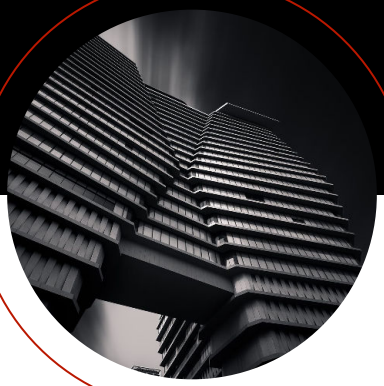
CONSOLIDATED FINANCIAL STATEMENTS

2019



AMOT INVESTMENTS. PEOPLE FIRST.

QUARTERLY REPORT AS OF
JUNE 30 2019

AMOT INVESTMENTS OF
THE ALONY HETZ GROUP

AMOT
AlonyHetz

AMOT INVESTMENTS

MEMBERS OF THE BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICE
AVSHALOM MOUSLER

INDEPENDENT AUDITORS
BRIGHTMAN ALMAGOR ZOHAR & CO.

REGISTERED OFFICE
AMOT ATRIUM TOWER
2 JABOTINSKY STREET, RAMAT GAN
5252007

NATHAN HETZ, CHAIRMAN OF THE BOARD
YAEL ANDORN
MOTI BARZILAY
EYAL GABAI
YEHIEL GUTMAN
NIRA DROR
AVIRAM WERTHEIM
AMIR AMAR
GAD PNINI

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PEOPLE FIRST.

QUARTERLY REPORT AS OF
JUNE 30 2019

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AMOT INVESTMENTS.
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QUARTERLY REPORT AS OF
JUNE 30 2019

AMOT INVESTMENTS OF
THE ALONY HETZ GROUP

AMOT IN NUMBERS

A SNAPSHOT OF

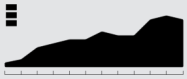
The data of the extended consolidated quarterly financial statements as of June 30 2019
In million of NIS

NOI
353
million NIS

FFO
257
million NIS

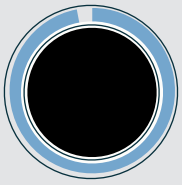
FFO
Per share
72.8
Agorot

Total investment property



11,433
million NIS

Unpledged assets



97%

million NIS in unutilized credit facilities
800

Index-linked weighted debt interest
2.52%

AVERAGE DURATION – 4.5 YEARS

AMOT INVESTMENTS. PEOPLE FIRST.

QUARTERLY REPORT AS OF JUNE 30 2019

BOARD OF DIRECTORS' REPORT ON THE STATE OF THE CORPORATE AFFAIRS FOR THE PERIOD ENDED JUNE 30 2019

Amot Investments Ltd.'s Board of Directors (hereafter – "Amot") is pleased to submit the financial statements of the Company and its consolidated companies (hereafter – the "Group") for the period ended June 30 2019 (hereafter – the "Reported Period").

DESCRIPTION OF THE GROUP AND ITS BUSINESS ENVIRONMENT

Amot Investments is a public company which is engaged, both directly and indirectly through corporations under its control, in renting out, management and maintenance of income-generating real estate in Israel as well as in the development of real estate for renting out purposes. The Company's share is included in the Tel Aviv 35 Index and in the Tel Aviv – Real Estate Index. The Company is a subsidiary of Alony Hetz Properties and Investments Ltd. (which holds 56% of the Company's share capital).

The stability in the income-generating real estate sector in Israel continued in the Reported Period. This was reflected both in the level of demand and in rent and occupancy levels. During the Reported Period there was a demand to office, industrial and logistics spaces in most of the Company's areas of activity, which was reflected in stability in price levels.

KEY POINTS FOR THE REPORTED PERIOD

NOI in the reported period amounted to NIS 353 million – a 5% increase compared with the corresponding period last year. **+5%**

No change in same property NOI in the second quarter compared with the corresponding period last year. **NO CHANGE**

FFO in the reported period amounted to NIS 257 million – an 8% increase compared with the corresponding period last year. **+8%**

FFO per share in the reported period is Agorot 72.8 – an app. 0.4% decrease compared with the corresponding period last year, while the number of shares increased by 8% and the leverage rate decreased by 3% compared with 30.6.18. **-0.4%**

EVENTS IN THE REPORTED PERIOD AND SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

ToHa1 (the Totzeret Ha'aretz Complex) - the construction of the office tower was completed; the tower comprises above-ground area of 57,000 square meters for marketing and 950 parking spaces (Company's share 50%). The construction of the tower ended at the end of 2018. In January 2019 an occupation approval was received (Form 4) and the tower is in its occupation stage. In view of the above, in the first quarter of 2019, the Company classified the office building from real estate under construction to investment property at the total amount of app. NIS 0.5 billion.

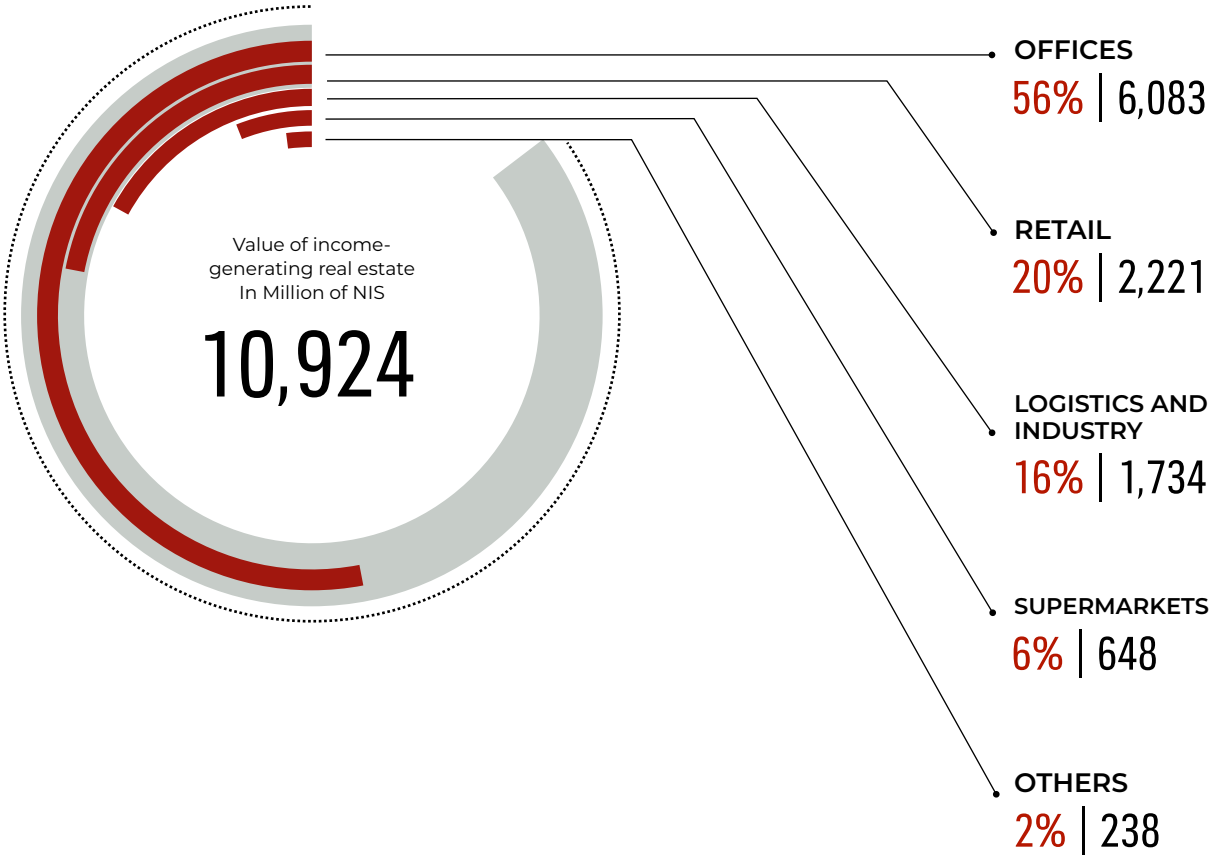
In April 2019, the Company issued – as part of a private offering – 7,300,000 ordinary shares of NIS 1 par value each in consideration for a gross amount of NIS 150 million. Furthermore, during the second quarter of 2019, 2,500,000 Series 9 warrants were exercised into ordinary shares in consideration for NIS 50 million. In July 2019, further 3,500,000 Series 9 warrants were exercised in consideration for NIS 70 million.

In June 2019, the Company issued by way of shelf offering report dated June 26 2019, Series F bonds at a total amount of NIS 423 par value. The net consideration received by the Company amounts to NIS 419 million. The bonds bear index-linked effective interest of 1.25% and their average period is 8.3 years.

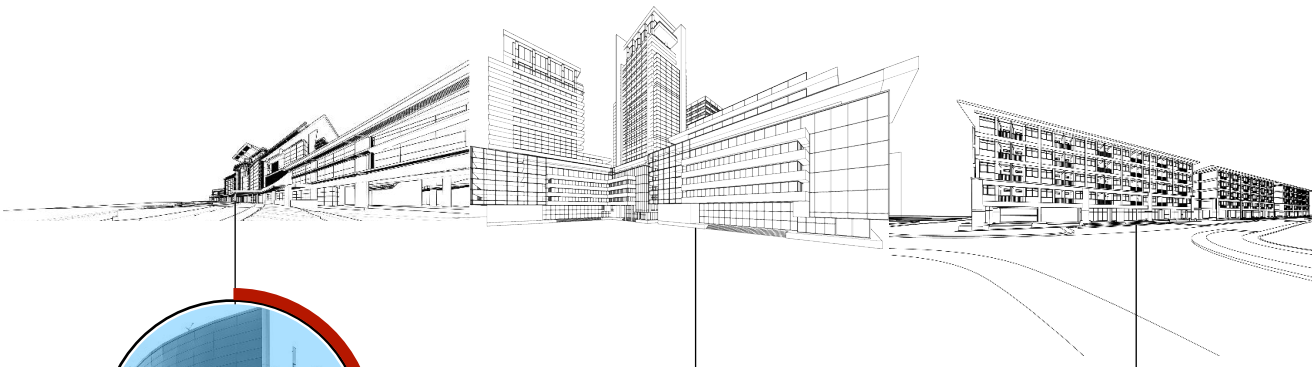
DETAILS REGARDING THE GROUP'S ACTIVITY

Group' owned and leased properties as of June 30 2019 include: 103 cash-generating properties across Israel with a total area of 1.4 million square meters (Company's share), of which 871 thousand square meters are rental spaces and 552 thousand square meters are parking spaces. These properties are located across the country, with most of the Group's assets (89%) being located in large cities at the central region of Israel and in the demand areas. The properties are rented-out to app. 1,600 renters under contracts for different periods. In addition, the Company has 4 properties under construction at a scope of 130 thousand above-ground square meters and 3 properties in planning and development phases at the scope of 112 thousand about-ground square meters (Company's share). Set forth below is a breakdown of the uses of Company's income-generating properties.

The overall occupancy rate of the Company's assets as of 30.6.19 is 97.1% (97.2% as of 31.12.18). The occupancy rate represents areas in respect of which there are signed contracts; some of these areas are in the process of being occupied.



AMOT GROUP'S INCOME-GENERATING PROPERTIES



RETAIL CENTERS

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OFFICE BUILDINGS

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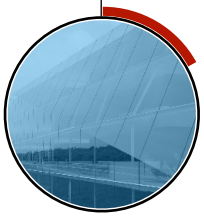

LOGISTICS AND INDUSTRY

15

SUPERMARKETS

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BUSINESS STRATEGY

Company's management is of the opinion that real estate is a long-term business and makes decisions accordingly.

The Group's business strategy is to expand its activity in the field of income-generating real estate in Israel through purchase and/or initiation, development and construction of properties along with retaining financial stability through equity higher than 50%, and debt with long average duration, having in place credit facilities (which are normally unutilized) and unpledged assets. These give the Company maximum flexibility, including in times of crisis, as well as the ability to utilize significant opportunities.

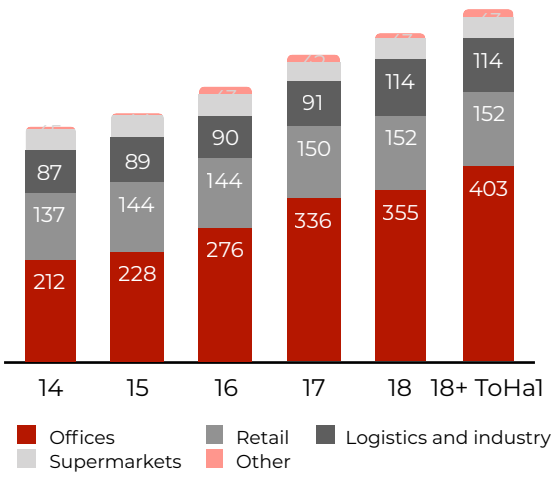
In order to implement its business strategy, Company's management follows the following guidelines:

- Management of a properties portfolio comprising a variety of uses – offices, retail, logistics and industry, supermarkets.
- Development and building of properties at prime locations within the Tel Aviv metropolis.
- Presence in major business centers and near main transport links.
- The tenants' mix is strong and diversified.
- Managerial capabilities to improve the existing portfolio of properties.
- Construction and development of assets under initiation, which constitute the Company's growth engine (up to 15% of the value of the real estate).
- The Company uses green building methods to a high standard, which contribute to the tenants' quality of life and enhance the Company's corporate environmental responsibility.

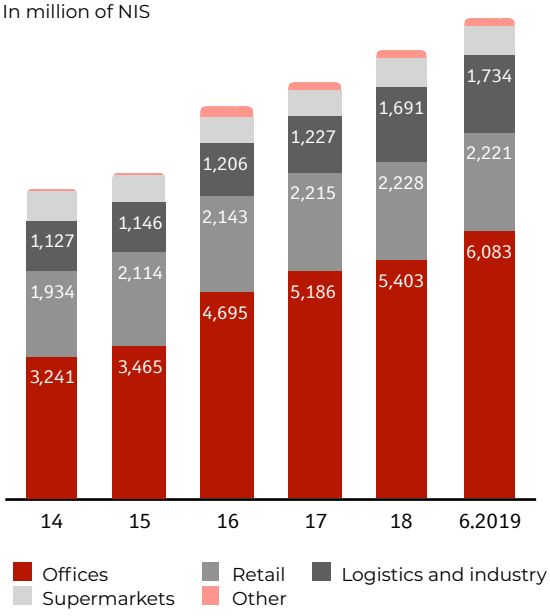
In accordance with the Company's business strategy of expanding and developing its activities in the field of logistics as part of the Group's assets portfolio, in 2018 the Company purchased three logistic centers for a total of NIS 425. The Company also commenced the development, construction and renting out of an additional logistic center to Shufersal at an estimated scope of investment of app. NIS 250 million.

The Company also continues its development and betterment activity in the field of offices, such that the total value of the offices as of June 30 2019 is app. NIS 6.1 billion compared with NIS 3.2 billion in 2014.

Breakdown of NOI by uses
In million of NIS



Breakdown of value of properties by uses
In million of NIS



ENGAGEMENTS DURING THE YEAR

MANAGEMENT AGREEMENT WITH THE PARENT COMPANY

In November 2018, the General Meeting of the Company's shareholders approved the extension of the term of the agreement for receipt of management services from Alony Hetz Properties and Investments Ltd. by an additional 3-year period, from 1.1.2019 through 31.12.2021, in consideration for management fees of NIS 9 million per year (linked to the index in respect of June 2018). The management fees shall be paid in four quarterly installments..

TOHA1 (TOTSERET HA'ARETZ COMPLEX)

The Company and Bayside Land Corp Ltd. (hereinafter – the "Partnership") hold joint rights (in equal shares) to land parcels with a total area of 17-dumans bordering Totzeret Ha'aretz, Yigal Alon and Hashalom streets in Tel Aviv (hereafter – the "Totzeret Ha'aretz Complex").

During the reported period, the Partnership completed the construction of the office building with a gross above-ground area of 57,000 square meters for marketing and 950 parking spaces (Company's share – 50%). For information on other rights in the complex (ToHa2), see the chapter dealing with projects at the planning and development stages.

The construction of the tower was completed at the end of 2018. In January 2019 an occupation approval was received (Form 4) and the tower is in its occupation stage. In view of the above, in the first quarter of 2019 the Company classified the office building from real estate under construction to investment property at the total amount of app. NIS 0.5 billion. As of the report date, the entire area of office spaces of the tower has been marketed.

The Partnership predicts, based on the contracts signed and expected rental balances that the NOI to be generated by the tower when fully occupied will be NIS 95 million to NIS 100 million (Company's share – NIS 48 million - NIS 50 million).
During the first half of 2019, the Company recorded NOI in respect of the asset at the total amount of NIS 8.3 million (the Company's share).

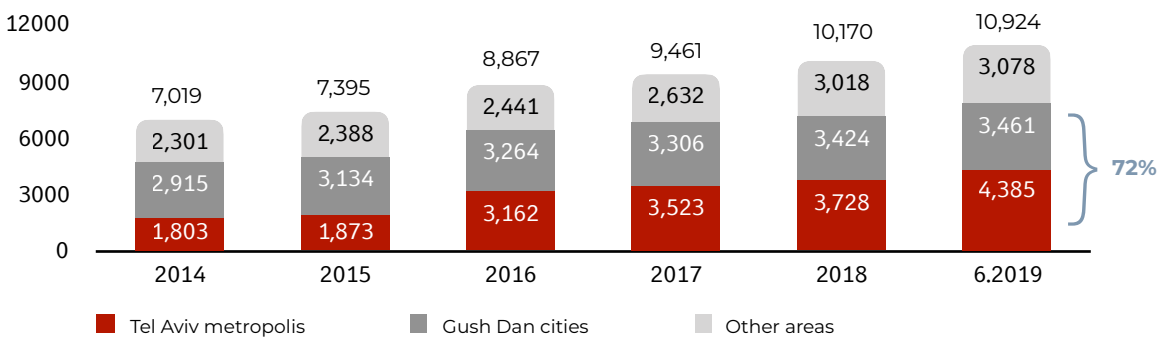
A SNAPSHOT OF COMPANY'S DATA – EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

	% Change 2018/2019	1-6.19	1-6.18	% Change 2018/2019	4-6.19	4-6.18	2018
		Million of NIS			Million of NIS		
NOI	5%	353	338	4%	178	171	678
Net income [1]	6%	263	248	(6%)	159	170	567
Real FFO	8%	257	239	11%	135	122	477
FFO per share (Agorot)	(0.4%)	72.8	73.1	2%	37.9	37.3	142
Weighted number of shares (par value)	8%	353.019	326.422	9%	357,424	327.532	336,532

SET FORTH BELOW ARE PRINCIPAL DATA ABOUT THE COMPANY'S PROPERTIES, BY USES[2]:

Uses	Above-ground area as of 30.6.19	NOI for the period 1-6.19	Fair value of income-generating real estate as of 30.6.19	Value of assets for betterment as of 30.6.19	Occupancy rate as of 30.6.19	Fair value of real estate under construction as of 30.6.19
	Square meters	NIS in thousands			%	NIS in thousands
Office	390,865	189,152	6,082,219		95.5%	329,536
Retail centers	118,854	73,213	2,221,273		96.6%	6,599
Logistics and industrial parks	298,786	60,585	1,734,384		98.8%	100,264
Supermarkets	38,889	21,768	647,900		100%	-
Other	23,553	8,255	237,780	63,329	100%	9,900
Total	870,947 [3]	353,256 [4]	10,923,555	63,329	97.1%	446,299

SET FORTH BELOW ARE PRINCIPAL DATA ABOUT THE COMPANY'S PROPERTIES BY GEOGRAPHICAL AREAS (IN MILLION OF NIS):



(1) The decline in net income in the second quarter of 2019 compared with the corresponding quarter is due to the effect of the index.

(2) Including jointly controlled properties presented by the equity method in the financial statements.

(3) The area does not include app. 21,166 parking spaces (app. 50% roofed) with an overall area of app. 552,000 square meters.

(4) Including unallocated expenses.

SET FORTH BELOW IS ADDITIONAL INFORMATION ABOUT THE COMPANY'S PROPERTIES PORTFOLIO

As of June 30 2019, the Company's properties portfolio comprises 103 income-generating properties, 4 projects in advanced planning and construction stages and 3 projects under planning and development stages, at an overall value of NIS 11.4 billion. 56% of the value of the properties relates to offices, 21% retail, 16% logistics and industrial parks, 6% supermarkets and 2% others. These properties are located across the country, with most of the Group's properties (89%) being located in large cities at the central region of the country and in demand areas.

TEL AVIV METROPOLIS

The area constitutes Israel's business core and as such it benefits both from a population with high social-economic status, maximum accessibility, developed transport links and cultural and entertainment centers – all at the region with the highest rate of population density in Israel. We regard the cities comprising the Tel Aviv Metropolis (Tel Aviv, Ramat Gan, Givatayim) as cities with characteristics of first demand ring. The Company has many properties within this ring, including: The ToHa Tower in Tel Aviv, the Atrium Tower at the Ramat Gan City Complex, Amot Investments Tower, Europe House, Amot Mishpat Complex, Amot Bituach Complex, Century Tower, 30 Habarzel St, and Beit Ziviel in Ramat Hachayal, Beit Pelephone in Givatayim and other properties.

TABLE OF CITIES IN WHICH THE GROUP HAS PROPERTIES BY **DEMAND RINGS**

OTHER REGIONS

- Hadera
- Caesarea
- Or Akiva
- Rehovot
- Jerusalem
- Modi'in
- Ashdod
- Rosh Pina
- Zefat
- Kibbutz Alonym
- Maalot
- Nahariya
- Karmiel
- Akko
- Krayot
- Haifa
- Ashkelon
- Dimona
- Beer Sheva

GUSH DAN CITIES

- Netanya
- Herzliya
- Kfar Saba
- Ra'anana
- Rosh Ha'Ayin
- Petah Tikva
- Kiryat Ono
- Holon
- Rishon LeZiyon
- Bat Yam
- Lod

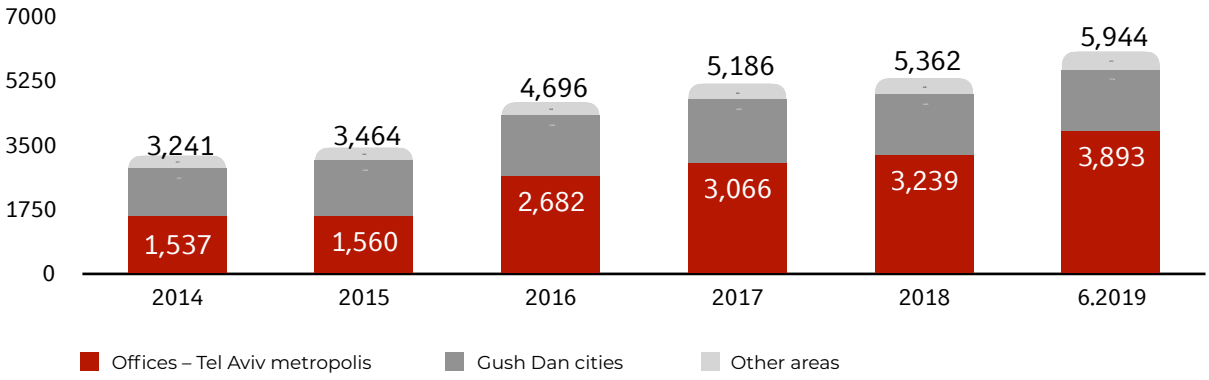
TEL AVIV METROPOLIS

- Tel Aviv
- Ramat Gan
- Givatayim

THE TA/5000 PLAN

In view of the scope of the Company's real estate assets in Tel Aviv, the Company promotes a local urban zoning plan compatible with TA/5000 (see below). The TA/5000 plan (see below) is a comprehensive local outline plan applicable to the entire municipal area of the city of Tel Aviv-Jaffa. It is designed to outline a long-term city planning policy. A comprehensive plan determines how the city is developed, sets the division into areas with different land zoning, maximum construction volumes, building height limits, conservation areas and areas for increased development. The plan recommends future levels of development matching the expected growth in population and the increase in the employment market by 2025. A comprehensive plan cannot be used as the basis of a permit application. A comprehensive plan sets out guidelines for drawing up a local outline plan (specific urban zoning plan with a local authority), by virtue of which building permit applications may be submitted. A comprehensive plan does not confer rights and does not create a liability for betterment surcharges.

Further to the above, Company's properties used for offices constitute app. 55% of the value of Company's properties. The value of the Company's office properties increased from NIS 3.2 billion in 2014 to NIS 6.1 billion as of June 30 2019. The value of Company's office properties in the Tel Aviv metropolis increased from NIS 1.5 billion in 2014 to NIS 3.9 billion as of June 30 2019. Company's office properties in the Tel Aviv metropolis are prime properties that benefit from increasing demand, excellent transport links and proximity to anchor entities (such as courts or medical centers). Therefore, the Company opted to present another breakdown of properties used as offices in the Tel Aviv metropolis (data are presented in thousands of NIS).



SET FORTH BELOW ARE PRINCIPAL DATA ABOUT THE COMPANY'S OFFICE PROPERTIES, BY GEOGRAPHIC AREAS:

Geographic area	Above-ground area as of 30.6.19	NOI 1-6.19	Fair value of income-generating real estate as of 30.6.19	Rate out of total real estate	Average rent 1-6.19
	Square meters	NIS in thousands		Percentage	NIS per square meter
Tel Aviv metropolis	200,938	112,497	3,892,558	64%	102
Gush Dan cities	142,711	60,855	1,716,358	28%	66
Other areas	47,216	15,800	473,303	8%	58
Total	**390,865**	**189,152**	**6,082,219**	**100%**	**83**

PROJECTS UNDER CONSTRUCTION

The Company has 4 projects under construction, the Company's share in which is app. 130 thousand square meters above-ground area. The total amount of investment in the projects is NIS 1.6 billion (Company's share) and over the next 5 years a total of NIS 1.3 billion will be invested in those projects.

OFFICE PROJECT IN HOLON

In July 2016, the Company won a tender held by the Holon municipality to build an office and high-tech industry project in the Holon industrial estate, as part of a combination transaction with the municipality, according to which, in consideration for providing the land for the project, the municipality will receive 22.2% of the rights to the building, with the Company planning and building the project, and in return, the Company will lease from the municipality the Company's share in the project for a 99-year period from the date of completion of its construction, with an option to extend the lease period by 99 additional years.

The project is being built on a 11-dumam parcel of land, located in the southwestern part of the Holon industrial estate C, on the corners of Hamelacha St. and Jerusalem Blvd. A stop of the green line of the light train is planned in this junction (according to publications of NTA Metropolitan Mass Transit System Ltd., this stop will be linked in the future to the Metro M3 line). The project will include a 20-story office tower with a total above-ground space of 56 thousand square meters, above a 5-level underground car park, after building rights were added to the project enabling the construction of additional 20 thousand square meters (Company's share – 77.8%).

The tower will be built and operated as a cash-generating rental property, managed by a joint management company of the municipality and the Company. The project is currently at the stage of completing the building frame of the underground car park and commencement of work on the building frame of the above-ground building. The Company estimates that the project will be completed over the course of 2021. The Company estimates the scope of its investment in the project at NIS 515 million. Through the date of the statement of financial position, NIS 141 million were invested in the project.

LOGISTICAL PROJECT IN MODI'IN

In December 2016, the Company purchased a 34-duman plot in Modi'in from the Israel Land Authority, in consideration for NIS 70 million in respect of capitalized lease fees and development expenses. In May 2018, the Company and Shufersal Ltd. entered into an agreement according to which the Company would sell Shufersal 25% of the leasing rights to the land. The parties agreed to jointly build a 34,000 square meter logistics center and a 6,000 square meter office building. The logistics center is rented out to Shufersal for a 15-year period, with an option to extend the rental period. The scope of the investment expected for the Partnership in building the project was estimated at NIS 330 million, (Company's share of the investment (75%) is estimated at NIS 250 million). Company's expected revenue is estimated at NIS 20 million per year. As of the report date, the dirt and foundation work as well as the installation of pile caps and prefabricated columns are being completed at the logistics center and so is the digging work and installation of anchors for the underground floors of the office building. Through the date of the statement of financial position, NIS 110 million were invested in the asset (Company's share 75%). An urban zoning plan for the increase of the building areas in the plot to 53,000 square meters is in the process of approval. If the urban zoning plan is approved, the project's budget will be updated.

PROJECTS UNDER CONSTRUCTION

HALEHI COMPLEX – BNEI BRAK

In July and November 2018, the Company and Allied Real Estate Ltd. (hereafter - "Allied") signed an agreement and an addendum to the agreement, respectively, according to which Allied would transfer, by way of sale, half of the capitalized leasing rights (subject to Allied's signing a new capitalized lease agreement with the Israel Land Authority) to a 16.4-dunam plot on Halehi Street in Bnei Brak, in consideration for a total of NIS 100 million plus VAT. The plot is located in Bnei Brak's Northern industrial estate in close proximity to (to the south of) Hayarkon Park and Ramat Hachayal complex and in proximity to the Ayalon Mall. The parties will work together to plan, develop and build an office and retail project on the plot, which will include 75,000 square meters of above-ground space for marketing (of which 62,000 square meters is offices and 13,000 square meters is retail space). The total investment in the project (including the land component and underground car park) is estimated by the parties at app. NIS 1,100 million (Company's share 50%). The project is in the paneling works stage.

1000 COMPLEX – WEST RISHON LEZION

In June 2018, the Company won a tender for the purchase of land in the 1000 complex in Rishon LeZion in consideration for NIS 30 million; the land has rights for the construction of an employment building with an area of 19,000 square meters. The project is in advanced planning stages.

PREPARATIONS FOR THE CONSTRUCTION OF THE TOHA2 CAR PARK (TOTZERET HA'ARETZ COMPLEX)

The Partnership is carrying out preparation work for the erection of a car park in the Totzeret Ha'aretz complex stage b. The project is in the paneling work stage of the car park.

SET FORTH BELOW IS A SUMMARY OF DATA REGARDING PROJECTS UNDER CONSTRUCTION AS OF 30.06.19

Property name	Location	Primary use	Holding rate	Area of land 100% (in dunams)	Square meter for marketing above-ground 100%	Estimated completion date	Project's book value as 30.06.19	Estimated construction cost including land and underground car parks	Remaining balance to be completed as of 30.06.19	Projected NOI upon occupation of the project
							Company's share in million of NIS			
Amot Holon	Holon	Offices	77.8%	11	56,000	2021	141	515	374	42
Amot Modi'in	Modi'in	Logistics	75%	34	34,000	2020	83	250	167	20
Halehi complex	Bnei Brak North	Offices	59%	16	75,000	2024	10	550	540	49
1000 complex	Rishon LeZion - West	Offices	100%	3	19,000	2022	34	230	196	19
Total				64	184,000		268	1,545	1,277	130

AMOT HOLON

AMOT MODI'IN

HALEHI COMPLEX

COMPLEX 1000

The information included in this section above is forward-looking information. The information relates to data available and known to the Group as of the date of publication of this report in connection with environmental requirements, changes of urban zoning plans that are subject to approval of the planning and building authorities, obtaining the consent of owners of neighboring properties in respect of which there is no certainty that they can be obtained, and other data that are not controlled by the Group. Therefore, it is not certain that those projects will, indeed, come to fruition.

PROJECTS IN PLANNING AND DEVELOPMENT STAGES

The Company has 3 projects in medium-range planning and development stages (3-8 years) in respect of which no decision to go ahead with construction has been reached yet. Company's share in the projects is 112 thousand square meters and the total investment in the projects in the next few years is NIS 1.4 billion (Company's share).

TOHA2 (TOTZERET HA'ARETZ COMPLEX)

In August 2018, the Tel Aviv Local Planning and Building Committee approved the depositing of a local urban zoning plan for additional building rights (as part of T/5000) for the construction of an additional office tower with a gross above-ground area of **140 thousand square meters** (Company's share – 50%). The plan includes an underground crossing from the complex to the M1 and M2 metro lines stop (according to publications of NTA Metropolitan Mass Transit System Ltd.) and to the Shalom train station. The plan is currently in the stage of hearing objections. The total investment for the construction of ToHa2 (including payments for the land component) is estimated at NIS 2 billion **(Company's share – NIS 1 billion)**.

PLATINUM STAGE B

The Company intends to utilize the remaining rights in the project for building of 17,000 square meters and to complete the purchase of additional building rights in order to build a twin tower to the Platinum Stage A tower.

LAND AT THE KFAR SABA-RA'ANANA NORTH JUNCTION

The Company has land with building rights for building employment buildings with an above-ground area of app. 70,000 square meters (Company's share – 50%). The Company and its partner intend to build 30,000 square meters of above-ground area (Company's share – 50%).

Property name	Location	Primary use	Square meters for marketing above-ground	Holding rate	Square meters for marketing above-ground	Estimated construction costs including land (1) and underground car parks - in million of NIS
				Company's share		
ToHa2	Tel Aviv	Office	140,000	50%	70,000	1,000
Platinum Stage B (2)	Petach Tikva	Office	27,000	100%	27,000	210
Land in Kfar Saba Ra'anana North junction	Kfar Saba	Office	30,000	50%	15,000	160
Total			197,000		112,000	1,370

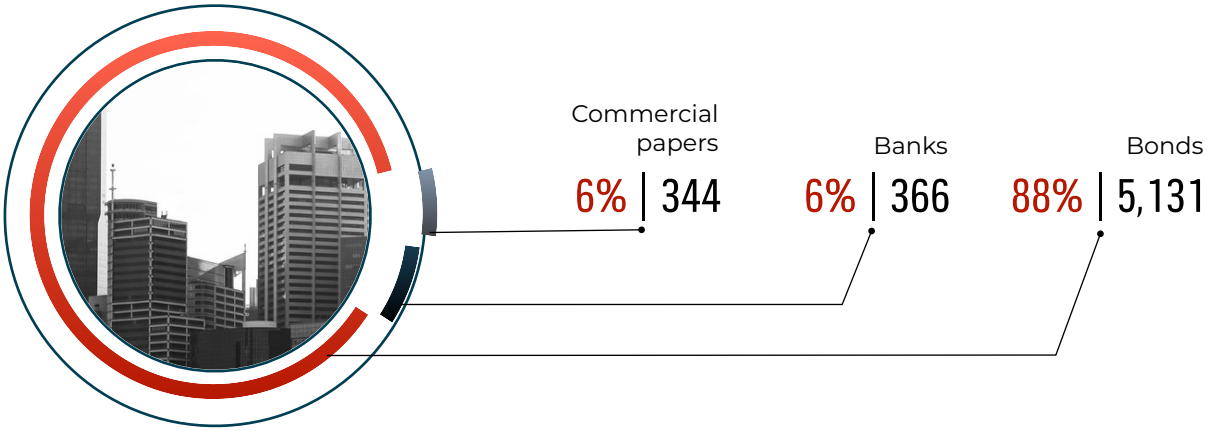
(1) The cost of construction includes the land component and does not include adaptations to renters and capitalization.

(2) Subject to completion of purchase of additional building rights in order to build a twin tower to the Platinum A tower.

The information included in this section above is forward-looking information. The information relates to data available and known to the Group as of the date of publication of this report in connection with environmental requirements, changes of urban zoning plans that are subject to approval of the planning and building authorities, obtaining the consent of owners of neighboring properties in respect of which there is no certainty that they can be obtained, and other data that are not controlled by the Group. Therefore, it is not certain that those projects will, indeed, come to fruition.

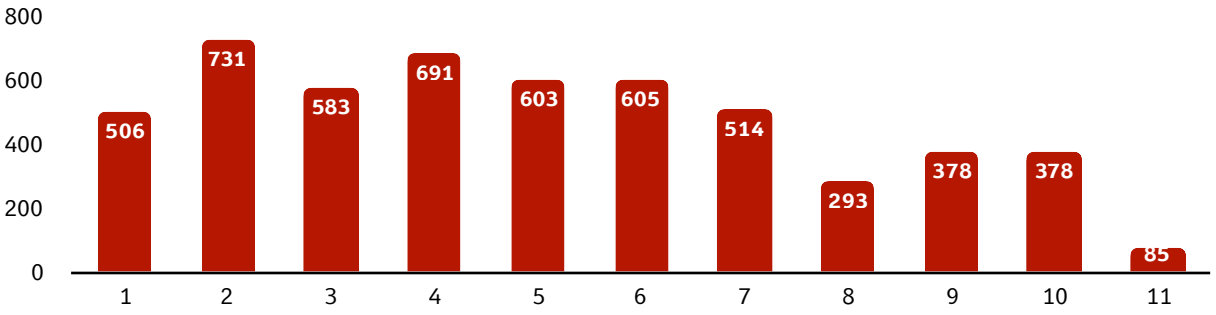
MANAGEMENT OF DEBT STRUCTURE

The Company's policy is to maintain an effective leverage rate that combines between the interests of creditors and those of the Company's shareholders and to raise unsecured long duration debt. The Company's overall gross debt as of June 30 2019 amounts to NIS 5.8 billion. The average duration of the overall debt is 4.5 years and the weighted interest is 2.52% (linked to the CPI) (including commercial papers 2.41%).

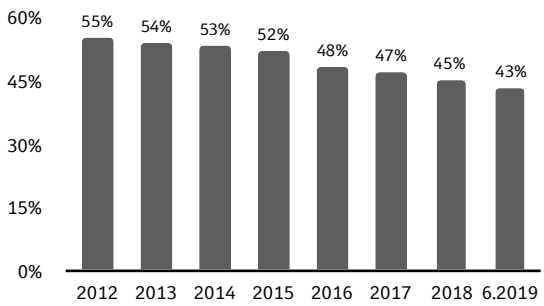


As of the report date, the Company has unutilized credit facilities totaling NIS 800 million and unpledged assets at the scope of 97% of Company's assets, which give the Company flexibility in times of crisis as well as the ability to utilize significant opportunities.

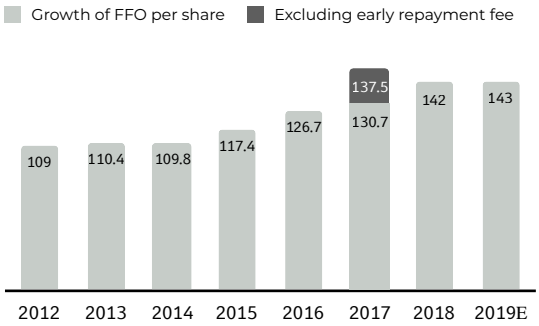
BREAKDOWN OF DEBT REPAYMENT BY YEARS (EXCLUDING REPAYMENT OF COMMERCIAL PAPERS (MILLION OF NIS)



DECREASE IN LEVERAGE RATE IN PERCENTAGES



FFO PER SHARE GROWTH, WITH DECREASE IN LEVERAGE RATE IN MILLION OF NIS

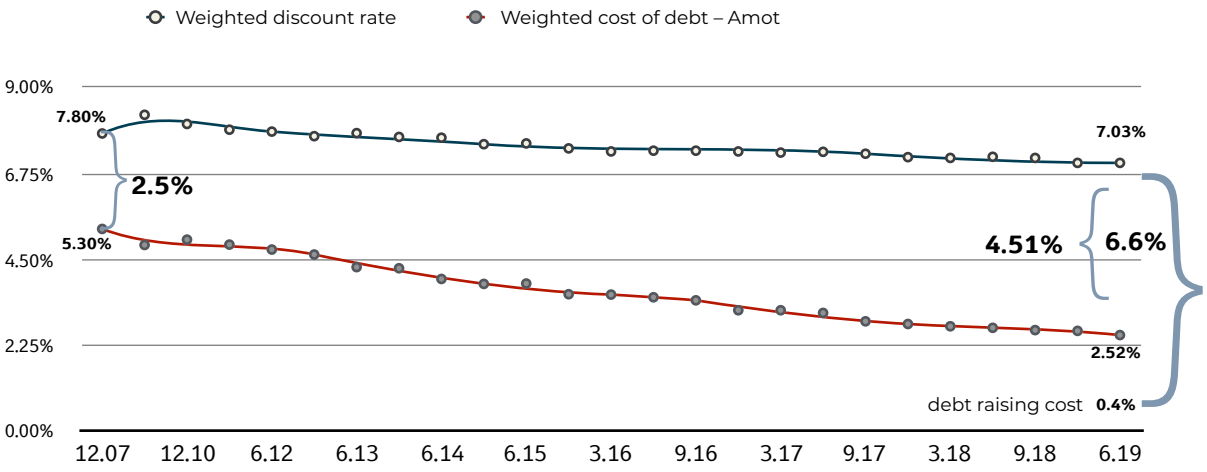


In million of NIS	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total principal repayments excluding commercial papers	506	731	583	691	603	605	514	293	378	378	85
Effective interest of repaid debt	3.9%	3.0%	2.9%	2.8%	2.2%	2.2%	2.0%	2.0%	1.8%	1.8%	1.25%

The repayments are in respect of the year starting on July 1 and ending on June 30 of each year.

The above table describes the weighted effective interest of current debt repayments in 2019-2029.

MARGIN OF REAL GROSS RETURN ON INCOME-GENERATING ASSETS AND WEIGHTED INDEX-LINKED COST OF DEBT:



Current cost of debt is based on amot's bonds series 4, average duration app. 6 years, as of August 1, 2019

NOI (NET OPERATING INCOME)

Set forth below is data regarding the Group's NOI in Israel (income from renting out and operation of properties, net of depreciation and amortization):
In the opinion of Company's management, NOI is one of the most important parameters in the valuation of income-generating real estate, since dividing this data by the generally acceptable cap rate in the geographic area in which the property is located constitutes one of the indications for determining the value of the property (in addition to other indications such as the market value of similar properties in that area, sale prices per built square meter, which are derived from transactions entered into recently, etc.).

In addition, NOI is used to measure the free and available cash flow for the service of financial debt undertaken for the purpose of funding the purchase of the property. It is hereby emphasized that the NOI:

A. Does not present cash flows from current operations in accordance with generally accepted accounting principles.
B. Does not reflect cash held by the Group to finance all its cash flows, including its ability to distribute funds.
C. Is not supposed to be considered as a replacement for net income for purposes of evaluating the Group's results of operations.

DEVELOPMENT OF NOI (IN THOUSANDS OF NIS)

In thousands of NIS	Second quarter 2019	First quarter 2019	Fourth quarter 2018	Third quarter 2018	Second quarter 2018
Identical assets in the period	170,359	171,254	169,249	169,228	170,831
Assets purchased/ sold/ classified to investment property	7,431	3,936	1,536	478	-
NOI - Total	178,066	175,190	170,785	169,706	170,831

The NOI in the reported period amounted to app. NIS 178 million compared with app. NIS 171 million in the corresponding quarter last year. This constitutes a **4% increase.** Same Property NOI in the current quarter amounted to app. NIS 171 million, no change compared with the corresponding quarter last year.

WEIGHTED RATE OF RETURN

Set forth below is a calculation of the weighted rate of return (cap rate) derived out of all of the Group's income-generating real estate as of June 30 2019:

	Million of NIS
Investment property as per extended consolidated financial statements as of June 30 2019	10,987
Less – value of land classified as investment property	(68)
Income-generating investment property as of June 30 2019	10,919
Less – value attributed to unoccupied spaces	(316)
Projected investments and other	29
Investment property attributed to rented spaces as of June 30 2019	10,632
NOI – second quarter 2019 in Israel	178
Annual NOI based on NOI of second quarter 2019	712
Projected NOI in respect of rent in accordance with signed rental agreements and accrued linkage differences	35
Total projected normalized annual NOI (*)	747
Weighted rate of return derived from income-generating investment property (Cap Rate)	7.03%

(*) The above mentioned NOI does not reflect the Company's projection; for information about the Company's projection, see page 23.

FFO (FUNDS FROM OPERATIONS)

FFO is a metric commonly used in the USA, Canada and Europe to provide additional information on the results of the operations of income-generating real estate companies. This metric provides a proper basis for comparison between income-generating real estate companies and it is not required in accordance with accounting principles. FFO reflects net reported income, net of income (or losses) from sale of properties, plus depreciation and amortization (in respect of real estate) and net of deferred taxes and expenses not involving cash flows.

The Company believes that analysts, investors and shareholders may obtain information providing added value from the measurement of the Group's results of operations on an FFO basis. FFO data is used, among other things, by analysts in order to assess the rate of dividend distribution out of results of operations on an FFO basis of real estate companies.

It should be emphasized that the FFO:

A. Does not present cash flows from current operations in accordance with generally accepted accounting principles.

B. Does not reflect cash held by the Group and its ability to distribute it.

C. Is not supposed to replace reported net income for purposes of evaluating the Group's results of operations.

SET FORTH BELOW IS A CALCULATION OF THE FFO (IN THOUSANDS OF NIS):

	1-6.19	1-6.18	4-6.19	4-6.18	2018
Net income for the period	262,624	248,057	158,565	169,649	566,887
Fair value adjustment	(115,203)	(98,747)	(115,203)	(118,668)	(269,965)
Deferred taxes, betterment tax and other	53,206	56,847	26,669	32,296	131,923
Warrants amortization	2,995	2,990	1,692	1,696	5,988
Depreciation and sundry	1,316	1,004	910	1,155	1,875
Nominal FFO	204,938	210,151	72,633	86,128	436,708
Add – linkage differences on principal of debt and exchange differences	52,100	28,483	62,787	35,967	40,586
Real FFO	257,038	238,634	135,420	122,095	477,294
Weighted number of shares	353,019	326,422	357,424	327,532	336,320
Per share FFO (in Agorot)	72.8	73.1	37.9	37.3	142.0
Change in index in the period	1.2%	0.9%	1.5%	1.2%	1.2%

The increase in real FFO in the Reported Period compared with the corresponding period last year, amounting to app. NIS 18 million (app. 8%) is mainly attributed to an increase in EBITDA and a decrease in real financing costs net of increase in tax costs, which contributed to the increase of real FFO.

FFO per share in the Reported Period amounted to Agorot 72.8 compared with Agorot 73.1 in the corresponding period last year, which represents a 0.4% decrease, with an 8% increase in the weighted number of shares and a 3% decrease in the leverage rate (the decrease in leverage rate is calculated compared with the financial statements as of 30.6.18).

The change in the consumer price index impacts the current taxes expenses. When the consumer price index increases/decreases, the financing expenses increase/decrease due to index-linked debt, which causes a decrease/increase in current takes expenses.

PROJECTION FOR 2019

As part of the Group's 2019 work plan, we assessed all of the Company's properties, including properties purchased during the Reported Period, renters and rental agreements, the operating expenses of all properties, while striving to achieve optimal utilization of the resources available to us. The work plan was drawn up bearing in mind the macroeconomic data of 2018 and the projection that there will be no deterioration in economic conditions during 2019. The plan sets challenging targets to Company's management and employees.

Set forth below is the Company's projection as to its principal operating results in 2019, based on the following work assumptions:

- Consumer price index – annual change of 1%.
- No material changes will take place in the business environment in which the Group operates in Israel.
- The rental agreements are signed and Company's management expectations as to renewal of current rental agreements in 2019.
- The projected NOI in respect of the ToHa1 tower in 2019 is NIS 26 million and the projected FFO is NIS 15 million (due to recording of the financing costs relating to the cost of the asset in the statement of profit or loss).
- No further exercises of Series 9 warrants before the end of the exercise period were taken into account beyond those warrants exercised through the date of publication of the financial statements. The remaining balance of warrants that have not yet been exercised as of the date of publication of the financial statements is app. 15.7 million warrants.

	Actual data 1-6.19	Updated projection 2019	Projection 2019	Actual data 2018
NOI (in million of NIS)	353	715-721	717-727	678
Real FFO (in million of NIS)	257	511-517	510-520	477
FFO per share (in Agorot)	72.8	142-144	145-148	142

As a consequence of the issuance of 7.3 million ordinary shares in April 2019 and the exercise of Series 9 warrants into shares through the date of the publication of the financial statements, the FFO per share was diluted at an annual rate of app. 2.4% (Agorot 3.5 per share); this caused a decrease in the leverage rate to app. 43%.

ToHa1 projection

The projected NOI in respect of ToHa1 as from 2020 (full occupancy) is app. NIS 48 million.
Projected FFO is app. NIS 30 million.

The information regarding the projection for 2019 and 2020 constitutes forward-looking information, as defined in Section 32a of the Securities Law, 1968. Forward-looking information is a projection, assessment, estimate or other information relating to a future event or matter the materialization of which is uncertain and not controlled solely by the Group.

RESULTS OF OPERATIONS AS PER CONSOLIDATED FINANCIAL STATEMENTS IFRS 11:

Set forth below is a table summarizing the business results (in million of NIS):

	For the period		Comments and explanations
	1-6.19	1-6.18	
Revenue from rent and management of properties	368	352	An increase of app. NIS 13 million stemming from purchase of new properties and from occupation of a property, the construction of which was completed
Cost of renting out properties	31	29	
Adjustment of fair value of investment property	114	98	In a corresponding period, transaction costs were carried to the statement of profit or loss
General and administrative expenses	23	22	
Financing expenses, net	115	90	The increase stems mainly from a change in linkage and exchange differences offset by real interest savings
Income tax expenses	58	65	
Net income	263	248	

Set forth below is a table summarizing the financial position, liquidity and financing sources (in million of NIS):

	As of 30.6.19	As of 31.12.18	Comments and explanations
Total income-generating investment property	10,539	9,787	The increase is mainly attributed to classification of the ToHa1 property to income-generating real estate
Working capital	(285)	(665)	The Company has unutilized credit facilities amounting to NIS 800 million.
Net financial debt	4,933	5,032	
Equity attributed to shareholders	5,071	4,837	

CASH AND CREDIT FACILITIES

CASH FLOWS

The positive cash flows arising to the Company from operating activities in the Reported Period amount to **NIS 278 million** compared with NIS 240 million in the corresponding period last year.

APPROVED CREDIT FACILITIES:

As of the date of publication of the report, the Company has three approved credit facilities totaling **NIS 800 million**, which can be withdrawn immediately.

1. A credit facility extended by a bank at the total amount of NIS 400 million and valid until December 28 2020.
2. A credit facility extended by an Israeli institutional entity at the total amount of NIS 200 million until May 2022.
3. A credit facility extended by a bank at the total amount of NIS 200 million and valid until December 31 2023.

As of the date of this report, the Company did not utilize the above mentioned facilities.

IN ORDER TO UTILIZE THE ABOVE MENTIONED CREDIT FACILITY, THE GROUP MUST MEET THE FOLLOWING CONDITIONS:

1. At any given time, the Company's tangible equity will not be less than 25% of the Company's total balance sheet, net of cash and cash equivalents, short term investments (short-term marketable securities) and securities in connection with discontinued operation, on a consolidated basis.
2. At any given time, the ratio between the Company's net financial debt (net of investment property under construction) and its NOI will not exceed 10.
3. Alony Hetz is the controlling shareholder of the Company.

For further details, see Chapter 3.8.6 regarding reportable credit in the description of the corporation's business for 2018.

AS OF THE DATE OF THE REPORT THE COMPANY MEETS ALL FINANCIAL COVENANTS.

WORKING CAPITAL DEFICIENCY

As per the consolidated financial statements, working capital deficiency as of June 30 2019 amounted to NIS 285 million. The Company has unutilized long-term credit facilities from banks and institutions, which can be withdrawn immediately. Those unutilized credit facilities amount to NIS 800 million. Furthermore, all of the Company's assets are not pledged. Therefore, the Company's Board of Directors is of the opinion that the Company's working capital deficiency, which stems from the Company's policy to hold unutilized credit facilities instead of cash and deposits, does not indicate a liquidity problem.

LINKAGE BASES

The Company has financial liabilities amounting to app. NIS 6 billion, of which NIS 5.3 billion are linked to the CPI. The Company's income-generating real estate amounting to app. NIS 10.5 billion is mostly rented out under CPI-linked rental agreements and the Company views this linkage as a long-term inflation hedge.

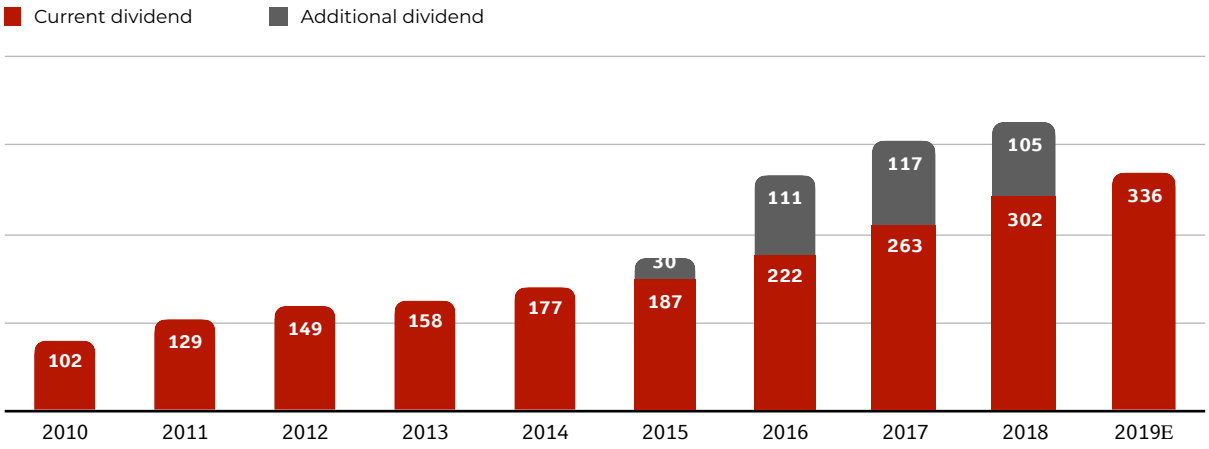
EQUITY

As of 30.6.19, Company's equity amounted to NIS 5.07 billion (per share equity of NIS 14.08).
As of 31.12.18, Company's equity amounted to NIS 4.84 billion (per share equity of NIS 13.93).

DIVIDEND DISTRIBUTION POLICY

IN MARCH 2019, THE COMPANY'S BOARD OF DIRECTORS DECIDED THAT IN 2019 THE COMPANY INTENDS TO DISTRIBUTE A MINIMUM DIVIDEND OF NIS 0.94 PER SHARE, THAT WILL BE PAID IN 4 QUARTERLY INSTALLMENTS; IN THE FIRST AND SECOND QUARTERS THE COMPANY WILL PAY A DIVIDEND OF NIS 0.23 PER SHARE PER QUARTER, AND IN THE THIRD AND FOURTH QUARTERS THE COMPANY WILL PAY A DIVIDEND OF NIS 0.24 PER SHARE PER QUARTER.

In accordance with the above mentioned policy, in March and May 2019 the Company declared the distribution of a dividend of NIS 0.23 per share (total of NIS 162 million for both quarters) in respect of the first and second quarters of 2019. In August 2019, the Company declared the distribution of a dividend in respect of the third quarter amounting to NIS 0.24 per share (NIS 87 million).



Data are presented in millions of NIS.

LOOKING FORWARD

The Company intends to continue working in accordance with the long-term strategy it has implemented so far, enhancing the Company's portfolio of properties by purchasing new properties and developing and building additional properties, maintaining, at the same time, a balanced combination of capital allocation and debt allocation in order to provide the Company with the sources it requires to meet its needs while constantly striving for excellence.

The Company's Board of Directors wishes to thank holders of Company's securities for their confidence in the Company.
As always, we would like to thank our shareholders for their support, the service providers for their tireless efforts, our tenants who chose Amot as the permanent premises of their businesses and our devoted employees who work day and night to promote the Company's businesses.

Nathan Hetz	AVI MOUSLER
Chairman of the Board of Directors	CEO

DATE:

August 4 2019

APPENDIXES

APPENDIX A – Extended Consolidated Financial Statements

APPENDIX B – Corporate Governance Aspects

APPENDIX C – Disclosure Provisions in Connection with the Corporation's Financial Reporting

APPENDIX D – Special Disclosure to Bond Holders

APPENDIX E – Linkage Bases Report

APPENDIX F – Separate Financial Information

APPENDIX A

EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX A – FINANCIAL DATA REGARDING EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

1. The Group's **extended consolidated financial statements** are the Group's financial statements presented in accordance with IFRS, except for the application of IFRS 11 "Joint Arrangements" that was applied with retroactive effect to annual reporting periods starting on January 1, 2013. This means that investments in investees that are presented by the equity method and which were accounted for based on the proportionate consolidation method prior to the application of the standard (due to a contractual joint control arrangement), are neutralized and recovered by consolidating the investees using the proportionate consolidation method.

1.1 Extended consolidated statements of financial position

	June 30		December 31
	2019	**2018**	**2018**
	NIS in thousands		
Current assets			
Cash and cash equivalents	817,431	836,720	308,554
Trade receivable	18,661	21,284	20,695
Current tax assets, net	939	904	1,201
Other receivables	28,828	30,532	28,624
	865,859	**889,440**	**359,074**
Non-current assets			
Investment property	10,986,802	9,965,880	10,244,564
Investment property under construction	446,299	713,997	870,838
	11,433,101	**10,679,877**	**11,115,402**
Long-term receivables	101,692	99,583	96,061
Fixed assets, net	37,221	38,413	37,839
Total non-current assets	**11,572,014**	**10,817,873**	**11,249,302**
Total assets	**12,437,873**	**11,707,313**	**11,608,376**
Current liabilities			
Credit from banks and current maturities	849,773	740,628	849,862
Trade payable	28,754	18,527	22,740
Current tax liabilities, net	23,373	18,105	23,381
Other payables	203,663	197,618	144,656
Payables in respect of investment property	94,429	11,175	37,739
Total current liabilities	1,199,992	986,053	1,078,377
Non-current liabilities			
Bonds	4,721,405	4,710,955	4,299,179
Loans from banks and others	269,910	338,861	294,015
Provisions	17,821	17,821	17,821
Other	91,320	64,210	68,699
Deferred taxes, net	1,066,669	955,627	1,013,462
Total non-current liabilities	6,167,125	6,087,474	5,693,176
Equity			
Equity attributed to Company's shareholders	5,070,800	4,633,826	4,836,865
Non-controlling interest	(44)	(40)	(42)
Total equity	**5,070,756**	**4,633,786**	**4,836,823**
Total liabilities and equity	**12,437,873**	**11,707,313**	**11,608,376**

1.2 Extended consolidated statements of profit or loss

	For the six-months period ended June 30		For the three-months period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	NIS in thousands				
Revenue from rent and management fees of investment property	385,379	368,973	194,534	186,413	742,877
Cost or renting out and operating the properties	32,123	30,985	16,468	15,582	64,398
Gain from renting out and operating the properties	**353,256**	**337,988**	**178,066**	**170,831**	**678,479**
Adjustment of fair value of investment property, net	115,203	98,747	115,203	118,668	269,965
	468,459	**436,735**	**293,269**	**289,499**	**948,444**
General and administrative expenses	25,381	24,382	12,459	12,378	49,076
Donations	1,005	1,002	505	500	2,010
Other expenses (income), net	623	426	411	327	(54)
Profit from ordinary activities	**441,450**	**410,925**	**279,894**	**276,294**	**897,412**
Financing expenses, net	(118,401)	(96,061)	(98,351)	(70,625)	(175,285)
Income before taxes on income	**323,049**	**314,864**	**181,543**	**205,669**	**722,127**
Taxes on income	(60,425)	(66,807)	(22,978)	(36,020)	(155,240)
Net income for the period	**262,624**	**248,057**	**158,565**	**169,649**	**566,887**
Attributed to:					
Parent company shareholders	262,626	248,059	158,566	169,650	566,891
Non-controlling interests	(2)	(2)	(1)	(1)	(4)
	262,624	**248,057**	**158,565**	**169,649**	**566,887**

2 Additional information

Set forth below are the Group's liabilities (extended consolidated) repayable after June 30 2019

	Bonds	Bank loans	Other	Bank loans – consolidated companies	Total
Current maturities	405,376	39,480	347,874	57,043	849,773
Second year	641,865	41,204	4,557	44,816	732,442
Third year	532,968	43,004	4,815	266	581,053
Fourth year	643,711	44,884	2,509	-	691,104
Fifth year and thereafter	2,758,673	95,736	-	-	2,854,409
Total repayments	**4,982,593**	**264,308**	**359,755**	**102,125**	**5,708,781**
Balance of bond premium and other					**132,307**
Total extended consolidated financial debt					**5,841,088**

APPENDIX B

CORPORATE GOVERNANCE ASPECTS

APPENDIX B – CORPORATE GOVERNANCE ASPECTS

A. THE COMPANY'S BOARD OF DIRECTORS: DIRECTORS POSSESSING ACCOUNTING AND FINANCIAL EXPERTISE AND INDEPENDENT DIRECTORS

As of the publication of this report, the Company's Board of Directors consists of 9 (nine) directors[3] , 7 (seven) of whom have accounting and financial expertise. 5 (five) members of the Board of Directors are independent directors as this term is defined in the Companies Law, 1999 (hereafter – the "**Companies Law**")[4]. Pursuant to the provisions of Section 92A(12) of the Companies Law, the Company's Board of Directors determined that the minimum number of directors possessing accounting and financial expertise which is appropriate to the Company is two. This number was determined bearing in mind the nature of the financial and accounting issues arising during the course of preparing the Company's financial statements, the type of the Company, its size, the scope and complexity of its activities, its areas of activity, the composition of the Company's Board of Directors, which includes people with business, managerial and accounting experience, which enables them to deal with the task of running the Company and with the close accounting support provided by its independent auditors.

After assessing the education, experience and qualifications of the directors, the following seven directors serve in the Board of Directors as of the report date, who were approved by the Company's Board of Directors as possessing accounting and financial expertise: Messrs. Nathan Hetz, Aviram Wertheim, Moti Barzilay, Eyal Gabay, Gad Penini, Nira Dror and Yael Andorn Karni). For details regarding the education and experience of those directors, see Regulation 26 in the Additional Details Chapter regarding the Corporation, Chapter D of the 2018 Periodic Report.
As of the date of publication of this report, the Company's Board of Directors includes five serving directors that qualify as independent directors (including the two outside directors that serve in the Company's Board of Directors).

B. DISCLOSURE REGARDING THE CORPORATION'S INTERNAL AUDITOR

Details of the internal auditor

Name of internal auditor: Avner Eliav, CPA.
Date of commencement of tenure: July 2008.
The internal auditor meets all the criteria set out in Section 3(a) of the Internal Audit Law, 1992 (hereafter – the "Audit Law"). The internal auditor complies with the conditions set out in Section 146(b) of the Companies Law, 1999 and Section 8 of the Internal Audit Law..

Exclusivity of actions

The internal auditor does not serve in any other position in the corporation other than his role as an internal auditor and assessment of tests as part of the ISOX process. To the best of the Company's management knowledge, the internal auditor does not serve in any other role outside the corporation that might create a conflict of interest with his duties as the internal auditor of the Company.

Personal interest

The internal auditor is not an interested party in the corporation, an office holder thereof or a relative of any of them, nor does he serve as the independent auditor or anyone operating on its behalf or provides services to the corporation other than internal control services and assessment of tests as part of the ISOX process.

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(3) In a meeting held on March 10 2019, the Company's Board of Directors approved the appointment of Ms. Yael Andorn Karni as an independent director in the Company. Ms. Andorn Karni was approved by the Board of Directors as a director who possesses accounting and financial expertise. Furthermore, on March 31 2019, Mr. Benjamin Gantz resigned from his service as a Company director in view of his running in the election for the 21st Knesset. Mr. Gantz will head the Blue and White party.

(4) For that purpose, "Independent Director" means – a director that qualifies as an outside director according to the criteria set in Section 240(B) to (F) to the Companies Law and the Audit Committee approved him/her as such, and who has not been serving as a director in the Company for more than nine consecutive years. For that purpose, any interruption of service which does not exceed 2 years shall not be deemed to have interrupted the continuity of service.

Holding the corporations' securities

According to the internal auditor, he does not hold securities of the corporation or any related entity thereof, as defined in the Fourth Addendum of the Securities Regulations (Periodic and Immediate Reports), 1970.

Material/business ties with the corporation

The internal auditor does not have material business or other ties with the corporation or related entities thereof, as this term is defined in the Fourth Addendum of the Securities Regulations (Periodic and Immediate Reports), except for supporting the process of preparing the procedures for all working processes in the Company.

Appointment of the internal auditor

The internal auditor's appointment was approved by the Company's Audit Committee and Board of Directors on July 6 2008 based on his extensive experience in the field of internal audit, including in public companies and government entities.

External auditor

The auditor provides internal audit services as an external service provider through the firm Alkalay Monarov & Co.

Scope of hours of internal control

The internal auditor engaged in internal audit for the Company at the scope of app. 570 hours in 2018.

The audit plan

The audit plan is an annual plan, derived from a multi-annual audit plan. The multi-annual and annual planning of the audit tasks, the determination of the priorities and the frequency of the audit are impacted from the following factors:
The exposure to risks of operations and actions, which is determined, among other things, based on a risk survey conducted by the internal auditor in 2017, the probability of existence of administrative and executive faults, findings of previous audits, cases in which audits are required by the executive bodies, subjects required by law, in accordance with internal or external procedural directives and the need to maintain the required level of audit's frequency.
The internal audit work plans are approved by the Company's Audit Committee at the beginning of each year for the current year. Material holdings in corporations
The internal audit plan also covers the audit of the activity of corporations that constitute material holdings of the corporation.

Material holdings in corporations

The internal audit plan also covers the audit of the activity of corporations that constitute material holdings of the corporation.

Professional standards

According to the internal auditor, he conducts the internal audit in according with generally accepted professional standards, as set out in Section 4(b) of the Internal Audit Law, 1996.

Corporation officer to whom the internal auditor reports

The Company's CEO.

Scope, nature and continuity of the internal auditor activity and work plan

To the best of the Company Board of Directors' knowledge, the nature and continuity of the internal auditor's activity and work plan are reasonable under the circumstances and can achieve the goals of the corporation's internal audit.

Free access to the internal auditor

The internal auditor is given free access to the corporation as stated in Section 9 of the Internal Audit Law, 1992, including uninterrupted and direct access to the corporation's data systems, including financial data.

Internal auditor's reports

The internal auditor submits the audit reports on a current basis over the course of the reported year; those reports are submitted to the Chairman of the Board of Directors, the CEO and the Chairman and members of the Audit Committee. The Audit Committee discusses the said reports on a regular basis.

Compensation

The internal auditor's fees in respect of internal audit was set at a NIS value equivalent to NIS 220 (linked to the CPI) per one hour's work plus VAT. The compensation for the audit work is based on the internal auditor's working hours budget.
In 2018, the internal auditor was paid a total of app. NIS 148 thousand for internal audit work. There are no concerns that the compensation described above, which is derived from the internal auditor's actual working hours budget, may influence the exercise of the auditor's professional judgment.

C. THE BOARD OF DIRECTORS

In the Reported Period, the Board of Directors held two meetings and the Financial Statements Review Committee held two meetings.

D. INTERNAL ENFORCEMENT PLAN

On May 17 2012 the Company adopted an internal enforcement plan in the field of securities, in accordance with the criteria for an effective enforcement plan, which were published by the Securities Authority on August 15 2011, and whose aim is to verify and enforce the compliance of the Company, its office holders and employees with legal requirements in the field of securities. The plan sets out procedures, whose aim is, among other things, to regulate principal issues such as the manner of publication of immediate reports, identifying, approving and reporting transactions that give rise to concerns regarding personal interest of office holders or controlling shareholders, prohibition of using inside information, prevention of fraud and manipulation, maintaining supervision, reporting and control mechanisms and establishing operation and conduct rules alongside work processes, whose aim is to create controls over major processes within the issues they regulate, methods of dealing with the issues and drawing lessons.
The Company's Board of Directors appointed the Company's Legal Counsel and Secretary - Adv. Osnat Hochman-Gerhard – as the officer in charge of internal control in the field of securities. Her role includes, among other things, ensuring the implementation of the plan among Company's employees, ensuring the efficient and effective application of the plan, including by way of holding training sessions and monitoring and updating the plan from time to time.

E. CHARITABLE DONATIONS

The Company views donating and supporting the community in Israel as an important component that should be integrated into its activities. In 2018, the Company donated NIS 2 million to different charities and organizations that aim to work for the community, promote educational causes and support disadvantaged populations.

APPENDIX C

DISCLOSURE PROVISIONS IN CONNECTION WITH THE CORPORATION'S FINANCIAL REPORTING

APPENDIX C – DISCLOSURE PROVISIONS IN CONNECTION WITH THE CORPORATION'S FINANCIAL REPORTING

CRITICAL ACCOUNTING ESTIMATES

When drawing up its financial statements, Company's management is required to use estimates or assessments as to transactions or matters, the final impact of which on the financial statements cannot be accurately determined at the time of preparation thereof. The main basis for determining the value of such estimates are the assumptions which Company's management decides to adopt, taking into account the circumstances which are the subject matter of the estimate and the best information available to the Company when preparing the financial statements. By nature, since those estimates and assessments are a result of the Company's exercising judgment in an environment of uncertainty (sometimes highly significant uncertainty), any changes in the underlying assumptions as a result of changes that are not necessarily under management's control, may trigger changes in the value of the estimate and as a consequence impact the financial position of the Company and its results of operations. Therefore, despite the fact that those estimates or assessments are used to the best of management's judgment, the final impact of transactions or matters that require estimates can only be clarified when those transactions or matters are concluded. In some cases, the final results of the estimate may be very significantly different from the amount set to that estimate when it was used.

Set forth below are accounting estimates made by the Company in the preparation of the consolidated financial statements, which may have a very significant impact on the Company's financial position and results of operations:

CHANGES IN THE FAIR VALUE OF INCOME-GENERATING REAL ESTATE

The Group determines the fair value of income-generating real estate assets in accordance with the provisions of IAS 40 and IFRS 13. When determining the fair value in the annual financial statements, Company's management relies on appraisals of independent and external appraisers. In its semi-annual financial statements, the Company relies on external appraisers' review of all of Company's assets. Quarterly changes (in the first and third quarters) are mainly appraised by an internal appraiser and by Company's management and during those quarters, the income-generating real estate assets are revalued only if there is a material change in the fair value of any of the Company's assets, or when there are indications for general changes in trends in the income-generating real estate sector.

When determining the fair value, the Company used, among other things, the discount rates used to discount the future cash flows, the rental period, the financial stability of the lessees, the scope of unoccupied spaces in the property, the terms of the rental agreements, the time it will take to rent out the buildings once they are vacated, the scope of vacant properties and the vacancy period thereof, the adjustment of the rent in over-rented properties or in under-rented properties, implications of investments required to develop and/or retain the existing condition of the properties and deduction of uncovered operating costs in cases where the properties are run by management companies with a deficit.

Changes in assumptions used by the above-mentioned external experts, in combination with changes in management's estimates, which are based on its past experience, may trigger changes in the amount of fair value carried to the statement of profit or loss, thereby impacting the Company's financial position and results of operations. Pursuant to IFRS 13 and to Accounting Enforcement Resolution 18-1 of the Securities Authority of January 30 2018, the Company carried transaction costs incurred upon acquiring new properties to the statement of profit or loss.

LEGAL PROCEEDINGS

Further to what is described in Note 16a of the 2018 annual financial statements, as of the date of approval of this report 18 legal claims are pending against the Company and other related parties, with an overall amount of app. NIS 112 million; the Group's share in those legal claims as a defendant is app. NIS 104 million; the Group recorded a provision totaling app. NIS 18 million in respect of those claims. In the opinion of legal and professional advisors, those provisions are appropriate under the circumstances of each of the claims.

In order to estimate the amount of these provisions, the office holder in charge of the Company's legal dealings receives a legal opinion regarding most of the proceedings from external legal advisors; those opinions are assessed by the relevant Company officer and by Company's management.

By nature, the opinions issued by the external legal advisors and the action taken by the Company in reply to this opinion are impacted by the stage of the legal proceedings, past experience in similar cases and the experience of those involved in the legal claim. At the core of any legal proceeding there is uncertainty which is normally resolved towards the end of the legal proceeding and sometimes only after a final ruling is issued by a court. Therefore, the final financial consequences of a legal proceeding may be materially different from the estimates set in respect thereof.

APPENDIX D

SPECIAL DISCLOSURE TO BOND HOLDERS: BONDS HELD BY THE PUBLIC

APPENDIX D - SPECIAL DISCLOSURE TO BOND HOLDERS: BONDS HELD BY THE PUBLIC

D1: SET FORTH BELOW ARE DATA AS OF 30.06.2019 REGARDING BONDS ISSUED BY THE COMPANY:

(In thousands)	Bonds (Series A)	Bonds (Series C)	Bonds (Series B)	Bonds (Series D)	Bonds (Series E)	Bonds (Series F)	Total
Issuance date	5.6.2000	31.12.2009	2.7.2012	31.7.2014	31.3.2016	30.6.2019	
Par value at issuance date	500,000	168,000	343,950	241,941	276,047	423,287	
Par value as of 30.6.19	128,984	198,104	1,359,546	1,649,616	1,085,213	423,287	**4,844,750**
Linked par value as of 30.6.19	155,737	217,795	1,407,406	1,670,884	1,085,213	423,287	**4,960,321**
Value in financial statements as of 30.6.19	155,737	220,576	1,450,510	1,777,474	1,104,717	419,329	**5,128,343**
Value on the stock exchange as of 30.6.19	163,446	234,119	1,577,225	1,917,679	1,175,177	419,054	**5,486,700**
Interest accrued as of 30.6.19	7,622	5,289	67,366	53,319	17,687	-	**151,223**
Rate of fixed interest for the year	4.95%	4.90%	4.80%	3.20%	3.39%	1.14%	

D2: SET FORTH BELOW ARE DATA AS OF 30.6.19 REGARDING BONDS ISSUED BY THE COMPANY:

- To view an up-to-date rating report by Midroog Ltd., see the Company's immediate report of 23.7.2019 reference no. 2019-01-063585.
- To view an up-to-date rating report by Maalot the Israel Securities Rating Co Ltd., see the Company's immediate report of 3.1.2019 reference no. 2019-01-001372.

The Series B bonds include conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	**The ratio as of date of financial statements**	**Status of compliance as of date of report**
Change of control;	Alony Hetz - controlling shareholder of the Company	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.43	Compliant
The rating of the Series B bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred taxes liability shall not be less than 22.5% of total balance sheet, net of cash and cash equivalents and net of marketable collaterals for two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series B bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 11 billion – higher than the outstanding balance of Series B bonds	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

The Series D bonds include conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	**The ratio as of date of financial statements**	**Status of compliance as of date of report**
The Company's equity is higher than NIS 1.2 billion;	5.1	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.43	Compliant
The rating of the Series B bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series D bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 11 billion – higher than the outstanding balance of Series D bonds	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

The Series E bonds includes conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	**The ratio as of date of financial statements**	**Status of compliance as of date of report**
The Company's equity is higher than NIS 1.2 billion;	5.1	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.43	Compliant
The rating of the Series E bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series E bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 11 billion – higher than the outstanding balance of Series E bonds	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

The Series F bonds includes conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	**The ratio as of date of financial statements**	**Status of compliance as of date of report**
The Company's equity is higher than NIS 2 billion;	5.1	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.43	Compliant
The rating of the Series F bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series F bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 11 billion – higher than the outstanding balance of Series F bonds	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

APPENDIX E

LINKAGE BASES REPORT

APPENDIX E – LINKAGE BASES REPORT AS PER IFRS 11 CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30 2019 (IN THOUSANDS OF NIS):

	Linked to the CPI	Unlinked	Non-financial assets (liabilities)	Total
	NIS in thousands			
Current assets				
Cash and cash equivalents	-	806,233	-	806,233
Trade receivable	-	16,197	-	16,197
Current tax assets, net	-	-	100	100
Other receivables	-	21,441	9,724	31,165
	-	843,871	9,824	853,695
Investments in companies accounted for by the equity method	128,861	2,774	311,964	443,599
Long-term receivables	-	602	25,031	25,633
Total financial assets	**128,861**	**847,247**	**346,819**	**1,322,927**
Investment property	-	-	10,917,374	10,917,374
Fixed assets, net	-	-	37,185	37,185
Total non-financial assets	**-**	**-**	**10,954,559**	**10,954,559**
Total assets	**128,861**	**847,247**	**11,301,378**	**12,277,486**
Current liabilities				
Credit from banks and current maturities	449,167	343,562	-	792,729
Trade payable	-	27,511	-	27,511
Current tax liabilities	-	-	23,373	29,077
Other payables	147,383	30,573	22,202	200,158
Payables in respect of investment property	-	94,429	-	94,429
Total current liabilities	**596,550**	**496,075**	**45,575**	**1,138,200**
Non-current liabilities				
Bonds	4,481,857	239,548	-	4,721,405
Loans from banks and others	224,829	-	-	224,829
	4,706,686	239,548	-	4,946,234
Total financial liabilities	**5,303,236**	**735,623**	**45,575**	**6,084,434**
Deferred taxes	-	-	1,020,310	1,020,310
Provisions	-	-	17,821	17,821
Other	34,960	23,576	25,629	84,165
Total non-financial liabilities	**34,960**	**23,576**	**1,063,760**	**1,122,296**
Total liabilities	**5,338,196**	**759,199**	**1,109,335**	**7,206,730**
Excess of financial liabilities over financial assets	**(5,174,375)**	**111,624**	**301,244**	**(4,761,507)**

APPENDIX F

SEPARATE FINANCIAL INFORMATION

The separate financial information is attached after the Company's consolidated financial statements

CONSOLIDATED
FINANCIAL STATEMENTS

AMOT INVESTMENTS.
PEOPLE FIRST.
QUARTERLY REPORT AS OF
JUNE 30 2019

AMOT INVESTMENTS OF
THE ALONY HETZ GROUP

Amot Investments Ltd.

Condensed Consolidated Interim Financial Statements
For the Period Ended June 30, 2019

(Unaudited)

Amot Investments Ltd.

Condensed Consolidated Interim Financial Statements
For the Period Ended June 30, 2019

(Unaudited)

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Auditors' Review Report to the Shareholders of
Amot Investments Ltd.

Introduction

We have reviewed the attached financial information of Amot Investments Ltd., the Company and its subsidiaries (hereinafter: the "**Group**"), including the condensed consolidated statement of financial position as of June 30, 2019, as well as the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six and three month periods then ended. The board of directors and management are responsible for preparing and presenting the interim financial information in accordance with IAS 34, "Interim Financial Reporting", and are also responsible for compiling the interim financial information in accordance with Chapter IV of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion regarding the interim financial information, based on our review.

We have not reviewed the condensed interim financial information of consolidated companies, whose assets as included in the consolidation constitute approximately 26% of total consolidated assets as of June 30, 2019, and whose income as included in the consolidation constitutes approximately 41% and approximately 44% of total consolidated income in the six and three month periods then ended, respectively. Reports of other auditors were also presented to us, with respect to equity-accounted investments, the investment in which amounted to approximately NIS 260,605thousand as of June 30, 2019, and where the Group's share in their profits amounted to approximately NIS 6,746 thousand and approximately NIS 3,293 thousand for the six and three month periods then ended, respectively. The condensed interim financial information of those companies was reviewed by other auditors, whose review reports were presented to us, and our conclusion, insofar as it refers to the financial information with respect to those companies, is based on the review reports provided by the other auditors.

Scope of the review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Prepared by the Entity's Auditor." A review of interim financial information consists of making inquiries, mainly with the people responsible for financial and accounting matters, and of applying analytical and other review procedures. A review is significantly limited in scope compared to an audit which has been conducted according to generally accepted auditing standards in Israel, and therefore does not allow us to achieve certainty that we have become aware of all material issues which may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, and on the review reports prepared by other auditors, we have not become aware of any information which would have caused us to believe that the aforementioned financial information has not been prepared, in all material respects, in accordance with IAS 34.

In addition to that stated in the previous paragraph, based on our review and on the review reports prepared by other auditors, we have not become aware of any information which would have caused us to believe that the aforementioned financial information is not compliant, in all material respects, with the disclosure provisions of Chapter IV of the Securities Law Regulations (Periodic and Immediate Statements), 5730-1970.

Brightman Almagor Zohar & Co.
Certified Public Accountants
Member of Deloitte Touche Tohmatsu Limited

Tel Aviv, August 4, 2019

משרד ראשי - תל אביב	טריגר פורסייט	משרד רמת-גן	משרד ירושלים	משרד חיפה	משרד באר-שבע	משרד אילת
מרכז עזריאלי 1	מרכז עזריאלי 3	הרקון 6	שרי ישראל 12	מעלה השחרור 5	פארק תעשיות עומר	המרכז העירוני
תל אביב, 6701101	תל אביב, 6702301	רמת גן, 5252183	ירושלים, 9439024	ת.ד. 5648	בניין 10, ת.ד. 1369	ת.ד. 583
ת.ד. 16593				חיפה, 3105502	עומר, 8496500	אילת, 8810402
תל-אביב 6116402						
טלפון: 03-6085555	טלפון: 03-6070500	טלפון: 03-7551500	טלפון: 02-5018888	טלפון: 04-8607333	טלפון: 08-6909500	טלפון: 08-6375676
פקס: 03-6094022	פקס: 03-6070501	פקס: 03-5759955	פקס: 02-5374173	פקס: 04-8672528	פקס: 08-6909600	פקס: 08-6371628
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Amot Investments Ltd.

Condensed Consolidated Statements of Financial Position

	As of June 30		As of December 31
	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Audited)
Current assets			
Cash and cash equivalents	806,233	823,803	297,703
Trade receivables	16,197	19,781	18,740
Current tax assets, net	100	114	84
Other receivables and debit balances	31,165	36,345	32,795
Total current assets	853,695	880,043	349,322
Non-current assets			
Investment property	10,538,515	9,515,726	9,786,501
Investment property under construction	378,859	646,506	803,438
	10,917,374	10,162,232	10,589,939
Investment in equity-accounted companies	443,599	433,416	442,528
Long term debit balances	25,633	22,093	19,315
Fixed assets, net	37,185	38,348	37,768
Total non-current assets	11,423,791	10,656,089	11,089,550
Total assets	12,277,486	11,536,132	11,438,872
Current liabilities			
Credit from banking corporations, other credit providers and current maturities	792,729	701,474	789,210
Trade payables	27,511	17,118	21,353
Current tax liabilities, net	23,373	18,105	23,390
Other payables and credit balances	200,158	195,705	142,185
Receivables with respect to investment property	94,429	11,175	37,739
Total current liabilities	1,138,200	943,577	1,013,877
Non-current liabilities			
Debentures	4,721,405	4,710,955	4,299,179
Loans from banking corporations	224,829	260,405	241,907
Provisions	17,821	17,821	17,821
Others	84,165	57,231	61,650
Deferred tax liabilities	1,020,310	912,357	967,615
Total non-current liabilities	6,068,530	5,958,769	5,588,172
Equity			
Shareholders' equity	5,070,800	4,633,826	4,836,865
Non-controlling interests	(44)	(40)	(42)
Total equity	5,070,756	4,633,786	4,836,823
Total liabilities and equity	12,277,486	11,536,132	11,438,872

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

August 4, 2019			
Approval Date of the Financial Statements	**Nathan Hetz Chairman of the Board**	**Avi Mousler CEO**	**Yehudit Zinger CFO**

Amot Investments Ltd.
Condensed Consolidated Statements of Income

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Unaudited)		(Audited)
Revenue from leasing and management of investment property	367,799	351,556	185,848	177,606	707,672
Property leasing and operation costs	30,745	29,365	15,723	14,706	61,290
Profit from property leasing and operation	337,054	322,191	170,125	162,900	646,382
Fair value adjustment of investment property	113,862	97,947	113,862	117,884	262,975
	450,916	420,138	283,987	280,784	909,357
General and administrative expenses	22,591	22,088	11,207	11,342	44,531
Donations	1,005	1,002	505	500	2,010
Other expenses, net	331	430	273	327	(48)
Operating profit	426,989	396,618	272,002	268,615	862,864
Financing income	4,708	3,264	3,682	2,688	6,618
Financing expenses	(120,132)	(93,296)	(99,332)	(69,018)	(171,591)
Financing expenses, net	(115,424)	(90,032)	(95,650)	(66,330)	(164,973)
Company's share in the profits of investees, net of tax	9,299	6,454	4,616	2,981	18,656
Profit before taxes on income	320,864	313,040	180,968	205,266	716,547
Tax on income	(58,240)	(64,983)	(22,403)	(35,617)	(149,660)
Net profit for the period	262,624	248,057	158,565	169,649	566,887
Attributable to:					
Owners of the company	262,626	248,059	158,566	169,650	566,891
Non-controlling interests	(2)	(2)	(1)	(1)	(4)
	262,624	248,057	158,565	169,649	566,887
Earnings per share attributable to the Company's shareholders (in NIS):					
Basic					
Total	0.74	0.76	0.44	0.52	1.69
Fully diluted					
Total	0.74	0.75	0.44	0.51	1.68
Weighted average of share capital which was used to calculate earnings per share (thousands of shares)					
Basic	353,019	326,422	357,424	327,532	336,320
Fully diluted	354,553	328,951	360,395	329,823	337,282

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.

Condensed Consolidated Statements of Comprehensive Income

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Unaudited				Audited
	Thousands of NIS				Thousands of NIS
Net income for the period	262,624	248,057	158,565	169,649	566,887
Amounts which will be classified in the future under the statement of income, net of tax:					
Adjustments due to the translation of financial statements of foreign operations	(37)	(235)	274	(357)	(18)
Total comprehensive income for the period	262,587	247,822	158,839	169,292	566,869
Attributable to:					
Owners of the parent company	262,589	247,824	158,840	169,293	566,873
Non-controlling interests	(2)	(2)	(1)	(1)	(4)
	262,587	247,822	158,839	169,292	566,869

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.

Condensed Consolidated Statements of Changes in Equity

(Unaudited)

	Share capital	Premium on shares	Receipts on account of share options	Capital reserve with respect to share-based payment transactions and others	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Total attributable to shareholders of the Company	Non-controlling interests	Total equity
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
Balance as of January 1, 2019	387,962	2,590,924	15,466	8,144	1,834,332	37	4,836,865	(42)	4,836,823
Net income for the period	-	-	-	-	262,626	-	262,626	(2)	262,624
Total other comprehensive income	-	-	-	-	-	(37)	(37)	-	(37)
Total comprehensive income for the period	-	-	-	-	262,626	(37)	262,589	(2)	262,587
Issue of share capital and exercise of share options	9,800	191,263	(1,780)	-	-	-	199,283	-	199,283
Exercise of share options for employees	2,895	37,573	-	(4,003)	-	-	36,465	-	36,465
Crediting of benefit with respect to share options for employees	-	-	-	2,838	-	-	2,838	-	2,838
Crediting of benefit with respect to share options for directors	-	-	-	157	-	-	157	-	157
Dividend announced and paid	-	-	-	-	(267,397)	-	(267,397)	-	(267,397)
Balance as of June 30, 2019	400,657	2,819,760	13,686	7,136	1,829,561	-	5,070,800	(44)	5,070,756

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.

Condensed Consolidated Statements of Changes in Equity

(Unaudited)

	Share capital	Premium on shares	Receipts on account of share options	Capital reserve with respect to share-based payment transactions and others	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Total attributable to shareholders of the Company	Non-controlling interests	Total equity
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
Balance as of January 1, 2018	365,401	2,237,642	-	7,476	1,686,909	55	4,297,483	(38)	4,297,445
Net income for the period	-	-	-	-	248,059	-	248,059	(2)	248,057
Total other comprehensive income	-	-	-	-	-	(235)	(235)	-	(235)
Total comprehensive income for the period	-	-	-	-	248,059	(235)	247,824	(2)	247,822
Issue of share capital and share options	17,381	298,110	15,605	-	-	-	331,096	-	331,096
Exercise of share options for employees	1,359	14,987	-	(1,446)	-	-	14,900	-	14,900
Crediting of benefit with respect to share options for employees	-	-	-	2,832	-	-	2,832	-	2,832
Crediting of benefit with respect to share options for directors	-	-	-	158	-	-	158	-	158
Dividend announced and paid	-	-	-	-	(260,467)	-	(260,467)	-	(260,467)
Balance as of June 30, 2018	384,141	2,550,739	15,605	9,020	1,674,501	(180)	4,633,826	(40)	4,633,786

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.

Condensed Consolidated Statements of Changes in Equity

(Unaudited)

	Share capital	Premium on shares	Receipts on account of share options	Capital reserve with respect to share-based payment transactions and others	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Total attributable to shareholders of the Company	Non-controlling interests	Total equity
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
Balance as of April 1, 2019	389,514	2,607,302	15,466	7,823	1,753,421	(274)	4,773,252	(43)	4,773,209
Net income for the period	-	-	-	-	158,566	-	158,566	(1)	158,565
Total other comprehensive income	-	-	-	-	-	274	274	-	274
Total comprehensive income for the period	-	-	-	-	158,566	274	158,840	(1)	158,839
Issue of share capital and exercise of share options	9,800	191,263	(1,780)	-	-	-	199,283	-	199,283
Exercise of share options for employees	1,343	21,195	-	(2,379)	-	-	20,159	-	20,159
Crediting of benefit with respect to share options for employees	-	-	-	1,602	-	-	1,602	-	1,602
Crediting of benefit with respect to share options for directors	-	-	-	90	-	-	90	-	90
Dividend announced and paid	-	-	-	-	(82,426)	-	(82,426)	-	(82,426)
Balance as of June 30, 2019	400,657	2,819,760	13,686	7,136	1,829,561	-	5,070,800	(44)	5,070,756

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.

Condensed Consolidated Statements of Changes in Equity

(Unaudited)

	Share capital	Premium on shares	Receipts on account of share options	Capital reserve with respect to share-based payment transactions and others	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Total attributable to shareholders of the Company	Non-controlling interests	Total equity
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
Balance as of April 1, 2018	365,941	2,243,641	-	8,195	1,576,589	177	4,194,543	(39)	4,194,504
Net income for the period	-	-	-	-	169,650	-	169,650	(1)	169,649
Total other comprehensive income	-	-	-	-	-	(357)	(357)	-	(357)
Total comprehensive income for the period	-	-	-	-	169,650	(357)	169,293	(1)	169,292
Issue of share capital and share options	17,381	298,110	15,605	-	-	-	331,096	-	331,096
Exercise of share options for employees	819	8,988	-	(871)	-	-	8,936	-	8,936
Crediting of benefit with respect to share options for employees	-	-	-	1,605	-	-	1,605	-	1,605
Crediting of benefit with respect to share options for directors	-	-	-	91	-	-	91	-	91
Dividend announced and paid	-	-	-	-	(71,738)	-	(71,738)	-	(71,738)
Balance as of June 30, 2018	384,141	2,550,739	15,605	9,020	1,674,501	(180)	4,633,826	(40)	4,633,786

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.

Condensed Consolidated Statements of Changes in Equity

(Audited)

	Share capital	Premium on shares	Receipts on account of share options	Capital reserve with respect to share-based payment transactions	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Total attributable to shareholders of the Company	Non-controlling interests	Total equity
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
Balance as of January 1, 2018	365,401	2,237,642	-	7,476	1,686,909	55	4,297,483	(38)	4,297,445
Net income for the period	-	-	-	-	566,891	-	566,891	(4)	566,887
Total other comprehensive income	-	-	-	-	-	(18)	(18)	-	(18)
Total comprehensive income for the period	-	-	-	-	566,891	(18)	566,873	(4)	566,869
Issue of share capital and share options	17,381	298,010	15,466	-	-	-	330,857	-	330,857
Exercise of share options for employees	5,180	55,272	-	(5,320)	-	-	55,132	-	55,132
Crediting of benefit with respect to share options for employees	-	-	-	5,655	-	-	5,655	-	5,655
Crediting of benefit with respect to share options for directors	-	-	-	333	-	-	333	-	333
Dividend announced and paid	-	-	-	-	(419,468)	-	(419,468)	-	(419,468)
Balance as of December 31, 2018	387,962	2,590,924	15,466	8,144	1,834,332	37	4,836,865	(42)	4,836,823

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.

Condensed Consolidated Statements of Cash Flows

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Unaudited)		(Audited)
Cash flows - operating activities					
Net income for the period	262,624	248,057	158,565	169,649	566,887
Adjustments required to present cash flows from operating activities (Annex A)	15,426	(7,558)	(7,306)	(34,123)	(152,749)
Net cash - operating activities	278,050	240,499	151,259	135,526	414,138
Cash flows - investing activities					
Investments in investment property (including investment property under construction), net	(140,465)	(456,305)	(51,628)	(49,193)	(794,122)
Consideration on account of sale of investment property	-	17,910	-	17,910	107,420
Consideration on account of sale of equity-accounted company	6,701	-	6,701	-	-
Repayment of loans from equity-accounted companies	3,301	2,819	1,985	-	5,481
Others, net	(358)	(442)	(326)	(690)	(782)
Net cash - investing activities	(130,821)	(436,018)	(43,268)	(31,973)	(682,003)
Cash flows - financing activities					
Repayment of long term loans from banking corporations, net	(18,975)	(18,912)	(9,609)	(256,151)	(37,391)
Dividend paid	(267,397)	(260,467)	(267,397)	(71,738)	(419,468)
Issuance of shares and exercise of share options, after deducting issuance costs	199,283	331,096	199,283	331,096	330,857
Issuance of debentures, net	419,329	652,666	419,329	652,666	652,585
Exercise of share options for employees, directors and officers	33,873	14,900	18,547	9,400	55,132
Repayment of long term debentures	(2,068)	(1,930)	(2,068)	(1,930)	(264,962)
Short term credit from banking corporations, net and others	(2,744)	(12,180)	-	12,383	(65,334)
Net cash - financing activities	361,301	705,173	358,085	675,726	251,419
Increase (decrease) in cash and cash equivalents	508,530	509,654	466,076	779,279	(16,446)
Balance of cash and cash equivalents at beginning of period	297,703	314,149	340,157	44,524	314,149
Balance of cash and cash equivalents at end of period	806,233	823,803	806,233	823,803	297,703

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Amot Investments Ltd.
Condensed Consolidated Statements of Cash Flows

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Unaudited)		(Audited)
A. Adjustments required to present cash flows from operating activities					
Expenses (income) not involving cash flows:					
Fair value adjustment of investment property, net	(113,862)	(97,947)	(113,862)	(117,884)	(262,975)
Company's share in the profits of equity-accounted companies	(9,299)	(6,454)	(4,616)	(2,981)	(18,656)
Revaluation of loans from equity-accounted companies	(1,998)	(1,101)	(2,387)	(1,709)	(1,455)
Dividends received from equity-accounted companies	750	2,500	-	1,250	4,250
Revaluation of debentures and amortization of premium	27,640	3,337	47,982	20,207	(9,181)
Adjustment differences with respect to long term liabilities	3,190	3,102	4,039	4,037	3,601
Crediting of benefit with respect to share-based payment transactions	2,995	2,990	1,692	1,696	5,988
Deferred taxes, net	52,696	52,723	26,549	29,205	107,970
Payment of taxes with respect to property sales - attributable to investing activities (see Note 7D to the annual statements)	-	-	-	-	15,358
Others, net	1,031	(564)	539	(950)	1,321
	(36,857)	(41,414)	(40,064)	(67,129)	(153,779)
Changes to asset and liability items:					
Increase (decrease) in trade receivables	2,543	(134)	2,739	2,984	904
Decrease (increase) in other receivables and debit balances	2,103	(4,563)	4,519	(8,889)	(1,969)
Decrease (increase) in long term other receivables and debit balances	(6,318)	1,320	(5,160)	831	4,279
Increase (decrease) in trade payables	(355)	(3,944)	87	225	(686)
Increase (decrease) in liabilities for employee severance benefits	2	(276)	24	(236)	(35)
Increase (decrease) in other payables and credit balances	54,308	41,453	30,549	38,091	(1,463)
	52,283	33,856	32,758	33,006	1,030
	15,426	(7,558)	(7,306)	(34,123)	(152,749)
B. Non-cash transactions					
Investments in investment property against other payables and credit balances	16,750	8,066	16,750	8,066	15,072
Exercise of options for employees against receivables	2,592	-	2,592	-	-
Balance of consideration which has not yet been received with respect to the sale of investment property	-	1,668	-	1,668	-
C. Additional information					
Interest paid	34,936	31,720	4,005	4,865	189,858
Interest received	2,056	1,657	1,034	6	3,875
Taxes paid	7,488	30,759	2,902	4,920	54,893
Dividend received	750	2,500	-	1,250	4,250

(*) Taxes which were paid in 2018 include betterment tax with respect to the sale of properties, and taxes which were paid with respect to the tax assessment agreement (see Notes 15e and 15h1 to the annual financial statements).

The accompanying notes to the condensed consolidated interim financial statements are an integral part thereof.

Note 1 - General

These condensed consolidated financial statements were prepared as of June 30, 2019 and for the six and three month periods then ended (hereinafter: the "Consolidated Interim Financial Statements"). These financial statements should be reviewed in the context of the Company's annual financial statements as of December 31, 2018, and for the year then ended, as well as the accompanying notes (hereinafter: the "**Consolidated Annual Financial Statements**").

Note 2 - Significant Accounting Policies

A. The consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles regarding the preparation of interim financial statements, as set forth in International Accounting Standard (IAS) 34, "Interim Financial Reporting", and in accordance with Chapter IV of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

B. In its preparation of these interim financial statements, the Group consistently applied the significant accounting policies which were applied in the preparation of its financial statements as of December 31, 2018, and for the year then ended, except as stated in section C.

C. New standards which entered into effect as from January 1, 2019:

- **IFRS 16, "Leases"**
  The new standard, which was published in January 2016, cancels IAS 17, Leases, and its accompanying interpretations, and sets forth principles for the recognition, measurement, presentation and disclosure of leases for both parties to the transaction, i.e. the customer ('lessee') and the provider ('lessor').
  The new standard cancels the distinction between finance leases and operating leases which currently applies to lessees, and establishes a standard accounting model for all lease types. According to the new model, with respect to any leased property, the lessee is required to recognize, on the one hand, a right-of-use asset, and on the other hand, a financial liability with respect to the lease fees.
  The provisions concerning the recognition of an asset and a liability, as stated above, do not apply to assets that are leased for a period of up to 12 months only, or to leases of low-value assets (e.g., personal computers).
  The standard does not alter the current accounting treatment in the lessor's books.

  The adoption of the standard had no significant impact on the Group's financial statements.

- **Amendment to IAS 28, "Investments in Associates and Joint Ventures" (regarding long term interests in associates or joint ventures)**

  The amendment clarifies that long term interests in an associate or joint venture, which constitute a part of the net investment, but are not measured using the equity method (e.g., long term loans for which a repayment date has not been determined, and which are not expected to be repaid in the foreseeable future), will be subject to the provisions of IFRS 9, including the impairment model.

  The adoption of the standard had no significant impact on the Group's financial statements.

Note 2 - Significant Accounting Policies (Cont.)

- **IFRIC 23, "Uncertain Tax Positions"**
  The interpretation clarifies the provisions regarding the recognition and measurement of taxes on income, when there is uncertainty regarding the position of the tax authorities. The interpretation determines that the entity is required to determine whether the uncertain tax positions should be evaluated separately, or as part of a group of uncertain tax positions. The entity is also required to evaluate whether the tax authorities are likely to accept the treatment method which the Company has adopted, or is expected to adopt, in connection with the uncertain tax positions, assuming that the tax authorities will evaluate the entity's reports, and all relevant investigation which was available to them (100% exposure risk). If yes, the entity is required to determine the accounting treatment regarding uncertain tax positions consistently with the tax position which it has adopted, or is expected to adopt. If not, the entity is required to reflect the impact of the uncertainty using the expected value method or the most likely amount method, depending on which method best predicts the result of the uncertainty.

  The standard will be adopted retrospectively with respect to annual periods commencing on January 1, 2019 or thereafter. The aforementioned amendment had no significant impact on the Group's financial statements.

D. Exchange rates and linkage base:

- Balances in foreign currency, or linked thereto, are included in the financial statements according to the representative exchange rates which were published by the Bank of Israel, and which were in effect as of the end of the reporting period.

- Balances linked to the consumer price index are presented according to the last known index at the end of the reporting period (the index for the month preceding the month of the reporting date), or according to the index in lieu for the last month of the reporting period (the index for the month of the reporting date), in accordance with the terms of the transaction.

Presented below are details regarding the increase (decrease) of the consumer price index:

	Representative exchange rate of the USD	Index in Israel	
		Known index Points	Index in lieu Points
Date of the financial statements			
As of June 30, 2019	3.566	134.754	133.960
As of June 30, 2018	3.650	132.764	132.895
As of December 31, 2018	3.748	133.157	132.764
Rates of change:	%	%	%
For the six month period ended June 30, 2019	(4.86)	1.20	0.90
For the six month period ended June 30, 2018	5.28	0.90	0.90
For the three month period ended June 30, 2019	(1.82)	1.50	0.40
For the three month period ended June 30, 2018	3.87	1.20	1.00
For the year ended December 31, 2018	8.10	1.20	0.80

Note 3 - Financial Instruments Not Measured at Fair Value

A. Except as specified in the following table, the Company believes that the carrying amount of the financial assets and liabilities which are presented at amortized cost in the financial statements is nearly identical to their fair value:

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	As of June 30, 2019		As of June 30, 2018		As of December 31, 2018	
	Thousands of NIS		Thousands of NIS		Thousands of NIS	
Financial liabilities						
Long term loans at fixed interest (including current maturities)	264,308	281,265	297,672	320,179	280,093	299,530
Debentures (including current maturities and hedging transactions)	5,166,052	5,539,033	4,995,329	5,078,922	4,717,891	4,920,414
	5,430,360	5,820,298	5,293,001	5,399,101	4,997,984	5,219,944

B. Fair value levels

The fair value of the long term loans at fixed interest is calculated according to level 3.
The fair value of the debentures is calculated according to level 1.

Note 4 - Additional Information and Events During the Period and After the Date of the Statement of Financial Position

A. Plan regarding the allocation of share options to functionaries

On March 10, 2019, the Company's board of directors resolved (after receiving approval from the compensation committee, with respect to offerees who are officers) to approve the allocation of an annual tranche as part of the framework plan, in the amount of 2,653,383 share options, to 61 offerees, including 12 officers of the Company (among them 6 directors).
For details regarding the parameters which were used to calculate the benefit represented in the share options, see Note 17(f) to the Company's annual financial statements.

Note 4 - Additional Information and Events During the Period and After the Date of the Statement of Financial Position (Cont.)

B. Dividend announcement

In March 2019, the Company's board of directors determined that the Company intends, in 2019, to distribute minimum annual dividends in the amount of 94 agorot per share, to be paid in 4 quarterly payments, whereby in the first and second quarters, a dividend will be paid in the amount of 23 agorot per share in each quarter, and in the third and fourth quarters, a dividend in the amount of 24 agorot per share will be paid in each quarter, subject to a specific resolution of the board of directors at the end of each quarter.
Further to this policy, in March and May 2019, the Company announced a dividend distribution for the first and second quarters of 2019 in the amount of 23 agorot per share. Additionally, in March 2019, the Company's board of directors resolved to perform another distribution with respect to 2018, in the amount of 30 agorot per share. The total sum of the dividend which was paid during the reporting period amounted to approximately NIS 267 million.
In accordance with this policy, in August 2019, the Company announced a dividend distribution for the third quarter of 2019, in the amount of 24 agorot per share (NIS 87 million), to be paid in September 2019.

C. ToHa 1 (Totzeret Ha'aretz complex)

During the reporting period, the partners completed the construction of the office building, which includes 57 thousand square meters of gross aboveground area for marketing purposes, and 950 parking spaces (Company's share - 50%). In January 2019, a certificate of occupancy ["Form 4"] was received, and the tower is currently in the occupancy stages. In light of the foregoing, the Company reclassified the aforementioned office building, in its financial statements, from property under construction to investment property, in the amount of NIS 0.5 billion. As of the reporting date, all of the office areas in the tower have been marketed. During the first half of 2019, the Company recorded NOI with respect to the property in the amount of NIS 8.3 million (Company's share).

D. Private issuance of share capital

In April 2019, the Company issued, through a private offer, 7,300,000 ordinary shares with a par value of NIS 1 each, for a total consideration of approximately NIS 150 million, gross.

E. Exercise of share options

In June 2018, the Company issued 17,381,300 ordinary shares and 21,726,625 share options (Series 9), for a total consideration of NIS 332 million, gross. Each share option is exercisable into one ordinary share until December 31, 2019, against payment of an exercise price in the amount of NIS 21 (unlinked and dividend-adjusted) per share option.

During the reporting period, options (Series 9) were exercised at a scope of 2.5 million share options, for a total consideration of NIS 50 million. Subsequent to the reporting period, in July 2019, an additional 3.5 million share options were exercised, in consideration of approximately NIS 70 million.

Note 4 - Additional Information and Events During the Period and After the Date of the Statement of Financial Position (Cont.)

F. Issuance of debentures

In June 2019, the Company issued to the public, through the shelf offering report dated June 26, 2019, debentures (Series F) at a scope of NIS 423 million par value. The total net consideration which was received by the Company with respect to the issuance amounted to a total of approximately NIS 419 million. The debentures (Series F) bear a CPI-linked effective interest rate of 1.25%, and have an average lifetime of approximately 8 years.

The debentures (Series F) are CPI-linked (with respect to May 2019), and bear stated annual interest at a rate of 1.14%. The debentures are payable in 5 annual payments: two payments at a rate of 10% each, which will be paid on October 3, 2025 and October 3, 2026; two payments at a rate of 30% each, which will be paid on October 3, 2027 and October 3, 2028; and a fifth and last payment, at a rate of 20%, which will be paid on October 3, 2029. The interest payments will be paid on October 3 of each of the years 2019 to 2029 (inclusive).

The debentures include conditions for demanding immediate repayment upon the occurrence of certain events, including, inter alia, the following events:

- A change in control in certain conditions;
- The Company's equity falls below a total of NIS 2 billion, on the dates of the relevant financial statements, and during two consecutive quarters;
- The ratio of net financial debt (after deducting the value of investment property under construction) to standardized annual NOI exceeds 14 during two consecutive quarters; (Net financial debt: the Company's aggregate debt to banking corporations, other financial institutions and the holders of all types of debentures, net of cash and cash equivalents, deposits, money market funds and marketable securities, according to their values in the Company's consolidated statement of financial position);
- Rating of less than BBB- for the debentures (Series F) during two consecutive quarters;
- Equity plus net deferred tax liabilities falls below 22.5% of the Company's total balance sheet, after deducting cash and cash equivalents and after deducting marketable securities, during two consecutive quarters;
- The value of the unpledged assets, during a period of two consecutive quarters, falls below a total of NIS 1 billion, or below 125% of the balance of the debentures (Series F), whichever is higher;
- A demand (which has not been withdrawn) for the immediate repayment of a material loan or debenture which is listed for trading on the Tel Aviv Stock Exchange;
- Provisions regarding restrictions on dividend distributions, upon the fulfillment of certain conditions.

The debentures also include other standard conditions for demanding their immediate repayment, including due to the following events: (1) Structural change or merger; (2) Liquidation, receivership, and asset sale and enforcement proceedings; (3) Suspension of trading; (4) Cross default, etc.

As of the reporting date, the Company is fulfilling all of the financial covenants.

SEPARATE
FINANCIAL INFORMATION

AMOT INVESTMENTS.
PEOPLE FIRST.

QUARTERLY REPORT AS OF
JUNE 30 2019

AMOT INVESTMENTS OF
THE ALONY HETZ GROUP

Amot Investments Ltd.

Separate Financial Statements
As of June 30, 2019

(Unaudited)

Amot Investments Ltd.

Separate Interim Financial Information
For the Period Ended June 30, 2019

(Unaudited)

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Attn.:
Shareholders of
Amot Investments Ltd.
2 Jabotinsky St.
Ramat Gan

Dear Sir / Madam,

Re: Special Report Regarding the Review of the Separate Interim Financial Information Pursuant to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970

Introduction

We have reviewed the separate interim financial data which is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, of Amot Investments Ltd. (hereinafter: the "Company"), as of June 30, 2019 and for the six and three month period then ended. The Company's board of directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion regarding the separate interim financial information, based on our review.

We have not reviewed the separate interim financial information in the financial statements of investees, the total investment in which, as of June 30, 2019, amounted to a total of NIS 1,548,848 thousand, and where the Company's share in the profits of those investees amounted to a total of NIS 99,668 thousand and NIS 58,444 thousand for the six and three month period then ended, respectively. The condensed separate interim financial information of those companies was reviewed by other auditors, whose review reports were presented to us, and our conclusion, insofar as it refers to the separate interim financial information with respect to those companies, is based on the review reports provided by the other auditors.

Scope of the review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Financial Information for Interim Periods Prepared by the Entity's Auditor." A review of separate interim financial information consists of making inquiries, primarily with the individuals who are responsible for financial and accounting matters, and of applying analytical and other review procedures. A review is significantly limited in scope compared to an audit which has been prepared according to generally accepted Israeli auditing standards, and therefore does not allow us to reach certainty that we have become aware of all material issues which may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, and on the review reports prepared by other auditors, we have not become aware of any information which would have caused us to believe that the aforementioned separate interim financial information has not been prepared, in all material respects, in accordance with the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Brightman Almagor Zohar & Co.
Certified Public Accountants
Member of Deloitte Touche Tohmatsu Limited

Tel Aviv, August 4, 2019

משרד ראשי - תל אביב	משרד רמת-גן	משרד ירושלים	משרד חיפה	משרד באר שבע	משרד אילת
מרכז עזריאלי 1	הרקון 6	שרי ישראל 12	מעלה השחרור 5	פארק תעשיות עומר,	המרכז העירוני
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Amot Investments Ltd.
Information Regarding Financial Position

	As of June 30		As of December 31
	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Audited)
Current assets			
Cash and cash equivalents	778,916	807,239	276,158
Trade receivables	9,570	9,983	10,672
Other receivables and debit balances	34,017	36,905	35,168
Total current assets	822,503	854,127	321,998
Non-current assets			
Investment property	6,703,278	5,745,565	5,997,592
Investment property under construction	370,858	628,380	795,438
	7,074,136	6,373,945	6,793,030
Loans, debentures and capital notes to investees	2,132,124	2,235,420	2,117,546
Investment in investees	1,984,476	1,802,446	1,882,769
Long term debit balances	21,975	17,784	15,266
Fixed assets, net	36,150	37,248	36,691
Total non-current assets	11,248,861	10,466,843	10,845,302
Total assets	12,071,364	11,320,970	11,167,300
Current liabilities			
Credit from banking corporations and other credit providers	792,729	701,474	789,210
Trade payables	19,811	10,014	14,058
Current tax liabilities, net	14,566	13,990	17,715
Other payables and credit balances	384,505	329,941	239,148
Receivables with respect to investment property	93,161	10,675	36,554
Total current liabilities	1,304,772	1,066,094	1,096,685
Non-current liabilities			
Debentures	4,721,405	4,710,955	4,299,179
Loans from banking corporations and others	224,829	260,405	241,907
Provisions	17,821	17,821	17,821
Investments in investees	3,962	5,065	3,483
Others	68,943	43,804	47,937
Deferred taxes, net	658,832	583,000	623,423
Total non-current liabilities	5,695,792	5,621,050	5,233,750
Equity	5,070,800	4,633,826	4,836,865
Total liabilities and equity	12,071,364	11,320,970	11,167,300

August 4, 2019			
Approval Date of the Separate Financial Statements	**Nathan Hetz Chairman of the Board**	**Avi Mousler CEO**	**Yehudit Zinger CFO**

Amot Investments Ltd.
Information Regarding Income

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Unaudited)		(Audited)
Revenue from leasing and management of investment property	216,576	201,874	110,300	102,360	407,420
Property leasing and operation costs	12,100	11,042	6,281	5,890	22,828
Profit from property leasing and operation	204,476	190,832	104,019	96,470	384,592
Fair value adjustment of investment property, net	85,912	86,924	85,912	106,861	258,580
	290,388	277,756	189,931	203,331	643,172
General and administrative expenses	16,177	16,021	8,426	8,439	32,710
Donations	1,000	1,000	500	500	2,000
Other income, net	(588)	(587)	(331)	(279)	(1,746)
Operating profit	273,799	261,322	181,336	194,671	610,208
Financing income	47,795	48,031	35,314	35,004	83,264
Financing expenses	(126,894)	(99,993)	(104,314)	(74,317)	(181,009)
Operating profit after financing	194,700	209,360	112,336	155,358	512,463
Company's share in the profits of investees, net of tax	102,836	83,810	59,761	43,581	163,450
Profit before taxes on income	297,536	293,170	172,097	198,939	675,913
Taxes on income	34,910	45,111	13,531	29,289	109,022
Net profit for the period	262,626	248,059	158,566	169,650	566,891

Amot Investments Ltd.

Information Regarding Comprehensive Income

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Unaudited)		(Audited)
Net income for the period	262,626	248,059	158,566	169,650	566,891
Amounts which will be classified in the future under the statement of income, net of tax:					
Adjustments due to the translation of financial statements of foreign operations	(37)	(235)	274	(357)	(18)
Total comprehensive income	262,589	247,824	158,840	169,293	566,873

Amot Investments Ltd.
Information Regarding Cash Flows

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Unaudited)		(Audited)
Cash flows - operating activities					
Net income for the period	262,626	248,059	158,566	169,650	566,891
Adjustments required to present cash flows from operating activities (Annex A)	(83,699)	(100,137)	(59,019)	(68,780)	(341,061)
Net cash - operating activities	178,927	147,922	99,547	100,870	225,830
Cash flows - investing activities					
Investments in investment property and investment property under construction	(123,294)	(435,499)	(43,454)	(38,894)	(758,558)
Collection of loans from investees, net	86,237	81,673	50,669	26,605	160,607
Consideration on account of sale of investment property, net of tax	-	17,910	-	17,910	107,420
Others, net	(413)	(28)	(400)	(298)	(647)
Net cash - investing activities	(37,470)	(335,944)	6,815	5,323	(491,178)
Cash flows - financing activities					
Dividend paid	(267,397)	(260,467)	(267,397)	(71,738)	(419,468)
Issuance of shares and exercise of share options, after deducting issuance costs	199,283	331,096	199,283	331,096	330,857
Issuance of debentures, net	419,329	652,666	419,329	652,666	652,585
Exercise of share options for employees and officers	33,873	14,900	18,547	9,400	55,132
Repayment of long term loans from banking corporations	(18,975)	(17,938)	(9,609)	(256,151)	(36,418)
Repayment of long term debentures	(2,068)	(1,930)	(2,068)	(1,930)	(264,962)
Short term credit from banking corporations, net and others	(2,744)	(12,180)	-	12,383	(65,334)
Net cash - financing activities	361,301	706,147	358,085	675,726	252,392
Increase (decrease) in cash and cash equivalents	502,758	518,125	464,447	781,919	(12,956)
Balance of cash and cash equivalents at beginning of period	276,158	289,114	314,469	25,320	289,114
Balance of cash and cash equivalents at end of period	778,916	807,239	778,916	807,239	276,158

Information Regarding Cash Flows

	For the six month period ended June 30		For the three month period ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
	(Unaudited)		(Unaudited)		(Audited)
A. Adjustments required to present cash flows from operating activities					
Expenses (income) not involving cash flows:					
Fair value adjustment of investment property, net	(85,912)	(86,924)	(85,912)	(106,861)	(258,580)
Company's share in the profits of investees	(102,836)	(83,810)	(59,761)	(43,581)	(163,450)
Dividend from investees	750	2,500	-	1,250	4,250
Erosion of debentures and loans from subsidiaries	11,257	(10,130)	28,137	3,012	(27,682)
Adjustment differences with respect to long term liabilities	3,190	2,702	4,040	3,637	3,603
Crediting of benefit with respect to share-based payment	2,995	2,990	1,692	1,696	5,988
Deferred taxes, net	35,409	33,456	20,135	21,352	73,879
Payment of taxes with respect to sale of properties - attributable to investing activities	-	-	-	-	15,358
Others	874	863	384	479	2,136
	(134,273)	(138,353)	(91,285)	(119,016)	(344,498)
Changes to asset and liability items:					
Increase (decrease) in trade receivables	1,102	609	(482)	2,605	(80)
Decrease (increase) in other receivables and debit balances	2,739	(5,960)	4,968	5,365	(3,696)
Decrease (increase) in long term other receivables and debit balances	(6,709)	1,786	(5,214)	503	4,485
Increase (decrease) in trade payables	(760)	(2,348)	999	(1,139)	531
Decrease in liabilities for employee severance benefits	3	(218)	60	(202)	(36)
Increase in other payables and credit balances	54,199	44,347	31,935	43,104	2,233
	50,574	38,216	32,266	50,236	3,437
	(83,699)	(100,137)	(59,019)	(68,780)	(341,061)
B. Non-cash activities					
Investments in investment property against other payables and credit balances	16,750	8,066	16,750	8,066	15,072
Exercise of options for employees against receivables	2,592	-	2,592	-	-
Balance of consideration which has not yet been received with respect to the sale of investment property	-	1,668	-	1,668	-
C. Additional information					
Interest paid	34,936	31,706	4,005	4,866	189,843
Interest received	31,109	34,338	15,774	32,687	67,165
Taxes paid	3,008	27,142	1,640	2,477	46,851
Dividend received	750	2,500	-	1,250	4,250

(*) Taxes which were paid in 2018 include betterment tax with respect to the sale of properties, and taxes which were paid with respect to the tax assessment agreement (see Notes 15e and 15h1 to the Company's consolidated financial statements).

Amot Investments Ltd.
Additional Information

(1) General:

The Company's separate financial information has been prepared in accordance with the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

This separate interim financial information should be reviewed together with the Company's separate financial information as of December 31, 2018, and for the one year period then ended, as well as the accompanying additional information.

(2) Definitions

Company - Amot Investments Ltd.

Investee - As defined in Note 1b to the Company's consolidated financial statements as of December 31, 2018.

(3) Accounting policy:

The Company's separate financial information was prepared in accordance with the accounting policies specified in Note 2 to the Company's consolidated financial statements, excluding the amounts of assets, liabilities, income, expenses and cash flows with respect to investees, as described below:

A. The assets and liabilities are presented according to their values in the consolidated reports attributed to the Company itself as a parent company, excluding investments in investees.

B. Investments in investees are presented as the net sum of the total assets less the total liabilities which are presented in the Company's consolidated financial statements with respect to the investees.

C. The amounts of income and expenses reflect the income and expenses that are included in the consolidated financial statements which are attributable to the Company itself as a parent company, divided between profit or loss and other comprehensive income, excluding income and expense amounts with respect to investees.

D. The Company's share in the results of investees is presented as the net sum of total revenues less total expenses as presented in the Company's consolidated financial statements, segmented between the statements of income and other comprehensive income.

E. The cash flow amounts reflect the amounts which are included in the consolidated statements that are attributed to the Company itself as the parent company, excluding the amounts of cash flows with respect to investees.

F. Loans given to and/or received from investees are presented in the amount that is attributable to the Company itself as the parent company.

G. Balances and income and expenses with respect to transactions with investees, which were eliminated in the consolidated financial statements, are measured and presented under the relevant items in the data regarding the financial position and regarding profit or loss, in the same manner that would have applied to the measurement and presentation of such transactions, had they been carried out vis-à-vis third parties. Net deferred income (loss) is presented as a deduction from (addition to) the items representing the Company's share in the profit (loss) of investees, and investments in investees.

(4) For details regarding events during the reporting period and subsequent to the date of the statement of financial position, see Note 4 to the condensed consolidated statements as of June 30, 2019.

APPENDIXES

AMOT INVESTMENTS.
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QUARTERLY REPORT AS OF
JUNE 30 2019

AMOT INVESTMENTS OF
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