumulative return in excess of 150% will result in 200% of LTIP Absolute Performance Units granted being earned.

Vesting of the 2024 LTIP Relative Performance Units is dependent upon CPH achieving NAV growth relative to a custom index of office REITs (the "Index") over a three-year performance period. NAV growth within -10% of the Index will result in no LTIP Relative Performance Units being earned, NAV growth between -10% and 10% will result in earning between 0% to 200% of LTIP Relative Performance Units granted based on linear interpolation within that range, and annualized NAV growth in excess of 10% of the Index will result in 200% of LTIP Absolute Performance Units granted being earned.

A summary of CPH's unvested LTIP activity during the six months ended June 30, 2025 is presented below:

	Total Units (in thousands)
LTIP units outstanding, December 31, 2024	**388**
LTIP units vested (1)	(65)
LTIP units forfeited	(47)
LTIP units outstanding, June 30, 2025	**276**

(1) See Note 18 - "Redeemable Non-Controlling Interests" for additional information.

Compensation expense is based on projected NAV as of each vesting period end, consistent with CPH's expectation of performance and the anticipated units expected to vest. LTIP liability is recorded in "Other liabilities" on the Condensed Consolidated Balance Sheets.

During the three and six months ended June 30, 2025, CPH recognized $0.8 million and $1.6 million, respectively, of LTIP expense, of which $0.1 million and $0.1 million, respectively, was capitalized. During the three and six months ended June 30, 2025, CPH did not recognize LTIP dividend expense.

During the three and six months ended June 30, 2024, CPH recognized $0.2 million and $0.1 million, respectively, of LTIP expense, of which $0.0 million capitalized in both the three and six months ended June 30, 2024. During the three and six months ended June 30, 2024, CPH did not recognize LTIP dividend expense.

Holders of granted LTIPs have the right to redeem all or a portion of vested LTIPs during certain redemption windows. Vested LTIPs are redeemed at the Net Asset Value per common interest in CPP. LTIP liability is reclassified from "Other liabilities" to "Redeemable non-controlling interests" on the Condensed Consolidated Balance Sheets upon vesting. See Note 18 - "Redeemable Non-Controlling Interests" for additional information.

17. Corporate Officer's Compensation

Salary and bonus expense for CPH's corporate officers totaled $0.8 million and $1.5 million for the three and six months ended June 30, 2025, respectively, and $0.8 million and $1.9 million for the three and six months ended June 30, 2024, respectively. Employee benefit expense for these officers was less than $0.1 million for the three and six months ended June 30, 2025, respectively and less than $0.1 million and $0.1 million for the three and six months ended June 30, 2024. LTIP expense was $0.6 million and $1.0 million for the three and six months ended June 30, 2025 and $0.1 million and $(0.1) million for the three and six months ended June 30, 2024, respectively. No long-term compensation or retirement contributions were paid. These amounts are included in "Non-property general and administrative expenses" in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

18. Redeemable Non-Controlling Interests

2025 Redemptions

On March 4, 2025, LTIP unit holders exercised the right to redeem 37 thousand vested LTIP units totaling $1.5 million.

On June 20, 2025, LTIP unit holders exercised the right to redeem 12 thousand vested LTIP units totaling $0.5 million.

On July 3, 2025, LTIP unit holders exercised the right to redeem 12 thousand vested LTIP units totaling $0.5 million.

2024 Redemptions

On March 8, 2024, an LTIP unit holder exercised the right to redeem 13 thousand vested LTIP units totaling $0.7 million.

On May 13, 2024, LTIP unit holders exercised the right to redeem 9 thousand vested LTIP units totaling $0.4 million.

On June 18, 2024, LTIP unit holders exercised the right to redeem 16 thousand vested LTIP units totaling $0.7 million.

(US Dollar amounts expressed in thousands, except share and per share data)

Non-Controlling Interests

Certain of the non-controlling interests have redemption rights that allow them to request the redemption of their interest at 97% of the Net Asset Value per common interests in CPP and CPH. These interests are recorded as "Redeemable non-controlling interests" on the Condensed Consolidated Balance Sheets.

Holders of granted LTIPs have the right to redeem all or a portion of vested LTIPs during certain redemption windows. Vested LTIPs are redeemed at the Net Asset Value per common interest in CPP. These interests are also recorded as "Redeemable non-controlling interests" on the Condensed Consolidated Balance Sheets.

Changes in CPH's redeemable non-controlling interests are set forth below:

	Shares	Value
Balance, December 31, 2024	**495**	**20,046**
LTIP Vesting	65	2,642
Redemptions	(51)	(2,063)
Revaluation/Other	—	1,210
Balance, June 30, 2025	**509**	**$ 21,835**

19. Dividends

Distributions are declared and paid upon the declaration of the Board of Directors. For the six months ended June 30, 2025 and 2024, CPH did not declare or pay out any dividends. As of June 30, 2025, CPH had no unpaid dividends.

20. Credit and Other Risks

Credit Risk

CPH's maximum exposure to credit risk associated with financial assets measured at cost is equivalent to the carrying value of each asset.

Credit risk related to accounts receivable arises from the possibility that tenants may be unable to fulfill their lease commitments. CPH generally manages this risk by signing long-term leases with tenants who have investment grade credit ratings.

For the six months ended June 30, 2024, no tenants accounted for more than 10% of total rental revenue. CPH collected approximately 99% and 99% of contractual rent from its tenants during the six months ended June 30, 2025 and 2024, respectively.

Concentration Risk

For the six months ended June 30, 2025, the primary two tenants at One Congress, accounted for approximately 42% of total rental revenue.

Market Leasing Risk

CPH faces competition from developers, owners, and operators in the commercial office real estate space. Such competition and the increase in hybrid and remote work arrangements, may effect CPH's ability to attract or retain tenants. It may also impact the rents CPH is able to charge.

21. Subsequent Events

CPH evaluated subsequent events through August 7, 2025, the date the Condensed Consolidated Financial Statements were available to be issued.

CPH concluded that no additional subsequent events have occurred that would require additional recognition or disclosure in the Condensed Consolidated Financial Statements other than those disclosed in the respective footnotes and herein.

BAINE / POLAND / ENERGIX

AUDITOR'S CONSENT LETTERS

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

Deloitte.

Date: August 18, 2025

To
The Board of Directors of **Alony Hetz Properties and Investments Ltd. ("the company")**

Dear Sir/Madam,

Re: <u>Consent letter in term of Alony Hetz Properties and Investments Ltd. Shelf Offering from May 2024</u>

We hereby advise you that we agree to the inclusion (including by a way of reference) of our review reports detailed below in connection with the May 2024 shelf prospectus.

(1) Review Report dated August 18, 2025, regarding the Consolidated Financial Statements of the company as of June 30, 2025, and for the period of the six and three months ended June 30, 2025.

(2) Proforma Review Report dated August 18, 2025, regarding the Consolidated Proforma Financial Statements of the company as of June 30, 2025, and for the period of the six and three months ended June 30, 2025 and 2024.

Respectfully,

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv - Main Office
1 Azrieli Center Tel Aviv, 6701101 P.O.B. 16593 Tel Aviv, 6116402 Tel: +972 (3) 608 5555 | info@deloitte.co.il

Jerusalem
3 Kiryat Ha'Mada
Har Hotzvim Tower
Jerusalem, 914510
Tel: +972 (2) 501 8888
Fax: +972 (2) 537 4173
info-jer@deloitte.co.il

Haifa
5 Ma'aleh Hashichrur
P.O.B. 5648
Haifa, 3105502
Tel: +972 (4) 860 7333
Fax: +972 (4) 867 2528
info-haifa@deloitte.co.il

Eilat
The City Center
P.O.B. 583
Eilat, 8810402
Tel: +972 (8) 637 5676
Fax: +972 (8) 637 1628
info-eilat@deloitte.co.il

Nazareth
9 Marj Ibn Amer St.
Nazareth, 16100
Tel: +972 (73) 399 4455
Fax: +972 (73) 399 4455
info-nazareth@deloitte.co.il

Beit Shemesh
Yigal Alon 1 St.
Beit Shemesh, 9906201

pwc

To: The Management of Carr Properties Holdings L.P. and the Board of Directors of Alony-Hetz Properties and Investments Ltd.

Re: Consent letter in respect of Alony-Hetz Properties and Investments Ltd. shelf prospectus dated April 17, 2024

We hereby inform you that we agree to the inclusion (including by way of reference) of our report listed below in respect of the shelf prospectus dated April 17, 2024, which was published by Alony-Hetz Properties and Investments Ltd on April 16, 2024:

1) Review Report of Independent Auditors dated August 15, 2025 regarding the Condensed Consolidated Interim Financial Statements of Carr Properties Holdings L.P. as of June 30, 2025 and 2024, and for the three-month and six-month periods then ended.

Pricewaterhouse Coopers LLP

Washington, District of Columbia
August 15, 2025

PricewaterhouseCoopers LLP, 655 New York Ave NW, Suite 1100, Washington, DC 20001
+1 (202) 408 5748