STRONG TOGETHER.

2023

PERIODIC FINANCIAL STATEMENTS

AMOT INVESTMENTS

FEBRUARY 2024

AMOT
ALONY HETZ GROUP

BOARD OF DIRECTORS

Chairman of the Board

NATAN HETZ

AVIRAM WERTHEIM

GAD PNINI

DORIT KADOSH

YAEL ANDORN

YAROM ARIAV

MOTI BARZILAI

NIRA DROR

KEREN TERNER

Chief Executive Officer

SHIMON ABUDRAHAM

Independent Auditors

DELOITTE BRIGHTMAN ALMAGOR ZOHAR & CO

Chief Executive Officer

AMOT ATRIUM TOWER

JABOTINSKY STREET 2, RAMAT GAN 5250501

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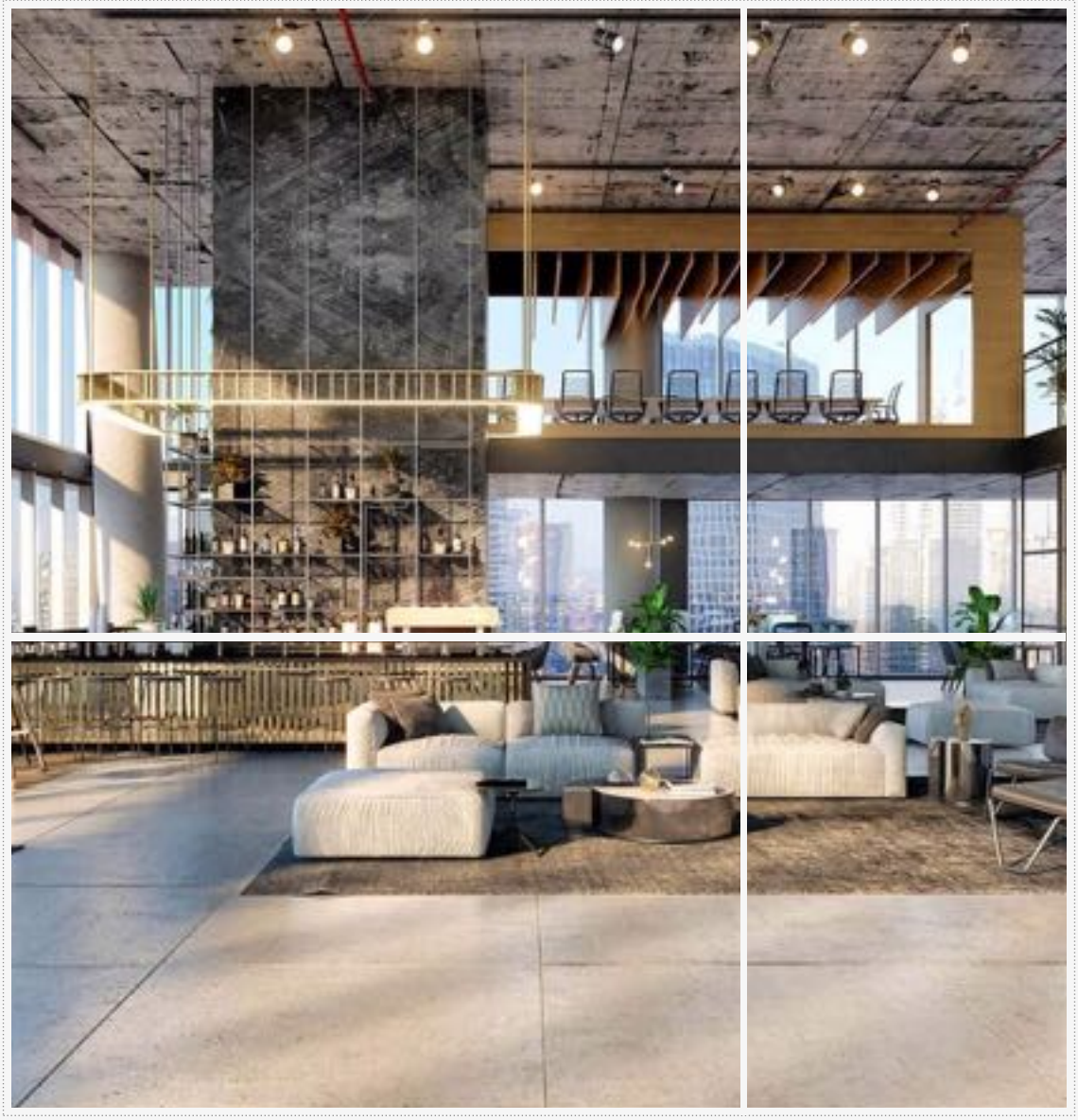
AMOT
ALONY HETZ GROUP

DESCRIPTION OF THE CORPORATION'S BUSINESS

Amot Investments Ltd. is a leading Israeli real estate company.

AMOT
ALONY HETZ GROUP



CHAPTER 1

THE COMPANY, ITS ACTIVITIES AND ASSETS

Amot Investments Ltd. is a leading Israeli real estate company.

Description of the General Development of the Company's Business

Amot Investments Ltd. (hereafter – the "Company" or "Amot") hereby submits the description of the corporation's business as of December 31, 2023 (hereafter – the "Report Date"), which reviews the description of the Company and the development of its business during the year ended December 31, 2023. The Company and its investees as presented on page 8, shall be named hereafter in this report - the "Company".

Campus Amot, Holon

1.1

The Company's Activities and Description of its Business

Amot 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 was incorporated on December 27 1964 as an unlisted public company. Its principal shareholders were Hevrat Ovdim the General Cooperative Association of Jewish Laborers in Eretz Israel Ltd., the pension funds under its control and Bank Hapoalim Ltd.

On August 11 2005, Alony Hetz Properties and Investments Ltd. (hereafter – "Alony Hetz"), a public company whose securities are listed on the Tel Aviv Stock Exchange, acquired 100% of the Company's share capital and voting rights in consideration for NIS 956 million; as from the said date, Alony Hetz is the controlling shareholder of the Company.

In May 2006 Amot listed its shares on the Stock Exchange for the first time, as the term is defined in the Companies Law, 5759-1999 (hereinafter: the "Companies Law"). The Company's share is included in the Tel Aviv 35 Index and in the Tel Aviv – Real Estate Index, and on the EPRA indices. As of the Report Date, Alony Hetz – the Company's controlling shareholder – holds 51% of the Company's share capital.

1.2

Area of Activity

The Company is engaged, directly and indirectly through corporations under its control, in the leasing, management and maintenance of revenue-generating properties in Israel, and in the initiation, development and construction of real estate for leasing purposes.

As of December 31, 2023, the Company's revenue-generating properties (owned or leased) included 114 properties covering a total area of 1.85 million square meters (the Company's share), of which 1.15 million square meters are aboveground leasing areas, and 0.7 million square meters are open storage and parking areas. The Company also has 6 projects in advanced stages of planning and construction, at a scope of 218 thousand square meters of aboveground areas (the Company's share), and 3 projects in planning and development stages at a scope of 56 thousand square meters of aboveground areas (the Company's share)

The fair value of the Company's investment properties as of December 31, 2023 amounted to over NIS 19.7 billion. The fair value of revenue-generating properties as of December 31, 2023 amounted to NIS 16.9 billion.

The Company also holds investment property under construction and rights to land designated for development with a fair value of NIS 2.8 billion. The occupancy rate at the Company's properties as of December 31, 2023 is 93.4% [1].

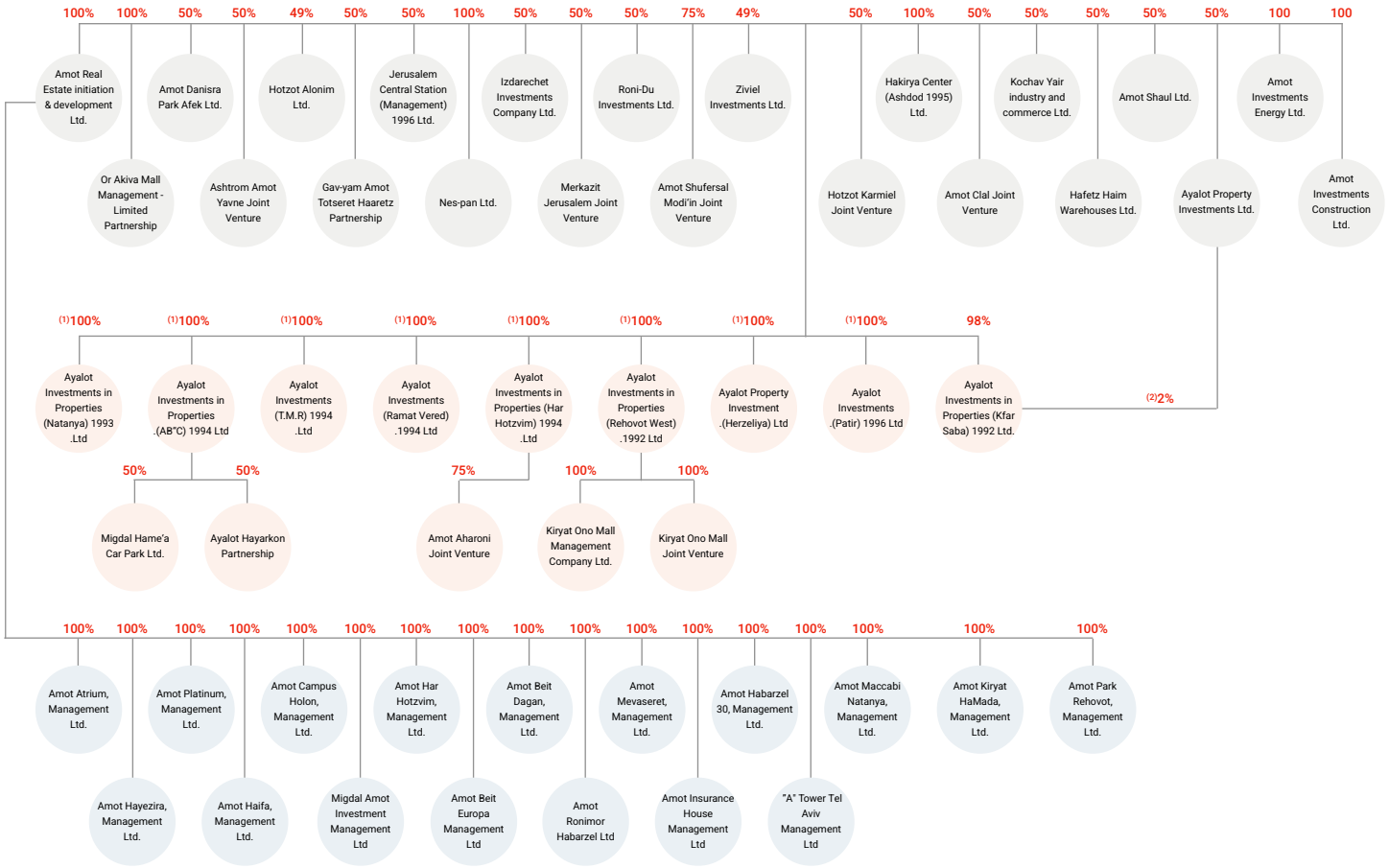
The Company owns office, logistical and industrial buildings, shopping malls and commercial centers, independent supermarkets, and more. Most of the Company's properties are located in large cities and in high demand areas. The properties are leased to many lessees, through contracts of varying periods. The Company's properties are leased to 1,750 lessees.

1. The occupancy rate, neutralizing properties occupied for the first time, is 96.1%.

Company's Structure

Set Forth Below Is a Chart of the Structure of the Company's Holdings in Investees (Excluding Inactive Companies)

AMOT INVESTMENTS LTD



1. Amot holds 99.9% of the companies' shares through direct holdings; Ayalot Property Investments Ltd. holds 0.1% through direct holdings.
2. Ayalot holds 2% of the Company's shares through direct holdings.

1.3

Transactions Involving Company's Shares

Investments in Corporation's Capital Carried Out During the Reported Periods:

Date	Details	Par value in thousands	Consideration in thousands of NIS	Share price in NIS
Number of shares as of 31.12.2020		409,615		
April 2021	Exercise of options by CEO	311	5,016	16.13 [1]
September 2021	Public offering	29,900	702,484 [3]	23.49
2021	Exercise of employee options	2,773	46,487	16.68 [2]
January 2022	Public offering	11,598	301,029	25.96
April 2022	Exercise of options by CEO	298	5,218	17.50 [1]
May 2022	Public offering	13,374	297,708 [3]	22.26 [3]
2022	Exercise of employee options	1,971	35,559	18.04 [2]
December 2023	Exercise of options by CEO	100	1,442	14.42 [1]
2023	Exercise of employee options	711	10,496	14.76 [2]
Total par value issued in the reported periods		**61,036**		
Number of shares as of 31.12.2023		**470,651**		

1. Exercise price in accordance with the Company CEO's compensation plan.
2. Exercise price in accordance with the option plan.
3. Without consideration with respect to the options Series 11 which expired on December 22, 2022, without being exercised into shares.

1.4

Dividend Distribution Policy and Distribution of Dividends

In March 2022, the Company's Board of Directors determined that, in 2022, the Company intends to distribute minimum annual dividends in the amount of 106 agorot per share, to be paid in 4 quarterly payments, where in the first and second quarters a total of 26 agorot per share will be paid, and in the third and fourth quarters a total of 27 agorot per share will be paid. In accordance with the foregoing policy, in 2022 the Company announced a dividend distribution in the amount of 106 agorot per share (NIS 494 million). Additionally, in March 2022, the Company announced another dividend with respect to 2021, in the amount of 34 agorot per share (NIS 155 million).

In February 2023 the Company Board of Directors decided that in 2023 the Company would distribute a minimum annual dividend of 1.08 NIS per share, paid in 4 quarterly payments of 0.27 NIS per share, subject to a specific decision by the Board of Directors at the end of each quarter. Pursuant to this policy, in February 2023 the Company announced that it would be distributing dividends to the sum of 1.08 NIS per share (508 million NIS). In addition, in February 2023 the Company announced that it would be distributing additional dividends for 2022 to the amount of 0.28 NIS per share (131 million NIS).

Since the date of its initial public offering in May 2006, the Company has distributed to its shareholders dividends in a cumulative scope of NIS 5.29 billion.

The Company's balance of earnings as of December 31, 2023 was NIS 3,327,470 thousand (prior to the dividend distribution which the Company announced on February 7, 2024).

In February 2024 the Company Board of Directors decided that in 2024 the Company would distribute a minimum annual dividend of 1.08 NIS per share, paid in 4 quarterly payments of 0.27 NIS per share, subject to a specific decision by the Board of Directors at the end of each quarter. Pursuant to this policy, in February 2024 the Company announced that it would be distributing dividends for the first quarter of 2024 to the amount of 0.27 NIS per share (127 million NIS), which will be paid over the course of February 2024. In addition, in February 2024 the Company declared additional dividends for 2023 to the amount of 0.22 NIS per share (104 million NIS), which will be paid over the course of February 2024.

Limitations on Dividend Distribution

The bonds include certain restrictions on dividend distributions:

- in an amount exceeding the permitted amount at the time when the company's equity, including as a result of the dividend distribution, will be less than NIS 2.4 billion (the "permitted amount" means FFO plus profit from the realization of assets and minus the declared dividends, all from the beginning of the calendar year in the aggregate).
- The distribution of a dividend as a result of which the equity will be reduced to below NIS 2.2 billion
- The distribution of a dividend as a result of which the financial ratios will be violated "debt to noi ratio" and "capital ratio".

As of the date of the report, these limitations do not exist.

Dividends Paid by the Company Out of its Distributable Profits During the Last Five Years:

The year in respect of which the dividend was paid	Current dividend NIS per share	Additional dividend NIS per share	Total dividend per share (NIS)	Total dividend paid in respect of that year (NIS)
2019	0.94	0.31	1.25	460 million
2020	0.98	-	0.98	381 million
2021	1.00	0.34	1.34	574 million
2022	1.06	0.28	1.34	626 million
2023	1.08	0.22	1.30	612 million

AMOT
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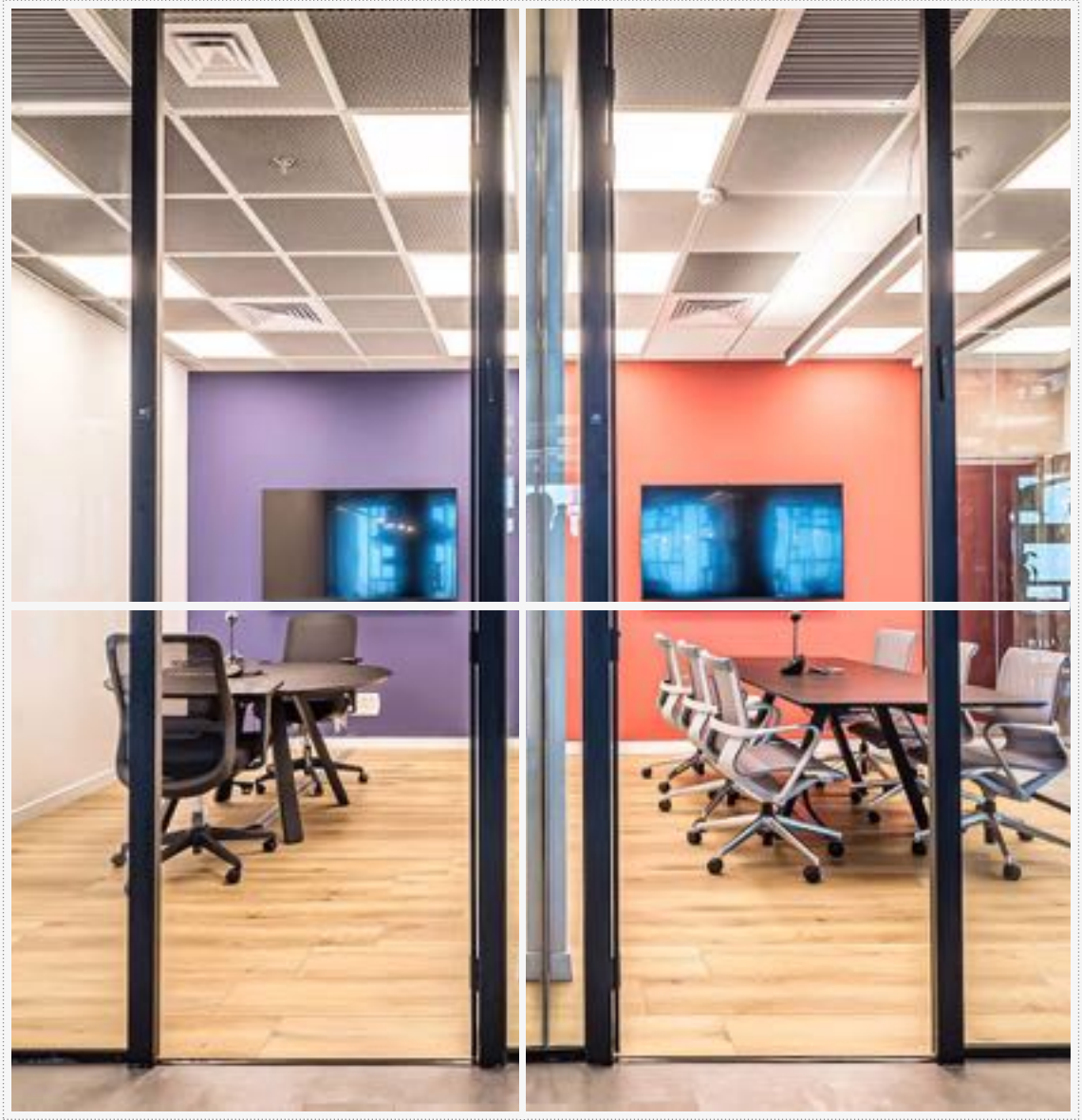


CHAPTER 2
OTHER INFORMATION

Amot Investments Ltd. is a leading Israeli real estate company.

General Environment and Impact of External Factors - Israel (1)

Presented below are the Company's estimates regarding trends, events and developments in the Company's macro-economic environment, which, to the best of its knowledge and assessment, had, or could have had, an effect on its business results, or on the expected developments in its fields of activity. Any reference in this section below to the Company's estimates in connection with future developments in the Company's economic environment, and the external factors which affect its activity, constitutes forward looking information, as defined in section 32A of the Securities Law, 5728-1968 (hereinafter: the "Securities Law"), which is not under the Company's control, and which is uncertain, and is based on the information sources which were specified by the Company.

A Worldwide View

In 2023, the global economy was still engaged in responding to the global inflation crisis and low growth. Throughout the year, the global economy continued on a recovery trend, inter alia, following the re-opening of China, and the conclusion of its "zero-COVID" policy. Supply chains recovered, and accordingly, shipping costs and supply times returned to pre-pandemic levels. However, it should be noted that the attacks on maritime trade routes by the Houthi terrorist organization in Yemen, which began following the commencement of Operation Swords of Iron, could lead to a renewed increase in shipping and transportation costs, due to the extension of maritime trade routes.

Market inflation began already in late 2021, following the lifting of the coronavirus restrictions, along with the increased demand, which accelerated in 2022. The inflationary outbreak in 2022 was also compounded by Russia's continuing war in Ukraine, which began in February 2022, and is still ongoing as of the present date. In an attempt to rein in inflation, the central banks have implemented repeated interest rate hikes in recent years.

In July 2023, the International Monetary Fund revised upwards its global growth forecast for 2023 by 0.2%, from forecasted growth of 2.8%, to 3%. The factor underlying the positive forecast is global economic activity, which remained strong, despite the inflationary environment and the interest rate hikes.

In the United States, the annual inflation rate fell to 3.1% last November, and the Federal Reserve announced last December that it would keep the interest rate in the range of 5% - 5.25%. In the Euro Bloc the inflation rate decreased, but was still outside the target, and concerns of an additional inflationary outbreak are high, inter alia, due to the significant dependence on Russian energy.

1. Sources of information in this section:Based, among other things, on data estimates and forecasts published by the Bank of Israel, at WWW.BOI.ORG.IL; by the Central Bureau of Statistics at WWW.CBS.ORG.IL; by the Ministry of Finance at WWW.MOF.ORG.IL; by Maalot s&p at WWW.MAALOT.CO.IL; by D&B at WWW.DBISRAEL.CO.IL

2. As part of this chapter, various data based on various studies and websites have been included. It should be noted that unless explicitly stated otherwise, the company did not request and in any case did not receive the consent of the editors of the aforementioned websites, for the purpose of including such information in the report and such information is information that is published to the public and to the best of the company's knowledge is public information. Also, no test was conducted by the company regarding their correctness and degree of accuracy.

General Environment and Impact of External Factors - Israel (1)

These general economic trends were similar around the world, including in Israel. However, the local economy was also affected by several major local events during the past year. 2023 was one of the most complex and challenging years for the Israeli economy. It began with political struggles concerning the government's attempt to promote a plan to make major changes to the legal system in Israel (the "Legal Reform") – procedures which caused deep divisions in Israeli society, and contributed to a significant increase in uncertainty in the Israeli economy, particularly affecting business activities and the hi-tech sector, followed by the cruel and barbaric massacre perpetrated by the terrorist organization Hamas on October 7, 2023, and the difficult war which was launched in response, and which is continuing to this day. Recent events have caused severe shocks, in both public and economic terms, and have diverted attention from events which occurred in the country and in the economy previously. However, it should be remembered that even before the war broke out, during the first nine months of the year, the Israeli economy faced soaring inflation, high interest rates which reached a record level of 4.75% at mid-year, a credit crisis, and a downturn in the real estate market, particularly in the hi-tech sector – the economy's growth engine – all while the legal reform, and the resulting social protests, continued in the background. The significant uncertainty regarding the war's duration, intensity and effects led to a reduction of the growth forecast, a projected increase in the government deficit and in the debt to GDP ratio, and even caused the Israeli stock market to significantly underperform relative to global markets this year.

In Israel as well, the economic trend was, as stated above, similar to the global trend throughout most of the year, with inflation falling from a record high of 5.4% in January, to 3.3% in November 2023. As part of its efforts to fight inflation, the Bank of Israel implemented an aggressive series of interest rate hikes, after years in which the economy had become accustomed to a zero-interest rate environment, and in late May 2023, it raised the interest rate to 4.75%, where it stayed until the end of the year. In the interest rate decision from January 2024, the Bank of Israel decided to reduce the interest rate to 4.5%. In its updated forecast, the Bank of Israel projected that the interest rate would continue decreasing gradually throughout 2024 and stabilize at year end in the range of 3.75% - 4%, and help to stabilize financial markets and to support local demand.

At the beginning of the war the NIS weakened vs. the USD and crossed the threshold of 4 NIS / 1 USD, although today the USD is lower than it was before the war. The USD's downward trend is mostly due to the downward trend of the USD around the world, following better than expected inflation data in the United States, along with strong data from the labor market.

Until the war began, growth was surprisingly positive, with an increase of approximately 3.5%, although in the fourth quarter a sharp contraction in GDP is projected, at a rate of approximately 11%, and it is estimated that the growth rate for all of 2023 could be 2%. The Bank of Israel updated its growth forecast in light of the war's effects, and according to the updated forecast, GDP is expected to grow by 2% in 2023 and 2024, as compared with growth of 2.3% in 2023 and 2.8% in 2024, as estimated in the previous forecast.

The government deficit and the state's debt to GDP ratio are also expected to increase. The state budget for 2024 will be updated to reflect the new reality, and will naturally also include a permanent increase in security expenses. The Israeli economy has traditionally been driven by the hi-tech and real estate sectors, which are currently seeing a decline in activity. A continued decline in activity in these core sectors could cause a deeper economic downturn.

However, it should be noted that indicators of economic activity have been showing a gradual improvement in activity in recent weeks, in light of the significant contraction in business activities since the war broke out. Volatility in financial markets has also been decreasing.

General Environment and Impact of External Factors - Israel (1)

However, there is still a great deal of uncertainty, and any new development, such as the opening of additional fronts in the war, or the continuation of the war, could affect and change the current forecasts as of the date of this report. It should also be taken into account that the Bank of Israel's projections are based on the assumption that the war's direct effects on the economy will continue into 2024 at decreasing levels of intensity, and that the fighting will mostly take place in the front vs. the terrorist organizations in Gaza. The possibility that the war could spread to additional fronts is currently considered less likely, although it is possible, and if that scenario materializes, it will affect all of the macro-economic variables.

Notwithstanding the foregoing, according to the assessment of the research department of D&B, in the second half of 2024 there is high probability of higher levels of activity, following the release of many military reservists who were called up (permanently or temporarily), and the resumption of economic activity in more significant scopes. Additionally, the gradual reduction of the interest rate would encourage business activities, as well as home buyers. Based on the above assumptions, they believe that GDP in the economy will grow at a higher rate than 2%, as projected by the Bank of Israel, and will reach the rate of 2.5% - 3% GDP percentiles.

The Consumer Price Index increased by 3.3% in 2023, as compared with 5.3% in 2022. The Company has bonds which are linked to the CPI and which bear annual interest (which is also linked to the CPI). The increase of the CPI during the reporting period therefore resulted in an increase in the Company's financing costs. On the other hand, the Company's revenue-generating real estate, the value of which is estimated, as of the reporting date, at approximately NIS 17 billion, is leased through CPI-linked lease agreements, which the Company views as a long term economic hedge against inflation. As a result, the CPI's increase led to growth in the Company's revenue from property leases.

The Price Index of Input in Commercial and Office Building increased during the reporting period by around 2%. The increase in the Construction Input Index (to which the Company's agreements with executing contractors are linked), as well as the recent increase in costs of raw materials and in the wages of construction workers, due to the effects of the war, are resulting in higher construction costs of the Company's development projects.

It is further noted that the unemployment rate in Israel is at around 3.1%. When the war began, there was a sharp increase in the overall unemployment rate (a figure which includes, in addition to the unemployed, also those who are temporarily absent for economic reasons, such as furloughed employees), from - 4.2% to 9.7% in October, although the overall unemployment rate subsequently fell to 7.5% in December 2023. According to the Bank of Israel's forecast, the unemployment rate is expected to reach 5.3% in 2024, and 3.2% in 2025.

The international rating companies have responded to Israel's increased economic risk. Fitch and Moody's announced that Israel's credit rating is now under Negative Rating Watch, meaning that in case the situation deteriorates (expansion or extension of the war), it could lead to a rating reduction. S&P approved a credit rating of AA- for Israel, but reduced its outlook from "Stable" to "Negative".

General Environment and Impact of External Factors - Israel (1)

Macro-economic indicators for Israel:

Variables	31.12.2023	31.12.2022	31.12.2021
Economic variables			
GDP ($ billions)	522	525	490
GDP (PPP) per capita growth rate **	0.1%	5.3%	7.4%
GDP (PPP) growth rate **	2.0%	6.5%	9.3%
Unemployment rate ***	7.5%	4.3%	4.1%
Inflation rate ****	3.3%	5.3%	2.8%
Long term local unlinked government bond yield *****	4.6%	3.7%	2.2%
Long term local government bond yield ******	AA-/Negative	AA-/Stable	AA-/Stable
Rating of long term international government debt ******	AA-/Negative	AA-/Stable	AA-/Stable
Exchange rate of local currency to USD on the last day of the year - NIS/ USD	3.627	3.519	3.110
* PPP data are based on publications issued by the International Monetary Fund at http://www.imf.org.			
** Growth data are based on the forecast published by the Chief Economist Division at the Ministry of Finance in November 2023.			
*** The unemployment rate according to the Central Bureau of Statistics, http://www.cbs.gov.il.			
**** The inflation rate (index "in lieu") according to the Central Bureau of Statistics, http://www.cbs.gov.il.			
***** Government bond yield - According to the Bank of Israel's website, data and statistics: http://www.boi.org.il			
****** According to the S&P rating report at http://www.standardandpoors.com.			

Real estate sector

The real estate sector is one of the largest consumers of debt and capital in the market, and is significantly affected by the interest rate. In recent weeks we have witnessed a decline in government bond yields, and the beginning of a interest rate reduction pattern. This trend is contributing to an improvement in sentiment towards the sector, and is supporting the major correction which the sector has undergone from the first days of the war until now. Despite all the background noise, the challenging interest rate environment and the internal struggles in Israel, since the war began, the Company has continued its activity, including continuing the development, planning, construction, marketing and management of its properties, and has continued to present positive results, including growth in operating parameters, as well as growth in rent in new agreements, growth in tenant revenue, higher forecasts, and high occupancy rates. However, the uncertainty which existed in the revenue-generating real estate sector in Israel even before the war, and which was expressed in a decline in demand, and in an extension of the negotiation periods before closing deals, was intensified due to the war. Despite the challenges we face, the Israeli economy is dynamic and resilient, as it has shown in all crises in recent years. As of the end of 2023, the Israeli economy is showing strong activity, with a decline in end data points, and inflation still high, although approaching the target.

The Israeli public has unified, and is demonstrating strong solidarity. Despite the war, the State of Israel's credit rating remains unchanged (although, as stated above, some of the rating companies have placed Israel under negative watch), and it appears that no substantial harm has been caused to international trade with Israel. We're entering 2024 with a long series of influencing factors in the background, which have been creating significant uncertainty, first and foremost in connection with the war's duration and consequences. According to the assessment of economic entities, the most likely scenario is that the war will continue into 2024, although at decreasing intensity ("wartime routine"), and the interest rate is expected to gradually decrease throughout the year. According to this scenario, the interest rate is expected to reach the range of 3.75%-4% by year end.

As of the date of this report, and in light of the fact that this is a dynamic event with significant uncertainty, the Company believes that continuation of the war at a high level of intensity over time and/or a full conflict on the northern border front (or on other fronts) will result in more substantial and widespread damage to the economy, including more severe effects on private and business consumption, including the Company's tenants, and as a result, could lead to a decline in turnover and changes in other economic parameters. Any change in the duration, scope or intensity of the war could naturally have a significant impact on actual economic developments. Company management believes, given the scenario that the war is focused only on the southern front, and continues at lessening degrees of intensity for a few months more, that the war's effects on the Company's business affairs will be immaterial. In that scenario, Company management believes that despite the negative effects on revenue, to an extent which cannot currently be accurately estimated, the Company's projected annual FFO and NOI rates for 2024 will be within the forecast published by the Company in this report.

In light of the fact that Company management believes that Israeli revenue-generating real estate companies constitute a reflection of the Israeli economy, insofar as the possibilities described above materialize, entirely or partially, the Company's economic performance could be adversely affected as well.

2.1

Financial Information Regarding the Company's Activity

(Based on Extended Consolidated Financial Statements)

In this chapter, from this section onward, all of the data displayed in tables is based on data taken from the Company's expanded consolidated statements. Expanded consolidated financial statements of the Company are statements presented based on the IFRS rules, with the exception of the implementation of "IFRS11 Joint Arrangements", which has been implemented retroactively regarding reporting periods starting on January 1, 2013; i.e., investments in investee entities displayed based on the book value method, which, prior to the standard's implementation, were treated under the relative consolidation method (due to there being a contractual arrangement for joint control), neutralized and calculated by means of a relative consolidation of the investee companies.

2.1.1

Principal Balance Sheet Data From the Balance Sheet as of December 31 of Each of the Years

	2023	2022
Cash and cash equivalents and short-term deposits	534,154	1,096,491
Balance of current assets	68,121	57,745
Property held for sale	177,825	-
Investment property	16,730,765	16,521,881
Investment property under construction and additional building rights	2,757,003	2,340,570
Balance of non-current assets	164,241	101,190
Total assets	**20,432,109**	**20,117,877**
Short-term credit and current maturities	653,370	651,492
Bonds	7,877,329	7,754,788
Loans from banks and others	720,207	701,503
Deferred taxes	1,811,617	1,723,540
Balance of other liabilities	531,974	511,016
Total liabilities	11,594,497	11,342,339
Total equity	8,837,612	8,775,538
Total liabilities and equity	**20,432,109**	**20,117,877**

2.1.2
Company's Principal Operating Results Data (in Thousands of NIS)

	2023	2022	2021
Total revenue from management fees and rent	**1,150,579**	**1,063,905**	**873,827**
Total cost of renting out and operating the properties	**146,173**	**132,909**	**94,009**
Net operating income from renting out and operating of properties	**1,004,406**	**930,996**	**779,818**
Adjustment of fair value of investment property	254,637	1,019,088	868,597
Amortization of transaction costs with respect to property purchases	(3,300)	(18,248)	(120,583)
General, administrative and other expenses	68,627	63,600	56,518
Other expenses (income)	(191)	181	1,860
Operating income	**1,187,307**	**1,868,055**	**1,469,454**
Financing expenses – real interest	117,062	115,350	136,054
Financing expenses (income) – linkage	272,559	371,461	112,327
Income tax expenses	115,079	210,098	288,887
Net income for the year	**682,607**	**1,171,146**	**932,186**
NOI – Gain from renting out and operating of properties, net of depreciation	**1,004,406**	**930,996**	**779,818**
Same property NOI [1]	**891,552**	**844,374**	**764,618**
EBITDA – operating income net of revaluations and amortization	113,249	86,622	15,200
Total revenue from management fees and rent	**939,209**	**870,454**	**724,040**

1. The 2023 results include the impact of a one-time expense and the impact of the reliefs granted due to the Iron Swords War, which have led to a loss of revenues amounting to approximately NIS 6 million.
   The 2021 results are presented after incorporating the COVID-19 reliefs granted by the Company.

2.1.3
Adjustment to FFO in Accordance With the Disclosure Directive of the Israel Securities Authority (in Thousands of NIS)

	FFO for the year ended		
	31.12.2023	31.12.2022	31.12.2021
Net income for the period	682,607	1,171,146	932,186
Adjustment of fair v alue of investment property and properties under construction	(251,337)	(1,000,840)	(748,014)
Deferred taxes, betterment tax and other	88,263	192,257	258,168
Amortization of warrants	6,757	5,746	4,826
Depreciation and sundry	3,664	3,441	4,474
Nominal FFO	**529,954**	**371,750**	**451,640**
Add (deduct) - linkage expenses (income) in respect of principal of debt and exchange differences	272,559	371,461	112,327
Real FFO	**802,513**	**743,211**	**563,967**
Weighted number of shares	**470,076**	**463,438**	**419,750**
Real FFO per share	**1.707**	**1.604**	**1.343**
Real FFO net of one-off financing expenses	**802,513**	**743,211**	**582,965**
Weighted number of shares	**470,076**	**463,438**	**419,750**
Real FFO per share	**1.707**	**1.604**	**1.389**

FFO
(Funds From Operations)

Net income, net of gains and losses from sale of properties, changes in the fair value of properties recognized in comprehensive income, depreciation and amortization, deferred income expenses and income and other income or expenses that do not involve cash flows.

2.2

Data Regarding the Company's Properties in Israel

Set for below are the main parameters impacting the value of income-generating properties, the demand for such properties and their occupancy rates:

Property's location; amount of rent; transport links (including public transport); number of parking spaces, quality of construction; quality and stability of principal renters; business environment (including the other available properties of this type in the area); proximity to target market (very significant for companies that receive customers in their premises), to anchor entities (such as courts or medical centers) and to workforce sources.

Prime Properties

The Company has large amount of assets, which have a competitive advantage over other assets. The main criteria for defining a property as a prime property are:

The area is a designated employment area or benefits from excellent transport links or from proximity to main business or cultural centers, and as such it will always benefit from higher demand even when there is a slowdown in the market.

The property is rented out in full to a renter, which is a leading entity in its area of activity with a long average duration. The property meets an increasing demand for a designated use.

The Company assesses all of its properties, among other things, based on all of the above criteria. Nevertheless, in view of the large scope of its properties and wishing to present an optimal breakdown of its portfolio of properties, the Company opted to present its properties by use.

As to another breakdown of Company's properties used as offices, see the Company's Directors' Report.

Amot ToHa1, Tel Aviv

01.

Set Forth Below Are Data Regarding the Company's Above-Ground Income-Generating Spaces in Square Meters

	2023	% of total area	2022	% of total area
	square meters		square meters	
Offices	447,142	39%	447,142	39%
Logistics and industrial parks	503,034	44%	503,034	44%
Retail centers	130,012	11%	130,012	11%
Supermarkets	37,694	3%	37,694	3%
Other	23,553	2%	23,553	2%
Total above ground area	**1,141,435**	**100%**	**1,141,435**	**100%**
Open storage	96,870		96,870	
Parking lot	606,360		606,360	
Total	**1,844,665**	**100%**	**1,844,665**	**100%**

1. The table includes data for assets held for sale.
2. The areas specified above include in 2023 and 2022, 44 thousand square meters, of companies under joint control which are presented according to the equity method in the financial statements.
3. Since the first quarter of 2022 Amot Holon Campus has been classified as a revenue-generating property with an area of 47 thousand square meters (the Company's share), and in the second quarter of 2022 was classified an office building in Givatayim, with a total of 17.5 thousand square meters.

02.

Set Forth Below Are Data About the Fair Value of the Company's Income-Generating Properties in Israel in Thousands of NIS

	2023	% of total area	2022	% of total area
	thousands of NIS		thousands of NIS	
Offices	8,333,620	49%	8,134,291	49%
Logistics and industrial parks	4,718,648	28%	4,593,422	28%
Retail centers	2,785,325	17%	2,765,192	17%
Supermarkets	805,650	5%	771,114	5%
Other	265,347	1%	257,862	1%
Total	**16,908,590**	**100%**	**16,521,881**	**100%**

1. The table includes data for assets held for sale.
2. Out of the above, during the years 2023 and 2022 properties with a value of NIS 575 million and NIS 566 million, respectively, belong to companies under joint control which are presented According to the equity method in the financial statements.
3. Since the first quarter of 2022 Amot Holon Campus has been classified as a revenue-generating property B) and in the second quarter of 2022, an office building in Givatayim was classified.

03.

Set Forth Below Are Data Regarding the Company's Noi in Thousands of Nis

	2023	% of NOI	2022	% of NOI	2021	% of NOI
	thousands of NIS		thousands of NIS		thousands of NIS	
Offices	493,863	49%	449,221	48%	389,666	50%
Logistics and industrial parks	270,235	27%	248,044	27%	185,244	24%
Retail centers	181,566	18%	174,749	19%	149,174	19%
Supermarkets	49,271	5%	47,070	5%	45,189	6%
Other	18,055	2%	16,499	2%	13,440	2%
Total	**1,012,990**	**100%**	**935,583**	**100%**	**782,713**	**100%**

1. The table includes data for assets held for sale.
2. Not including unattributable expenses in the amount of NIS 9 million in 2023, and NIS 5 million in 2022 and 2021..
3. Out of the above, NOI in the amount of NIS 37 million and NIS 32 million in the years 2023 and 2022, respectively, belong to companies under joint control which are presented according to the equity method in the financial statements.

04.

Set Forth Below Are Data Regarding the Breakdown of Revaluation Gains/Losses Generated From the Company's Income-Generating Properties in Thousands of NIS

	2023	2022	2021
	thousands of NIS	thousands of NIS	thousands of NIS
Offices	119,908	468,569	245,573
Logistics and industrial parks	100,431	279,935	364,373
Retail centers	9,261	72,827	72,894
Supermarkets	19,219	42,417	21,019
Other	7,454	19,615	2,477
Transaction costs in respect of purchase of new properties	(3,000)	-	(97,463)
Total [(2)]	**253,273**	**883,363**	**608,873**
Reconciliation of asset value in construction - Offices	(1,936)	117,477	139,141
Total	**251,337**	**1,000,840**	**748,014**

1. The table includes data for assets held for sale.
2. In 2023 total revaluation gains NIS 251 million compared to 2022 NIS 1,001 (including the reduction of transaction costs), the change is due to lower linkage differences in 2023 compared to 2022 (in 2023 3.3% compared to 2022 5.3%) and an increase in the weighted discount rate of the company
3. Out of the above, revaluation gains in the amount of NIS 7 million in 2023, in the amount of NIS 20 million in 2022, in the amount of NIS 5 million in 2021, belong to companies under joint control which are presented according to the equity method in the financial statements.

05.

Set Forth Below Is a Breakdown of the Company's Monthly Rent From its Income-Generating Properties (in NIS per Square Meter)

	2023	2022
	NIS per SQM	NIS per SQM
Offices	100	94
Logistics and industrial parks	44	41
Retail centers	120	114
Supermarkets	109	104
Other	64	58

1. The table includes data for assets held for sale.
2. Calculated based on leasing revenue only, excluding parking and management fees.
3. Calculated based on the entire area of the properties, net of average vacant areas.
4. Calculated by standardizing average rent from properties acquired during the year.
5. The 2023 results include the impact of the reliefs granted due to the Iron Swords War, which have led to a loss of revenues amounting to approximately NIS 3 million.

06.

Set Forth Below Is an Analysis of Data Regarding Average Occupancy Rates in the Company's Income-Generating Real Estate Assets (in Percentages)

	2023	2022
	%	%
Offices (2)	85.3	86.7
Logistics and industrial parks	99	100
Retail centers	96.3	97.8
Supermarkets	100	100
Other	100	100
Total	**93.4**	**94.4**

1. The table includes data for assets held for sale.
2. In 2023, the occupancy rate, neutralizing properties occupied for the first time, is 96.1%. The occupancy rate for properties used as offices, neutralizing properties occupied for the first time, is 91.8%. In 2022, the occupancy rate, neutralizing properties occupied for the first time, is 97.2%. The occupancy rate for properties used as offices, neutralizing properties occupied for the first time, is 93.5%.
3. There is not significant change between the average occupancy rate as of the reporting date, and the period of the reporting year
4. Since the first quarter of 2022 Amot Holon Campus has been classified as a revenue-generating property.

07.

Set Forth Below Are Data Regarding the Number of the Company's Income-Generating Properties

	2023	2022
Offices	43	43
Logistics and industrial parks	19	19
Retail centers	14	14
Supermarkets	35	35
Other	3	3
Total	**114**	**114**

1. The table includes data for assets held for sale.
2. 6 of these are revenue-generating properties which belong to companies under joint control, and which are accounted for using the equity method in the financial statements.

08.

Analysis of Information Regarding Average Return Rates (Based on Value at End of Year) From the Company's Yielding Properties in Percentages

	2023	2022
Offices	6.3	5.9
Logistics and industrial parks	5.6	5.3
Retail centers	6.5	6.2
Supermarkets	6.1	6
Other	6.8	6.4
Total	**6.1**	**5.8**

1. Rates of return derived from actual NOI are biased downwards, due to vacant areas which are not currently generating actual revenue, actual cash flows which do not necessarily reflect the updated lease agreements, and NOI in respect of properties which partially generated revenue during the reporting period.This figure differs from the company's weighted discount rate shown on page 77 due to the way the weighted discount rate is calculated, which does not take into account the value of vacant spaces.
2. The capitalization rate used to capitalize the Company's properties was the "net" capitalization rate - in other words, in order to compare the capitalization rate of transactions involving real estate properties with similar characteristics, an additional 0.25% - 0.5% should be added to the aforementioned capitalization rate in respect of transaction costs, depending on the type of transaction and the amount of capitalization fees.

The individual capitalization rate for each property in each industry reflects the property's risk level and is dependent on several factors:

1. The property's location and the property's future potential.
2. The rent relative to comparable properties in the property's surrounding area.
3. The lessee's rating, length of lease agreement, collateral for rent in the property, level of competition in the lessee's sector, and level of competition in the property's economic area, and the building type.

2.2.1 Information Regarding the Company's Projected Revenues From Rent in Respect of Signed Rental Agreements of Company's Properties as of 31.12.23; Breakdown Is Provided by the End Date of the Agreements

	Assuming the renters will not exercise option periods		
	Revenues (rent) fixed components	Number of contracts ending	Total areas of properties whose contract ends
Revenue recognition period	In millions of NIS		In thousands of Sq. m
First quarter 2024	237	147	44
Second quarter 2024	228	119	42
Third quarter 2024	217	137	59
Fourth quarter 2024	211	85	26
2024	893	488	171
2025	714	457	202
2026	542	307	174
2027	368	199	169
and thereafter 2028	943	310	407
Total	**3,460**	**1,761**	**1,123**

The data presented in the above table are subject to the following assumptions:

1. The amounts include the Company's share in properties accounted for using the proportionate consolidation method.
2. The table does not include revenues from assets held for sale.
3. The table does not include projected revenues in respect of signed contracts in projects under construction.

The information contained in the above tables is Forward-Looking Information within the meaning of Section 32A of the Securities Law (see a comment at the start of Chapter 2 hereinabove).The data relates to data existing and known to the Company on the date of publication of this report with regard to the expiry dates of the current rental agreements. The information may change due to reasons that are not under the control of the Company, such as termination of the rental agreements due to breach or due to financial difficulties of renters, which may cause breach or termination of the rental agreements.

2.2.2 Information About Principal Renters of the Company

The Company does not have a single renter the rent receivable therefrom constitutes at least 10% of total Company revenues from rent and management fees.

2.2.3
Data Regarding the Company's Principal Properties- Offices

The Company has ownership/leasehold rights in several office buildings across the country (some of which are fully-owned by the Company and others are held in partnership with others). The buildings are mainly rented out to professionals, retail companies and high-tech companies.
Management of the office building is carried out by self-management or by condominium committees.

Name of property	Location of property	Description of property
ToHa1 (Totseret Haaretz Complex) Company's share – 50%	Crossroad of Totseret Haaretz St, Yigal Allon St and Dereh Hashalom St.	A prestigious and unique tower, built to the highest quality standards in Israel, and bearing the LEED Platinum standard.
Amot Atrium Tower	Ramat Gan's City complex, Jabotinsky St.	A prestigious and unique tower built in accordance with the highest building standard in Israel. The tower has Platinum Certification - the highest LEED® certification.
Holon Campus tower, the Company's share - 77.8%	Jerusalem corner of HaMelacha St., Holon Industrial Area	The tower is one of the only projects that have received the American LEED Platinum certification. The tower is built on an area of 11 dunams. As of the date of the statement's publication, the property is rented out at a rate of approximately 33%.
Amot Investments Tower, Europe House Amot Mishpat Complex (Beit Amot Mishpat, Amot Hakirya and Dubnov 10)	Shaul HaMelech St, center of Tel Aviv, at the heart of the city's courts' complex	Due to their proximity to the courts complex, the buildings constitute prime properties and enjoy excess demand on the part of free professionals and government ministries wishing to rent areas located around the complex. The tower was certified LEED OEM. The Amot Mishpat complex has improvement potential by virtue of Plan TA/ 5000. At this complex and in some of the Company's properties falling under the plan's jurisdiction, the Company is promoting a local urban construction plan compatible with TA/5000.
Amot Bituach Complex (Buildings A, B and C)	Menachem Begin Road, Tel Aviv	A complex composed of 3 office buildings, one of which is rented out in full to the Fattal Hotels chain. The complex benefits from excellent transport links being since it is located in Menachem Begin Road, Tel Aviv.

2.2.3
Data Regarding the Company's Principal Properties- Logistics and Industrial

The Company owns and / or co-owns with others in a number of industrial and logistics parks.
The parks are managed by management companies under Company ownership or under ownership of external management companies or by the renters.

Name of property	Location of property	Description of property
Park Amot - Tzrifin	On the eastern side of Highway 44 (Ramle - Beit Dagan), near the moshav Nir Tzvi, and near Assaf Harofeh Hospital and Tzrifin Junction	The complex covers around 274 dunams, on which 18 logistics buildings are built, with a total built area of around 113 thousand square meters. The complex has significant unused building rights
Si'im Park Netanya Poleg Park Netanya	Poleg South Industrial Estate	The properties underwent comprehensive upgrading process and meet the increasing demand to combined uses, both for the high-tech and pharm industries and for purposes .of logistics and warehousing complex with an area of approximately 80 dunams.
Logistics center - Shoham	Hevel Modiin Industrial Area in Shoham	The entire property is leased to S.L.E. - Salomon Levin Elstein Ltd. (a subsidiary of Teva), and serves as a sophisticated logistics center for automatic storage of raw materials for the pharmaceutical industry, and for storage and distribution of drugs.
Logistics center - Kargal	Lod north Industrial Estate	A complex with an area of about 100 dunams and a built-up area of about 47,000 square meters, rented to 35 tenants. The complex has unused building rights to a significant extent
Rehovot Park	Rehovot Industrial Estate	Industrial park comprising a 3-wing building spread over 33,000 square meters, used by high-tech companies, logistic centers.
Logistic Centers Modi'in	Modi'in Industrial Estate	Properties renter out to high-quality renters for example to Shufersal, Fox, Novolog.
Shufersal online distribution center (the Company's share - 75%)	Modi'in Industrial Estate	a property which is entirely leased to Shufersal Ltd., for its online activity. Complex with a total area of approximately 34 dunams

2.2.3
Data Regarding the Company's Principal Properties- Retail

The Company has rights in several malls and retail centers.
The malls and retail centers are managed by management companies under Company ownership or under joint ownership of the Company and its partners.

Name of property	Location of property	Description of property
Kiryat Ono Mall	Center of town - Kiryat Ono	The shopping mall is located in the city center, in an area featuring significant residential construction, and the population which the shopping mall is expected to serve is therefore expected to increase significantly. The shopping mall combines a commercial center with two office buildings.
Arim Mall Kfar Saba	City center – Kfar Saba	The mall is partially open-air and partially enclosed. It is composed of two sections linked by overpasses. The mall is located at the city center and constitutes a part of its urban fabric.
B7 Retail Center	Beer Sheva	Shopping and entertainment center located at the retail area of the city.
Central Bus Station Mall, Jerusalem (Company's share - 50%)	Central bus station Jerusalem	A complex comprising the central bus station, retail center and an office building at the entrance to Jerusalem.

The Company Is the Owner of 35 Properties Used as Supermarkets

The Company owns 35 properties across the country which are used as supermarkets; those properties are rented out to "Shufersal Ltd.", to "Carrefour Ltd.", to "Mega Retail Ltd.", to "Co-op Jerusalem", to "Victory Ltd." and to others. As of 31.12.2023, the occupancy rate is 100%.

Initiation and Development

The Company is active in the initiation and development, and the purchase of lands for the purpose of initiating, developing and constructing, yielding properties for rental purposes. For more information in this regard, see page 73 of the board's report on the state of the corporation's affairs.

2.2.4 Material Properties

Set forth below are details relating to the Company's principal assets, whose fair value in the Company's consolidated financial statements as of 31.12.2023 constitutes at least 5% of total corporation's assets as of that date or that total corporation revenues attributed to the asset constitute at least 5% of the consolidated revenues of the corporation in the reported year.

	ToHa1 (Company's share - 50%)			**Atrium Tower**		
Region	Tel Aviv			Ramat Gan		
Main use	Offices			Offices		
Square meters (Company's share)	28,500			55,334		
Parking lot	16,000			22,600		
Fair value evaluator	Rafael Conforti			Rafael Conforti		
Evaluati on technique	Discount ed cash flows - (DCF)			Discount ed cash flows - (DCF)		
Liens on property	none			none		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Fair value as at year end (NIS thousands)	971,257	944,820	907,265	1,701,065	1,644,958	1,496,482
Rent income for the period (NIS thousands)	51,057	48,505	46,263	101,728	92,713	78,396
Actual NOI for the period (NIS thousands)	51,608	48,019	45,839	102,699	93,489	78,402
NOI represents (NIS thousands)	56,430	54,792	52,713	101,957	98,962	90,147
% Actual rate of return	5.31%	5.08%	5.05%	6.04%	5.68%	5.24%
% Adjusted rate of return [1]	5.75%	5.75%	5.75%	6.00%	6.00%	6.00%
Revaluation profits	28,118	36,173	114,698	65,237	148,578	56,470
Occupa ncy rate for the end of % the period	96.5%	96.5%	96.5%	100%	100%	100%
Actual average monthly rent income per sqm (NIS) [2]	141	136	129	139	131	122
Explanation of representative NOI vs. Actual NOI	The gap derives from added NOI for on spares and plus the impact of averaging revenues due to graces given tenants at the start of the rental .period			The gap derives for vacant spaces that were occupied during the year and did not generate a full and representative .yield		

1. Adjusted rate of return - Includes taking into account representative NOI, and therefore constitutes a reliable estimate of the discount rate which was used to estimate the property's value.
2. Actual rent / NOI per square meter / per value, after neutralizing revenue with respect to parking spaces, and after neutralizing vacant areas / value of vacant areas, as of December 31st, 2023.

2.2.4
Material Properties

Set forth below are details relating to the Company's principal assets, whose fair value in the Company's consolidated financial statements as of 31.12.2023 constitutes at least 5% of total corporation's assets as of that date or that total corporation revenues attributed to the asset constitute at least 5% of the consolidated revenues of the corporation in the reported year.

	Park Amot - Tzrifin			**Kiryat Ono mall**		
Region	Tzrifin Industrial Estate			Kiryat Ono		
Main use	logistics and industrial			Retail \ Offices		
Square meters (Company's share)	113,000			41,505		
Parking lot	14,000			70,000		
Fair value evaluator	ENG. Joseph Sarnitzky			'Oded Houshner and co		
Evaluati on technique	Discount ed cash flows - (DCF) + optimal use at the end of a lease term			Discount ed cash flows - (DCF)		
Liens on property	none			none		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Fair value as at year end (NIS thousands) (1) (7)	1,596,900	1,578,900	1,518,181	1,105,700	1,095,900	1,056,400
Rent income for the period (NIS thousands)	65,410	61,025	14,508	72,194	71,830	59,782
Actual NOI for the period (NIS thousands) (1) (2)	63,771	56,896	12,697	71,880	72,762	59,653
NOI represents (NIS thousands)	N.R.	.N.R	.N.R	74,278	70,829	67,734
Actual rate of return % (3)	-	-	-	2,341	2,277	2,270
Adjusted rate of return %	4.74%	4.28%	4.26%	6.5%	6.64%	5.65%
Revaluation profits (4)	5.25%	5.00%	5.00%	6.5%	6.25%	6.25%
Occupy ncy rate for the end of the period % (5)	17,254	59,746	-	9,115	38,127	14,814
Actual average monthly rent income per sqm (NIS) (8)	100%	100%	100%	93.2%	99.4%	99.2%
Average monthly rent per actual sqm (NIS) (6)	48	45	43	148	138	123
Explanation of representative NOI vs. Actual NOI	A combination of a future cash flow capitalization method and a comparison method for spaces with future development. Regarding the comparison approach, 4 transactions were reviewed with price ranges of 6-8 million NIS per 0.1 hectare.			The gap between the representative NOI and the actual NOI derives from the expected occupation of vacant spaces and the impact of the Iron Swords war on the NOI in 2023. In 2022 one-time income of NIS 2 million.		

1. On September 30, 2021, the transaction involving the acquisition of Tzrifin logistics park, and it began generating revenue on October 1, 2021. The increase in NOI in the Tzrifin Logistics Park in 2023 compared to 2022, in addition to the increase in rents, is due to the termination of an obligation under the purchase agreement during 2022.
2. The figure pertains to commercial centers, to the best of the Company's knowledge, and was given based on information which was received from lessees, and the Company is unable to verify that the information is indeed correct.
3. This figure refers to the period when the commercial centers were open.
4. Adjusted rate of return - Includes taking into account representative NOI, and therefore constitutes a reliable estimate of the discount rate which was used to estimate the property's value.
5. Revaluation gains with respect to the Tzrifin logistics park in 2021, not including amortization for transaction costs.
6. Actual rent / NOI per square meter / per value, after neutralizing revenue with respect to parking spaces, and after neutralizing vacant areas / value of vacant areas, as of December 31, 2023. Including management fees in Tzrifin logistics park.
7. Not including an obligation due to a lease.
8. The occupancy rate is as of December 31 of each year.

2.2.5
Investment Property Under Construction

Set out below are principal data about properties under planning and development by uses (in thousands of NIS):

Region and use	Parameters	For the year ended		
		31.12.2023	31.12.2022	31.12.2021
Offices (Toha2 / Lehi Complex Bnei Brak / Amot Shufersal Modiin / Compound K Jerusalem/ Park Afek/ Amot Givatayim until 31/12/2021/ Campus Holon) until 31/12/2021	Number of properties under construction at end of period	5	5	7
	Total upper areas under construction (planned) at end of period	187,450	187,450	248,930
	Total area of underground parking lot	62,198	62,198	101,282
	Total costs invested in current period	331,943	214,510	418,131
	Amount of assets as per financial statements (including portions considered as income-generating)	1,440,204	1,122,079	1,522,910
	Construction budget in the subsequent period (estimate)	419,075	222,010	362,719
	Total construction budget (estimate)	3,303,892	3,077,000	3,652,000
	Percentage of built area for which rental contracts were signed as of 31.12	8%	-	11%
	Projected average annual revenue from projects to be completed in the subsequent period and for 50% or more of their area contracts were signed (in millions of NIS)	7	-	26
,Logistics (Beit Shemesh)	Number of properties under construction as of end of period	1	1	1
	Total upper areas under construction (planned) as of end of period	30,300	30,300	27,000
	Total costs invested in current period	96,674	21,822	56,898
	Amount of assets as per financial statements	173,187	75,512	53,690
	Construction budget in the subsequent period (estimate)	43,872	93,221	58,991
	Total construction budget (estimate)	217,059	207,000	180,000
	Percentage of built area for which rental contracts were signed and/or in the final signing phases	50%	50%	-
	Projected average annual revenue from projects to be completed in the subsequent period and for 50% or more of their area contracts were signed (in millions of NIS)	8.5	8.5	-

1. This data does not include a space of 55,000 m² (Company's share 50%) regarding which a memorandum of understanding has been signed with an unrelated third party in the ToHa2 project. On November 9 2022, pursuant to the joint transaction between the Company and Gav-Yam Land Ltd., the joint holders of the rights to the ToHa2 Project, the parties engaged in a letter of intent with an unrelated third party (hereinafter: "the Letter of Intent") to rent a space of 55,000 m² plus several hundred parking spaces (with an option to increase the rental space by an additional 20,000 m²), for a 10-year period beginning January 2027, after completing construction of the project, in return for rental fees, at the envelope level, totaling some 105 million NIS per year (Company's share – 50%).

   To be clear, the Company's estimates on the signing of such a binding rental agreement and the timetable for the completion of the project constitute forward-looking information, as defined in the Securities Law, 1968.

2.2.5.1
Material Properties Under Construction

Presented below are details regarding a significant property under construction of the Company, whose fair value in the Company's consolidated financial statements as of December 31, 2023 constitutes 5% or more of the corporation's total properties as of the present date.

	ToHa 2 (Company's share - 50%)	
Region	Tel Aviv	
Primary use	Offices	
Land purchase date	The land was purchased between the years 2010 and 2015, and the building rights were purchased in 2021	
Construction works commencement date	Excavation and foundation works for the parking lot began in 2019	
The Company's share in the area (square meters)	80,000	
The Company's share in parking lot area	22,500	
Valuer	Rafael Conforti	
Valuation model	Comparison method	
Charges on the property	None.	
	2023 **thousand in NIS**	**2022** **thousand in NIS**
Cumulative cost at year-end	512,110	389,235
Fair value at year-end	768,000	637,000
Carrying value at year-end	768,000	637,000
Revaluation gains	5,604	118,901
Projected completion date	2026	2026
Total projected investment cost	1,650,000	1,550,000
Investment cost which has not yet been invested	1,137,890	1,160,765

2.2.5.2
Investment Property Under Construction

Set forth below is a summary of principal data regarding the land by uses (in thousands of NIS)

	2023	**2022**	**2021**
	Amount presented in financial statements	Amount presented in financial statements	Amount presented in financial statements
	thousand in NIS	thousand in NIS	thousand in NIS
Additional building rights			
Offices	324,872	317,943	263,443
Industrial and logistics	266,051	266,200	266,000
Retail	9,570	9,470	9,539
Others	2,740	2,403	2,624
Land (no building rights)			
Offices	107,396	107,372	107,211
Industrial and logistics	19,539	26,100	80,970
Retail	10,100	10,100	10,000
Others	387,458	120,500	115,500
Total	**1,127,726**	**860,088**	**855,287**

2.2.6
Purchase and Sale of Rights in Income-Generating Properties by Main Uses (in Millions of NIS)

Area	Parameters	For the year ended		
		31.12.2023	31.12.2022	31.12.2021
Offices	Number of properties purchased in the period	-	-	-
	Cost of properties purchased in the period	-	-	-
	Projected NOI of properties purchased in the period	-	-	-
	Area of properties purchased in the period (thousands of square meters)	-	-	-
Logistics	Number of properties purchased in the period	-	-	2
	Cost of properties purchased in the period	-	-	1,589
	Projected NOI of properties purchased in the period	-	-	58
	Area of properties purchased in the period (thousands of square meters)	-	-	122
Retail	Number of properties purchased in the period	-	-	-
	Cost of properties purchased in the period	-	-	-
	Projected NOI of properties purchased in the period	-	-	-
	Area of properties purchased in the period (thousands of square meters)	-	-	-

1. Not including transaction costs.

2.2.7
Corporation-Level Adjustments

In the chapter "Description of the Corporation's Business", the data displayed in tables is based on data taken from the Company's expanded consolidated statements. Expanded consolidated financial statements of the Company are statements presented based on the IFRS rules, with the exception of the implementation of "IFRS11 Joint Arrangements", which has been implemented retroactively regarding reporting periods starting on January 1, 2013; i.e., investments in investee entities displayed based on the book value method, which, prior to the standard's implementation, were treated under the relative consolidation method (due to there being a contractual arrangement for joint control), neutralized and calculated by means of a relative consolidation of the investee companies.

		Consolidated (in thousands of NIS) as of	
		31.12.2023	31.12.2022
Adjustment of fair value of investment property to values as per the statement of financial position – table 2			
Presentation in directors' report on the state of the corporation's affairs	Total investment property from income-generating properties in Israel	16,908,590	16,623,086
	Classification of income-generating properties owned by jointly controlled companies to investment on equity basis	(575,116)	(577,435)
	Sorting properties held for sale	(177,825)	-
Presentation in the statement of financial position	"Investment property" item in the statement of financial position	16,155,649	16,045,651
Adjustment of NOI from income-generating properties to values as per the statement of comprehensive income – table 3			
Presentation in directors' report on the state of the corporation's affairs	Total NOI from income-generating properties	1,012,989	935,583
Adjustments	Operating expenses that cannot be directly allocated to a specific asset	(13,468)	(8,897)
	NOI in respect of properties classified to assets under construction and still generate income	4,885	4,256
	Classification of NOI in respect of income-generating properties owned by jointly controlled companies presented by the equity method (before equity earnings)	(37,064)	(32,403)
Presentation in the statement of comprehensive income	The "Income from renting out and operating of properties" in the statement of comprehensive income	967,342	898,539
Adjustment of revaluation gains from income-generating properties to values as per statement of comprehensive income – table 4			
Presentation in directors' report on the state of the corporation's affairs	Total revaluation income from income-generating properties	251,337	1,000,840
	Classification of revaluation losses (gains) in respect of income-generating properties owned by jointly controlled companies presented by the equity method (before equity earnings)	(6,615)	(27,632)
Presentation in the statement of financial position	The "Adjustment of fair value of investment property and gain from disposal thereof" item in the statement of comprehensive income	244,722	973,208

2.2.8
Events After the Balance Sheet Date

See page 74 on the board of directors report.

2.2.9
Management and Operating of Properties

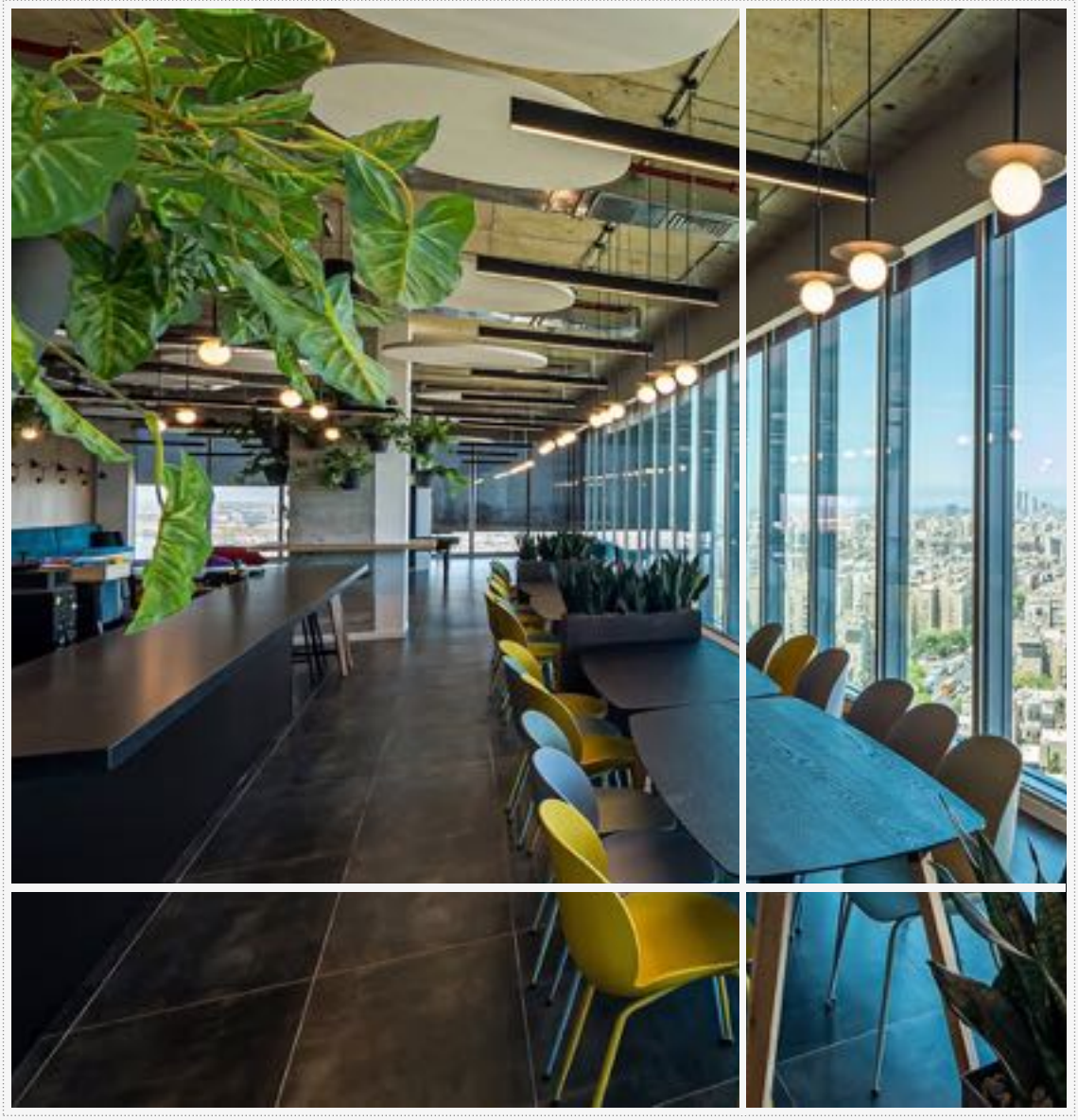
In 2021 the Company began Independently managing all of the relevant properties which it wholly owns, through a management company which it owns. In 2022, the Company began to expand the array of services offered to its customers. In some of the properties, management is performed on a fixed cost basis, while in others, based on a fixed margin (up to 15% + cost). Operational management includes, inter alia, preparation of activity budgets and following up on their implementation, operation of the building administration, security, cleaning, preventive maintenance, monitoring for malfunctions, insurance, municipal tax, and all other issues which are managed by the management company vis-à-vis the various authorities. The activity also includes sending billing notices to customers, collection, preparing balance sheets, managing the set of accounts between the Company and its suppliers and customers, conducting tenders, legal affairs, public relations and advertising.

2.2.10
Assets With Development Potential

The Company has several assets with development potential – for more information on this subject, see page 73 of the directors' report on the state of the corporation's affairs.

The TA/5000 plan

The TA/5000 plan, a valid comprehensive local outline plan applicable to the entire municipal area of the city of Tel Aviv-Jaffa is designed to outline a long-term urban planning policy. A comprehensive plan determines how the city is developed, divided into zones with different land zoning, maximum building 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 establishes guidelines for preparing a local outline plan (specific urban zoning plan with 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. In some of the Company's properties which are located within the plan area the Company promotes a local urban zoning plan compatible with TA/5000.



CHAPTER 3
COMPANY'S BUSINESS

Amot Investments Ltd. is a leading Israeli real estate company.

3.1

General Information About the Area of Activity

3.1.1
Area of Activity's Structure and Changes There in

See section 2 above.

3.1.2
Legal and Regulatory Restrictions and Special Constrains Applicable to the Area of Activity

The Company's activity in the field of real estate is subject to the real property laws and to the laws concerned with planning and construction, the laws of competition, the laws of protection of privacy, licensing, land taxation, municipal taxation, the laws of safety at work, accessibility and environmental protection laws (see also Section 3.11 of the statement).

3.1.3
Changes and Developments in the Scope of Activity and Profitability Thereof

See section 2 above.

3.1.4
Critical Success Factors in the Operating Segment

The Company believes that the critical success factors in the field of income-generating real estate with a scope of activity similar to that of the Company are mainly as follows:

1. Knowledge and experience in marketing, management and operating of the properties.
2. Financial stability that enables receipt of financing under good terms and investment of the required equity.
3. Geographical distribution of investments, mainly in Israel.
4. Identifying profitable transactions and business opportunities in the market, and the ability to respond quickly to such opportunities.
5. Financial stability of renters and the nature of collaterals.

The Company believes that the critical success factors in the assessment of investment opportunities are a combination of the following relevant criteria:

6. The location of the property, including access roads to the property, its visibility and its betterment potential (refurbishment and expansion of the property).
7. Economic, demographic, regulatory and other aspects, both on the local and on the regional level.
8. Competition by similar properties, including projected future competition.
9. Level of demand and supply of similar properties, terms of the rental agreement including the current rent compared with market terms and the potential to increase the rent.
10. Current structure of the property's expenses and the potential to increase its operating profit.

The Company believes that the critical success factors in real estate development are mainly as follows:

1. Cost of construction inputs, Including financing costs.
2. Duration of construction work.
3. Financial stability of the contractors carrying out construction work.
4. Meeting legal requirements regarding various planning, building and environmental issues (nuisances, underground and above-ground pollution, toxic waste, etc.) and meeting the costs they involve.
5. Using special technologies/green building.
6. Identifying long-term renters for properties/building and renting out properties to a specific renter.
7. Identifying financially stable renters with high-quality collaterals.

3.1.5
Barriers to Entry and Exit

In this area of activity there are no formal entry and exist barriers. However, as a general rule, this market is impacted from supply and demand during transition periods between excess supply or excess demand. In view of the special nature of this field of activity, market players should be financially stable and have access to funding sources. Furthermore, knowledge and experience in critical success factors of this area of activity are also required. Exiting this area of activity is not flexible and disposal of investments may take a long time since the ability to dispose of properties depends, among other things, on their location and physical condition and on the market conditions and the general economic and security environment.

3.1.6
Structure of Competition in the Area of Activity and Changes Therein

See Section 3.3 below.

Amot View, Modi'in

3.2

Marketing

Marketing is performed through several major, regionally focused channels, including activity in various media: digital media, through segmental and effective management; written media in the press, including the use of public relations and content articles, billboards, use of the Company's properties for advertising purposes, etc. It should be noted that before using any marketing communication channel, an analysis of the activity's effectiveness and profitability is conducted. The marketing department also employs several marketing and property managers who are responsible for managing and marketing the Company's properties, while identifying new customers and/or deepening the activity vis-à-vis existing customers who are interested in continuing to grow within the Company's properties. The Company also operates various agents, located throughout the country, as well as brokers operating vis-à-vis international corporations. The variety of different marketing channels give the Company robustness and independence of any single marketing channel, and the loss of any one of them would not adversely affect the Company's business activity.

3.3

Competition

The Israeli cash-generating real estate market is characterized by a high level of competition stemming from a large number of companies engaged in the acquisition, initiation, development, renting out and betterment of real estate assets.

The Company is exposed to competition from a large number of Israeli companies engaged in the acquisition, initiation and development of rental real estate for offices, logistics and industry and commerce as well as companies engaged in renting out of real estate for offices, commerce, logistics and industry and other real estate owners in areas in which the Company's properties are located. Companies competing with Amot cannot be pointed out specifically, since competition in the field of real estate is characterized by specific competition according to the type of the property, each property's location and its occupancy level. In addition, competition focuses on areas of identifying real estate for initiation, development, construction and rental purposes and on the rental of real estate to potential customers.

Amot estimates that compared to other companies active in the field of cash-generating real estate in Israel, the scope of its activity is broad and varied. The Company is unable to estimate its market share.e advantages help the Company to deal with the intense competition in the Israeli cash-generating real estate market.

The Company believes that the main factors impacting the Company's competitive positioning are:

1. The Company has an asset portfolio in a variety of uses, comprising: offices (49%), commerce (17%), industry and logistics (28%), 35 supermarkets (5%). The variety of uses limits the Company's exposure to fluctuations in the different markets.
2. Most of the Company's principal properties are located in the central region of Israel.
3. Most of the Company's properties are relatively large, allowing it to meet the needs of large renters, while adapting the property to their needs.
4. The Company has a good reputation in the market as a reliable company in terms of meeting timetables for handing over rental properties to tenants and in terms of adapting the units and/or buildings to their needs and specifications, at any level required by the tenant.
5. The Company's principal renters have a good reputation and are financially stable; normally, those renters rent properties for long periods.
6. The level of maintenance and management of the Company's properties is high and provides a comprehensive and holistic response to the needs and welfare of the tenant and its employees, including, inter alia, a repair service, renovations and interior cleaning, laundry and mailing services, gyms, a conference center, and more, which provide comprehensive enjoyment of a positive customer experience. Good reputation, financial stability and the ability to secure bank funding.
7. Positive reputation, financial strength and ability to obtain bank financing.
8. Its abilities in the fields of initiation and development give the Company an advantage in identifying properties for development and construction and in locating properties requiring improvement that have rental potential and allow it to meet market demand.
9. The real estate properties under construction are located in developing and high-demand areas that feature additional office and retail buildings.
10. Taken together, the above advantages help the Company to deal with the intense competition in the Israeli cash-generating real estate market.

3.4

Fixed Assets

The Company's fixed assets include the area of Company's offices, furniture, office equipment, computers, vehicles and leasehold improvements, whose depreciated costs as of 31.12.2023 was NIS 48 million.

3.5

Human Capital

3.5.1
Organizational Structure and Workforce

As of the date of this report, the Company employs 150 employees, as follows:

Department	Number of employees 2022
Management and company headquarters	52
Project management and theses	26
Management and operation in companies and malls	72
Total	150

In addition, the Company receives management services from Alony Hetz according to a management agreement (for details regarding this matter see Note 21c (1) of the financial statements).

All Company office holders are employed under personal employment agreements or under agreements for provision of services against a tax invoice. All of the Company's severance pay liabilities are covered by provisions to managerial insurance policies and by a severance pay provision.

According to the terms of the agreements, some of the aforementioned office holders are entitled to bonuses in accordance with the Company's policy as set by the Board of Directors from time to time. The Company is not materially dependent on any specific employee.

3.5.2
Options to Office Holders

For details regarding this issue, see Section 21.2.3 in Chapter D: Additional Details regarding the Corporation.

3.6

Adaptation of Rental Properties

In its properties, the Company performs maintenance, renovation and adaption works for lessees, beyond the routine operation of the properties. The scope of capital expenditures (capex) required to maintain the status quo amounted to a total of NIS 57 million in 2023 (including upgrading the facing of public areas, and adaptations for lessees in properties which were occupied); a total of NIS 58 million in 2022; and a total of NIS 46 million in 2021.

In the initiation and development sector, the Company is affected by the cost of hiring the executing contractors for the projects which are initiated by the Company, and changes in the prices of raw materials (e.g., building metal, concrete and mortar), and by changes in workforce costs. The availability of foreign workers and the prices of concrete and mortar may have an effect on the Company's business affairs. Additionally, a shortage in raw materials and in workforce may delay the construction of projects and cause delays in the delivery of properties to lessees. The Company is not dependent on any particular suppliers or service providers.

For additional details on this matter beyond the above, see the provisions of section 2 for a description of the economic environment and the impact of external factors on the Company's operations.

3.7

Working Capital

As a general rule, the Company does not extend credit to its renters; rather, it collects rent in advance in respect of one to three months. Most renters provide, prior to signing the contract, collaterals in respect of the rent and in respect of compliance with the lease contract and the management agreement. Those collaterals include: bank guarantees, debt notes, deposits, etc. Payments in arrears are dealt with by the marketing department with the support of the Company's legal counsels.

According to its December 31 2023 Expanded Consolidated Financial Statements, the Company has a working capital deficit of 146 million NIS. As of the report's publication date, the Company has cash balances of 500 million NIS. In addition, the Company has unused credit frameworks from banks and financial institutions that can be withdrawn immediately, an extensive cluster of signed contracts for coming years and none of the Company's assets are encumbered. Company policy is to hold unused credit frameworks in lieu of cash and deposits. In the opinion of the Company Board of Directors, in light of the above, the existence of a working capital deficit does not indicate a liquidity problem.

3.8

Funding

The Company finances its activity using cash flows from operating activities, capital issuances and bonds which the Company has raised from the public within the framework of prospectuses and shelf offering reports, and bank credit. In 2023, the Company raised an amount of NIS 497 million by expanding series of exchange-traded bonds and bank loans. Concurrently, the Company paid an amount of NIS 647 million in bonds and bank loans.

3.8.1

Set Forth Below Is a Breakdown of the Company's Loans Balance as of 31.12.23

	Balance as of 31.12.2023	Nominal interest as of 31.12.2023	Effective interest 31.12.2023
	In thousands of NIS	%	%
Banking sources			
Index-linked	731,009	0.8	0.8
Linked to the dollar	8,344	2.95 + LIBOR	2.95 + LIBOR
Total banking sources	739,353	0.9	0.9
Index-linked non-banking sources [1]	8,698,796	1.5	1.7
Non-banking sources – unlinked to the index – bonds bearing NIS interest	199,605	3.1	3.1
	9,637,754		
Balance of bonds premium and other	(386,848)		
Total	**9,250,906**	**1.5**	**1.7**
Less – cash and cash equivalents	(534,154)		
Net financial debt	**8,716,752**		

Set Forth Below Are Expected Repayments by Years

Repayment year	2024	2025	2026	2027	2028 and thereafter	Total
Balance of repayable principal	647,641	937,192	793,674	1,071,946	6,187,301	**9,637,754**

1. Including hedging transactions.

3.8.2
Credit Rating

The solvency of the Company and of the Company's bonds are rated Aa2, stable outlook by Midroog Ltd. (hereinafter: "Midroog"), and ilAA, stable outlook, by Maalot S&P the Israeli Securities Rating Co. Ltd. (hereinafter: "Maalot"). During the last three years, no changes were made to the ratings of the Company or of the Company's bonds by either of the rating companies, Midroog or Maalot.

3.8.3
Credit Facilities and Bank Funding

For information about this issue, see Note 11 C(1) of the financial statements.

3.8.4
Pledges

For information about this issue, see Note 14 B of the financial statements.

3.8.5
The External Appraisal [1]

The Ing. Yosef Zarnitzky Appraisal Office is one of the leading and oldest appraisal offices in Israel and it benefits from an accumulated experience of over 60 years in the fields of appraisals and valuations. The office currently has a team of about 15 appraisers headed by Eng. Yosef Zarnitzky and Ron Zarnitzky.

The rate of properties appraised by Zarnitzky Office constitutes, as of December 31, 2023, 60% of the value of the investment property in the Company's statement of financial position and therefore he meets the definition of a very material appraiser in accordance with Legal Staff Position 105-30 of the Securities Authority of July 22 2015.

Zarnitzky's Office fees were not dependent on the results of the appraisals or on Company's performance.
The appraiser was given an indemnification commitment which is limited to the data provided to him by the Company.

The Company opted to contract Zarnitzky Office due to his extensive experience in the field of cash-generating real estate in Israel, which render him with the skills he needs to determine the fair value of Company's assets.

Zarnitzky Office was certified as a real estate appraiser in January 1970. Since 15.9.1970 he has been the owner of a real estate appraisal and civil engineering firm. In 1983-1990 he served as the Head of the Real Estate Appraisers' Association. Since 2003 he has served as Chairman and founder of the Israeli Real Estate Appraisal Research and Implementation Academy.

Ron Zarnitzky has a bachelor's and master's degree in law, England. Law license No. 17882, member of the Bar Association. Since 1998, Certified Real Estate Appraiser No. 696, a member of the Real Estate Appraiser's Office in Israel. Since 1999, he has been managing the real estate appraiser Eng. Yosef Zarnitzky Ltd.

1. details pursuant to Section 2 of the Third Addendum to the Securities Regulations (Periodic and Immediate Reports, 1970)

3.8.6
Reportable Credit

As of December 31, 2023, the Company did not have any material loan agreement or material credit which constitutes reportable credit, as defined in legal position 104-15, dated October 30, 2011, and updated in March 19, 2017, February 2, 2023 and January 14, 2024, of the Israel Securities Authority ("Reportable Credit Position"). The Company's debentures constituting reportable credit in accordance with the reportable credit position are debentures (Series D), the debentures (Series F), the debentures (Series G) and the debentures (Series H). For details on the Company's tradable debentures see Appendix D to the Board of Directors' Report and Note 10 to the Company's Consolidated Financial Statements.

For details about the company's loans and credit frameworks that do not constitute reportable credit, see section 3.8.1 of the chapter describing the corporation's business and page 82 of the board of directors' report.

3.8.7
Regulatory Consequences

See section 3.11

Amot Mishpat, Tel Aviv

3.9

Taxation

3.9.1
Summary of Tax Laws Applicable to the Company

For information about this issue, see Note 13 H of the financial statements.

3.9.2
Tax Assessment

For details regarding the tax assessment agreement of the Company's for the years 2016-2019, and of consolidated companies for the years 2015-2019, see Note 13H to the financial statements.

3.9.3
Material Assessments Discussions

None.

Amot View, Modi'in

3.10

Environmental Risks and Management Thereof

This section includes forward looking information, as defined in section 32 (a) of the Securities Law, 5728-1968. Such information includes, inter alia, forecasts, targets, estimates and approximations, which pertain to future events and/or affairs which are uncertain to materialize, and which are not under the Company's control, and is based on its perspective only, and on the subjective assessment of Company management which is based, inter alia, on an analysis of general information, as it is known to the Company management, including market assessments of its competitors, statistical data which are published by various entities and authorities, professional publications, public publications, the Company's activity, and developments in the general environment and in external factors which affect the Company's activity, which are unpredictable, and which are not under the Company's control. Therefore, the Company's estimates may not materialize in case of changes in the parameters and assessments on which the Company relied.

3.10.1

1. The Company, as owner and/or lessee of real estate assets, may be liable in accordance with the law, including planning and construction laws, environmental laws and tort law, for violations of the law in the event that a violation took place on the premises of real estate assets it owns or leases.

2. As set forth in the report of the corporation's board and in the "Environmental, Social and Corporate Governance – ESG" report published by the Company, the Company conducts a set of actions intended to reduce greenhouse gas emissions (mitigation) and implements standards for environmental protection management, including implementation of strict construction standards such as LEED and BREEM for managing the environmental protection field, and today follows this policy in all of its development project. In direct continuation of the Company's activity in this field thus far and as part of Israel's business sector's dealing with the climate crisis and the growing need for developing a sophisticated management interface for managing environmental and climate risks, the Company has resolved to formulate a lateral internal enforcement plan in the field of environmental and climate risk management, through the Company's legal counsels who possess expertise in the laws of environmental protection and with the accompaniment of environmental consultants. The plan is intended to ensure that the Company's activity is conducted in accordance with environmental regulatory requirements and to reduce exposure to environmental risks. This plan will include, inter alia, identification of environmental risks and risks to which the Company is exposed by reason of climate changes, which could have a material impact on the Company (if any), mechanisms for supervising the plan's implementation, operative procedures for preventing such risks or for treating a risk which has materialized.

3.10.2

1. The Company rents out spaces to mobile phone companies for the installation and operation of cellular antennas and/or micro-transmitters. Pursuant to the agreements signed between the Company and the mobile companies, the latter bear the liability for obtaining the permits required by law for the erection and operation of the antennas and/or micro-transmitters. The mobile phone companies also undertake to meet the safety provisions set in law, to bear any liability imposed on them by law and to indemnify the Company for any damage caused from those companies' activity in the rental property, except if such damage was caused due to an act or omission of the Company. Furthermore, the mobile phone companies undertake to take out insurance, among other things, in respect of their liability for harm and/or damage that may be caused to third parties due to those companies' activities in the rental property, with the insurance being expanded to indemnify the Company and the management companies. As to Company's legal liability as the owner or lessee of real estate properties in which the antennas and/or micro-transmitters are installed, see Section 3.10.1 (a) above.

3.10.2

2. The Company rents out roof areas owned by it to several companies for the purpose of installing and operating photovoltaic systems for electricity production. Pursuant to the agreements entered into between it and the companies, the responsibility for obtaining the certificates required under any law for the purpose of constructing and operating the systems rests with the companies. Additionally, the Companies undertake to comply with the safety provisions under any law and it is their responsibility to bear the liability imposed on them under law and indemnify the Company for any damage caused as a result of their activity at the property, with the exception of damage caused as a result of an act or omission of the Company. Additionally, the companies undertake to insure, inter alia, their liability under law for injury and/or damage which might be caused to third parties due to their activity at the property, with the insurance being extended to indemnify the Company and the management companies. Regarding the Company's liability under law as the owner or lessee of the real property where the systems are installed, see Section 3.10.1(a) above.

3.10.3

As of the date of this report the Company is not a party to any material legal or administrative proceeding relating to the environment, to which the Company or any of its senior office holders is a party. Furthermore, in the opinion of the Company, as of the date of this report there is no event or matter relating to the Company's activity that caused or is expected to cause damage to the environment and therefore had or is expected to have an impact or material impact on the Company.

3.10.4

The Company's environmental risk management policy is conducted pursuant to its general risk management policy, and focuses on activities that mitigate any possible adverse effects on the Company's activity. Risk management is mainly conducted by Company's management, while regularly monitoring regulatory developments pertaining to the Company's activity, including in the field of environmental risks. In view of the fact that most of the Company's properties are rented out to office and/or retail businesses, (not in the food and/or industrial fields), Company's management does not predict material exposure to the Company in terms of environmental issues in respect of these properties.

3.10.5

As of the date of this report, no amounts were ruled and no provisions were recognized in the financial statements and there were no other environmental costs applicable to the Company.
For additional information, see page 60 in the report of the corporation's board of directors, Sustainability and Environment - ESG.

3.11

Restrictions and Supervision of the Company's Activities

3.11.1

Applicability of different laws:

The Company as such is subject to the provisions of the Companies Law, 1999, and to regulations promulgated thereunder. Since the Company is a "reporting corporation" it is also subject to the provisions of the Securities Law, 1968 and to regulations promulgated thereunder. The Company's activity in the field of real estate is also subject to the provisions of the land laws, laws relating to land taxation, municipal taxation, business licensing, planning and building laws, environmental laws, accessibility to people with disabilities, enforcement of labor laws, including in connection with employment of service contractors in the fields of security and cleaning, privacy protection laws, competition laws, work safety laws, etc.

3.11.2

As part of the Company's activities it acquires or sells shares of corporations that own rights in real estate assets. Such transactions may require, under certain circumstances, obtaining an approval pursuant to the Economic Competition Law, 1988 (hereafter – the "Economic Coopetition Law"). Furthermore, occasionally Company's agreements with renters or business partners may require, under certain circumstances, obtaining an approval pursuant to the Economic Competition Law.

3.11.3

The Promotion of Competition and Reduction of Concentration Law

On December 11 2013, the Promotion of Competition and Reduction of Concentration Law, 2013 was published (in this section the "Concentration Law" or the "Law"), by virtue of which in December 2014 the Concentration Reduction Committee published for the first time a list of concentrated groups in Israel, a list of the significant non-financial corporations and a list of significant financial entities. In the Committee's latest publication on record of 23.2.2020, the Company and its subsidiaries were listed both in the list of concentration groups and in the list of significant non-financial corporation, since the Company is a subsidiary of Alony Hetz Properties and Investments Ltd.

Since November 26th, 2019 the Company's controlling shareholder, Alony Hetz, has been a company without a control core, and therefore, from that date onwards, the Company ceased being a "second tier company", as this term is defined in the Centralization Law.

3.12

Material Agreements

For information on this matter, see Note 7 of the financial statements.

3.13

Legal Proceedings

For information on this matter, see Note 14 of the financial statements. For purposes of this Section 3.13, a legal proceeding is considered to be material, regardless of whether it was filed by the Company or against the Company, if the amount claimed, excluding interest and expenses, exceeds 10% of the Company's current assets on a consolidated basis, i.e., app. NIS 78 million as of December 31 2023. As of the date of this report, there are no substantive legal proceedings in the company.

3.14

Targets and Business Strategy

See page 64 of the board of directors report below.

3.15

Projected Development in the Forthcoming Year

The Company will continue developing its business, identifying opportunities for the acquisition of revenue-generating properties for leasing purposes, with an emphasis on the logistics sector, and will continue its initiation, development and construction activities in Israel in the field of revenue-generating properties in Israel.Regarding the Company's intent to realize yielding properties as part of the process of optimizing the asset portfolio, see above.

The information provided above in this section constitutes forward looking information (see comment at the heading of this report above). The Company has control over any offers and new business initiatives which the Company may be offered to join.

3.16

Information Regarding Material Events in the Company

See chapter 2.2.8 on this report.

3.17

Geographical Segments

None.

3.18

Risk Factors

The Company estimates that the Company is exposed to a number of primary risk factors deriving from the economic environment and from the Company's characteristics.

The information on the risk factors the Company is exposed to constitutes forward-looking information, as defined in the Securities Law. The Company's expectations in this regard are based, among other things, on past experience, the Company's familiarity with the markets in which it is active and its estimates regarding the economy's economic development in general and that of the Company in particular. The Company's estimates regarding the above risk factors including their impact on the Company's business constitutes forward-looking information, as this term is defined in the Securities Law, based on information existing at the Company as of the report date, and includes an assessment of the Company. The impact of the realization of a certain risk factor may vary from the Company's estimates, among other things due to factors not necessarily under its control. Furthermore, the Company may be exposed to additional risk factors in the future, and the impact of each such risk factor, if realized, may differ from the Company's estimates.

3.18.1
Macro-Economic and Financial Risk Factors
Discussion of Risk Factors

Macro-Economic Risk Factors

For details on the possible impact of the economic environment and geopolitical events on the Company's activity, including the possible impact of the government's policy to advance a plan for making material changes to the legal system, see the Economic Environment Chapter above.

Security situation – For more information regarding the impact of the Iron Swords War on the Company's activity, see the chapter "Economic Environment" hereinabove, as well as the provision of the section "The Business Environment" in the board's report on the state of the corporation's business.changes and downturns in security and political conditions may influence the Company's activity and hurt its business results, as a result of harm to demand for rental spaces, shortage of personnel in the construction industry, increased costs and so on.

Financial Risk Factors

A. Risks relating to the Israeli economy

Company's activity in the field of real estate in Israel is impacted from the growth rate of the Israeli economy and from the interest policy in Israel; therefore, Company's revenues are dependent, among other things, on those factors.

B. Interest risks

Changes in the interest rates prevailing in Israel may impact the value of the Company's assets, such that if the interest rates increase, the required return on these assets shall increase and the value of the asset might decrease, and vice versa. Changes in the variable interest rate in Israel may impact the operating results of the Company.

C. Changes in inflation rates

1. The Company has loans and bonds which are linked to the Israeli consumer price index and which were used to fund the purchase of the Company's income-generating real estate assets. The Company has a material exposure to changes in inflation rates in Israel.
2. Company's revenues from rent and management fees are linked to the consumer price index.
3. In view of the fact that the vast majority of the financial obligations taken by the company are linked to the index Consumer prices, as well as its revenues, an increase in inflation will cause an increase in the company's financing expenses and the scope of its obligations, but on the other hand, an increase in its revenues will be recorded, which can lead to a positive revaluation in the company's assets in a way that will reduce the negative impact on the company's results.

3.18.1

Macro-economic and financial risk factors

Discussion of Risk Factors

Financial Risk Factors (Cont.)

D. Cybersecurity risks

Within the framework of its activity the Company makes use of computer systems and computerized databases for ongoing management. In addition, the Company's assets include computerized operation and control systems (hereinafter: "the Technological Systems"). The computerized databases contain both secret information and data on the Company's business activity and personal information on its workers and/or its customers and/or visitors to its properties. Naturally, the Technological Systems may be exposed to information security events and to cybernetic events that include penetration or harm to the functionality of the systems and their proper use, penetration into information and its removal, encryption, release and so on, for unauthorized use of information and/or for ransom and this, within the framework of focused attacks, decentralized attacks, network and applicative attacks, malicious code and so on. An information security event, including an attempt to carry out such an event, regarding the Technological Systems and/or regarding the information stored on them, may lead to direct and indirect damage to the Company. The primary implications expected in this scenario shall be disruption to the Company's ongoing activity and the provision of services in its properties, the loss of information that may harm the management of engagements, collection and so on; leaks of confidential information; leaks of personal information, which may expose the Company to legal and/or regulatory proceedings as well as the payment of compensation and/or fines, harm to the Company's reputation and monetary damage (including resources for the treatment of information security events and so on).

Starting from 2021, the Company has been implementing a comprehensive process that includes mapping the Company's technological systems and assessing its level of exposure to information security events and cybernetic incidents and of the risks that may be caused it as a result of these events. In addition, the Company prepared procedures detailing courses of action and dealing with such events. In order to uphold the process as well as to keep procedures regularly up to date, including training, the Company employed external consultants in matters of information security and privacy protection. In addition, audit works were carried out by the Company's internal auditor to examine the cybernetic risks and the information security risks the Company is exposed to and its ability to deal with them.

Following the proceeding undertaken, the Company estimates that the scope of the damage which it could suffer as a result of information security incidents and/or a cyberattack is not high. Nevertheless, the Company, with the assistance of its consultants in this field, has created a multi-systemic, multi-annual workplan which prescribes a methodology for dealing with cyber risks and information security incidents, which the Company has followed and regularly follows, as part of its management of work routines which began being conducted at the end of the proceeding, for the implementation of technological and organizational measures intended to prevent the risks, bolster the security array and/or allow the Company to deal with them while ensuring minimal impairment. These processes and procedures are both on the level of actual application and implementation of security measures and on the level of awareness by the organization's entire personnel, intended to ensure that the procedures and processes are being implemented and also to attempt to prevent cybernetic incidents arising from actions taken by the organization's employees (human errors and the like). These processes include, inter alia:

- The company's management has adopted a updated for handling information security incidents that determine in detail the manner of conduct of the causes of assistance, with the help of its external consultant in the field, handling various incidents of their types, including recovery procedures. The mapping documents for the Company's personal information databases were also updated, including their registration.

- Information Security Officer (CISO), who is an external consultant specializing in the field of information security. The security manager, in collaboration with the company's systems manager and under the supervision of the company's management, is responsible for implementing the policy in the field of information security that he has adopted.

3.18.1

Macro-economic and financial risk factors

Discussion of Risk Factors

Financial Risk Factors (Cont.)

D. Cybersecurity risks (cont.)

- The quality of risk management is regularly monitored and supervised, striving for improvement and updates as much as necessary
- The risks posed by material new activity and by new products, including by engagement with suppliers of new technological systems, are identified and evaluated.
- The Company acts to conduct advance review of its suppliers who are involved in processing the information and/or in accessing its systems and databases, and to have them sign appropriate confidentiality and information security annexes, and the like.
- Stricter information security measures have been put in place by the Company; and, beyond technological systems enabling increased protection and disaster recovery, systems monitoring anomalies in the technological systems have been implemented, backup procedures have been tightened and the implementation of such security measures has been expanded to also cover technological systema and other end equipment used at the organization, this being both internally and as part of technological systems used at the Company's properties, so as to, as much as possible, enable operating continuity in the event of a cybernetic incident concerning the systems at the properties.
- Regular training and controls are carried out for employees regarding the use of the systems and for the technological systems, as well as targeted surprise drills, and fault meter settings, to detect faults, refine procedures in the vicinity of employees, and create a regular practice for the correct conduct of controls information.
- Familiar with reports and employee updates to the members of the audit committee and the company's internal auditor regarding the company's activities in the field.
- The company's management estimates that the cyber risk management policy adopted by the company is effective and allows it, on the one hand, to reduce cyber risks and, on the other hand, to behave in a general way in the face of such threats as they occur.

Amot Platinum, Petah Tikva

3.18.2
Sectoral Market Risks

Sectoral Market Risk Factors

The Company, which mainly operates in the Israeli income-generating real estate market, is exposed to various risks, including: changes in demand to rental properties (which depends, among other things, on the Government's land marketing policy), decrease in rental prices, increase in debt raising costs, the financial stability of principal renters and credit solvency and increase in construction inputs.

Also, the company is exposed to possible delays in receiving approvals from various authorities such as building permits, business licenses, etc., and to legal and regulatory requirements in various aspects as detailed in section 3.11 above.

Set forth below are the risk factors described above and their impact on the results of the Company's business, as estimated by Company's management:

	The extent of the risk factor's impact on the Company's activity		
Risk factors	**Large**	**Medium**	**Low**
Macroeconomic and financial risk factors			
State of national security		X	
Interest risks	X		
Changes in inflation rates	X		
Cyber risks		X	
:Sectoral risk factors			
Changes in demand to rental properties	X		
Changes in rental prices	X		
Increase in debt raising costs	X		
Financial stability of principal renters		X	
Increase in construction inputs		X	
Approvals from authorities			X

On this matter, see the provisions of section 2 above in connection with a description of the economic environment and the impact of external factors on the Company's operations

AMOT
ALONY HETZ GROUP

THE STATE OF THE CORPORATION'S AFFAIRS

Amot Investments Ltd. is a leading Israeli real estate company.

Extended Consolidated Financial Statements 2023

Total income-generating properties

16.9 Billion NIS

Real Estate Under Construction

2.8 Billion NIS

Total Investment Property

19.7 Billion NIS

Projects under construction and development
(Company's share -274 sqm)

9 PROJECTS

Estimated construction cost of projects under construction and development
(company's share)

3.9 Billion NIS

אמות View, מודיעין

NOI
(million NIS)

1,004

FFO
(million NIS)

803

FFO per share
(Agorot)

170.7

Unplugged Assets

98%

Index
Linked Weighted
Debt Interest

1.7%

Average
Duration

5 YEARS

Credit facilities which is unutilized as of the publication date of the report

1.1 Billion NIS

Directors' Report on the State of the Corporation's Affairs

For the Period Ended December 31, 2023

Amot Investments Ltd.'s Board of Directors is pleased to submit the financial statements of the Company and its consolidated companies (hereafter – the "Company") for the period ended December 31, 2023 (hereafter – the "Reported Period").

Description of the Company 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 and EPRA indices. The Company is a subsidiary of Alony Hetz Properties and Investments Ltd. (which holds 51% of the Company's share capital).

Business Environment

See the Description of the Corporation's business report - chapter A of the periodic report.

Amot Park Afek, Rosh Haayin

Information Regarding Lease Agreements That Have Been Leased in the Course of the Reporting Period

During the **year 2023,** 394 new contracts have been signed, including the exercise of an option on an area of approximately 159 thousand square meters, which will generate annual rental fees of approximately NIS 158 million (an increase of 4% on a average)..

Usage	**New areas leased - For the period 1-12.2023**				**Change in new rent per sqm**
	Number of contracts	Floor space above ground	Average rent per sqm prior	Average rent per sqm new	
		Square meters	NIS	NIS	%
Offices	174	66,242	88	92	5%
Logistics and industrial	40	56,619	46	49	7%
Retail	177	33,745	120	123	3%
Supermarkets	3	2,464	89	93	4%
Total	**394**	**159,070**			

- The company signs on contracts with various levels of finishing.
- The chart does not include new areas.

Company's Activity

As of December 31 2023, the Company's properties, owned and leased, include: 114 cash-generating properties spread out across Israel with a total area of 1.85 million m² (Company's share), 1.15 million m² of rental space and 0.7 million m² of open storage and parking space (18,300 parking spaces). These properties are spread out across the country, with the majority of the Company's properties (90%) being located in the large cities in the center of the country and in high-demand areas. The properties are rented out to 1,750 tenants, via contracts of varying durations. In addition, the Company has 6 projects under construction to the scope of 218,000 m² above-ground space (Company's share) and 3 projects undergoing planning and initiation to the scope of 56,000 m² aboveground space (Company's share).

The occupancy rate of all of the Company's properties as of December 31 2023 is 93.4%[1] and as of December 31 2022 was 94.4%. The occupancy rate represents spaces for which there are signed contracts, some of which are undergoing occupation.

The following is a breakdown of the uses of the Company's cash-generating properties:

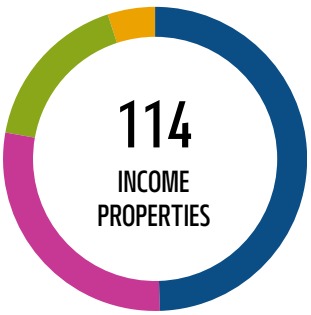
Amot Company's Income-Generating Properties

49%
43 Office buildings

28%
19 logistics and industrial

17%
14 Retail centers

5%
35 Supermarkets



1. The occupancy rate after neutralizing assets populated for the first time is 96.1%

Sustainability and Social Responsibility

In June 2022 the Company published its first ESG report ("the First ESG Report") which reviewed the Company's extensive activity in the field of environmental protection, society and corporate governance, as of the 2021 reported year, and declared its commitment to continue operating in these areas.

The company invests many resources in the social and environmental issues related to its fields of activity while promoting aspects of sustainability, society, and the environment, which contribute to the company and its employees, the company's customers, the public as a whole, and the environment in which we live. In addition, the company has enshrined on its banner maintaining the values of transparency and proper corporate governance, gender diversity, and preserving the rights of employees as one of its mainstays.

The Company plans to publish an update to the first ESG report, which will include up-to-date information for the 2022 reported year, soon after the publication of this report. In addition, the Company plans to update the information and publish updated ESG reports, on a periodic basis, in accordance with its commitments in these areas and its commitment to transparency with its stakeholders.

Sustainability and Social Responsibility

The Company is aware of its responsibility for the environmental impacts that derive from its operations. The necessity of handling environmental impact correctly also generates a business advantage, the reduction of risks and the creation of a trust based relationship with the community, leads to the integration of environmental considerations in the Company's array of business and managerial decisions. In addition, the Company takes action to reduce the possible negative impacts of its operations, which derive regulatory development, including in the field of environment risks.

As part of these efforts, the Company invests a great deal of resources in the social and environmental issues which are involved in its areas of activity, while promoting environmental, social, and governance considerations, which contribute to the Company and its employees, to the Company's customers, to the general public, and to the environment. The social and environmental sustainability activities being promoted by the Company fall under several categories:

Green Construction

Amot is a leader in the development, construction and management of office towers and office complexes which have been certified LEED Platinum - the highest green construction certification in the world. Certification for the standard is given by the USGBC (U.S. Green Building Council), and it is a voluntary international standard for the certification of green buildings operating in accordance with principles of environmental and social responsibility. The standard evaluates various categories, such as energy savings, use of renewable energy, efficient water use, environmental protection inside the building, and more. The standard is based on a scale of 110 points, and the final grade is given on one of four levels - Platinum (the highest rating), Gold, Silver and Certified.

Amot's office buildings provide its customers with optimal work conditions, maximum enjoyment of landscape views and natural light, significant exchange of fresh air, and many other parameters which benefit their health and improve creative thinking and productivity - all while saving energy and protecting the environment. **The vision was created with the intention of providing a healthy, innovative, energy efficient and green home for companies working to change the world for the better**.

Amot is a pioneer in the field of green construction. As such, the Company has worked on the development, planning and construction of properties meeting green construction standards since 2010, particularly LEED Platinum certified office towers. Amot Atrium Tower was the first tower in Israel to receive LEED Platinum certification, and the ToHa Tower later also received LEED Platinum certification. These towers joined a very limited group of buildings around the world that have met the maximum rating.

In 2021 two additional buildings were LEED certified - Amot Holon Campus, which was certified LEED Platinum, and Amot Modiin, which was certified LEED Gold. In 2023, "Campus Amot Giv'atayim" was certified LEED Platinum.

Sustainability and Social Responsibility (Cont.)

Zero Energy Construction

As part of its role as a pioneer in the field of green construction, and in order to maintain its leadership in the area, the Company decided to build the Beit HaVered project in Givatayim. The project has been completed and included renovating an old building and turning it into an innovative, green and zero-energy structure.
The Company is also currently building another zero energy office building, located near a logistics center which it built in partnership with Shufersal, located in Modiin Industrial Zone. The building was chosen by the Ministry of Energy as a case study for zero energy buildings.

Zero energy buildings are buildings which independently produce the energy that they consume. In other words, they do not consume energy from external sources, or the total energy that they produce is equal to the total energy that they require. The taller the building, the greater the challenge in making it zero energy.

Reducing the Company's Environmental Impact

Amot recognizes the importance of reducing the impact caused by the Company's activity on the environment, and therefore is working, will continue working, on reducing those impacts, while meeting environmental standards and obtaining higher ratings than those usually seen in the sector. The Company promotes and introduces into Israel advanced construction technologies, such as:

"Double Skin Façade" type walls – this is a technology for the external cladding of buildings using a double glass wall with an overall thickness of more than 25 cm (which provides thermal and acoustic insulation) and an automatic shading system which tracks the sun's position and enables the maximal entry of natural light into a building without direct radiation (the system is controlled by an automatic controller).

Recycling of water from air-conditioning condensers – in the projects that are constructed by the Company, the condenser water is recycled and after treatment, they are used for irrigation systems and for filling rinsing containers.

The recycling of irrigation water and the collection of roof run-off water for irrigation – the Company promotes the execution of gardening systems, which are disconnected from the ground. These systems save irrigation water and prevent the seeping of fertilizers into the groundwater. Some of the disconnected platform systems are surplus water storage systems. The storage have increased capacity is support of the collection of part of the roof run off water.

The use of recycled materials – the Company is stringent about making use of materials with recycled content.

It is the Company's practice to routinely invest in its current properties, while placing a significant emphasis on protecting the environment in various ways, including replacing air conditioning systems with more energy-efficient and environmentally friendly alternatives (cooling gases); Replacing lighting systems with energy efficient LED lighting; Installing advanced fresh air treatment systems; Waste treatment - Amot provides cardboard recycling facilities in all of its properties, and in some relevant properties, also electronic waste collection facilities; Amot also limits the use of single-use products and the use of paper products at the Company's headquarters.

Sustainability and Social Responsibility (Cont.)

Sustainable Transportation

As a pioneer in green construction, Amot places a major emphasis on sustainable transportation. This is expressed as early as the initiation stage, both in terms of selecting locations of projects near railroad and light rail stations and bus stops, and in terms of the design aspect of the various projects. Thus, for instance, Amot has been investing thought and resources in placing bicycle rooms in each new or renewed building, accessorized locker rooms, convenient access for bicycles and scooters and allocating parking places and charging stations for electrical vehicles. All of this is intended to create an envelope of services that is relevant to an optimal, high-quality and healthy work environment.

Encouraging the use of sustainable transportation is a significant and subject structured into Amot's activity, and is a top priority in the set of considerations taken into account when initiating and designing projects.

Advancement of Electric and Alternative Transportation Infrastructure

Advancement of Electric and Alternative Transportation Infrastructure
Amot has built a network of charging stations for electric cars in its properties across the country. In terms of Amot, this constitutes an important expansion to the basket of services it provides its thousands of customers and their workers, who will no benefit from high levels of accessibility to charging stations and attractive charging costs. Furthermore, based on the recognition of the importance of the subjects, the charging stations shall be available to the general public at a reduced cost, and not just for the towers' residents. As of the end of 2023, there are 210 charging stations at Amot's various properties. Amot undertakes to meet 100% of the future demand for installing charging stations for electrical vehicles.

Increasing Energy Efficiency

Amot produces electricity through photovoltaic systems, and uses them to provide for the needs of its customers. Amot also buys electricity from companies which produce electricity through wind turbines and solar energy.

Amot has set the goal of improving the performance of electro-mechanical systems in its properties - from upgrading and replacing air conditioning systems, which are the main consumer of the elctricity in its properties, through shading the rooftops of properties to improve thermal insulation, to installing photovoltaic systems on the rooftops of its properties. All of these measures are implemented with the intention of increasing the use of renewable energy and allowing energy efficiency.

As part of Amot's vision and the creation of infrastructure for its customers, the Company facilitates energy efficiency through the methods by which it builds its properties, and the systems which are installed therein. The energetic intensity indicator evaluates the consumption of electricity in the property relative to total aboveground area in square meters.

Contributing to the Community

The Company's donations policy corresponds to the main values which guides its activity. The Company views donations and assistance to the community in Israel as an important component to be included in all of its activities. Amot has therefore has in place an approved donations plan, continuously since 2006. The Company donates to the community in two ways - monetary donations, and volunteering for various projects. During the last two years, due to the coronavirus pandemic, the number of volunteering hours decreased significantly. However, the amount of money transferred each year to donations remained the same - NIS two million for the community. The Company has recently made a decision on increasing the monetary sum transferred to donations starting from 2024 to a total of 3.6 million NIS.

Sustainability and Social Responsibility (Cont.)

Social Responsibility and Core Values

The Company has nailed values of transparency and proper corporate governance, diversity from among the various segments of the population and safeguarding its employees' rights, to its mast, as its core values.

The Company attaches considerable importance to its employees identifying with its objectives and accordingly, all of the Company's employees enjoy capital remuneration with the Company allocating non-marketable option warrants, without consideration, each year, which are exercisable into shares in the Company, under preferential terms and with a long-term vision.

Throughout the Corona crisis and throughout "Swords of Iron" war, as part of its social responsibility, the Company has seen fit to maintain the size of its workforce and has avoided placing employees on unpaid leave and or dismissing them.

The Company intends to continued working in accordance with the principles of sustainability and social and environmental responsibility, in order to benefit the Company and the environment in general, by continuing to manage the environmental and social impact of its business activity, including continuing to invest resources in the adoption of plans for implementing environmental and social responsibility, implementing processes for the measurement and control of its performance in terms of environment, society and governance, creating environmental collaborations, and more.

Beit Amot Haifa

Business Strategy

The company's management is guided by the motto: "Performing real estate is a long-term business" and conducts itself and makes decisions accordingly.

The company's business strategy is to expand its activity in the field of performing real estate in Israel by initiating, developing, constructing and purchasing properties, while maintaining its financial strength by means of a significant equity and a long-term debt duration, holding credit limits (usually unutilized) and non-pledged assets. All these allow the company to exhibit maximum financial flexibility, including in times of crisis, enabling it to quickly take advantage of opportunities at significant financial scopes.

As of the date of the report, the company's performing real estate designated for offices and employment is valued at approximately NIS 8.3 billion (compared to NIS 4.7 billion in 2016). The company is an active developer and enhancer of office properties and possesses 8 additional properties currently under construction and development and designated for use as offices, at a scope of 244 thousand sqm (the company's part) and at a total construction cost of approximately NIS 3.9 billion (the company's part).

As of the date of the report, the company's performing real estate designated for industry and logistics is valued at approximately NIS 4.7 billion (compared to NIS 1.2 billion in 2016). In keeping with the company's business strategy and expanding and developing the logistics field, in recent years the company has purchased 8 logistics properties including lands on which logistics buildings have been and/or are to be constructed, at a total investment of NIS 2.9 billion.

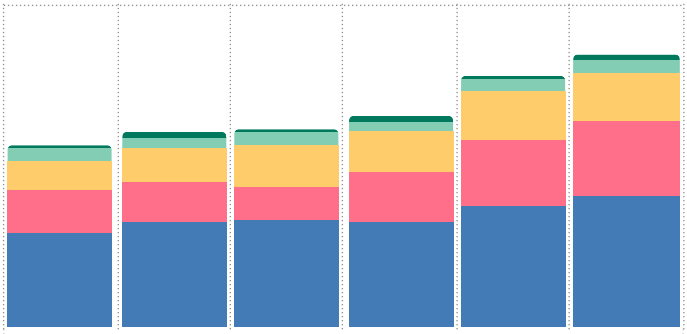
To implement its business strategy, the company's management adheres to the following guidelines:

- Managing a portfolio for a variety of designations – offices, logistics and industry, commerce and supermarkets.
- Purchasing, developing and constructing entrepreneurial properties.
- Being present in central business district and on major transportation routes.
- Maintaining a strong and diverse mix of tenants.
- An executive ability to enhance the portfolio of existing properties.
- Taking care to manage its properties in a high quality manner while expanding the basket of services it provides its thousands of customers and their workers.
- Observing a high standard of green construction, thereby contributing to living standards in the work environment.

The company works to improve its property portfolio through investment in the initiation and development of new projects characterized by excellent locations close to main transportation arteries, optimal planning and quality construction. At the same time, the company intends to realize investment properties assets in the annual scope of 2%-3% out of the value of the investment properties assets of the company, also as part of the process of refining the asset portfolio through the sale of assets that are not core assets or that have become less suitable for the company's business focus. Following this decision, in early 2024 properties were sold with a value of 178 million NIS (classified as held for sale in the Financial Statements).

Breakdown of NOI by Uses (1)

In Millions of NIS

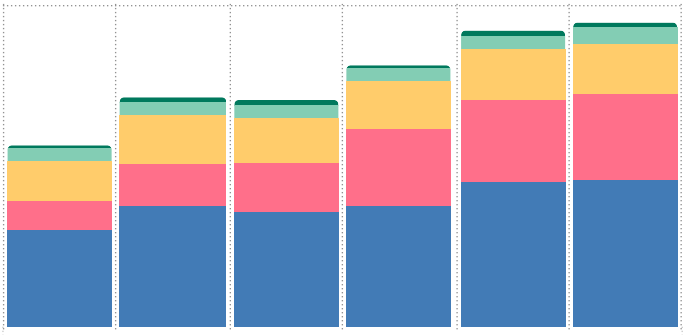


	2018	2019	2020	2021	2022	2023
Offices	355	391	407	390	449	494
Logistics and industry	152	148	113	185	248	270
Commerce (3)	114	127	157	149	175	182
Supermarkets	43	44	46	45	47	49
Other	15	16	13	13	16	18
	679	**726**	**736**	**782**	**935**	**1,013**

1. The NOI figures do not include unattributable expenses, the total NOI, including non-allocable spending in2023 is NIS 1,004.
2. Impact of one-time expense including the influence of Iron Swords war relief, have led to the loss of income to the sum of 6 million NIS.
3. 2020 and 2021 figures include effects due to covid-19 relief for a total of 84 million NIS which have been given to tenants, mainly in the shopping centers.
4. The part of essential trade is about 33% of the total trade.

Breakdown of Value of Properties by Uses

In Millions of NIS



	2018	2019	2020	2021	2022	2023
Offices	5,403	6,753	6,508	6,754	8,134	8,334
Logistics and industry	1,691	2,347	2,577	4,256	4,594	4,719
Commerce	2,228	2,719	2,612	2,693	2,765	2,785
Supermarkets	639	723	718	737	771	806
Other	208	238	236	238	257	265
Total income-generating properties	**10,169**	**12,780**	**12,651**	**14,678**	**16,521**	**16,909**
Total investment properties under construction	**871**	**621**	**1,223**	**2,447**	**2,341**	**2,757**
Total investment properties	**11,040**	**13,401**	**13,874**	**17,125**	**18,862**	**19,666**

1. The above table includes the value of properties held for sale.

A Snapshot of Company's Data

Extended Consolidated Financial Statements

	Change % 2022/23	2023	2022	2021
NOI	8%	1,004	931	780
Net income	(42%)	683	1,171	932
FFO according to the Israel securities authority	42%	530	372	452
FFO according to the management approach	8%	803	743	583 (1)
FFO per share (Agorot)	6%	170.7	160.4	138.9 (1)
Weighted shares quantity Par value (thousand)	1%	470,076	463,438	419,750
Increase in CPI		3.3%	5.3%	2.4%

NOI

The increase in NOI compared to 2022, derives from an increase in revenues from identical properties (among other things as a result of occupations, price increases and increases in the Consumer Price Index) and from properties construction of which has been completed.

FFO of Management Approach and FFO per Share

The increase in FFO vs. 2022, largely derives from an increase in NOI. The FFO per share in the reported period increased by 6%, alongside a 1% increase in the weighted number of Company shares.

Net Profit

The decreased net profit compared to 2022 stems from a higher fair value adjustment which existed during the equivalent period last year (NIS 251 million in 2023 compared to NIS 1,019 million in 2022). This decrease was offset from an increase in NOI, from a reduction of financing expenses due to an index rise lower than the index rise of last year. See the table below for a breakdown of the fair value adjustment in 2023.

1. Net of one-off finance expenses.

Fair value adjustment segmentation

The fair value adjustment is affected by changes in the representative NOI, including the effect of the index on the representative NOI and changes in the discount rate. See below a segmentation of the fair value adjustment in 2023 according to the value of the assets, divided into assets that decreased, assets that increased below the index and assets that increased above the index.

FAIR VALUE - INVESTMENT PROPERTY	31.12.2023	FAIR VALUE ADJUSTMENTS 2023	% CHANGE
	IN MILLION		%
Decrease in fair value(1)	2,038	(55)	(2.6%)
Increase in fair value which is below the index increase (2)	9,881	137	1.4%
Increase in fair value which is above the index increase (3)	5,137	215	4.4%
Other fair value adjustments	(147)	(42)	
Total	**16,909**	**255**	**1.8%**

1. The decrease is a result of an increase in the discount rate/decrease in the representative NOI.
2. The increase in representative NOI was partially offset by an increase in the discount rate.
3. The increase is a result of an increase in NOI which represents an increase in the consumer price index.

Set Forth Below Are Principal Data About the Company's Properties, by Uses (2)

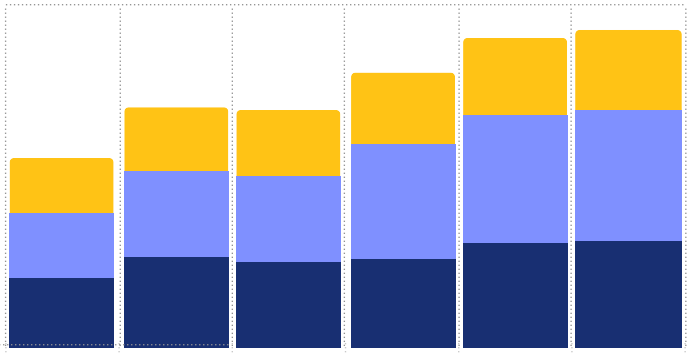
Uses	Above-ground area as of 31.12.23	NOI for the period 1-12/23	Fair value of income-generating real estate as of 31.12.23	Occupancy rate as of 31.12.23	Fair value of real estate under construction Including building rights as of 31.12.23
	Sqm	NIS in thousands	NIS in thousands	%	NIS in thousands
Office (1)	447,142	493,863	8,333,620	85.3% (1)	1,829,835
Retail centers	503,034	270,235	4,718,648	99.0%	518,112
Logistics and industrial (3) (2)	130,012	181,566	2,785,325	96.3%	9,570
Supermarkets	37,694	49,271	805,650	100%	-
Other	23,553	18,055	265,347	100%	399,486
Allocable and other expenses		(8,584)			
Total Above-ground	**1,141,435**	**1,004,406** (3)	**16,908,590** (2)	**93.4%** (1)	**2,757,003**
Total open storage space	96,870				
Total parking spaces	606,360				
Total spaces	**1,844,665**				

1. The occupancy rate after neutralizing assets populated for the first time is 96.1% The occupancy rate in office use, after neutralizing assets populated for the first time is 91.8%
2. Including properties held for sale.
3. Including non-attributable expenses

- Includes properties under joint control which are accounted for using the equity method in the financial statements.
- The area does not include 18,300 parking spaces (around 65% of them covered), with an area of approximately 606 thousand square meters.

Company's Revenue-Generating Properties, Segmented by Geographical Regions

In Millions of NIS



	2018	2019	2020	2021	2022	2023
Greater Tel Aviv (1)	3,728	4,807	4,543	4,778	5,604	5,766
Gush Dan Cities (1)	3,424	4,636	4,588	6,060	6,820	6,921
Other Regions	3,018	3,337	3,520	3,825	4,097	4,222
	10,170	**12,780**	**12,651**	**14,663**	**16,521**	**16,909**

Greater Tel Aviv

This region is the core of Israel's business environment, and as such enjoys both a population featuring a high socio-economic level, maximum accessibility, well developed transportation, cultural and entertainment centers, and the core of business activity in Israel, all in a very populated city with the highest population density in the country. We consider Greater Tel Aviv (Tel Aviv, Ramat Gan and Givatayim) as cities having characteristics of the first circle of demand. The Company has many properties in this circle, including ToHa Tower in Tel Aviv, Atrium Tower in City Complex of Ramat Gan, Amot Investments Tower, Europe Tower, Amot Tower, Beit Amot Mishpat Complex, Amot Insurance House Complex, Century Tower, Campus Amot Givatayim.

Cities in Which the Company Has Properties by Demand Rings

The company deals directly and indirectly through corporations under its control in the management, rental, maintenance, initiation and development of income-producing properties in Israel. The company owns 114 properties, with a total area of 1.85 million square meters, approximately 1.15 million square meters of rental space and approximately 0.7 million square meters of open storage and parking space. 49% of the value of the yielding properties are offices, 28% logistics and industry, 17% Commerce, 5% supermarkets, and 2% others. These assets are scattered throughout the country, with most of the company's assets (90%) located in the large cities in the center of the country and the demand areas. The properties include office and high-tech buildings, logistics parks and industrial centers, shopping malls, shopping centers, supermarkets and major bus stations. In total, the company owns assets with a total value of approximately NIS 20 billion. The properties are rented to 1,750 tenants, with an occupancy rate of about 93.4%. Most of the company's assets are located in the centers of major cities in the center of the Israel and in areas of demand.

TEL AVIV METROPOLIS
Tel Aviv
Ramat Gan
Givatayim

GUSH DAN CITIES
Netanya
Herzliya
Kfar Saba
Ra'anana
Rosh Ha'Ayin
Petah Tikva
Kiryat Ono
Holon
Rishon LeZiyon
Bat Yam
Lod
Beit Dagan
Tzrifin

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

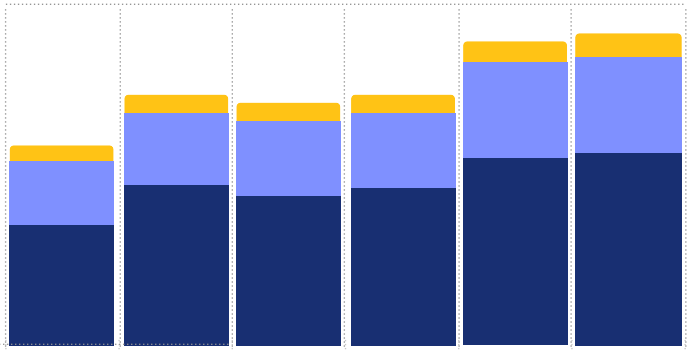
tA/5000

The company has real estate properties in premium locations in the city of Tel Aviv, on four of them: Migdal HaMaa, Amot Mishpat complex, Beit Europa and Beit Amot Insurance, the company promotes a number of local city construction plans that comply with cell / 5000 plan (see below). This is a comprehensive local outline plan which is currently in effect, and which applies to the entire municipal area of Tel Aviv-Yafo. Its purpose is to establish a long term city planning policy. The comprehensive plan determines the city's development path, division into areas with different land designations, maximum construction volumes, limits on construction height, areas designated for preservation, and areas designated for increased development. The plan recommends future scopes of development which correspond to the forecasted population increase and the growth of the employment market until 2025. Permit applications cannot be submitted by virtue of a comprehensive plan. A comprehensive plan determines guidelines for the preparation of local outline plans (specific outline plans subject to local jurisdiction), by virtue of which building permit applications can be submitted. A comprehensive plan does not confer any rights, and does not create any liability for betterment fees.

The Company's real estate properties in the office sector constitute 49% of the value of the Company's properties. The share of value of office properties grew from NIS 4.7 billion in 2016 to NIS 8.3 billion as of December 31, 2023. The share in office value in Greater Tel Aviv grew from NIS 2.7 billion in 2016 to NIS 5.2 billion as of December 31, 2023. The Company's properties in the segment of offices in Greater Tel Aviv are prime properties which benefit from rising demand, transport accessibility, and proximity to anchor entities, such as courts / medical centers. The Company therefore chose to present an additional segment of office properties in Greater Tel Aviv.

Company's Revenue-Generating Offices, Segmented by Geographical Regions

In Millions of NIS



	2018	2019	2020	2021	2022	2023
Greater Tel Aviv (1)	3,239	4,281	4,027	4,257	5,039	5,183
Gush Dan Cities (1)	1,685	1,971	1,969	1,981	2,532	2,567
Other Regions	438	501	512	516	563	584
	5,362	**6,753**	**6,508**	**6,754**	**8,134**	**8,334**

Principal Information Regarding the Company's Office Properties,

Segmented by Uses and Geographical Regions

Geographical region	Above ground area as of 31.12.23	NOI for 1-12.23	Fair value of income-generating real estate as of 31.12.23	Proportion of total properties	Average monthly rent during 1-12.23
	Square meters	NIS in thousands	NIS in thousands	In percent	NIS per square meter
Greater Tel Aviv	200,595	319,103	5,182,741	62%	124
Gush Dan Cities	198,275	139,131	2,567,035	31%	78
Other Regions	48,272	35,629	583,844	7%	65
Total	**447,142**	**493,863**	**8,333,620**	**100%**	

Geographic area	Above-ground area as of 31.12.22	NOI for 1-12.22	Fair value of income-generating real estate as of 31.12.22	Proportion of total properties	Average monthly rent during 1-12.22
	Square meters	NIS in thousands	NIS in thousands	Percentage	NIS per square meter
Greater Tel Aviv	200,595	279,138	5,038,843	62%	118
Gush Dan cities	198,275	135,939	2,532,287	31%	71
Other areas	48,272	34,144	563,161	7%	63
Total	**447,142**	**449,221**	**8,134,291**	**100%**	

Projects Under Construction, Development and Planning

As of 31.12.2023

Property name	Location	Primary use	Estimated completion date for Projects under construction	Square meter for marketing above-ground 100%	Holding rate	Square meter for marketing above-ground	Project's book value	Estimated construction cost	Projected NOI upon occupation of the project	Expected yield
Projects under construction [1]										
						Company's share in million of NIS				
Amot Modi'in	Modi'in	Offices	2024	9,000	75%	6,750	55	70-80	5	6.7%
Halehi complex	Bnei Brak	Offices	2025	100,000	50%	50,000	467	750-780	57-61	7.7%
K complex Jerusalem [3]	Jerusalem	Offices	2027	93,000	50%	46,500	137	700-740	49-53	7.1%
Logistic center Beit Shemesh	Beit Shemesh	Logistics	2024	50,500	60%	30,300	173	215-220	15-17	7.5%
Park Afek	Rosh HaAyin	Offices	2024	8,400	50%	4,200	13	35-45	3	7.6%
ToHa2	Tel Aviv	Offices	2026	160,000	50%	80,000	768	1,600-1,700	130-150	8.5%
Total				**420,900**		**217,750**	**1,613**	**3,370-3,565**	**259-289**	**7.9%**
Projects in Planning [2]										
1000 Complex in Rishon Letzion	Rishon Letzion	Offices		19,000	100%	19,000	36	260-280		
Platinum Stage B [4]	Petah Tikva	Offices		20,000	100%	20,000	37	210-230		
Amot Shaul Stage A	kfar Saba	Offices		35,000	50%	17,500	71	160-180		
Total				**74,000**		**56,500**	**144**	**630-690**		
Total under construction and planing				**494,900**		**274,250**	**1,757**	**4,000-4,255**		
Projects in development [5]										
Lot 300, Hashalom Rd.	Tel Aviv	Residential/Retail			100%		267	TBD		
Tzrifin logistic center	Tzrifin				100%		250	TBD		
Others							483			
Total projects in development and others							**1,000**			
Total							**2,757**			

1. The cost of construction includes the land component and parking garages, tenants improvements and capitalizations.
2. The cost of construction includes the land component and parking garages and does not include tenants improvements and capitalizations.
3. Subject to the completion of additional rights in the K Compound in Jerusalem.
4. completion of additional construction rights in order to build a tower matching Platinum Stage A.
5. Projects in development that their value in the company books is more than 200 million NIS, per project.
6. The commercial floors of the property are expected to open in 2024. The Company has entered into contracts at a scope of approximately 8,5000 sqm (the Company's part being 50%), which are expected to yield annual rent of approximately NIS 14 million (the Company's part being 50%).

The information included in this section above is forward-looking information. The information relates to data available and known to the Company 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 Company. Therefore, it is not certain that those projects will, indeed, come to fruition.

Projects Under Construction

Amot modi'in

The project includes a logistics center with an area of approximately 42.7 thousand square meters, and an office building with an area of approximately 9 thousand square meters. The entire logistics center will be rented to Shufersal over a period of 15 years with an option to extend the period, In annual rents calculated according to 8% return on the total investment cost. Furthermore, in accordance with the agreement between the parties, the logistics center began producing income beginning in mid-July 2020, and was reclassified from real estate under construction to revenue-generating real estate. The partnership's total investment in the construction of the project is estimated at approximately NIS 434 million (the Company's share in the investment is 75%, and is estimated at approximately NIS 325 million, Shufersal's share is 25%). The Company's expected income is estimated in the amount of approximately NIS 25 million per year. As of the date of the report, the construction works of the logistics center have been completed and the property has been handed over to the tenant and the office building is in the final stages of completion.

Halehi Complex

The lot is located in North Bnei Brak Business Complex, next to Park HaYarkon and Ramat HaHayal complex, and close to Ayalon shopping mall. The parties are working together on the planning, development and construction of an office and retail project on the lot, which will include approximately 96 thousand square meters of aboveground area, including 45 office stories, above 3 retail stories. The investment in the construction of the project (including the land component and the parking basements) is estimated by the parties at a total of approximately NIS 1,530 million (the Company's share - 50%). As of the reporting date, the project is in the stage of building the aboveground structural framework and finishing works, and systems for the parking lot and retail floors.

K Complex Jerusalem

On September 14th, 2020, the Company, together with Allied Real Estate Ltd., won a tender for the lease of a lot with an area of approximately 4.5 dunams (constituting the K complex) in the "Sha'ar Ha'ir" complex, which is expected for construction at the entrance to Jerusalem.The project at a scope of approximately 79 thousand square meters of aboveground areas according to the current zoning plan, and approximately 93 thousand square meters according to the zoning plan that was deposited, as well as the right to attach 200 built parking spaces in an underground public parking lot adjacent to the complex (the Company's share - 50%). The investment in the construction of the project, including the land component, is estimated by the parties at a total of approximately NIS 1,440 million (the Company's share - 50%) As of the reporting date, the quarrying work was completed and the foundation work began.

Beit Shemesh Logistics Center

In September 2021 the Company acquired from Y.D.E. Menivim Ltd. 60% of a lot with an area of 40 dunams in Beit Shemesh, for the construction of a logistics center, for a total consideration of NIS 53 million. The Company is currently promoting a zoning plan which would increase the construction area in the lot, to a total of approximately 50 thousand square meters. As part of the engagement between the parties, it was agreed that the companies would jointly build an advanced logistics center, to include two tall stories, each with a height of 15 meters, for a total cost of approximately NIS 360 million, with the Company's share being NIS 216 million. As of the date of the statement, the project is in the midst of finishing works, and an aboveground logistics center has been delivered to the customer for adjustment works. Form 4 is expected to be issued in Q1 2024.

Projects Under Construction (Cont.)

Amot Denisra - Park Afek

Joint project of the Company and of Denisra International Ltd. (50% share for each party) for the construction of a fourth office building above an existing commercial floor in Amot Park Afek Complex in Rosh Ha'ayin. The entire complex is jointly owned by the parties.

The building will include 6 floors above the ground floor, with a total area of 9,400 square meters. The building rights for the construction of the building were received within the framework of a zoning plan which the parties promoted, and which entered into effect in 2020. The total investment in the construction of the project is estimated at a total of NIS 80 million (the Company's share: 50%). The building permit was received during the month of January 2023 and the project is in the finishing and aluminum works stage. Form 4 is expected to be issued in Q3 2024.

ToHa2 (Totzeret ha'aretz) - Negotiations of a Rental Transaction

On November 9, 2022, after the balance sheet date, as part of the transaction of the Company and of Gav-Yam Bayside Land Corporation Ltd., the joint owners of the interests in the ToHa2 project (the "Project"), the parties engaged in a detailed letter of intent with an unrelated third party (hereinafter: the "Letter of Intent") according to which, during the coming months, the parties will work together and in good faith towards engaging in a long-erm and binding lease agreement in accordance with the principles specified in the letter of intent, which will be subject to the approval of the boards of directors / competent organs of all of the parties.

The binding lease agreement, insofar as it will be signed, will apply to the lease of an area of approximately 55 thousand square meters, plus several hundred parking spaces (with an option to increase the area of the leased property by another approximately 20 thousand square meters), for a period of 10 years, beginning on January 2027, after the completion of the project's construction, in exchange for rent, on a core and shell basis, in the amount of approximately NIS 105 million per year (the Company's share - 50%).

It is hereby clarified that the Company's estimates regarding the signing of a binding lease agreement, as stated above, and the timetable for the construction of the project, constitute forward looking information, as defined in the Securities Law, 5728-1968. The information provided in this report above is based on the information which is available to the Company as of the present date, mostly with respect to the terms of the lease agreement, if signed, and the status of the project. However, there is no certainty that the memorandum of understanding will mature into a binding lease agreement, or regarding the date when the construction of the project will be completed. The Company's aforementioned estimates and forecasts depend on, and are subject to, the materialization of actions and circumstances which are not under its control, and of forecasts and future estimates which are uncertain to materialize, and which are not under the Company's control, and which therefore may not materialize, in whole or in part, or may materialize differently from its forecast (including significantly), and may be affected by factors which cannot be predicted in advance, including due to changes in the Company's operating economic environment, or due to the materialization of any of the risk factors which are included in the chapter "description of the corporation's business" in the Company's periodic report for 2023.

ToHa - Land In Tel-Aviv

After the date of the report, the company entered into an agreement with Gav-Yam Ltd., a partner in the ToHa project in Tel Aviv, for the sale of half of Amot's rights in a division of land in an area of approximately 3 dunams (lot 300) near the ToHa project. According to the approved IBA, a project with an area of approximately 5,000 square meters for employment and approximately 90 units can be established on the land, for a sale price of 156 million NIS, plus VAT as required by law.

Over the past two years, the partnership has completed the purchase of properties bordering the ToHa complex, with the aim of developing and enhancing building rights in the complex in accordance with the municipal and national master plans.The scope of the purchases so far amounts to a total of about NIS 500 million (including lot 300), the company's share is 50%.

Management of Debt Structure

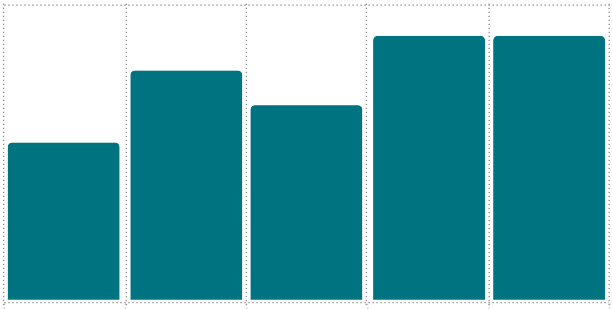
Company policy is to maintain an efficient leverage rate by recruiting debt with a long-term life span. The Company's gross financial debt as of December 31 2023 amounts to 9.3 billion NIS. The debt's total life span is 5 years and the weighted effective interest rate is 1.7% CPI-linked. The Company's full assets (98%) are unencumbered.

As of the publication date of the report, the Company has cash balances at a scope of approximately NIS 500 million, and unused credit facilities in the amount of NIS 1,060 million.

In October 2023 the Company issued, through the expansion of an existing series, Series G and Series H debentures to the sum of 547 million NIS NV in return for a net total of 503 million NIS. The debentures bear an effective CPI-linked interest rate of 3.63% and have an expected life span of 6 years (including impact of hedging agreement).

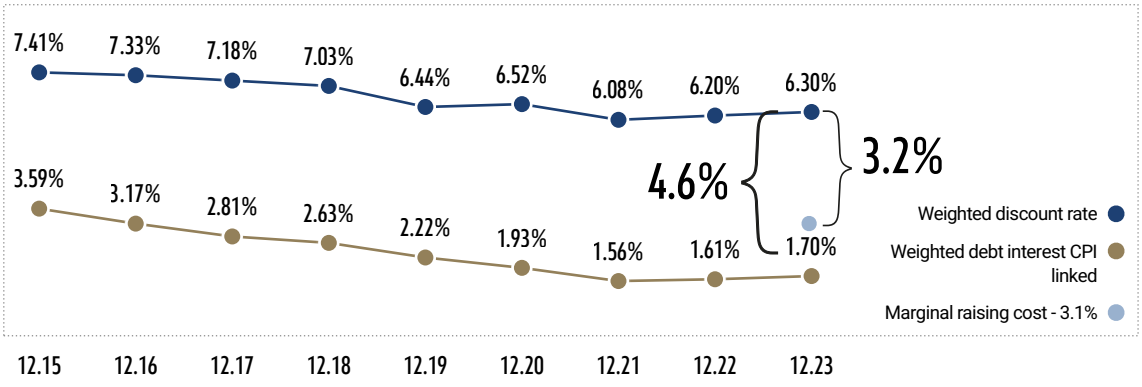
Repayment of Bonds and Loans Over the Years

In Millions of NIS



	2024	2025	2026	2027	2028
Repayment of bonds and loans	648	937	794	1,072	1,072
Effective rate of interest	2.1%	1.8%	1.9%	1.7%	1.7%

Margin of Real Gross Return on Income-Generating Assets and Weighted Index-Linked Cost of Debt



The cost of raising debt is based on Amot bonds (series H), 6 years maturity, according to the market price for February 4., 2024.

NOI

Net Operating Income

Set forth below is data regarding the Company'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 Company 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 Company's results of operations.

Development of NOI (in Thousands of NIS)

	Fourth quarter 2023	Third quarter 2023	Second quarter 2023	First quarter 2023	Fourth quarter 2022
Same Property NOI	249,676	255,417	252,580	246,733	243,418
New assets/ classified to real estate under construction	-	-	-	-	-
NOI - Total	**249,676**	**255,417**	**252,580**	**246,733**	**243,418**

The NOI in the fourth quarter of 2023 totaled 250 million NIS compared to 243 million NIS in the corresponding quarter last year, constituting an increase of 3%. The increase derives from added revenues from identical properties (among other things as a result of occupations, and increases in the Consumer Price Index). The increase in question is the impact of one-time expense and the influence of Iron Swords war relief, which in Q4 2023 led to the loss of income to the sum of 6 million NIS.

The NOI in the current quarter is all same property NOI.

Weighted Rate of Return

Set forth below is a calculation of the weighted rate of return (cap rate) derived out of all of the Company's income-generating real estate as of December 31, 2023.

	Million of NIS
Investment property as per extended consolidated financial statements as of December 31, 2023 (1)	16,731
Less – value of land classified as investment property and building rights value	(4)
Income-generating investment property as of December 31, 2023	16,727
Less – value attributed to unoccupied spaces (2)	(791)
Projected investments and others	181
Investment property attributed to rented spaces as of December 31, 2023	**16,117**
NOI – fourth quarter 2023	**248**
Annual NOI based on the NOI for the fourth quarter of 2023	**992**
The expected NOI in respect of cash flows from rental fees in accordance with signed rental contracts and accumulated linkage differentials	22
Total expected annual NOI standardised (3)	**1,014**
Weighted rate of return derived from income-generating investment property (Cap Rate)	**6.30%**

1. The calculation does not include the value of assets held for sale.
2. Including vacant spaces for the Amot Holon campus, which was classified to cash-generating property at the end of the first quarter of 2022.
3. Thus NOI does not constitute the Company's forecast, in the matter of the Company's forecast see Page 80 in this report.

Sensitivity Analysis for Investment Property

The following is a sensitivity analysis for the investment property at a discount rate (Cap Rate) based on the amended NOI (including companies in joint arrangements): based on an NOI of 1,014 million, the impact of any change of 0.25% in the discount rate (Cap Rate) on the adjustment of the fair value is **NIS 642 million** (approximately NIS 494 million after deducting deferred taxes at a rate of 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 Company'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 Company and its ability to distribute it.
C. Is not supposed to replace reported net income for purposes of evaluating the Company's results of operations.

Real FFO is a measure calculated according to the approach of the company's management.

FFO Calculations (in thousands of NIS)

	Change %	2023	2022	2021
Net profit for the period		682,607	1,171,146	932,186
Fair value adjustment		(254,637)	(1,019,088)	(868,597)
Amortization of transaction costs with respect to property purchases		3,300	18,248	120,583
Deferred taxes, land appreciation tax and others		88,263	192,257	258,168
Amortization of options		6,757	5,746	4,826
Depreciation and miscellaneous		3,664	3,441	4,474
Nominal FFO		**529,954**	**371,750**	**451,640**
linkage differences on principal of debt and exchange differences		272,559	371,461	112,327
Real FFO	**8%**	**802,513**	**743,211**	**563,967**
Weighted number of shares	1%	470,076	463,438	419,750
Per share FFO (in Agorot)	**6%**	**170.7**	**160.4**	**134.4**
Real FFO exc. of one-off financing expenses [1]	**8%**	**802,513**	**743,211**	**582,965**
Weighted number of shares	1%	470,076	463,438	419,750
FFO per share (in Agorot) exc. of one-off financing expenses	**6%**	**170.7**	**160.4**	**138.9**
Change in index in the period [2]		3.3%	5.3%	2.4%

The change in real FFO in 2023 relative to 2022 was mostly due to the increase in NOI.

FFO per share in 2023 amounted to 170.7 agorot, as compared with 160.4 agorot in 2022, representing an increase of 6%, along with an increase of 1% in the weighted total of shares.

1. The real FFO in 2021 does not include taxes paid for an assessment agreement the Company signed against the income tax authorities for 2016-2019.
2. The change in the Consumer Price Index rate has an impact on current tax expenses. In the event of an increase/decrease in the Consumer Price Index, an increase/decrease occurs in financing expenses due to a CPI-linked debt, which causes a decrease/increase in provisions to current taxes.

EPRA

European Public Real Estate Association

The EPRA index is an index that includes European public companies engaged in income-generating real estate. the company is included in the EPRA index as of 23 March 2020.

The Company decided to adopt the position paper published by EPRA, whose objective is to increase transparency, uniformity and comparability of financial information reported by the real estate companies included in the index. Set forth below is a report about two financial metrics that were calculated in accordance with this position paper.

It should be emphasized that the metrics set out below do not include the component relating to the projected profit from projects under construction, which has not yet been recorded in the financial statements. These data do not constitute an appraisal of the Company's value; they are not audited by the Company's independent auditors and do not substitute the financial statement data.

EPRA NRV Indicato

The EPRA NRV indicator reflects the net realizable value of the Company's net assets over the long term, assuming continued future activity and non-realization of real estate properties, therefore requiring certain adjustments, such as cancellation of deferred taxes due to the revaluation of investment property.

In thousands of NIS	31/12/2023	31/12/2022
Equity attributed to Company's shareholders in the financial statements	8,837,669	8,775,592
Plus – deferred tax in respect of revaluation of investment property to its fair value	1,811,617	1,723,540
EPRA NRV	10,649,286	10,499,132
EPRA NRV per share (Agorot)	2,263	2,235
Number of shares at end of period (in thousands of NIS par value)	470,651	469,840

EPRA NTA Indicator

The EPRA NTA indicator reflects the net value of the Company's tangible assets. The assumption underlying the indicator is that entities buy and sell assets, and therefore only part of the deferred taxes due to the revaluation of investment property are neutralized.

In thousands of NIS	31/12/2023	31/12/2022
Shareholders equity according to the company Financial statements	8,837,669	8,775,592
Plus – 50% of the deferred tax in respect of revaluation of investment property to its fair value	905,809	861,770
EPRA NTA	9,743,478	9,637,362
EPRA NTA per share (Agorot)	2,070	2,051
Number of shares at end of period (in thousands of NIS par value)	470,651	469,840

EPRA NDV Indicator

The EPRA NDV indicator reflects the net settlement value of the Company's assets in case of the sale of assets and the repayment of liabilities. The calculation of the indicator includes taking into account all deferred taxes with respect to the appreciation of the assets which will apply upon the sale of the assets, and a fair value adjustment of financial liabilities is performed. It is noted that this indicator should not be interpreted as constituting the value of the Company's assets upon liquidation, since in many cases fair value does not represent asset value in case of liquidation.

In thousands of NIS	31/12/2023	31/12/2022
Shareholders equity according to the company Financial statements	8,837,669	8,775,592
Adjustment of the value of financial liabilities to fair value	(581,915)	414,927
EPRA NDV	8,255,754	9,190,519
EPRA NDV per share (Agorot)	1,754	1,956
Number of shares at end of period (in thousands of NIS par value)	470,651	469,840

Forecast 2024

As part of the Company's 2024 business plan, 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 business plan was drawn up bearing in mind the macroeconomic data of 2023. 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 2024, based on the following work assumptions:

- Consumer price index - Increase in CPI by 2.5%.
- The rental agreements are signed and Company's management expectations as to renewal of current rental agreements in 2024.
- In accordance with the company's strategy, the forecast for 2024 includes expected asset realization in the annual scope of 2%-3% of the asset value
- The yielding real estate of the company, as part of the property portfolio improvement process.

	Forecast 2024	Actual 2023	Updated forecast 2023 as of 6/23
NOI (in millions of NIS)	1,000-1,040	1,004	980-1,000
Real FFO (in millions of NIS)	775-805	803	780-800
FFO per share (Agorot)	165-171	170.7	166-170

Toha2, Tel Aviv

The information regarding the projection for 2024 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 Company.

Operating Results According to Consolidated Financial Statements

The Business Results (in Millions of NIS)

	For the period		Comments and explanations
	1-12.2023	1-12.2022	
Revenue from leasing and management of properties, net of property leasing costs (NOI)	967	899	The increase derives from an increase in revenues in identical properties (among other things as a result of occupations, price increases and from increases in the Consumer Price Index) and from properties construction of which has been completed.
Fair value adjustment of investment property	248	1,003	The decrease is due to lower linkage differences in 2023 compared to 2022 (3.3% in 2023 compared to 5.3% in 2022) and an increase in the company's weighted capitalization rate.
Amortization of transaction costs with respect to property purchases	(3)	(18)	
General and administrative expenses	62	58	The increase is due to many factors
Net financing expenses after neutralizing one-time financing expenses	379	470	The decrease derives from a change in linkage differences, a 3.3% increase in the reported period compared to a 5.3% increase in the corresponding period last year.
Tax on income expenses	110	206	
Net profit	683	1,171	

The Business Financial Summary, Liquidity and Sources of Funding (in Million of NIS)

	For the period		Comments and explanations
	31.12.2023	31.12.2022	
Total revenue-generating investment property	16,156	16,057	
Working capital	(136)	254	As of the publication date of the report, the Company has unused credit facilities in the amount of NIS 1,060 million.
Financial debt, net	8,534	7,824	
Equity	8,838	8,776	The increase is due to the total profit for the period, offsetting dividend distributions

Cash and Credit Facilities

Cash Flows

The positive cash flows arising to the Company from operating activities in the reporting period amount to NIS 790 million compared with NIS 590 million [1] in corresponding period last year.

Approved Credit Facilities

As of the publication date of the report, the Company has five approved credit facilities, in the amount of NIS 1,080 million.

1. A credit facility from a banking institution in the total amount NIS 280 million, until December 31, 2024.
2. A credit facility from a banking institution in the total amount NIS 300 million, until December 31, 2024.
3. A credit facility from a banking institution in the total amount of NIS 150 million, until June 27, 2024.
4. A credit facility from an institutional entity in Israel, in the total amount of NIS 150 million, until March 16, 2025.
5. A credit facility from an institutional entity in Israel, in the total amount of NIS 200 million, until May 30, 2025.

As of the reporting date, the unused credit facilities amounted to a total of NIS 1,060 million.

In order to use the above referenced credit facilities, the Company is required to meet the following conditions:

1. The Company's tangible equity will be no less, at any time, than 25% of the Company's total balance sheet, after deducting cash and cash equivalents, after deducting short term investments (short term marketable securities), and after deducting securities in connection with discontinued operations, on a consolidated basis.
2. The Company's ratio of net financial debt (after deducting investment property under construction) to NOI will not exceed 10 at any time.
3. The net financial debt to cap ratio will not exceed 70%.
4. Alony Hetz is the Company's controlling shareholder.

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

Working Capital Deficiency

As of December 31 2023, the Company has a working capital deficit of 136 million NIS, as of the report's publication date, the Company has cash balances of 500 million NIS, in addition, the Company has unused credit frameworks from banks and financial institutions that can be withdrawn immediately, the Company has an extensive cluster of signed contracts for coming years and none of the Company's assets are encumbered. Company policy is to hold unused credit frameworks in lieu of cash and deposits.

In the opinion of the company's board of directors, in light of the above, the existence of a working capital deficit does not indicate a liquidity problem.

1. During January 2022, the company paid a total of NIS 134 million (not including interest and linkage) as part of the final tax assessment agreement for the years 2016-2019 which was signed in December 2021. For details, see Note 13.H(1) in the company consolidated financial statements for 2023.

Cash and Credit Facilities (Cont.)

Linkage Bases

The Company has financial liabilities amounting to app. NIS 9.3 billion, of which NIS 8.9 billion are linked to the CPI. The Company's income-generating real estate amounting to app. NIS 17 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 31.12.23, Company's equity amounted to NIS 8.84 billion (per share equity of NIS 18.78)
As of 31.12.22, Company's equity amounted to NIS 8.77 billion (per share equity of NIS 18.68)

Migdal HaMe'a, Tel Aviv

Dividend Distribution Policy

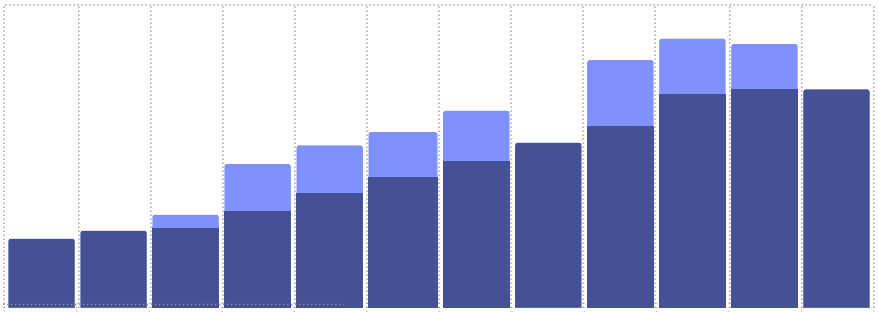
In March 2023 the Company Board of Directors decided that in 2023 the Company would distribute a minimum annual dividend of 1.08 NIS per share, paid in 4 equal quarterly payments, subject to a specific decision by the Board of Directors in each quarter.

Pursuant to this policy, in March, May, August and November 2023 the Company announced that it would be distributing dividends for the first, second, third and fourth quarters of 2023 to the amount of 1.08 NIS per share (508 million NIS). In addition, in March 2023 the Company declared that it would be distributing additional dividends for 2022 to the amount of 0.28 NIS per share (131 million NIS), paid in March 2023. In total, a sum of 639 million NIS was paid over the course of the reported period.

In February 2024 the Company Board of Directors decided that in 2024 the Company would distribute a minimum annual dividend of 1.08 NIS per share, paid in 4 quarterly payments of 0.27 NIS per share, subject to a specific decision by the Board of Directors at the end of each quarter. Pursuant to this policy, in February 2024 the Company announced that it would be distributing dividends for the first quarter of 2024 to the amount of 0.27 NIS per share (127 million NIS), which will be paid over the course of February 2024. In addition, in February 2024 the Company declared additional dividends for 2023 to the amount of 0.22 NIS per share (104 million NIS), which will be paid over the course of February 2024.

Dividend

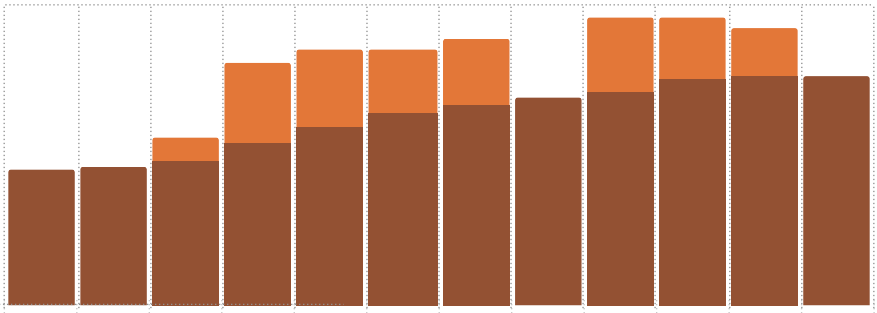
In millions of NIS



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
Current dividend	158	177	187	222	263	302	342	381	419	494	508	509
Additional dividend			30	111	117	105	118		155	131	104	

Dividend Per Share

In millions of NIS



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
Current dividend per share	0.64	0.66	0.68	0.77	0.84	0.9	0.94	0.98	1	1.06	1.08	1.08
Additional dividend per share			0.11	0.36	0.36	0.3	0.31		0.34	0.28	0.22	

LOOKING FORWARD

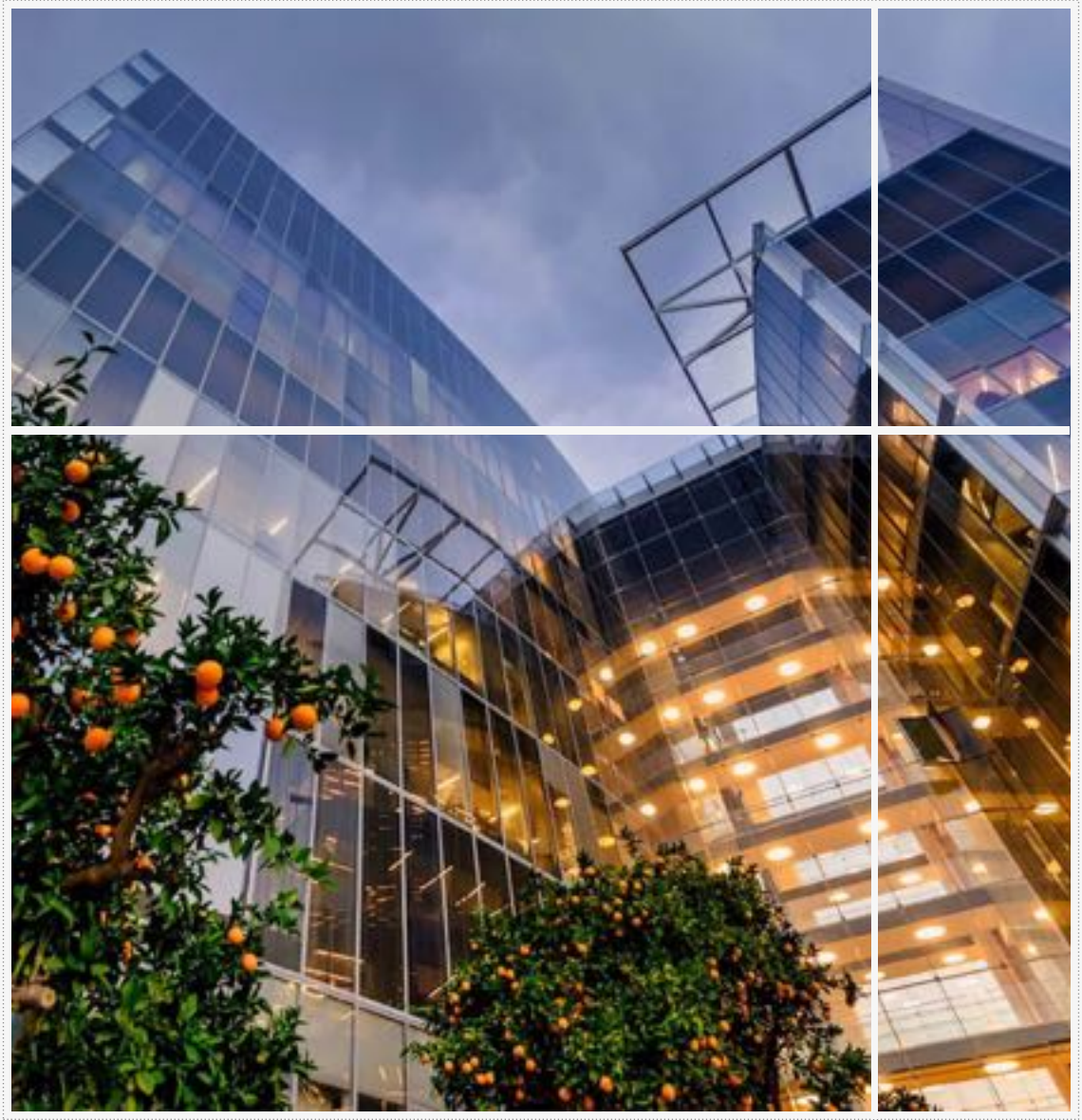
The Company operates in accordance with a long term strategy which is intended to expand and improve its portfolio of owned properties, while ensuring to build high-quality properties which benefit both people and the environment, and providing a full array of services to its customers. The realization of this strategy is achieved by developing and building new properties, buying properties, developing a property management company, and customer service. The Company frequent considers expansion through entry into additional fields of activity that overlap significantly with revenue-generating real estate. The Company incorporates debt raising and capital issuances in order to serve its needs, while making sure to maintain a balanced debt structure.

The Company's Board of Directors would like to thank the holders of the Company's securities for their confidence in the Company.
As always, we would like to thank our shareholders for their support, our service providers for their tireless efforts, our lessees who have chosen Amot properties as a home of their businesses, and our dedicated employees, who work night and day to advance the Company's business.

NATHAN HETZ
Chairman of the Board of Directors

SHIMON ABUDRAHAM
CEO

February 7, 2024
Date



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Amot Investments Ltd. is a leading Israeli real estate company.

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AMOT
ALONY HETZ GROUP

APPENDIX A

EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

Amot Investments Ltd. is a leading Israeli real estate company.

1.1

Extended Consolidated Financial Statements

Expanded consolidated statements of the Company are statements of the Company presented in accordance with the IFRS rules, with the exception of the implementation of IFRS 11 "Joint Arrangements", which has been implemented retroactively regarding annual reporting periods starting on January 1, 2013; i.e., investments in investees displayed based on equity, which, prior to the standard's implementation, were treated under the relative consolidation method (due to there being a contractual arrangement for joint control), neutralized and calculated by means of a relative consolidation of the investee companies.

	As of December 31,	
	2023	2022
	NIS in thousands	NIS in thousands
Current assets		
Cash and cash equivalents and short-term deposits	534,154	1,096,491
Trade receivable	33,847	23,504
Current tax assets, net	1,617	5,441
Receivables and debit balances	32,657	28,800
Assets held for sale	177,825	-
	780,100	**1,154,236**
Non-current assets		
Investment property	16,730,765	16,521,806
Investment property under construction and land rights	2,757,003	2,340,645
	19,487,768	**18,862,451**
Long-term receivables	116,576	54,100
Fixed assets, net	47,665	47,090
Total non-current assets	**19,652,009**	**18,963,641**
Total assets	**20,432,109**	**20,117,877**
Current liabilities		
Credit from banks and current maturities	653,370	651,492
Trade payable	29,488	28,508
Current tax liabilities, net	36,885	27,316
Other payables	161,033	158,436
Payables in respect of investment property	45,796	47,147
Total current liabilities	**926,572**	**912,899**
Non-current liabilities		
Bonds	7,877,329	7,754,788
Loans from banks and others	720,207	701,503
Provisions	16,483	16,483
Other	242,289	233,126
Deferred taxes, net	1,811,617	1,723,540
Total non-current liabilities	**10,667,925**	**10,429,440**
Equity		
Equity attributed to Company's shareholders	8,837,669	8,775,592
Non-controlling interest	(57)	(54)
Total equity	**8,837,612**	**8,775,538**
Total liabilities and equity	**20,432,109**	**20,117,877**

1.2

Extended Consolidated Statements of Profit and Loss

	For the year ended December 31		
	2023	2022	2021
	NIS in thousands	NIS in thousands	NIS in thousands
Revenue from rent and management of investment property	1,150,579	1,063,905	873,827
Cost or renting out and operating the properties	146,173	132,909	94,009
Gain from renting out and operating the properties	**1,004,406**	**930,996**	**779,818**
Adjustment of fair value of investment property, net	254,637	1,019,088	868,597
Transaction cost reduction due to properties purchase	(3,300)	(18,248)	(120,583)
	1,255,743	**1,931,836**	**1,527,832**
General and administrative expenses	68,627	63,600	56,518
Other expenses (income), net	(191)	181	1,860
Profit from ordinary activities	**1,187,307**	**1,868,055**	**1,469,454**
One-off financing expenses in respect of refinancing	(272,559)	(371,461)	(112,327)
Financing expenses, net	(117,062)	(115,350)	(136,054)
Income before taxes on income	**797,686**	**1,381,244**	**1,221,073**
Taxes on income	(115,079)	(210,098)	(288,887)
Net income for the period	**682,607**	**1,171,146**	**932,186**
Attributed to:			
Parent company shareholders	682,611	1,171,150	932,189
Non-controlling interest	**(4)**	**(4)**	**(3)**
	682,607	**1,171,146**	**932,186**

1. In 2022, including one-time financing expenses of approximately 19 million

Extended Additional information

the Company's liabilities (extended consolidated) repayable after December 31, 2023 statements of profit or loss (NIS in thousands)

	Bonds	Bank loans	Bank loans – consolidated companies	Total
Current maturities	628,501	-	19,140	647,641
Second year	790,399	-	146,793	937,192
Third year	790,399	-	3,275	793,674
Fourth year	1,070,596	-	1,350	1,071,946
Fifth year and thereafter	5,618,508	543,977	24,816	6,187,301
Total repayments	**8,898,403**	**543,977**	**195,374**	**9,637,754**
Balance of bond premium and other				**(386,848)**
Total extended consolidated financial debt				**9,250,906**

Amot Insurance House Migdalei Ha'ir, Tel Aviv

APPENDIX B

CORPORATE GOVERNANCE ASPECTS

Amot Investments Ltd. is a leading Israeli real estate company.

The Company's Board of Directors;

Directors Possessing Accounting and Financial Expertise and Independent Directors

As of the day of this statement's publication, the company's board of directors comprises 9 (nine) directors, all of whom have accounting and financial expertise. 6 (six) of the board's members are Independent Directors within the meaning of the Companies Law, 5759-1999 (hereinafter: the "Companies Law") (1).

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.

Following an evaluation of the board members' education, experience and qualifications, as of the date of the statement all members of the board have been approved by the company's board as having accounting and financial expertise. For information regarding the incumbent directors' education and experience, see Article 26 in the chapter providing additional information on the corporation, Chapter D of the 2023 periodic statement.

Best Carton, Caesarea

1. In regards of "Independent Director" means a director who meets the terms of eligibility to appoint an external director as prescribed by Section 240(B) to (F) of the Companies Law, and the Audit Committee has so approved, and who has not served as a director of the company for over nine consecutive ears, and in this regard, termination of a term of office not exceeding two years will not be deemed to terminate the consecutive term of office.

2.1

Disclosure Regarding the Corporation's Internal Auditor

Name of internal auditor	Ofer Alkalay, CPA
Qualifications of internal auditor	Certified Public Accountant, Economist and Jurist B.A. in Economics and Accounting, LL.B. and LL.M. in Law, Certified Internal Auditor (CIA) of the International Institute of Internal Auditors (IIA). Until recently, he was a partner in Alkalay Monarov & Co. accountancy firm, And as of January 2021 - the owner of Alkalay & Co., which specialize in business consulting, control and risk management.
Date tenure commenced / concluded	Commenced tenure in November 2019.
Fulfillment of conditions prescribed in the Internal Audit Law and the Companies Law	To the best of the Company's knowledge, and as it was informed by the internal auditor, the internal auditor fulfills the provisions and conditions prescribed in sections 3(a) and 8 of the Internal Audit Law, 1992, and the conditions specified in section 146(b) of the Companies Law, as well as the international professional standards of the IIA.
Exclusivity of activity	He is not an employee of the corporation, does not perform any other role in the corporation beyond his position as the internal auditor and the performance of test evaluations as part of the ISOX process. To the best of the Company's knowledge, and as it was informed by the internal auditor, he does not fulfill any position outside of the corporation which creates or may create any conflict of interest with his position as the corporation's internal auditor. In performing the internal audit work, the internal auditor is assisted by a professional staff of employees from his firm.
Holding of the corporation's securities	According to his announcement, he does not hold securities of the corporation or of any entity affiliated with the corporation, as this term is defined in the Fourth Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970.
Personal interest	He is not an interested party of the corporation, is not an officer in the corporation, and is not a relative of any of the above, nor does he serve as the auditor, or any other party on their behalf, and is not a service provider external to the corporation, except for internal audit services and test evaluations conducted as part of the ISOX process.
Business / significant ties to the corporation	The internal auditor does not have any business ties or other material ties to the corporation, or to any entity affiliated with the corporation, as this term is defined in the Fourth Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970. Excluding the accompaniment of the process of drafting policies for all of the Company's work processes.
Appointment of the internal auditor	His appointment was approved by the Company's Audit Committee in its meeting on September 26, 2019, and by the Company's Board of Directors in its meeting on November 3, 2019, based on his extensive and rich experience and his expertise in the field of internal auditing, including in public companies and government entities, and in light of the interface between him and the retiring internal auditor, Mr. Avner Eliav, following the integration of the activities of Avner Eliav„ into the accountancy auditor office.
External auditor	The auditor provides internal audit services, as an external entity, through the accountancy firm "Alkalay Monarov - Business Consulting, Control and Risk Management" until December 31, 2020 and from that date through "Alkalay & Co.".
Professional standards	In accordance with his announcement, he conducts the audit work in accordance with the professional standards specified in section 4(b) of the Internal Audit Law, 1996.
Scope of employment	The internal auditor was employed in an internal audit in 2023 amounting to approximately 620 hours

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 risk of Company operations and actions determined, among other things, on the basis of a risk survey conducted by the internal auditor over the course of 2023, the probability of the existence of administrative and executive faults, findings from previous audits, cases in which audits are required by administrating bodies, legally mandated subjects, according to internal or external procedural directives and the need to maintain business cycles.

The setting of the work plan of the internal audit function in the Corporation is done jointly by the Company's CEO, the Internal Auditor and the Corporation's consultants and senior management. The internal audit work plan is approved by the Company's Audit Committee at the beginning of each year in relation to the current year.

In 2023 to the reports publication date, 4 internal audit reports were submitted to the Company and the Audit Committee:

Name and subject of report	**Date of the Audit Committee's discussion regarding the report**
Audit report on: Information Security	May 3, 2023
Audit report on: Emergency Preparations	July 5, 2023
Risk Survey	October 15, 2023
Audit report on: Means of Payment and Banks	December 24, 2023

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.

Internal Auditor's Fees

The Internal Auditor's fees in respect of the internal auditing have been set at an amount in shekels that is equivalent to NIS 250 per hour of work (index-linked), with the addition of VAT. The remuneration for the audit work is in accordance with the budgeted number of hours for the Internal Auditor's work.

In 2023, an amount of approximately NIS 155 thousand was paid to the Internal Auditor for the internal audit work. There is no concern that this remuneration, which is a product of the actual budgeted hours of the Internal Auditor's work, may influence the exercise of the Auditor's professional judgment.

2.2 The Board of Directors

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

2.3 Internal Enforcement Plan

On May 9th, 2021, the Company readopted an up-to-date enforcement plan that is in line with the latest standards and changes that have occurred in the law in all the relevant issues which the enforcement plan covers. The plan establishes procedures aimed at, inter alia, regulating key issues such as the manner of publishing immediate reports, locating, approving and reporting transactions that raise concerns about the personal interest of office bearers or controlling shareholders, prohibiting the use of insider information, prevention of fraud and manipulation, upholding monitoring, reporting and control mechanisms, as well as establishing rules of activity and behavior in conjunction with work processes that aim to create controls on key processes on issues regulated within the framework thereof, ways of handling and learning 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.

2.4

Accountants Salary

It should be noted that Ziv Haft Consulting and Management Ltd., which provides professional services as the independent auditor of subsidiaries of the Company, leases a real estate asset owned by the Company and uses it as its head office. The parties have in place a long-term and long-standing rental agreement, which is renewed from time to time, for many years.

The fees for the Company's auditing accountants is discussed by the Financial Statements Examination Committee and is submitted to the Company Board of Directors for approval. The fee is set based, among other things, on market conditions and in the opinion of Company Management is reasonable and acceptable in accordance with the nature of the Company and the scope of its activity. Fees are set globally.

This engagement between the parties was entered into in accordance with all the provisions and conditions set out in the resolution published by the Securities Authority – "Resolution on Pre-Ruling Application regarding the Auditor's Independence" (see Securities Authority's Resolution no. 105-7), and it complies therewith.

Set forth below are the fees of the independent auditor of the Company and material consolidated companies of the Group (in thousands of NIS):

Company's name	**Auditor's name**	**2023**		**2022**	
		Audit services	**Other services**	**Audit services**	**Other services**
.Amot Investments Ltd	Brightman Almagor Zohar & Co. (in thousands of NIS)	763	389	707	170
Ayalot Companies Group (In 2022, including an audit of management companies)	Ziv Haft CPAs (in thousands of NIS)	634	43	590	50

2.5

Charitable Donations

The Company views donating and supporting the community in Israel as an important component that should be integrated into its activities. In 2023, the Company donated NIS 2.5 million to different charities and organizations that aim to work for the community, promote educational causes and support disadvantaged populations. In 2024 the Company increased the donations level to a total of 3.6 million NIS.

AMOT
ALONY HETZ GROUP

APPENDIX C

DISCLOSURE PROVISIONS IN CONNECTION WITH THE CORPORATION'S FINANCIAL REPORTING

Amot Investments Ltd. is a leading Israeli real estate company.

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 Company 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.

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, the Company carried transaction costs incurred upon acquiring new properties to the statement of profit or loss.

AMOT
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APPENDIX D

SPECIAL DISCLOSURE TO BOND HOLDERS: BONDS HELD BY THE PUBLIC

Amot Investments Ltd. is a leading Israeli real estate company.

4.1

Set Forth Below Are Data as of 31.12.2023 Regarding Bonds Issued by the Company

(In thousands)	Bonds (Series D)	Bonds (Series E)	Bonds (Series F)	Bonds (Series G)	Bonds (Series H)	Total
Issuance date	31.7.14	31.3.16	30.6.19	6.2.20	18.2.21	
Linkage method	Index linked	shekel	Index linked	shekel	Index linked	
Trustee's information	Reznik Paz Nevo Trusts Ltd.					
Right to early redemption	In the event of the exchange's board resolving to halt trade due to a decrease in the value of the series in accordance with the exchange's directives or at the Company's initiative upon the occurrence of certain incidents as set forth in Section 6(2) of the deed of trust.					
Payment date of principal and interest	July 2	January 4	October 3	January 5	January 5	
Par value at issuance date	241,941	276,047	423,287	465,000	450,000	
Par value as of 31.12.23	1,402,846	651,128	2,362,983	1,215,338	2,431,713	**8,064,008**
Linked par value as of 31.12.23	1,559,738	651,128	2,593,816	1,215,338	2,714,661	**8,734,681**
Value in financial statements as of 31.12.23	1,598,325	654,121	2,557,750	1,152,723	2,579,910	**8,542,829**
Value on the stock exchange as of 31.12.23	1,611,028	638,105	2,454,194	1,039,357	2,382,349	**8,125,033**
Interest accrued as of 31.12.23	24,831	21,827	7,190	29,228	24,626	**107,702**
Rate of fixed interest for the year	3.20%	3.39%	1.14%	2.44%	0.92%	

Amot Investments, Tel Aviv

4.1

Set Forth Below Are Data as of 31.12.2023 Regarding Bonds Issued by the Company

For an up-to-date Midroog rating report see the immediate report published by the Company on April 4 2023 ref. no. 2023-01-038970.

For an up-to-date Ma'alot the Israeli Securities Rating Company Ltd. rating report see the immediate report published by the Company on January 8, 2024 ref. no. 2024-01-004425. For an up-to-date rating report of Ma'alot the Israeli Securities Rating Company Ltd.

Series D,E,F,G,H

The 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 1-2.2 billion;	8.8	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).	6.3	Compliant
The rating of the Series D,E,F,G,H 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;	54%	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 bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 19 billion – higher than the outstanding balance	Compliant
Unremoved demand for immediate repayment of material loan[1] 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

As of December 31, 2023, the company has a loan from a bank in the amount of approximately NIS 544 million, which is not a reportable credit, but in case of the cross-violation condition, it may be a candidate for immediate repayment when the bonds are set for immediate repayment.

1. "Material loan" means: a series of debentures not traded on the stock exchange or a loan or material debt the balance of their liability retained earnings or their balance, as the case may, on the date they were placed for immediate redemption, constitutes 10% or more of the sum of the Company's financial liabilities on the basis of its latest reviewed and/or audited Financial Statements, as the case may be, published by the Company soon before that date or 200 million NIS linked to the Consumer Price Index known on the day the deed of trust was signed, whichever is higher.

APPENDIX H

LINKAGE BASES REPORT

Amot Investments Ltd. is a leading Israeli real estate company.

Appendix H

Linkage Bases Report

Linkage Bases Report as per IFRS 11 Consolidated Financial Statements as of December 31, 2023 (in thousands of NIS)

	Linked to the CPI	Unlinked	Non-financial assets (liabilities)	Total
	NIS in thousands	NIS in thousands	NIS in thousands	NIS in thousands
Current assets				
Cash and cash equivalents	-	521,212	-	521,212
Trade receivable	-	32,494	-	32,494
Current tax assets, net	-	-	1,383	1,383
Other receivables	-	22,230	13,166	35,396
Assets held for sale	-	-	177,825	177,825
	-	**575,936**	**192,374**	**768,310**
Investments in companies accounted for by the equity method	-	14,343	405,473	419,816
Long-term receivables	-	96,231	-	96,231
Total financial assets	**-**	**686,510**	**597,847**	**1,284,357**
Investment property	-	-	18,828,202	18,828,202
Fixed assets, net	-	-	47,629	47,629
Total non-financial assets	**-**	**-**	**18,875,831**	**18,875,831**
Total assets	**-**	**686,510**	**19,473,678**	**20,160,188**
Current liabilities				
Credit from banks and current maturities	628,495	5,728	-	634,223
Trade payable	-	28,493	-	28,493
Current tax liabilities	-	-	36,574	36,574
Other payables	82,639	43,573	34,654	160,866
Payables in respect of investment property	-	44,013	-	44,013
Total current liabilities	**711,134**	**121,807**	**71,228**	**904,169**
Non-current liabilities				
Bonds	7,683,179	194,150	-	7,877,329
Loans from bank corporations	543,977	-	-	543,977
	8,227,156	**194,150**	**-**	**8,421,306**
Total financial liabilities	**8,938,290**	**315,957**	**71,228**	**9,325,475**
Deferred taxes	-	-	1,745,667	1,745,667
Provisions	-	-	16,483	16,483
Other	201,980	-	32,969	234,949
Total non-financial liabilities	**201,980**	**-**	**1,795,119**	**1,997,099**
Total liabilities	**9,140,270**	**315,957**	**1,866,347**	**11,322,574**
Excess of financial liabilities over financial assets	**(8,938,290)**	**370,553**	**526,619**	**(8,041,118)**

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APPENDIX E
SEPARATE FINANCIAL INFORMATION

Amot Investments Ltd. is a leading Israeli real estate company.

AMOT
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CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31.12.2023

Amot Investments Ltd. is a leading Israeli real estate company.

AMOT INVESTMENTS LTD.

Consolidated Financial Statements

For the Year 2023

AMOT INVESTMENTS LTD.

Consolidated Financial Statements

As of December 31, 2023

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This financial statements are a translation from Hebrew of the original financial statements; in any case of difference between the two versions, the Hebrew version shall govern

Independent Auditors' Report to the Shareholders of Amot Investments Ltd. Regarding Audit of Components of Internal Control over Financial Reporting in accordance with Section 9B(c) of the Securities Regulations (Periodic and Immediate Reports), 1970

We have audited components of internal control over financial reporting of **Amot Investments Ltd.** and subsidiaries (hereafter together - "the Company") as of December 31, 2023. Those components of control were determined as explained in the following paragraph. The Board of directors and management of the Company are responsible for maintaining effective internal control over financial reporting and for their evaluation of the effectiveness of the components of internal control over financial reporting attached to the periodic report as of the above date. Our responsibility is to express an opinion on the Company's components of internal control over financial reporting, based on our audit.

The components of internal control over financial reporting that were audited were determined pursuant to Audit Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel "Audit of Components of Internal Control over Financial Reporting" thereto (hereafter – "Audit Standard (Israel) 911"). These Components are: (1) Organization level control, including control over the financial closing and reporting process and information technology general controls; (2) control over investment property; and (3) controls over rental and management fees from investment property; (all together referred to hereafter as "the Audited Components of Control").

We conducted our audit in accordance with Audit Standard (Israel) 911. That Standard requires that we plan and perform the audit with the purpose of identifying the Audited Components of Control, and obtain reasonable assurance as to whether those components of control were maintained effectively in all material respects. Our audit included obtaining an understanding regarding internal control over financial reporting, identification of the Audited Components of Control, evaluation of the risk that a material weakness exists in the Audited Components of Control, and examination and evaluation of the effectiveness of the planning and operation of such components of control, based on the estimated risk. Our audit regarding such components of control also included the performance of other such procedures that we considered necessary under the circumstances. Our audit only referred to the Audited Components of Control, as opposed to internal control over all of the material processes in connection with the financial reporting, and therefore our opinion refers only to the Audited Components of Control. In addition, our audit did not refer to the mutual effects between the Audited Components of Control and those that are not audited, and therefore, our opinion does not take into consideration such possible effects. We believe that our audit provides a reasonable basis for our opinion in the context described above.

Because of inherent limitations, internal control over financial reporting in general and components thereof in particular, may not prevent or detect misstatements. Also, projections based on the present evaluation of effectiveness are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, based on our audit, the Company effectively maintained the Audited Components of Control in all material respects, as of December 31, 2023.

We also have audited, in accordance with generally accepted auditing standards in Israel, the consolidated financial statements of the Company as of December 31, 2023 and 2021, and for each of the three years in the period ending on December 31, 2023, and our report as of February 7, 2024, expressed an unqualified opinion on those financial statements based on our audit.

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

Tel Aviv, February 7, 2024

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This financial statements are a translation from Hebrew of the original financial statements; in any case of difference between the two versions, the Hebrew version shall govern

Auditors' Report to the shareholders of Amot Investments Ltd.

We have audited the accompanying consolidated statements of financial position of Amot Investments Ltd. (hereafter – "the Company") as of December 31, 2023and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of subsidiary companies and joint ventures whose assets included in the consolidation comprise approximately 23% of total consolidated assets as of December 31, 2023and 2022, respectively, and whose revenues included in the consolidation comprise approximately 30%, approximately 30% and approximately 31% of the total consolidated revenues for the years ended December 31, 2023, 2022and 2021, respectively. Furthermore, we did not audit the financial statements of some of the companies that included under the equity method the investment in which as at December 31, 2023and 2022amounted to NIS 280,529thousand and NIS 262,121 thousand respectively, and the share of whose profits (losses) for the years ended December 31, 2023, 2022and 2021 amounted to NIS 20,223thousand, NIS 19,750thousand and NIS 9,471thousand, respectively. The financial statements of these companies were audited by other auditors, whose reports were furnished to us, and our opinion, to the extent that it relates to the amounts included for those subsidiaries, is based on the reports of the other auditors.

We conducted our audits in accordance with Generally Accepted Auditing Standards in Israel, including standards prescribed by the Auditors' Regulations (Auditor's Mode of Performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the board of directors and management, as well as evaluating the overall financial statements presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated companies as of December 31, 2023and 2022, and the results of their operations, changes in equity and their cash flows for each of the three years in the period ended in December 31, 2023, in conformity with International Financial Reporting Standards (IFRS) and with the provisions of the Securities Regulations (Annual Financial Statements) – 2010.

We have also audited, in accordance with Auditing Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel, "An Audit of Components of Internal Control over Financial Reporting", the Company's components of internal control over financial reporting as of December 31, 2023and our report dated February 7, 2024, included an unqualified opinion on the effective maintenance of those components.

Key Audit Matters

Key audit matters communicated below are those matters that were communicated or required to be communicated to the company's board of directors and that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters include, among others, any matter that: (1) relates, or may relate, to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. The communication of those matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the key audit matter below, providing a separate opinion on the key audit matter or on the accounts or disclosures to which it relates.

Below are matters that we determined as key matters in the audit of the company's consolidated financial statements for 2023.

Fair value of investment property

As mentioned in notes 2C, 7and 22, to the consolidated financial statements, as of December 31, 2023, the company has investment properties ,which are presented at their fair values for that date following the accounting policy described in note 2. The fair value of all the investment property of the company (yielding and under construction) as of December 31, 2023, amounts to a total of NIS 18,828million, and in 2023the company recorded an increase in fair value in the amount of NIS 248million.

As mentioned in note 2C to the consolidated financial statements, the determination of the fair value of investment property is a critical estimate, involving uncertainties and based on valuations, which include assumptions, some of which are subjective considering the circumstances and the best information as of December 31, 2023, and which were conducted with the assistance of external real estate appraisers. These assumptions mainly include the most appropriate rate of return, the projected net operating income (NOI) of the assets and market prices for relevant comparison units. These basic assumptions, as well as the determination of the fair value estimate as a whole of the company's investment property, including the selection of the most appropriate valuation approach, are the result of subjective conclusions in an environment of uncertainty, sometimes particularly significant, and changes in the aforementioned basic assumptions may bring about changes in the fair value of the investment property, sometimes substantially, and therefore also affect the company's financial position as of December 31, 2023and the results of its operations for that year, as detailed in Note 7.

Due to the above, and in particular that the fair value of investment property is a critical estimate, involving uncertainties and based on valuations, which include assumptions, some of which are subjective, we determined, according to our professional judgment, that the examination of the fair value of Investment property, with an emphasis on the reasonableness of the rates of return used in its estimation, is a key matter in the audit.

The audit procedures that were performed in response to the key audit matter

In response to the uncertainties involved in determining the fair value of the company's investment property, we mainly performed the following procedures, with an emphasis on examining the reasonableness of the rates of return determined in the valuations of the assets: 1. Understanding the internal control environment regarding the determination of the fair value of the investment property and auditing the effectiveness of the relevant internal controls for determining fair value; 2. Examination and analysis of fair value presentations, mainly valuations, conducted by the company and appraisers on its behalf, based on models that incorporate quantitative and qualitative considerations; 3. Examining the base assumptions applied in the valuations, selected on a sample basis, with an emphasis on examining the rates of return, as well as predicted NOI, market prices/comparison prices per square meter rental unit/land unit and the valuation approach taken; 4. Reviewing valuations, on a sample basis , by an expert appraiser on our behalf with an emphasis on rates of return; 5. Communication with the appraisers on behalf of the company; 6. Involvement of the senior staff of the engagement team, and holding consultations;

Brightman Almagor Zohar & Co.

Certified Public Accountants

A Firm in the Deloitte Global Network

Tel Aviv, February 7, 2024

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Amot Investments Ltd.

Consolidated Statements of Financial Position

	Note	As of December 31	
		2023	2022
		NIS thousands	
Current assets			
Cash and cash equivalents	4	521,212	680,735
Short-term deposits	5	-	400,000
Trade receivables		32,494	22,254
Current tax assets, net	13	1,383	4,722
Other receivables		35,396	28,704
Assets held for sale	7	177,825	-
Total current assets		768,310	1,136,415
Non-current assets			
Investment property	7	16,155,649	15,955,522
Investment property under construction and building rights	7	2,672,553	2,266,008
		18,828,202	18,221,530
Investment in companies treated at equity	8	419,816	403,088
Long-term receivables	6	96,231	33,999
Fixed assets, net		47,629	47,048
Total non-current assets		19,391,878	18,705,665
Total assets		20,160,188	19,842,080
Current liabilities			
Credit from banking corporations and others and current maturities		634,223	623,304
Trade payables		28,493	27,636
Current tax liabilities, net	13	36,574	26,941
Other payables	9	160,868	155,805
Payables for investment property	9	44,013	48,435
Total current liabilities		904,171	882,122
Non-current liabilities			
Bonds	10	7,877,329	7,754,788
Loans from banking corporations	11	543,977	526,379
Provisions	14	16,483	16,483
Others	12	234,949	225,718
Deferred tax liabilities	13	1,745,667	1,661,053
Total non-current liabilities		10,418,405	10,184,421
Equity	15		
Equity attributed to shareholders in the Company		8,837,670	8,775,591
Non-controlling interests		(58)	(53)
Total equity		8,837,612	8,775,538
Total liabilities and equity		20,160,188	19,842,080

The notes that are attached to the financial statements form an integral part thereof.

February 7, 2024			
Approval Date of the Financial Statements	**Nathan Hetz Chairman of the Board**	**Shimon Abudraham Chief Executive Officer**	**Judith Zynger Deputy CEO and CFO**

Amot Investments Ltd.

Consolidated Statements of Profit or Loss

	Note	For the year ended December 31		
		2023	2022	2021
		NIS thousands		
Revenues from rental fees and investment property management	16	1,110,874	1,028,138	841,602
Costs of the rental and operation of properties	17	143,532	129,599	90,750
Profit from the rental and operation of properties		967,342	898,539	750,852
Adjustment of the fair value - investment property		248,022	1,002,533	863,224
Adjustment of the fair value - reducing transaction costs		(3,300)	(18,248)	(120,583)
		1,212,064	1,882,824	1,493,493
Administrative and general expenses	18	62,470	58,330	50,943
Donations		2,575	2,019	2,019
Other expenses (income)		(5)	193	1,847
Operating income		1,147,024	1,822,282	1,438,684
Financing income	19	22,200	10,374	8,812
Financing expenses	19	(400,827)	(480,067)	(248,686)
Financing expenses, net		(378,627)	(469,693)	(239,874)
The Company's share of the profits of investee companies, net of tax	8	24,177	24,208	18,112
Income before taxes on income		792,574	1,376,797	1,216,922
Tax expenses on income	13	(109,967)	(205,651)	(284,736)
Net income for the year		682,607	1,171,146	932,186
Attributed to:				
Shareholders in the parent company		682,612	1,171,150	932,189
Non-controlling interests		(5)	(4)	(3)
		682,607	1,171,146	932,186
Earnings per share attributed to the shareholders in the Company (in NIS):				
Basic				
Total		1.45	2.53	2.22
At full dilution				
Total		1.45	2.52	2.22
Weighted average share capital used in the calculation of the earnings per share (in thousands of shares				
Basic		470,076	463,438	419,750
At full dilution		470,271	464,078	420,375

The notes that are attached to the financial statements form an integral part thereof.

Amot Investments Ltd.

Consolidated Statements of Comprehensive Income

	For the year ended December 31		
	2023	2022	2021
	NIS thousands		
Net income for the year	682,607	1,171,146	932,186
Amounts that will be reclassified to profit and loss in the future, net of tax:			
Adjustments deriving from the translation of the financial statements of foreign operations	-	-	-
Total comprehensive income for the year	682,607	1,171,146	932,186
Attributed to:			
Shareholders in the parent company	682,612	1,171,150	932,189
Non-controlling interests	(5)	(4)	(3)
	682,607	1,171,146	932,186

The notes that are attached to the financial statements form an integral part thereof.

Amot Investments Ltd.
Consolidated Statements of Changes in Equity

	Share capital	Premium on shares	Capital reserve with respect to share-based payment transactions and others	Retained earnings	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
Balance As of January 1, 2023	510,352	4,968,254	12,900	3,284,085	8,775,591	(53)	8,775,538
Net income for the year	-	-	-	682,612	682,612	(5)	682,607
Total comprehensive income for the year	-	-	-	682,612	682,612	(5)	682,607
Exercise of share options for employees and officer	811	19,423	(8,296)	-	11,938	-	11,938
Crediting of benefit with respect to share options for employees and officer	-	-	5,952	-	5,952	-	5,952
Crediting of benefit with respect to share options for directors	-	-	804	-	804	-	804
Dividend announced and paid	-	-	-	(639,227)	(639,227)	-	(639,227)
Balance As of December 31, 2023	511,163	4,987,677	11,360	3,327,470	8,837,670	(58)	8,837,612

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

Amot Investments Ltd.
Consolidated Statements of Changes in Equity

	Share capital	Premium on shares	Receipts on account options	Capital reserve with respect to share-based payment transactions and others	Retained earnings	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
Balance As of January 1, 2022	483,112	4,332,426	12,331	10,991	2,761,728	7,600,588	(49)	7,600,539
Net income for the period	-	-	-	-	1,171,150	1,171,150	(4)	1,171,146
Total comprehensive income for the period	-	-	-	-	1,171,150	1,171,150	(4)	1,171,146
Issue of share capital and share options	25,270	578,685	6,790	-	-	610,745	-	610,745
Exercise of share options for employees and officer	1,970	38,022	-	(4,433)	-	35,559	-	35,559
Crediting of benefit with respect to share options for employees and officer	-	-	-	5,660	-	5,660	-	5,660
Crediting of benefit with respect to share options for directors	-	-	-	682	-	682	-	682
Options expiration of series 11	-	19,121	(19,121)	-	-	-	-	-
Dividend announced and paid	-	-	-	-	(648,793)	(648,793)	-	(648,793)
Balance As of December 31, 2022	510,352	4,968,254	(0)	12,900	3,284,085	8,775,591	(53)	8,775,538

The notes that are attached to the financial statements for an integral part thereof.

Amot Investments Ltd.
Consolidated Statements of Changes in Equity

	Share capital	Premium on shares	Receipts on account options	Capital reserve with respect to share-based payment transactions and others	Retained earnings	Total attributed shareholders in the company	Non controlling interests	Total shareholders 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
Balance As of January 1, 2021	450,128	3,605,142	-	12,231	2,248,592	6,316,093	(46)	6,316,047
Net income for the period	-	-	-	-	932,189	932,189	(3)	932,186
Total comprehensive income for the period for the year	-	-	-	-	932,189	932,189	(3)	932,186
Issue of share capital and share options	29,900	672,582	12,331	-	-	714,813	-	714,813
Exercise of share options for employees and officer	3,084	54,702	-	(6,283)	-	51,503	-	51,503
Crediting of benefit with respect to share options for employees and officer	-	-	-	4,715	-	4,715	-	4,715
Crediting of benefit with respect to share options for directors	-	-	-	328	-	328	-	328
Dividend announced and paid	-	-	-	-	(419,053)	(419,053)	-	(419,053)
Balance As of December 31, 2021	483,112	4,332,426	12,331	10,991	2,761,728	7,600,588	(49)	7,600,539

The notes that are attached to the financial statements for an integral part thereof.

Amot Investments Ltd.
Consolidated Statements of Cash Flows

	For the year ended December 31		
	2023	2022	2021
	NIS thousands		
Cash flows from operating activities			
Net income for the year	682,607	1,171,146	932,186
Adjustments required to present cash flows from operating activities (Appendix A)	107,215	(581,509)	(337,131)
Net cash generated by operating activities	789,822	589,637	595,055
Cash flows from investment activities			
Investments in investment property, investment property under construction and building rights	(525,816)	(876,485)	(2,299,020)
Investments in equity-accounted company	-	-	(41,768)
A loan given for investments purposes	(65,254)	-	-
Repayment of loans from companies treated at equity	3,950	112,886	6,981
Realization (investment) in short-term deposits	400,000	(400,000)	-
Return from exercise (investment) Securities measured at fair value through profit or loss	-	-	50,547
Investment in fixed assets and others	(3,715)	(4,349)	(2,347)
Net cash absorbed by investment activities	(190,835)	(1,167,948)	(2,285,607)
Cash flows from financing activities			
Receiving long term loans from banking corporations	-	-	1,029,000
Repayment of long-term loans from banking corporations	-	-	(530,000)
Dividend paid	(639,227)	(648,793)	(419,053)
Issuance of share capital and share options less issuance expenses	-	610,745	714,813
Issuance of bonds, net	496,896	1,384,357	1,304,931
Exercise of warrants for employees, directors and officers	10,681	35,559	47,289
Repayment of long-term bonds	(618,958)	(557,822)	(535,085)
Issuance of negotiable securities	100,000	-	-
Repayment of negotiable securities	(100,000)	-	-
Short-term credit from banking corporations, net, and others	(7,902)	8,602	(96,709)
Net cash generated by financing activities	(758,510)	832,648	1,515,186
Increase (decrease) in cash and cash equivalents	(159,523)	254,337	(175,366)
Balance of cash and cash equivalents at the beginning of the year	680,735	426,398	601,764
Balance of cash and cash equivalents at the end of the year	521,212	680,735	426,398

The notes that are attached to the financial statements for an integral part thereof.

Amot Investment Ltd.

Appendices to the Consolidated Statements of Cash Flows

	For the year ended December 31		
	2023	2022	2021
	NIS thousands		
.A Adjustments required to present cash flows from operating activities			
Expenses (income) not involving cash flows:			
Fair value adjustment of investment property, net	(248,022)	(1,002,533)	(863,224)
Fair value adjustment - Reducing transaction costs	3,300	18,248	120,583
Company's share in (earnings) losses of equity-accounted investees, net	(24,177)	(24,208)	(18,112)
Revaluation of loans from equity-accounted companies	(750)	(2,565)	(3,131)
Dividends received from equity-accounted companies	4,500	4,750	5,250
Revaluation of bonds and amortization of premium	268,112	381,526	94,688
Crediting of benefit regarding share-based payments	6,756	6,342	5,043
Deferred taxes and previous years taxes	84,614	188,583	255,341
Depreciation and others	6,654	6,317	7,721
	100,987	(423,540)	(395,841)
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(10,240)	132	9,584
Decrease (increase) in other receivables and debit balances	(1,779)	8,632	(8,778)
Decrease (increase) in long term other receivables and debit balances	2,502	(411)	9,188
Increase in trade payables	2,514	9,540	3,001
Increase (decrease) in liabilities in respect of the termination of employee-employer relationships	(44)	1,505	(582)
Increase (decrease) in other payables	13,275	(177,367)	46,297
	6,228	(157,969)	58,710
	107,215	(581,509)	(337,131)
.B Activities not involving cash flows			
Investments in investment property against other payables and credit balances	16,878	8,727	50,202
Exercise of options for employees against receivables	1,257	-	4,214
Dividends have not yet been received from companies treated according to the equity accounted.	-	-	1,750
.C Additional information			
Interest paid (**)	154,307	179,085	158,203
Interest received (***)	24,591	21,627	8,284
Taxes paid (*)	17,219	174,822	40,394
Taxes received	4,765	2,831	19,258
Dividend received	4,500	4,750	5,250

(*) Taxes paid in 2022 include taxes paid in respect of an assessment agreement in the company (for more details, see Note 13H1 in the company's consolidated annual financial statements for 2023).

(**) Interest paid in 2022 including interest related to tax assessment.
Interest paid in 2023 includes interest derived from the expansion of bond series in 2022.

(***) Interest received in 2022 and 2023 includes interest derived from the expansion of bond series.

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

Note 1: General

A. **The Company's business**:

The Group is engaged, directly and indirectly, though corporations under its control, in the rental, management and maintenance of income-generating properties in Israel, and also in the initiation and development of land for rental purposes for self-use. The Group owns property, directly and indirectly, which includes offices, commercial centers, department stores, central bus stations, industrial parks and industrial and logistical buildings.

The Company is held by Alony-Hetz Properties and Investments Ltd. at a rate of approx. 51%. The Company's securities are listed for trading on the Tel Aviv Stock Exchange.

B. **Definitions:**

The Company		**Amot Investments Ltd.**
The parent company	-	Alony-Hetz Properties and Investments Ltd., a public company, whose securities are listed for trading on the Tel-Aviv Stock Exchange
The Group	-	The Company and its consolidated companies, as defined below. A list of the group companies is presented in an appendix to the financial statements.
Consolidated companies	-	Companies in which the Company has control (as defined in IFRS 10), directly or indirectly, whose financial statements are fully consolidated, with the Company's financial statements.
Joint arrangements	-	Companies that are held by a number of parties, between which a contractual arrangement exists for the exercise of joint control.
Investee companies	-	Consolidated companies and proportionately consolidated companies. See Notes 8 and 26 for a list of the consolidated companies and proportionately consolidated companies.
Company or corporation	-	For the purposes of the above definitions – including a partnership.
Related parties	-	As defined in IAS 24
Interested party	-	As defined in the Securities Law – 1968, and the regulations promulgated thereunder.
Controlling interest	-	As defined in the Securities Regulations (Annual Financial Statements) – 2010.
Index	-	The Consumer Prices Index, as published by the Central Bureau of Statistics.
Dollar	-	The US Dollar

Note 1: General (Continued)

C. Operation Swords of Iron

For the last four months, the State of Israel has been engaged in Operation Swords of Iron, the war that broke out on October 7, 2023 following the murderous and unprecedentedly cruel attack launched by the terrorist organization Hamas against the State of Israel. The attack took the lives of over 1,200 victims who were murdered or killed, left thousands of injured, and around 240 kidnapped civilians and soldiers, of whom only around 100 have been released to date. The declaration of war included a massive call-up of military reservists and the commencement of an attack on the Gaza Strip, which was later also expanded to an extensive ground operation throughout the strip. In parallel, a security escalation also occurred on Israel's northern border, against the terrorist organization Hezbollah, including its affiliates in Lebanon and in Syria, which is continuing at a medium/low level of intensity, as well as a security escalation which has been causing geopolitical risks, due to the activities of the Houthis in Yemen, and their repeated attempts to sabotage the safety of maritime routes in the Red Sea.

During the first two months, the war's direct impact on the Israeli economy and on activity in the capital market was very significant, and was reflected, inter alia, in the temporary closure and/or shortening of operating hours of many businesses, restrictions on congregating at workplaces and events, restrictions on the education system, and more. These measures, as well as the massive call-up of military reservists, hundreds of thousands of residents being vacated from their homes in the Gaza envelope in the south, and border towns in the north, as well as the poor general mood, caused a contraction of market activity and a decline in economic activity, as well as significant volatility in financial markets and in the exchange rates of the NIS vs. foreign currencies, due to the increased risk and uncertainty. The rating company S&P reduced Israel's credit rating outlook from stable to negative, and Moody's announced, in its annual report published in November 2023, that it was continuing to evaluate the impact of the current security situation on the rating, and at that stage, it did not change Israel's current rating.

Towards the middle of Q4 2023, the Israeli economy began entering a wartime routine, and restrictions on activity were lifted, except in areas near the northern border. However, the construction and agriculture sectors have seen a significant decline in workforce availability, due to restrictions on the entry of workers from Judea and Samaria, the total discontinuation of employment of workers from Gaza, and the departure of foreign workers.

At this stage, it is not possible to predict the duration of the war; however, according to estimates of the defense establishment as of the date of this report, the war in the Gaza Strip is expected to continue for at least another few weeks, and possibly even another few months, although in gradually decreasing intensity. It is therefore not possible to estimate, at this point, the future effects that the war could have on business activity in the economy. Clearly, insofar as the war expands to the northern border as well, which is believed to be more complex than the southern border, the economic impact could be more severe.

Concession regarding lease payments with respect to operating lease arrangements whose contractual payment dates were past due

The Company accounts for concessions which were given to tenants in operating lease arrangements with respect to lease payments whose contractual payment dates were past due, which constitute lease amendments, as derecognition of financial assets, in accordance with IFRS 9 and Israel Securities Authority Staff Accounting Bulletin number 19-3. Accordingly, and after considering expected credit losses, if any, the Company derecognizes the balance of operating lease receivables in the statement of income on the date when the contractual rights to the cash flows expired. With respect to the derecognition of the balance of receivables due to the impact of the coronavirus pandemic, the Company recorded a decrease in income in the amount of approximately NIS 20 million in 2021.

Operation Swords of Iron, as described above in detail, has had a negligible effect on the Company's financial results as of the reporting date.

Note 2: Principal accounting policies

The financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS):

The following are the principal accounting policies pursuant to the IFRS Standards, which have been implemented in the preparations of the consolidated financial statements:

A. Declaration regarding the implementation of International Financial Reporting Standards (IFRS):

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (hereinafter: "IFRS") and interpretations thereof which have been published by the International Accounting Standards Board (IASB). The significant accounting policies specified below were applied consistently for all periods presented in these consolidated financial statements. For details regarding newly published standards and interpretations, and amendments to standards, see Note 3.

The basis for the presentation of the financial statements:

The Company's financial statements are prepared on a cost basis, except for investment property, derivatives measured at fair value, share-based payment, certain financial instruments, deferred tax assets, deferred tax liabilities, and provisions which are measured based on estimates and assumptions.

Statement of cash flows:

The statement of cash flows from operating activities is presented according to the indirect approach; Interest which has been paid and received by the Group is classified in the statement of cash flows under operating activities, except for borrowing costs, which are capitalized to qualifying assets, while the investment therein, and the construction thereof, are classified as investing activities; Cash flows arising from taxes on income and indirect taxes are classified under operating activities, unless they are specifically identifiable with investing activities or financing activities; Dividends which have been paid are included under financing activities; Dividends received from investee companies and others are included under operating activities.

The implementation of the Securities Regulations:

The financial statements were prepared in accordance with the Securities Regulations (Annual Financial Statements), 5770-2010 (hereinafter: "Financial Statements Regulations").

B. Period of the operating cycle:

The period of the Group's operating cycle does not exceed 12 months.

C. Principle considerations, estimates and assumptions in the preparation of the financial statements:

Estimates and assumptions

When preparing the financial statements, management is required to make use of estimates, approximations and assumptions, which affect the implementation of the accounting policy and the reported amounts of assets, liabilities, income and expenses. The estimates, and their underlying assumptions, are reviewed on a regular basis. Changes in accounting estimates are carried in the period when the change in estimate was made.

Presented below are the main assumptions used in the financial statements concerning the uncertainty as of the date of the statement of financial position, and the critical estimates which were calculated by the Group, where a material change to the estimates and assumptions could change the values of the assets and liabilities in these financial statements, or in the following reporting year:

Note 2: **Principal accounting policies** (Continued)

C. Principle considerations, estimates and assumptions in the preparation of the financial statements (Continued)**:**

Estimates and assumptions (Continued)

- **Investment property**

The Group's investment property is presented at fair value, while changes in their fair value are carried to the statement of income as income or expenses.

For the purpose of determining the fair value of investment property, Company management mostly relies on valuations which are prepared by external independent real estate valuers with the appropriate knowledge, experience and expertise. It is the practice of Company management to determine the fair value according to standard methods for the valuation of real estate properties, mostly cash flow discounting and comparing the sale prices of similar properties, and the Group's properties in the nearby area. When using the discounted cash flow method, the interest rate used to discount the net cash flows expected from a property is known to have a significant effect on its fair value.

The determination of fair value includes taking into account, inter alia, and where relevant, the location and physical condition of the property, the quality and stability of tenants, rental periods, rental prices in similar properties, necessary adjustments to current rental prices, the property's actual and projected occupancy rate, and its operating costs. Changes in the values of any or all of these components could significantly affect the property's fair value, as estimated by Company management.

In accordance with IFRS 13, the Company carried to the statement of income transaction costs which materialized upon the acquisition of new properties.

The Group strives to determine fair value as objectively as possible, although the process of estimating the fair value of investment property also includes subjective elements which originate, inter alia, from the past experience of Company management, and its expectations regarding future trends in the investment property market on the date when the fair value was determined.

- **Investment property under construction and building rights**

The fair value of rights in land for real estate for investment under construction is calculated per one of the following two methods, as applicable:

- Estimated fair value of the land components and the building right (primarily with the approach of comparing similar parcels of land while making required adaptation) in addition to the accrued construction costs and entrepreneurial profit attributed to these costs, when applicable.
- Estimated expected fair value of the real estate for investment once its construction is completed, deducting the current value of the expected estimated construction costs for its completion, and deducting entrepreneurial profit, while taking into consideration the applicable risks and the attributes of the real estate property for investment.

Note 2: **Principal accounting policies** (Continued)

C. **Principle considerations, estimates and assumptions in the preparation of the financial statements** (Continued)**:**

Estimates and assumptions (Continued)

- **Investment property under construction and building rights** (Continued)

  In light of this, and in light of the said in the previous paragraph, determining the fair value of the Group's real estate for investment necessitates consideration. Changes to the assumptions used to determine the fair value may have a substantial effect on the Group's financial condition and the outcomes of its activities.
  The Group strives to determine fair value as objectively as possible – however, the process of assessing the fair value of real estate for investment under construction also includes subjective elements – which stem, among other things, from the Company management's past experience and its understanding of expected occurrences in the real estate for investment market at the time the fair value estimate is determined. In light of this, determining the fair value of the Group's real estate for investment necessitates consideration. Changes to the assumptions used to determine the fair value may have a substantial effect on the Group's financial condition and the outcomes of its activities.

D. **Joint arrangements:**

A "joint arrangement" is a contractual agreement under which the Group and other parties perform economic activity which is subject to joint control. Joint control exists when the contractual arrangement includes a requirement that resolutions pertaining to the venture's financial and operational strategy must be reached unanimously by the parties which jointly control the joint venture. Two types of joint arrangements exist. The type of the arrangement depends on the rights and obligations of the parties to the arrangement:

A "joint venture" is a joint arrangement in which the parties have rights to the net assets attributed to the arrangement, in joint arrangements which constitute a joint venture, the Group recognizes the joint venture as an investment, and accounts for it using the equity method.

A "joint operation" is a joint arrangement in which the parties have rights to the assets, and obligations with respect to the liabilities, which are attributed to the arrangement. In joint arrangements which constitute joint operations, the Group recognizes, in the Group's statement of financial position, its proportional share in the assets and liabilities of the joint operation, including jointly held assets and materialized liabilities. The statement of income includes the Group's proportional share in the joint operation's income and expenses, including jointly produced income and incurred expenses.

Transactions the Group's member companies and joint operations which are held by the Company are recognized only in the amount of the other parties' share in the joint operation.

Note 2: Principal accounting policies (Continued)

E. Borrowing costs:

Borrowing costs which are directly attributable to the construction of investment properties, where the preparation thereof for their intended use or sale requires a significant period of time, are capitalized to the cost of those assets, until the date when those properties are mostly ready for their intended use as investment properties. The borrowing costs were calculated by multiplying the Company's average interest rate by the actually invested cost of the asset. All other borrowing costs are recognized under profit and loss on the date of their materialization.

F. CPI-linked bonds which have been issued by the Company:

The bonds are initially recognized at fair value less transaction costs. In periods following initial measurement the bonds are measured, insofar as the results of that measurement are material, according to their amortized cost, with the financing costs generally carried to the statement of income using the effective interest method. The effective interest rate is determined as the real rate plus linkage differentials, in accordance with the actual changes in the CPI until the end of the reporting period.

G. Revenue recognition:

The Company has revenue from the rental and management of investment property which is carried to the statement of income as accumulated over the rental period, in a straight line. The Company recognizes revenue with respect to the provision of property management services (maintenance, cleaning, etc.) on a gross basis, since it serves as the primary supplier with respect to those services.

H. Income taxes:

Expenses (income) in respect of income taxes include the total of current taxes, as well as the total change in deferred tax balances, except for deferred taxes in respect of transactions which are carried directly to equity.

The Group's member companies create deferred taxes with respect to temporary differences between the values for tax purposes of assets and liabilities, and their values in the financial statements. Deferred tax balances (asset or liability) are calculated according to the tax rates which are expected to apply upon their realization. One of the significant temporary differences in the Company is due to the measurement of real estate at fair value in the financial statements, while their value for tax purposes is the CPI-linked amortized cost.

I. Derivative financial instruments and hedge accounting:

The Company has two bond series in NIS (Series E and Series G). The Company converted those series into CPI-linked transactions through hedging transactions, see Note 10 and Note 24 below. The hedge is a fair value hedge, a conversion between fixed and variable principal and interest cash flows, depending on changes in the CPI. Changes in the value of financial instruments designated to hedge fair value risk are immediately recognized in the statement of income in parallel changes in the fair value of the hedged item, which are attributed to the hedged risk (the change in the consumer price index).

The Group applies the hedge accounting model of IFRS 9.

Note 2 – Principal accounting policies (Continued)

J. Exchange rates and the linkage basis:

The following are data on the exchange rate of the Dollar and on the index:

		The index in Israel	
	Representative exchange rate of the dollar	The known index in points	The index for the month in points
As of the date of the financial statements:			
As of December 31, 2023	3.627	147.918	147.777
As of December 31, 2022	3.519	143.132	143.531
Rates of change:	%	%	%
For the year ended December 31, 2023	3.07	3.34	2.96
For the year ended December 31, 2022	13.15	5.28	5.26
For the year ended December 31, 2021	(3.27)	2.40	2.81

Note 3 – Newly Published Financial Reporting Standards and Interpretations, and Amendments to Standards

Amendment to IAS 1, "Presentation of Financial Statements" (regarding disclosure of accounting policy):

The amendment replaces the term "significant accounting policy" with "material accounting policy information". Accounting policy information is material if, when taken into account together with other information which is included in the entity's financial statements, it can reasonably be expected to affect the decisions which are made by the primary users of the financial statements for general purposes, based on those financial statements.

The amendment also clarifies that information regarding the accounting policy which pertains to immaterial transactions, events or other conditions, is immaterial, and is not required to be disclosed. Accounting policy information may be material due to the nature of the related transactions, events or other conditions, even if those amounts are immaterial. However, not all accounting policy information regarding material transactions, events or other conditions is necessarily material per se.

The standard has been adopted prospectively with respect to annual periods beginning on or after January 1, 2023. The Company adjusted the note regarding the accounting policy in these financial statements in order to comply with the provisions of the amendment.

Note 4: Cash and cash equivalents

Composition:

	Interest rate	As of December 31	
	As of December 31	2023	2022
	2023	NIS thousands	
	%		
In Israeli currency:			
Cash in hand and balances in banks		64,460	58,312
Short-term deposits	4.47-4.73	456,752	622,423
		521,212	680,735

Note 5: Short term deposits

Composition:

	Interest rate	As of December 31	
	As of December 31	2023	2022
	2023	NIS thousands	
	%		
In Israeli currency:			
Short-term deposits		-	400,000
		-	400,000

Note 6: Long-term receivables

Composition:

	As of December 31	
	2023	2022
	NIS thousands	
Long term revenues receivable	17,134	19,636
Partners' balance and others	79,097	14,363
	96,231	33,999

Note 7: Investment property; investment property under construction and building rights

A. Composition and movement:

	Investment property	property under construction and building rights	Total
	NIS thousands		
Balance As of January 1, 2022	14,045,343	2,371,957	16,417,300
Additions deriving from acquisitions	46,621	309,312	355,933
Transfer from investment property under construction to Investment Property	759,775	(759,775)	-
Investments and others	247,425	161,538	408,963
Capitalized credit costs	-	55,049	55,049
Gain on the adjustment of fair value, net	856,358	127,927	984,285
Balance As of December 31, 2022	15,955,522	2,266,008	18,221,530
Additions deriving from acquisitions	49,494	5,491	54,985
Transfer to held for sale	(177,825)	-	(177,825)
Investments and others	81,925	363,217	445,142
Capitalized credit costs	-	39,648	39,648
Gain on the adjustment of fair value, net	246,534	(1,811)	244,722
Balance As of December 31, 2023	16,155,649	2,672,553	18,828,202

B. See Note 16 for information regarding revenues from rental fees that are sourced in investment property.

C. Discount rate:

The main discount rate range that has been used in the calculation of the fair value is between 5.25% and 7.25% (Last year rate was between 5.00% to 7.00%**).**

Note 7: Investment property; investment property under construction and building rights (Continued)

D. Transactions in the reporting year and thereafter in connection with investment property and property under construction:

Assets held for sale

As of the date of the report, assets valued at approximately NIS 178M are classified as assets held for sale, these assets were fully realized after the balance sheet date.

ToHa - land in Tel-Aviv

After the date of the report, the company entered into an agreement with Gav-Yam Ltd., a partner in the ToHa project in Tel Aviv, for the sale of half of Amot's rights in a division of land in an area of approximately 3 dunams (lot 300) near the ToHa project, for further details see note 7E.

E. Projects under construction, planning, and initiating:

Amot Modiin

The project includes a logistics center with an area of approximately 42.7 thousand square meters, and an office building with an area of approximately 9 thousand square meters. The entire logistics center will be rented to Shufersal over a period of 15 years with an option to extend the period, In annual rents calculated according to 8% return on the total investment cost. Furthermore, in accordance with the agreement between the parties, the logistics center began producing income beginning in mid-July 2020, and was reclassified from real estate under construction to revenue-generating real estate. The partnership's total investment in the construction of the project is estimated at approximately NIS 434 million (the Company's share in the investment is 75%, and is estimated at approximately NIS 325 million, Shufersal's share is 25%). The Company's expected income is estimated in the amount of approximately NIS 25 million per year. As of the date of the report, the construction works of the logistics center have been completed and the property has been handed over to the tenant and the office building is in the final stages of completion.

HaLechi Complex

The lot is located in North Bnei Brak Business Complex, next to Park HaYarkon and Ramat HaHayal complex, and close to Ayalon shopping mall. The parties are working together on the planning, development and construction of an office and retail project on the lot, which will include approximately 96 thousand square meters of aboveground area, including 45 office stories, above 3 retail stories. The investment in the construction of the project (including the land component and the parking basements) is estimated by the parties at a total of approximately NIS 1,530 million (the Company's share - 50%). As of the reporting date, the project is in the stage of building the aboveground structural framework and finishing works, and systems for the parking lot and retail floors.

K Complex

On September 14th, 2020, the Company, together with Allied Real Estate Ltd., won a tender for the lease of a lot with an area of approximately 4.5 dunams (constituting the K complex) in the "Sha'ar Ha'ir" complex, which is expected for construction at the entrance to Jerusalem.The project at a scope of approximately 79 thousand square meters of aboveground areas according to the current zoning plan, and approximately 93 thousand square meters according to the zoning plan that was deposited, as well as the right to attach 200 built parking spaces in an underground public parking lot adjacent to the complex (the Company's share - 50%). The investment in the construction of the project, including the land component, is estimated by the parties at a total of approximately NIS 1,440 million (the Company's share - 50%) As of the reporting date, the quarrying work was completed and the foundation work began.

Note 7: Investment property; investment property under construction and building rights (Continued)

E. Projects under construction, planning, and initiating (continued):

Beit Shemesh logistics center

In September 2021 the Company acquired from Y.D.E. Menivim Ltd. 60% of a lot with an area of 40 dunams in Beit Shemesh, for the construction of a logistics center, for a total consideration of NIS 53 million. The Company is currently promoting a zoning plan which would increase the construction area in the lot, to a total of approximately 50 thousand square meters. As part of the engagement between the parties, it was agreed that the companies would jointly build an advanced logistics center, to include two tall stories, each with a height of 15 meters, for a total cost of approximately NIS 360 million, with the Company's share being NIS 216 million. As of the date of the statement, the project is in the midst of finishing works, and an aboveground logistics center has been delivered to the customer for adjustment works. Form 4 is expected to be issued in Q1 2024.

Amot Denisra - Park Afek

Joint project of the Company and of Denisra International Ltd. (50% share for each party) for the construction of a fourth office building above an existing commercial floor in Amot Park Afek Complex in Rosh Ha'ayin. The entire complex is jointly owned by the parties. The building will include 6 floors above the ground floor, with a total area of 9,400 square meters. The building rights for the construction of the building were received within the framework of a zoning plan which the parties promoted, and which entered into effect in 2020. The total investment in the construction of the project is estimated at a total of NIS 80 million (the Company's share: 50%). The building permit was received during the month of January 2023 and the project is in the finishing and aluminum works stage. Form 4 is expected to be issued in Q3 2024.

ToHa 2 (Totzeret Ha'aretz)

In August 2021, the Company and Gav-Yam Lands Corp. Ltd. ("Gav Yam" and the "Partners") purchased the rights for constructing the ToHa2 project from the Tel Aviv Municipality and leased the land for a period set to end in the year 2108 (including an extension of the term of the lease for the ToHa1 project's land up to such date). In October 2021, the Company's board adopted a resolution to construct and market the ToHa2 project in Tel Aviv (the "Project"). The Project will be constructed by the Partners, who are the joint rightsholders, in equal parts, of the land located at the junction of Totzeret Ha'Aretz, Yigal Allon and Derech HaShalom Streets in Tel Aviv. The Project is a continuation of, and is adjacent to, the ToHa1 project, which is also held by the Partners. The ToHa2 project comprises approximately 160 thousand aboveground sqm for marketing and approximately 45 thousand sqm of an underground parking lot. The Partners estimate that the total cost of construction (including for tenant improvement (TI) works will amount to approximately NIS 3.3 billion (the Company's part being NIS 1.65 billion), of which a total amount of approximately NIS 1,024 million has already been paid (the Company's part being NIS 512 million).

ToHa2's construction began following the completion of the partial underground parking lot's construction, and is expected to end in 2026. The expected revenues from ToHa2 upon its completion and full occupancy, based on the rent prices currently customary in the area, are estimated to be around NIS 280 million (the Company's part being NIS 140 million).

Note 7: Investment property; investment property under construction and building rights (Continued)

E. Projects under construction, planning, and initiating (continued):

ToHa 2 (Totzeret Ha'aretz) (continued)

On November 9, 2022, the Partners entered into a detailed letter of intent with an unrelated third party (hereinafter: the "Letter of Intent"), whereunder the parties will, in the coming months, act jointly and in good faith to enter into a long-term, binding lease agreement pursuant to the principles prescribed in the Letter of Intent, which will be subject to the approval of the board / competent organs of all of the parties. The binding lease agreement, if entered into, will be for leasing an area of approximately 55 thousand sqm, plus several hundred parking spots (with an option of increasing the leasehold's area by an additional approximate 20 thousand sqm), for a period of 10 years which will commence in January 2027, following the completion of the Project's construction, in return for rent, on the shell level, in an amount of approximately NIS 105 million per year (the Company's part being 50%).

ToHa - land in Tel-Aviv

After the date of the report, the company entered into an agreement with Gav-Yam Ltd., a partner in the ToHa project in Tel Aviv, for the sale of half of Amot's rights in a division of land in an area of approximately 3 dunams (lot 300) near the ToHa project. According to the approved IBA, a project with an area of approximately 5,000 square meters for employment and approximately 90 units can be established on the land, for a sale price of 156 million NIS, plus VAT as required by law.

Over the past two years, the partnership has completed the purchase of properties bordering the ToHa complex, with the aim of developing and enhancing building rights in the complex in accordance with the municipal and national master plans.The scope of the purchases so far amounts to a total of about NIS 500 million (including lot 300), the company's share is 50%.

F. Additional information:

See Note 14B for information regarding liens.

G. Sensitivity analysis:

The following is a sensitivity analysis for the value of investment property on the discount rate (Cap Rate) on an amended NOI basis (including companies in joint arrangements):

Based on an NOI of approximately NIS 1,014 million the impact of any change of 0.25% in the discount rate (Cap Rate) will lead to a change in the fair value of approximately NIS 642 million, less deferred taxes at a rate of 23% - approximately NIS 494 million (Average change of increase and decrease in the discount rate).

Note 8: Investment in investee companies and an asset available for sale, which is held for distribution to shareholders

(1) Details of the Group's investee companies

The name of the consolidated company	Country of incorp-oration	Rate of capital rights in the consolidated company		Carrying amount of investment in the investee company (*)	
		As of December 31		As of December 31	
		2023	2022	2023	2022
		%	%	NIS thousands	
Fully consolidated					
Ayalot Investments in Properties Ltd.	Israel	90%	90%	(527)	(482)
Ayalot Investments in Properties (Kfar Saba) 1992 Ltd.	Israel	100%	100%	110,089	105,414
Ayalot Investments (T.M.R.) 1994 Ltd.	Israel	100%	100%	175,756	160,073
Ayalot Investments in Properties (Netanya) 1993 Ltd.	Israel	100%	100%	638,383	584,521
Ayalot Investments in Properties (Herzliya) Ltd.	Israel	100%	100%	67,630	66,496
Ayalot Investments in Properties (AB"G) 1992 Ltd.	Israel	100%	100%	128,996	124,303
Ayalot Investments (Patir) 1996 Ltd.	Israel	100%	100%	106,178	101,702
Ayalot Investments in Properties (Rehovot West) 1992 Ltd.	Israel	100%	100%	352,428	319,196
Ayalot Investments (Ramat Vered) 1994 Ltd.	Israel	100%	100%	611,994	556,200
Ayalot Investments in Properties (Har Hotzvim) 1994 Ltd.	Israel	100%	100%	147,115	121,388
Hakirya Center (Ashdod 1995) Ltd.	Israel	100%	100%	(2,272)	(2,151)
Nes-Pan Ltd.	Israel	100%	100%	602,502	561,306
Amot Investments Construction Ltd	Israel	100%	100%	(58)	(56)
Amot Real Estate initiation and Development Ltd.	Israel	100%	100%	(930)	(4,344)
Joint Operations					
The Central Station in Jerusalem (Management) 1996 Ltd.	Israel	50%	50%	(3,795)	(3,795)
Kochav Or Industry and Commerce Ltd.	Israel	50%	50%	14,536	11,475
Joint Ventures					
Izdrechet Investments Company Ltd.	Israel	50%	50%	32,693	31,574
Hotzot Alonym Ltd. (**)	Israel	49%	49%	26,059	24,858
Amot Shaul Ltd. (***)	Israel	50%	50%	34,924	35,796
Amot Danisra Park Afek Ltd.	Israel	50%	50%	63,681	63,928
Ziviel Investments Ltd. (**)	Israel	49%	49%	82,521	75,904
Roni Dan Investments Ltd.	Israel	50%	50%	80,206	74,060
Hefetz Haim Warehouses AGSH Ltd.	Israel	50%	50%	41,066	36,066

(*) The extent of the investment in investee companies and joint ventures, which are held directly is calculated as a net amount, based on the consolidated financial statements, which is attributed to the shareholders in the parent company, of the total of the assets less the total of the liabilities, which represent financial information in respect of the investee companies in the Company's consolidated financial statements.

(**) The Company holds 49% of the regular shares in Hotzot Alonym Ltd. and in Ziviel Ltd. and half of the voting rights. However, the Company has the right to appoint/ dismiss half of the members of the Board of Directors. As a result of this, the Group has joint control over the financial and operating policies of those companies and has recorded them under the equity method in its consolidated financial statements.

(***) Some of the shares are held in trust for the Company.

Note 8: Investment in investee companies and an asset available for sale, which is held for distribution to shareholders (Continued)

(2) Details of loans that have been extended by the Company to investee companies and bonds that have been issued to the Company

		Interest rate	Balance of the loan As of December 31	
		2023	2023	2022
Details of the company to which the loan has been Fully consolidated	**Linkage terms**	**%**	**NIS thousands**	
Ayalot Investments in Properties (Herzliya) Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	70,200	72,500
Ayalot Investments in Properties (AB"G) Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	28,800	40,000
Ayalot Investments in Properties (Kfar Saba) Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	121,000	122,500
Ayalot Investments in Properties (Rehovot West) Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	792,100	815,500
Ayalot Investments in Properties (Har Hotzvim) Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	333,200	346,000
Ayalot Investments (T.M.R.) 1994 Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	66,600	81,000
Ayalot Investments (Ramat Vered) 1994 Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	406,000	448,500
Ayalot Investments (Patir) 1996 Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	11,500	17,000
Nes-Pan Ltd.	Linked to the Consumer Prices Index (see 2)	3.00	127,600	167,000
Joint Ventures				
Hotzot Alonym Ltd.	Unlinked	2.9	9,372	10,371
Amot Shaul Ltd.	Unlinked	4.00	26,888	25,854
Amot Shaul Ltd.	Linked to the Consumer Prices Index	-	20,507	19,844
Amot Danisra Park Afek Ltd.	Unlinked	-	2,599	2,515
Amot Danisra Park Afek Ltd.	Linked to the Consumer Prices Index	2.62	(5,672)	(5,352)
Hefetz Haim Warehouses AGSH Ltd.	Unlinked (see 1)	-	4,971	7,671
			2,015,665	2,170,903

(1) Capital note.

(2) Starting from January 1, 2023, the principal of the debt bears index-linked, annual interest at a rate of 3% the interest rate, including linkage differentials on the principal part, will not fall below the interest rate prescribed regarding Section 3J of the Income Tax Ordinance.

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Note 8: **Investment in investee companies and an asset available for sale, which is held for distribution to shareholders** (Continued)

(3) Details of loans that have been extended by the Company to investee companies and bonds that have been issued to the Company

	As of December 31	
	2023	2022
	NIS thousands	
Ziviel Ltd	87,645	90,932
	87,645	90,932

(4) Dividends received from joint transactions

In 2023, dividends in the amount of NIS 4,500 thousand were obtained from joint transactions.

Note 9: **Other payables, payables for investment property**

	As of December 31	
	2023	2022
A. Other payables	NIS thousands	
Interest payable for long-term liabilities	82,639	82,049
Liabilities to partners	1,511	448
Revenues in advance	30,152	28,166
Institutions	4,502	3,566
Employees and institutions for salaries	17,326	15,489
Liabilities payable	23,491	24,688
Others	1,246	1,399
	160,868	155,805

	As of December 31	
	2023	2022
B. Payables for investment property:	NIS thousands	
Liabilities payable to sellers of investment property	784	784
Liabilities to authorities and payables for investment property transactions	43,229	47,651
	44,013	48,435

Note 10: Bonds

A. Composition:

	Interest rate As of December 31 2023	As of December 31	
		2023	2022
Composition	%	NIS thousands	
Bonds (Series D) – B below	3.20	1,598,325	1,941,447
Less – current maturities		389,935	377,319
		1,208,390	1,564,128
Bonds (Series E) – C below	3.39	648,392	860,438
Less – current maturities		238,560	232,355
		409,832	628,083
Bonds (Series F) – D below	1.14	2,557,750	2,467,089
Less – current maturities		-	-
		2,557,750	2,467,089
Bonds (Series G) – E below	2.44	1,121,518	997,002
Less – current maturities		-	-
		1,121,518	997,002
Bonds (Series H) – F below	0.92	2,579,838	2,098,486
Less – current maturities		-	-
		2,579,838	2,098,486
		7,877,329	7,754,788

Note 10: **Bonds** (Continued)

B. Bonds (Series D):

From July 2014 to December 2022, the Company issued NIS 1,754 million par value of CPI-linked bonds (Series D) (with respect to July 2014) , bear annual interest at an annual rate of 3.2%, and are repayable in six (6) unequal annual payments, which will be paid on July 2 of each of the years 2023 to 2028 (inclusive), as follows: (A) two payments at a rate of 20% of the par value of the principal of the bonds will be paid on July 2 of each of the years 2023 and 2024, inclusive. (B) Four payments at a rate of 15% of the par value of the principal of the bonds, each, will be paid on July 2 of each of the years 2025-2028, inclusive. The interest payments will be paid on July 2 of each of the years 2015 to 2028 (inclusive). The effective interest rate on the bonds is 2.09%.

The bonds include a commitment not to create floating leans on the Company's property (a negative pledge) in support of any third party whatsoever as collateral for any debt or liability whatsoever, except subject to the creation of such a floating lien ranking pari passu in support of The holders of the bonds. This commitment will not apply if certain conditions are met, as detailed in the trust deed for the bonds.

Furthermore, the bonds include conditions for making them repayable immediately upon the occurrence of certain events, which include, inter alia, the following events:

- The Company's shareholders equity, in accordance with its consolidated financial statements is less than an amount equivalent to NIS 1 billion throughout two consecutive quarters;
- A net financial debt (less the value of investment property under construction) to amended annual NOI ratio exceeding 14 throughout two consecutive quarters; (net financial debt: the Company’s cumulative debt to banking corporations, to other financial institutions and holders of all types of bonds less cash and cash equivalents, deposits, monetary funds, marketable securities, all of which in accordance with their values in the Company’s consolidated statement of financial position);
- The rating for the bonds (Series D) – is BBB- (BBB Minus) for two consecutive quarters;
- The shareholders equity, with the addition of deferred tax liabilities, net, will be less than 22.5% of the total of the statement of financial position less cash and cash equivalents and less marketable securities, on a consolidated basis throughout two consecutive quarters;
- The value of the uncharged assets may not be less than the higher of an amount of NIS 1 billion or an amount equal to 125% of the balance of the liability value of the bonds (Series D) throughout two consecutive quarters;
- A demand for immediate repayment, which has not been removed, for a significant loan (a loan that constitutes the higher of 7.5% or more of the Company's gross financial liabilities or a linked amount of NIS 180 million) or a bond that is traded on the Tel-Aviv Stock Exchange;
- The bonds (Series D) contain provisions for restricting the distribution of a dividend if certain conditions are met;
- In addition, the bonds include additional, generally accepted conditions for making the loans repayable immediately, in relation to the following events: (1) a structural change and merger; (2) liquidation, receivership and proceedings for the realization of assets and debt collection proceedings; (3) a change in control; (4) a cessation in trading; (5) cross default and etcetera.

As of the reporting date, the Company is in compliance with all of the financial covenants.

Note 10: **Bonds** (Continued)

C. **Bonds (Series** E**):**

As from March 2016 and up to December 2018, the Company issued NIS 1,085 million par value of bonds (Series E). The bonds (Series E) are repayable in six (6) annual payments: two payments at a rate of 10% of the principal, each, on January 4 in each of the years 2021 and 2022, inclusive and four payments at a rate of 20% of the principal, each, on January 4 in each of the years in each of the years 2023 – 2026 (inclusive). The interest on the bonds (Series E) is at a rate of 3.39% a year, which is payable in annual payments on January 4 in each of the years in each of the years 2017 – 2026 (inclusive). The principal of and the interest on the bonds (Series E) are not linked to any index or currency whatsoever.

The bonds (Series E) include conditions for making them repayable immediately upon the occurrence of certain events, which are similar in their substance to the conditions for being made repayable immediately that are determined for the Company's bonds that are traded and are in circulation of Series B and D, which include, inter alia, events that are connected to the transfer of control in special circumstances; compliance with financial covenants including the maintenance of shareholders' equity, which will not be less than an amount equal to NIS 1.2 million.

Further to the issuance of the bonds (Series E), the Company has executed hedging transactions opposite financial institutions in Israel, which converted the Shekel interest at a rate of 3.39% a year into principal that is index linked and bears interest at a rate of between 2.125% and 2.49% a year, for an overall principal amount of NIS 875 million. As of today, the principal balance is 525 million NIS.

As of the reporting date, the Company is in compliance with all of the financial covenants.

D. Bonds (Series F):

From June 2019 to May 2022 the Company issued to the public bonds (Series F) at a scope of NIS 2,363 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 2,324 million. The bonds (Series F) bear a CPI-linked effective interest rate of 1.6%.

The bonds (Series F) are CPI-linked (with respect to May 2019), and bear stated annual interest at a rate of 1.14%. The bonds 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).

Note 10: **Bonds** (Continued)

D. Bonds (Series F) (Continued)**:**

The bonds include terms for their provision for immediate repayment upon the occurrence of certain events, which include, inter alia, the following:

- A change of control on certain conditions;
- The Company's equity will not, on the date of the relevant financial statements and for two consecutive quarters, fall below the amount of NIS 2 billion.
- Net financial debt ratio (deducting real estate value for investment in construction) for standardized annual NOI will exceed 14 for two consecutive quarters; (net financial debt: the Company's aggregate debt to banking corporations, other financial institutions and holders of bonds of all kinds, deducting cash and cash equivalents, deposits, money market funds, tradeable collaterals, all according to their value in the Company's consolidated statement of financial position).
- The ranking of the bonds (Series F) will be lower than a BBB - (BBB Minus) ranking for two consecutive quarters;
- Equity with additional undertaking for net deferred taxes will fall below 22.5% of the sum of the Company's balance deducting cash and cash equivalents and deducting tradeable collaterals for two consecutive quarters;
- The value of the non-charged assets will not, for two consecutive quarters, fall below a sum of NIS 1 billion, or a sum of 125% of the balance of the bonds (Series F), whichever is higher.
- A demand for immediate repayment, not removed, of a material loan or bonds traded on the Tel Aviv Stock Exchange.
- Instructions regarding a limitation on the distribution of a dividend upon certain conditions being met.

In addition, the bonds include additional customary terms for their provision for immediate repayment, including with respect to the following events: (1) Restructuring and merger; (2) Liquidation, receivership and proceedings for the realization of assets and execution; (3) Trade halt; (4) Cross default and so forth.

As of the date of the statement, the Company meets all the financial covenants.

E. Bonds (Series G)

From February 2020 to December 2023, the Company issued to the public, by way of an issuance and by way of exercising bonds, options (see information below regarding the issuance of options Series 10), bonds (Series G) at a scope of NIS 1,215 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 1,148 million.

Further to the issuance of the bonds (Series G), the Company performed hedging transaction vis-à-vis financial institutions in Israel, which converted an annual NIS interest rate of 2.44% to CPI-linked principal and linked interest at a rate of 0.09%-1.365%, with total principal of NIS 1,156 million.

The principal of the bonds (Series G) will be repayable in four annual payments, each representing of 25% of the principal, on January 5 of each of the years 2029 to 2032 (inclusive).

Note 10: **Bonds** (Continued)

E. Bonds (Series G) (Continued)**:**

The interest rate applicable to the bonds (Series G) is 2.44% per year, due in annual payments on January 5 of each of the years 2021 to 2032 (inclusive). The principal and interest of the bonds (Series G) are not linked to the CPI or to any currency.

The bonds include terms for their provision for immediate repayment upon the occurrence of certain events, including, inter alia, the following:

- A change of control on certain conditions;
- The Company's equity will not, on the date of the relevant financial statements and for two consecutive quarters, fall below the amount of NIS 2.2 billion.
- The net financial debt ratio (deducting the value of real estate for investment in construction) for annual standardized NOI will exceed 14 for two consecutive quarters (net financial debt: the Company's aggregate debt to banking corporations, other financial institutions and the holders of bonds of all kinds deducting cash and cash equivalents, deposits, money market funds, tradeable collaterals, all according to their value in the Company's consolidated statement of financial position).
- The ranking of the bonds (Series G) will be lower than a BBB - (BBB Minus) ranking for two consecutive quarters.
- Equity with an additional undertaking of net deferred taxes will fall below 22.5 of the sum of the Company's balance deducting cash and cash equivalents and deducting tradeable collaterals for two consecutive quarters;
- The value of the non-charged assets will not, for two consecutive quarters, fall below a sum of NIS 1 billion, or a sum of 125% of the balance of the bonds (Series G), whichever is higher.
- A demand for immediate repayment, not removed, of a material loan or bonds traded on the Tel Aviv Stock Exchange.
- Instructions regarding the limitation on the distribution of a dividend upon certain conditions being met.

In addition, the bonds include additional customary terms for their provision for immediate repayment, including with respect to the following events: (1) Restructuring and merger; (2) Liquidation, receivership and proceedings for the realization of assets and execution; (3) Trade halt; (4) Cross default and so forth.

As of the date of the statement, the Company meets all the financial covenants.

Note 10: **Bonds** (Continued)

F. Bonds (Series H):

From February 2021 to December 2023, the Company issued to the public bonds (Series H) at a scope of NIS 2,432 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 2,440 million. The bonds (Series H) reflect a CPI-linked effective interest rate of around 1.73%.

The bonds (Series H) are CPI-linked (with respect to January 2021), and bear stated annual interest at a rate of 0.92% per year. The bonds (Series H) are payable (principal) in 4 equal annual payments, on January 5th of each of the years 2029 to 2032 (inclusive), in a manner whereby each of the payments will constitute 25% of the total par value principal of the bonds (Series H). The interest payments will be paid on January 5th of each of the years 2022 to 2032 (inclusive).

The bonds 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 2.2 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 bonds, 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 bonds (Series H) 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 bonds (Series H), whichever is higher.
- A demand (which has not been withdrawn) for the immediate repayment of a material loan or bond which is listed for trading on the Tel Aviv Stock Exchange.
- Provisions regarding restrictions on dividend distributions, upon the fulfillment of certain conditions;

The bonds 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 in compliance with all of the financial covenants.

Note 10: **Bonds** (Continued)

G. The balance (including current maturities) As of December 31, 2023 is repayable in the years after the date of the statement of financial position, as follows:

	NIS thousands
In the first year – 2024	628,496
In the second year – 2025	790,399
In the third year – 2026	790,399
In the fourth year – 2027	1,070,596
In the fifth year – 2028	1,070,596
In the six year and thereafter	4,155,339
	8,505,825

H. **Liens** – see Note 14B.

I. **Limitation on dividend distribution**

The bonds include certain restrictions on the distribution of dividends in an amount exceeding the permitted amount at a time when the company's equity, including as a result of the dividend distribution, will be less than NIS 2.4 billion (the "permitted amount" means FFO The calendar cumulative) or on the distribution of a dividend as a result of which the equity will be reduced to less than NIS 2.2 billion or as a result of which the financial ratio "debt ratio to NOI" and "capital ratio" will be violated. As of the date of this report, these limitations are not met.

Negative bondage

The company undertakes not to create a current lien on all its property and all its rights, existing and future (negative pledge lien) in favor of any third party, unless it notifies the trustee in writing prior to the creation of the lien and will simultaneously create a lien in favor of the third party. In the same degree, the bonds of the bonds have been used to secure the full amount of the debt towards them in accordance with the ratio of the debts towards the third party and towards the holders of the bonds.

Note 11: **Loans from banking corporations**

A. **Composition:**

	As of December 31	As of December 31	
	2023	2023	2022
	%	NIS thousands	
Composition			
In Shekels – index linked	0.6	543,977	526,379
		543,977	526,379
Less – current maturities		-	-
		543,977	526,379

Note 11: Loans from banking corporations (Continued)

B. **Loan agreement with a banking institution**

In October 2021, the Company signed an agreement with a banking institution, according to which the bank provided to the Company a loan in the amount of approximately NIS 500 million, with an average lifetime of 8.5 years. The loan, which is not secured by any pledges, is CPI-linked and bears annual interest of 0.6%. The loan principal will be repaid by the Company in four equal annual installments, over the years 2029 to 2032. Under the loan agreement, the Company undertook to fulfill financial covenants which are similar to the financial covenants specified in the Company's series of bonds (Series H), which are listed on the Tel Aviv Stock Exchange. The average lifetime and principal repayment dates of the loan correspond to those of the bonds. For additional details regarding the financial covenants, see Note 10F.

C. **Long-term and short-term credit facilities**

(1) **Credit lines -** The Group has five credit facilities from commercial banks and an institutional body in Israel in an overall amount of NIS 1,080 million.

a. A credit facility from a bank in an amount of NIS 280 million, effective until December 31, 2024.

b. A credit facility from a bank in an amount of NIS 300 million, effective until December 31, 2024.

c. A credit facility from a bank in an amount of NIS 150 million, effective until June 27, 2024.

d. A credit facility from an institutional body in Israel an amount of NIS 150 million, effective until March 16, 2025.

e. A credit facility from an institutional body in Israel an amount of NIS 200 million, effective until May 30, 2025.

In order to utilize this credit facility, the Company must comply with the following conditions:

- The ratio of the shareholders' equity to the total of the statement of financial position (less cash and cash equivalents and less securities in connection with discontinued operations) on an expanded, consolidated basis may not be less than 25% at any time whatsoever.
- The ratio between the Company's net financial debt (after deducting investment property under construction) and the NOI may not exceed a ratio of 10 at any time.
- The ratio between the Company's net financial debt and the CAP may not exceed 70%;
- Alony Hetz is to be the controlling interest in the Company.

Note 11: **Loans from banking corporations** (Continued)

C. **Long-term and short-term credit facilities (**continued**)**

In addition, the Company has undertaken to maintain additional financial covenants, of which the main ones are: a change in control in the Company in certain conditions; minimal shareholders' equity in the Company - NIS 1.2 billion; various cash flows and operational financial ratios; "cross default"; a liability by the Company not to create any general floating charge on any of its assets in support of a third party (except for a floating lien that is ancillary to a fixed lien).

The agreement includes generally accepted grounds for making the credit repayable immediately, such as significant legal proceedings (liquidation, receivership, merger and etcetera).

As of December 31, 2023, the Company has unexploited credit facilities of NIS 1,060 million. In addition, the Company is in compliance with all of the financial covenants.

D. **Liens** – see Note 14B.

Note 12: **Other long-term liabilities**

Composition:

	As of December 31	
	2023	2022
	NIS thousands	
Liabilities in respect of the termination of employee-employer relationship relationship	2,665	2,709
	2,665	2,709
Revenues in advance and deposits from tenants in buildings	29,766	30,961
Derivative financial instruments, which are designated as hedging items (see Note 10)	201,980	191,284
Other long-term liabilities	538	764
	234,949	225,718

Note 13: Taxes on income

A. The following is the composition of the deferred tax balances that are presented in the statement of financial position As of December 31, 2023 and 2022 and the movements therein in the years ended on those dates:

	2023			2022		
	Balance As of January 1 2023	Recognized in profit or loss	Balance As of December 31 2023	Balance As of January 1 2022	Recognized in profit or loss	Balance As of December 31 2022
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Investment property	1,760,471	69,084	1,829,555	1,561,493	198,978	1,760,471
Tax losses carried forward	(96,737)	15,712	(81,025)	(86,791)	(9,946)	(96,737)
Social benefits and doubtful debts	(2,681)	(182)	(2,863)	(2,232)	(449)	(2,681)
	1,661,053	84,614	1,745,667	1,472,470	188,583	1,661,053

Note 13: **Taxes on income** (continued)

B. The deferred taxes are presented as follows:

	As of December 31	
	2023	2022
	NIS thousands	
Non-current liabilities	1,745,667	1,661,053

C. Deferred taxes – additional information

	As of December 31	
	2023	2022
	NIS thousands	
Losses for tax purposes for which deferred taxed have not been recognized (1)	5,753	5,365

(1) Tax benefits as of December 31, 2023 and 2022, for which net deferred tax assets receivable were not recorded, due to the assessment of Group management that their realization in the foreseeable future is unexpected. These tax benefits were due to tax losses of consolidated companies.

D. Timing differences in terms of tax in respect of investments in investee companies for which no deferred taxes have been recognized

	As of December 31	
	2023	2022
	NIS thousands	
Consolidated companies	649,368	593,355
Entities under joint control	65,665	61,303
	715,033	654,658

The Group has not recognized deferred tax liabilities in respect of consolidated companies and companies that are treated at equity, since the Group intends to hold and to develop the investments and since dividends from consolidated companies are not chargeable with taxation.

Note 13: **Taxes on income** (Continued)

E. Expenses that have been recognized in profit or loss:

Comprise:

	December 31		
	2023	2022	2021
	NIS thousands		
Current taxes			
Current tax expenses	25,168	16,967	29,023
Tax expenses for previous years, net (see note 13H)	185	101	37,961
Total current taxes	25,353	17,068	66,984
Total deferred taxes	84,614	188,583	217,752
Total tax expenses recognized in profit or loss	109,967	205,651	284,736

F. The effective tax:

	For the year ended December 31		
	2023	2022	2021
	NIS thousands	NIS thousands	NIS thousands
Income before taxes on income	792,574	1,376,797	1,216,922
Less profits of investee companies	(24,177)	(24,208)	(18,112)
	768,397	1,352,589	1,198,810
Statutory tax rate	23.0%	23.0%	23.0%
Tax expenses at the statutory tax rate	176,731	311,095	275,726
Increase (decrease) in taxes on income deriving from the following factors:			
Differences connected to investment property	(69,118)	(108,283)	(37,951)
Disallowed expenses (tax exempt income), net	2,448	2,326	6,470
Previous years taxes and others	(94)	513	40,491
Total taxes on income as presented in profit or loss	109,967	205,651	284,736
The effective tax rate	14%	15%	24%

G. Current tax balances:

	As of December 31	
	2023	2022
	NIS thousands	
Current tax assets	1,383	4,722
Current tax liabilities	36,574	26,941

Note 13: **Taxes on income** (Continued)

H. Additional information:

1. In December 2021, the Company a signed final tax assessment agreement vis-à-vis the Income Tax Authority in respect of the years 2016-2019, after which the Company paid, in January 2022, taxes in the amount of approximately NIS 134 million (not including interest and linkage. The Company has full provisions, excluding NIS 37 million which were recorded under prior year tax expenses). Under the agreement, carry forward losses were recognized for the Company in the amount of approximately NIS 255 million, usable over the years 2020 and thereafter.

2. In December 2020, 10 consolidated companies signed final tax assessment agreements with the Income Tax Authority, with respect to the years 2015-2018, after which the Company paid tax in the amount of approximately NIS 10 million (for which the Company had full provisions). Under the agreement, carry forward losses were recognized for the Company in the amount of approximately NIS 68 million, usable over the years 2021 to 2029. Additionally, in February 2021, the Company signed a partial assessments agreement with respect to 2019, following which the company paid taxes in the amount of approximately NIS 4 million (for which the company had full provisions).

3. Final tax assessments were issued to the company up to and including the 2019 tax year, 10 subsidiaries were issued final tax assessments up to and including the 2018 tax year and a partial agreement for 2019, a consolidated company was issued final tax assessments up to and including the 2020 tax year, to 15 consolidated companies and to 8 companies Treated by the balance sheet value method, tax assessments were issued that are considered final up to and including the 2018 tax year.

4. Since January 1st, 2018, the corporate tax rate applicable to the Company has been 23%.

Note 14: Provisions, commitments, contingent liabilities and liens

The following is the composition of the balance of the provisions and the movement therein as of December 31, 2023 and 2022 and for the years ended on such dates:

	As of December 31	
	2023	2022
	NIS thousands	
Balance of the provisions at the end of the year	16,483	16,483

A. Legal and tax proceedings:

As of the date of the report and the date of certification of the financial statements, the Group and other parties have pending against them 13 lawsuits, tax proceedings and demands for municipal rates, fee and levy charges in connection with investment property in a total monetary amount of approximately NIS 46 million, and the Group's part as a defendant therefor amounts to a sum of approximately NIS 43 million.

For the lawsuits being conducted against the Group and for exposures to tax levies, provisions in a total amount of approximately NIS 17 million as of December 31, 2023, and December 31, 2022 (under the section on provisions and accrued expenses). In the opinion of the Group management, which relies on an opinion by legal and professional consultants, such provisions are appropriate under the circumstances of each matter.

As of the date of this report, there are no material legal proceedings in the company.

B. liens:

(1) To secure long term bonds which were issued to other parties, and which, as of December 31, 2022, have been repaid in full (hereinafter: the "Bonds"), the Company created a pledge on half of the revenue with respect to 2 properties for which the bonds were issued. The Company is working to remove these pledges from its properties.

(2) Some of the charging agreements entered into by the Company (as well as the loan agreements) contain customary terms for the provision of credit for immediate repayment, including, inter alia: restructuring and merger; liquidation, receivership and proceedings for the realization of properties and execution; change of control; cross default; down ranking; halt of operation and halt of trade of the Company's securities.

C. Guarantees:

As of December 31, 2023 and 2022, there were contingent liabilities for guarantees, as follows:

	As of December 31	
	2023	2022
	NIS thousands	
Guarantees provided by the Group (1)	21,414	32,147

(1) Primarily, guarantees that have been provided to local authorities in connection with investments in properties and in connections with guarantees for tenders. See Note 8 (3) for details regarding guarantees that have been provided to companies treated at equity.

Note 15: Share capital

A. Composition and developments in the share capital

	Registered	paid-up
	Number of shares	
Balance As of January 1, 2023	1,000,000,000	469,839,877
Exercise of options for employees (see F below)	-	811,192
Balance As of December 31, 2023	1,000,000,000	470,651,069
Balance As of January 1, 2022	1,000,000,000	442,599,195
Exercise of options for employees (see F below)	-	1,970,365
Issuance of shares to the public (see D below)	-	25,270,317
Balance As of December 31, 2022	1,000,000,000	469,839,877
Balance As of January 1, 2021	1,000,000,000	409,615,416
Exercise of options for employees (see F below)	-	3,083,779
Issuance of shares to the public (see D below)	-	29,900,000
Balance As of December 31, 2021	1,000,000,000	442,599,195

B. Rights ancillary to the shares:

The ordinary shares, of NIS 1 nominal value, grant their holders the right to receive invitations to the Company's general meetings, to participate and vote thereat, and the right to participate in the distribution of the Company's profits. Each ordinary share entitles its holder, who is present at a meeting and participates in a vote, to one vote for each ordinary share held by them. In the event of the Company's liquidation, the Company's assets distributable among its shareholders will be used, in proportion to the rate of the amount paid up, or deemed to be paid up, by the shareholder regarding each share out of the amount they are required to pay.

C. 2022 shelf prospectus:

On May 18, 2022, the Company published a shelf prospectus dated May 18, 2022, for the issuance of securities, in which the period for offering securities thereunder is until May 17, 2024. The issuance of securities in accordance with the prospectus depends, inter alia, on capital market conditions, and is subject to the publication of a shelf offering report.

Note 15: **Share capital** (Continued)

D. The issuance of shares and options for shares:

Issuance of share capital

In May 2022, the Company issued to the public 13,672,200 ordinary shares in the Company, with a par value of NIS 1 each, and 13,672,200 options (Series 11) which are exercisable into ordinary shares until December 22, 2022 (inclusive), against the payment of an exercise price (adjusted for dividends, benefits and rights) in the amount of NIS 27 (unlinked to any index or currency) per option. The total gross immediate consideration which was received with respect to the issuance amounted to a total of approximately NIS 317 million. The options (Series 11) expired on December 22, 2022, without being exercised into shares.

In January 2022, the Company issued, through a material non-extraordinary private offer, 11,598,117 ordinary shares of the Company, with a par value of NIS 1 each, for a total gross consideration of approximately NIS 301 million, to a number of institutional investors, three of which are members of the reporting groups Clal Insurance Enterprises Holdings Ltd., Harel Insurance Investments and Financial Services Ltd. and Migdal Insurance and Financial Holdings Ltd., which are stakeholders in the Company by virtue of their holdings in the Company's shares prior to the private allocation.

In September 2021, the Company issued to the public 29.9 million ordinary shares, with a par value of NIS 1 each, and 7,176,000 options (Series 11) which are exercisable into ordinary shares until December 22, 2022 (inclusive), against the payment of an exercise price (adjusted for dividends, benefits and rights) in the amount of NIS 27 (unlinked to any index or currency) per option. The total gross consideration which was received with respect to the issuance amounted to approximately NIS 718 million. The options (Series 11) expired on December 22, 2022, without being exercised into shares.

E. Dividend and declared dividend distribution policy:

In January 2007, the Company's Board of Directors adopted a dividend policy according to which, during the first quarter of each calendar year, the Company will announce the minimum dividend distribution amount for that year. The dividend will be distributed at the end of each quarter (the proportional part) subject to a resolution of the Company's board of directors, so long as the dividend distribution does not adversely affect the Company's cash flow, while taking into account the Company's future plans regarding investments, as they stand from time to time, and subject to any applicable law. As part of its above resolution, the Company's board of directors determined that it will be entitled, at any time, in light of business considerations and in accordance with the provisions of any applicable law, to change the aforementioned dividend policy, and to changes the amounts for distribution as dividends, or to decide not to distribute dividends at all. In accordance with that resolution, the Company announces, each year, the minimum dividend to be paid in that year.

In accordance with resolutions of the Company's board of directors with respect to the years 2021-2023, the Company distributed to its shareholders in 2021, current dividends in the amount of 100 agorot per share (approximately NIS 419 million) and a special dividend with respect to 2021 in the amount of 34 agorot per share (approximately NIS 155 million), which was paid in 2022, in 2022, current dividends in the amount of 106 agorot per share (approximately NIS 494 million) and a special dividend with respect to 2022 in the amount of 28 agorot per share (approximately NIS 131 million), which was paid in 2023, in 2023, current dividends in the amount of 108 agorot per share (approximately NIS 508 million).

Note 15: **Share capital** (Continued)

E. Dividend and declared dividend distribution policy (continued):

In February 2024, the Company's board of directors determined that the Company intends, in 2024, to distribute minimum annual dividends in the amount of 108 agorot per share, to be paid in 4 quarterly payments in the amount of 27 agorot per share, subject to a specific resolution of the board of directors at the end of each quarter. Further to this policy, in February 2024 the Company announced a dividend distribution for the first quarter of 2024 in the amount of 27 agorot per share (NIS 127 million), which will be paid in February 2024. Additionally, in February 2024, the Company announced on special dividend distribution with respect to 2023, in the amount of 22 agorot per share (NIS 104 million), to be paid in February 2024.

F. Options for officers plan:

1. On August 28, 2013, the Company's general meeting approved the remuneration policy for the Company's officers, which includes, inter alia, the possibility of granting warrants to officers in the Company including directors (in accordance with an amendment that was approved in a general meeting on August 18, 2015). On September 28, 2016 and on August 27, 2018, the Company's general meeting approved additional amendments to the remuneration policy, which also relate, inter alia, to the capital remuneration components (hereinafter: the "Remuneration Policy"). On February 8, 2023, the Company's general meeting approved the Remuneration Policy effective for three years beginning on January 1, 2023.

   Pursuant to the remuneration policy, on November 13, 2013, (following the approval of the Remuneration Committee), the Company's Board of Directors approved the adoption of a framework plan ("Framework Plan") for a private offering of up to 20,000,000 warrants not listed for trading and which are exercisable into shares in the Company, which may be executed from time to time, for employees and officers of the Company and/or of related companies. On March 9, 2016, the Company's Board of Directors approved the increasing of the pool of options included in the Framework Plan by an additional 20,000,000 warrants, not listed for trading.

   The Board of Directors/ Remuneration Committee will have the exclusive authority and absolute discretion to decide from time to time in relation to the granting of warrants that have not yet been granted, including regarding the quantity of warrants to be offered to offerees pursuant to the framework plan and regarding the offerees to be included in the issuance. The warrants will be allocated on a capital track for income tax purposes.

   On 25 December 2023, the Company's Board of Directors had decided (following approval by the Compensation Committee) to adopt a new Options plan, valid for 10 years, based on the principles of the Company's previous option framework plan (hereinafter: the "New Plan"). The New plan does not include restrictions on the amount of options that the Company can grant under it, and allows the qualified company organs the flexibility to exercise their judgment when options are assigned, inter alia, to determine commercial terms – subject to the provisions of the Compensation Policy which the Company has adopted in regards to officers. Warrants assigned under the New Plan will be treated as capital gain for income tax purposes.

Note 15: **Share capital** (Continued)

F. Options for officers plan: (Continued)

2. On August 18, 2015, (after the approval of the Remuneration Committee and the Board of Directors), the Company's general meeting approved the granting of capital remuneration for directors who are not interested parties and/or officers of the parent company, by way of an annual grant of options with a value of 50% of the annual remuneration that is paid to each of the directors (not including remuneration for participation in meetings of the Board of Directors and its committees).
3. On March 8, 2020, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 2,332,226 warrants 03/20, to 62 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors). As of April 15, 2023, 2,207,455 unexercised 03/20 warrants expired.
4. On March 7, 2021, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 1,767,745 warrants 03/21, to 59 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors). As of the reporting date 897.1 thousand granted warrants 03/21 have been exercised.
5. On August 8, 2021, (after the approval of the Remuneration Committee regarding offerees who are officer) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 46,863 warrants 08/21 to 6 offerees (including an officer at the company). As of the reporting date, the warrants 08/21 have not yet been exercised.
6. On March 7, 2022, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 1,564,581 warrants 03/22, to 82 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors).
7. On February 21, 2023, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 1,720,000 warrants, to 95 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors).
8. On May 15, 2023, the Company’s Board of Directors resolved (after receiving approval from the Compensation Committee) to approve the allocation of 87,167 options from the framework plan to an officer of the Company, as part of the equity compensation for 2023.
9. On February 7, 2024, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 2,284,000 warrants, to 150 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors).

Note 15: **Share capital** (Continued)

F. Options for officers plan (Continued)**:**

10. **The parameters that have been used in the calculation of the benefit that is inherent in the warrants:**

The cost of the overall benefit grossed up in each of the warrants that were in effect As of December 31, 2023, based on the fair value at the time of their granting, is estimated at an overall amount of approximately NIS 20 million, of which an amount of approximately NIS 13 million has been amortized As of December 31, 2023. This amount is being amortized in the statement of profit or loss over the length of the vesting period.

The fair value of the warrants that have been granted, as aforesaid, has been estimated by implementing the Black &Scholes method. The parameters that have been used in the implementation of the model are as follows:

	March 2021 (*)	March 2022 (*)	March 2023 (*)	February 2024 (*)
Share –price (in NIS)	17.48	24.95	19.81	18.73
Exercise Price (in NIS)	18.18	25.95	20.71	19.48
Weighted expected fluctuations (**)	28.95%	30.05%	29.75%	27.38%
Lifetime of the warrants in years (***)	2.88	2.83	2.83	2.83
Risk free interest rate	0.24%	1.01%	3.95%	3.74%
Overall benefit (NIS thousands)	5,098	6,160	8,053	8,012
In 2023	1,976	2,480	2,300	-
In 2022	1,979	2,032	-	-
In 2021	1,583	-	-	-

(*) See Note 21C(2) regarding the grant to the Company's Chief Executive Officer and the amounts of the amortization of options.

(**) The expected fluctuations have been determined based on historical fluctuations in the Company's share price.

(***) The average lifetime of the warrants has been determined in accordance with the management's forecast regarding the period in which the recipients of the warrants will hold them, the warrants that have been granted to them, and taking into account their role in the Company and the Company's past experience regarding the departure of employees.

10. This note includes the warrants for directors in the Company and the amounts of the options' amortization. For more information, see Note 21C(3) below.

Note 16: Revenues from rental fees and investment property management

A. Composition

	December 31		
	2023	2022	2021
	NIS thousands		
Rental fees (see B below)	995,340	923,047	768,685
Property management	115,534	105,091	72,917
	1,110,874	1,028,138	841,602

B. Revenues from minimal future rental fees

The cumulative amount of the minimal future rental fees, based on signed rental agreement As of December 31, 2023, which are non-cancellable, are as follows:

	As of December 31	
	2023	2022
	NIS thousands	
In the first year	872,228	804,230
In the second year	701,514	657,218
In the third year	533,367	521,788
In the fourth year	361,534	395,538
In the fifth year	233,688	266,723
In the six year and thereafter	695,549	826,962
	3,397,880	3,472,458

Note 17: Costs of the rental and operation of properties

Composition

	December 31		
	2023	2022	2021
	NIS thousands		
Property maintenance and management expenses	104,497	98,721	69,076
Salaries and social benefits	25,276	21,587	13,669
Taxes and levies	11,470	6,603	5,672
Professional services	822	689	791
Others	1,467	1,999	1,542
	143,532	129,599	90,750

Note 18: Administrative and general expenses

Composition

	December 31		
	2023	2022	2021
	NIS thousands		
Management fees to the parent company (see Note 21C(1))	11,086	10,629	9,129
Salaries and social benefits	22,923	21,909	19,205
Benefits relating to warrants	6,757	5,746	4,826
Directors fees	1,047	1,051	1,029
Professional services	8,097	6,969	8,412
Bad and doubtful debts	1,120	573	2,354
Marketing expenses	3,379	3,593	1,666
Depreciation and amortization	3,658	3,237	2,617
Other	4,404	4,623	1,705
	62,470	58,330	50,943

Note 19: Financing expenses and income

A. Financing expenses

	December 31		
	2023	2022	2021
	NIS thousands		
Interest in short-term credit and others	5,928	5,711	7,574
Interest on long-term loans from banks	3,243	3,105	649
Interest on bonds	140,939	121,827	122,348
Total interest expenses	150,110	130,643	130,572
Linkage differentials on long-term loans from banks and others	20,492	30,247	6,439
Linkage differentials on bonds	269,874	374,227	118,556
Total linkage differentials	290,366	404,474	124,996
	440,476	535,118	255,567
Non-recurring financing expenses	-	-	22,537
Less – financing expenses capitalized to investment property under construction	(39,648)	(55,049)	(29,418)
	400,827	480,068	248,687

B. Financing income

	December 31		
	2023	2022	2021
	NIS thousands		
Interest on deposits in banks	19,273	3,906	556
Interest on loans to companies treated at equity and others	2,927	6,468	8,256
	22,200	10,374	8,812

Note 20: Earnings per share

	December 31		
	2023	2022	2021
	NIS thousands		
From ongoing activity			
Profit used for the purpose of the calculation of the basic and diluted earnings per share from continuing operations	682,612	1,171,150	932,189
	Thousand shares		
Weighted average number of regular shares used for the purpose of the calculation of the basic earnings per share from continuing operations	470,076	463,438	419,750
Adjustments for warrants	195	640	625
Weighted average number of regular shares used for the purpose of the calculation of the diluted earnings per share from continuing operations	470,271	464,078	420,375
Weighted average number of securities that have not been included in the calculation of the diluted earnings per share because their impact is anti-dilutionary	3,419	1,565	9,555

Note 21: Transactions and balances with interested parties and related parties

A. Transactions

	December 31		
	2023	2022	2021
	NIS thousands		
Management fees to the parent company (See C below)	11,086	10,629	9,129
Directors fees (6 recipients)	1,047	1,051	1,029
Directors and officers' insurance expenses (see C(4) below)	388	412	390
Fair value of share-based payments	804	682	328
Number of directors	9	9	9
Presented under other receivables	6,186	2,967	11,342

Regarding further Transactions see note 21C below.

B. Benefits for the Company's CEO: (See A above regarding directors fees)

	December 31		
	2023	2022	2021
	NIS thousands		
Short-term benefits (1 recipient)	3,496	3,373	3,425
Fair value of share-based payment (1 recipient)	835	784	702
	4,331	4,157	4,127

C. Engagements with related parties:

(1) Management agreement with the parent company

In its meeting on April 12, 2022, the Company's general meeting approved the extension of the management agreement between the parent company, Alony Hetz, and the Company, regarding the provision of management services by Alony Hetz to the Company (hereinafter: the "Management Agreement") for an additional 3 year period, from January 1, 2022 to December 31, 2024, while setting the annual management fees at a fixed total of NIS 10.3 million per year (linked to the CPI for December 2021), whereby insofar as the Company's annual FFO yield is less than 6%, the management fees with respect to that year will be reduced in the amount of NIS 600 thousand. The management fees will be linked to the consumer price index for December 2021, but no less than the base index, and will be paid in four quarterly payments.

Under the management agreement, Alony Hetz provides management services to the Company through officers and employees of Alony Hetz, and through the fulfillment of the role of Amot's Chairman of the Board by Mr. Nathan Hetz, the CEO of Alony Hetz, and other Board members on behalf of Alony Hetz (without directors' compensation). The scope of services provided to the Company will be determined in accordance with the Company's changing needs, from time to time, and with no limit on the number of hours (minimum or maximum). In this regard, it is noted that the parent company undertakes to provide the Company with all of the resources which may be required for the purpose of providing the management services, in accordance with the Company's demand.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties (Cont.):

(1) Management agreement with the parent company (Cont.)

Insofar as there is a significant decrease in the scope of employment of Alony Hetz's officers during the period of the management agreement, at a rate which cumulatively exceeds 25% per year of activity (relative to the estimated scope of employment invested by those officers in the provision of management services prior to the approval of the management agreement), as evaluated by the Audit Committee once per year, the Company will have the right to terminate the management agreement. A resolution regarding the termination of the agreement will be passed by the Company's Audit Committee and Board of Directors.

Additionally, in accordance with the management agreement, Alony Hetz will be entitled to terminate the agreement at any time, subject to the provision of written notice to the Company 120 days in advance. Additionally, as was the case until now, each party is entitled to terminate the agreement by giving written notice to the other party 60 days in advance, in case Alony Hetz ceases to be the Company's controlling shareholder.

It is noted that in the years 2021, 2022 and 2023, the Company recorded management fees to the parent company in its financial statements in the amount of approximately NIS 9 million in 2021, approximately NIS 10.6 million in 2022, and approximately NIS 11.1 million in 2023.

See sections C(5) and C(6) below for details regarding additional agreements with the parent company

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO

Terms of tenure of Mr. Shimon Abudraham, the Company's CEO (the "CEO")

Mr. Shimon Abuderham serves as the CEO of the company as of September 1, 2020.

Mr. Abudraham has been employed in the Company for over 14 years, as the Company's VP Engineering since January 2008, and since January 2016 as CEO of the subsidiary Amot Real Estate Initiation and Development Ltd. (which coordinated the Company's initiation, development and construction activities).

On December 15, 2020, the Company's general meeting approved (after the approval and recommendation of the Compensation Committee and the Board of Directors were received, in their meetings on September 24, 2020 and November 8, 2020, respectively) an update to the Company's compensation policy, and also approved Mr. Abudraham's terms of tenure and employment as the Company's CEO, beginning on January 1, 2021, and for a period of 3 years, i.e., until December 31, 2023, as specified below.

On December 25, 2023, the Company's Compensation Committee and Board of Directors approved, in accordance with the provisions of Regulation 1B2(B) of the Companies Regulations (Expedients Regarding Interested Party Transactions), 5760-2000, the extension of the existing agreement with the CEO, including the CEO's current employment terms, with no change, for an undetermined period.

The compensation policy, was recently approved by the general meeting on February 8, 2023, and ending on December 31, 2025, and it is a shall be referred to hereinafter as in this section C as: the "Compensation Policy". All amounts specified in this section below are linked to the consumer price index for December 2020.

The CEO's terms of tenure and employment include the following components:

A. **Base salary and fringe benefits** - The CEO's base monthly employment cost amounts to NIS 150 thousand, linked to the CPI for December 2020.

"Employment cost" - The actual employment cost borne by the Company, including benefits and mandatory payments in accordance with the Company's standard practice, and including an exclusive vehicle, with full maintenance expenses; Cellphone; Reimbursement of expenses paid as part of the position; Study fund, and more.

B. **Annual bonus (medium / short term variable component), calculated cumulatively according to the achievement of four separate performance metrics:**
The CEO is entitled to receive an annual bonus which will be determined cumulatively according to the achievement of four performance metrics (the amounts are linked to the CPI for December 2020):

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

Terms of tenure of Mr. Shimon Abudraham, the Company's CEO (the "CEO") (Cont.)

Performance metrics	Range	Range of the bonus amount (Thousands of NIS)**	Cap (Thousands of NIS)
Return on equity	6% - 14%	100 - 600	600
FFO per share	7.5% - 12.5%	100 - 600	600
Fulfillment of projected FFO budget	90% - 110%	100 - 600	600
TSR (*)	0 – 15%	0 - 300	300

* TSR - Evaluation of the performance of the Company's stock over a period of three years, relative to a reference group of similar companies (peer group). The group of comparison companies includes real estate companies which are active in Israel, with similar activity characteristics as the Company, and the Company's Board of Directors can make changes to the list of comparison companies, and to the weight of each of the comparison companies in the benchmark, insofar as any exogenous changes occur in the list of companies.

** The calculation method within the ranges is linear)

^ The CEO's total annual bonus cap will amount to a total of NIS 2,000,000 (linked to the consumer price index for December 2020).

^ If the Company presents net annual accounting loss (after neutralizing non-recurring events due to regulatory and other changes, which the Board of Directors considers unrelated to the Company's performance such as changes to the corporate tax rate due to legislation, etc.), but the result of the calculation of the quantitative component metrics signifies entitlement to the bonus, a 50% deduction will be applied to the annual bonus which has been calculated as above.

^ The measurable annual bonus may be paid in cash or as non-cash equity compensation (with immediate vesting of the options which will be granted to the CEO, due to the fact that the bonus was non-cash), as chosen by the CEO.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

Terms of tenure of Mr. Shimon Abudraham, the Company's CEO (the "CEO") (Cont.)

C. **Discretionary annual bonus of the Board of Directors** - Insofar as the measurable annual bonus is less than NIS 1.3 million, the Company's Board of Directors will be entitled, in its discretion, to increase the total annual bonus by an amount no greater than three months' employment cost, which will be granted in accordance with non-measurable criteria (and subject to the CEO's annual bonus cap, which amounts to a total of NIS 2 million, as stated above).

D. **Equity compensation (long term variable component)** - The CEO is entitled to an annual grant of options, as part of the Company's options plan, as it stands from time to time, in the capital gains track in accordance with section 102 of the Income Tax Ordinance (New Version), 5721-1961, at a value of 50% of the Company's annual employment cost (i.e., options with a fair value of NIS 900 thousand per year). The exercise price of the options will be determined in accordance with the terms of the compensation policy, as they stand from time to time. Alternatively, the Company will be entitled to grant to the CEO equity compensation through similar mechanisms for the allocation of securities, such as phantom units, RSU's, etc. The exercise price will not be linked to any index or currency. The exercise price and/or the number of exercise shares will be adjusted in case of a dividend distribution, distribution of bonus shares, issuance by way of rights or in case of changes to the Company's structure or capital, in accordance with the provisions of the Company's options framework plan, as it stands from time to time.
In case of conclusion of employment, the CEO will be entitled to exercise the options which were granted to him in accordance with the provisions of the options plan by virtue of which the options were allocated to him. However, the Company's Board of Directors will be entitled to, without requiring additional approval from the meeting, to take action in accordance with the authority which is vested in it in the options plan to accelerate the vesting of the options which had been allocated and had not yet vested by his employment conclusion date, which will be exercisable until the end of the exercise period. Notwithstanding the foregoing, insofar as the CEO has served, as of the employment conclusion date, for a period no longer than 4 (four) years, the number of options which the Board of Directors will be entitled to accelerate, as stated above, will not exceed the proportional part of the CEO's employment period out of the total vesting period of each tranche of options which were granted to him, times the number of options in the relevant tranche.

E. **Release, indemnity and insurance** - The CEO will be entitled to letters of release and indemnity, in accordance with the Company's standard practice. The CEO will also be entitled to be included under the standard insurance arrangements for Company officers.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

Terms of tenure of Mr. Shimon Abudraham, the Company's CEO (the "CEO") (Cont.)

F. **Repayment** - Insofar as it has been found that payments were paid to the CEO based on data which turned out to be incorrect, and which was restated in the Company's financial statements, he will be obligated to repay to the Company, within a reasonable period of time, the difference between the amount which he received and the amount which he would have received according to the corrected financial data as restated in the Company's financial statements.

G. **Conclusion of employment** - Each of the parties will be entitled to conclude the working relationship at any time, by giving notice 4 months in advance, except in special circumstances.

H**. Additional provisions in the employment terms:**

^ The Board of Directors will be entitled to deduct from the foregoing compensation, in its full and exclusive discretion, if it has found that the circumstances justify such a deduction, and it will be entitled to determine a cap for the exercise value of equity compensation, as stated above;

^ It was determined that the CEO's entire compensation will be subjected to the compensation policy.

Annual bonus for 2023

On February 7, 2024, the Company's Board of Directors resolved, after receiving approval and recommendation from the Compensation Committee, to approve the payment of a bonus to the CEO in respect of 2023, in the total amount of NIS 1,518 thousand, where a total of NIS 1,024 thousand constitutes implementation of the formulas specified in the CEO's terms of employment, and as specified in section C2(B) of this chapter above, and the balance of the grant in the amount of NIS 494 thousand is a grant at the discretion of the compensation committee and the board of directors, who exercised their discretion and in accordance with the authority given to them according to the remuneration policy.

The entire bonus amount will be paid in cash. The Company's financial statements include a full provision in respect of the bonus.

Implementation of equity compensation

On March 7, 2021, the Company's Board of Directors resolved, after receiving approval and recommendation from the Compensation Committee, to approve a grant to the CEO of 284,810 Company options, exercisable into Class B ordinary shares, at an exercise price of NIS 18.18 (unlinked, subject to adjustments). The options were allocated in accordance with the conditions described above.

On March 7, 2022, the Company's Board of Directors resolved, after receiving approval and recommendation from the Compensation Committee, to approve a grant to the CEO of 184,990 Company options, exercisable into ordinary shares at an exercise price of NIS 25.95 (unlinked, subject to adjustments). The options will be allocated in accordance with the conditions described above.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

Terms of tenure of Mr. Shimon Abudraham, the Company's CEO (the "CEO") (Cont.)

On February 21, 2023, the Company's Board of Directors resolved, after receiving approval and recommendation from the Compensation Committee, to approve a grant to the CEO of 194,274 Company options, exercisable into ordinary shares at an exercise price of NIS 20.71 (unlinked, subject to adjustments). The options allocated in accordance with the conditions described above.

On February 7, 2024, the Company's Board of Directors resolved, after receiving approval and recommendation from the Compensation Committee, to approve a grant to the CEO of 245,409 Company options, exercisable into ordinary shares at an exercise price of NIS 19.48 (unlinked, subject to adjustments). The options will be allocated in accordance with the conditions described above.

The total benefit cost represented in the options which have been allocated and will be allocated, as stated above, respectively, at fair value according to the Black-Scholes model on the grant date in accordance with the guidelines specified in IFRS 2, Share-Based Payment, amounted to a total of NIS 989 thousand.

(3) Directors' compensation

In accordance with the compensation policy for Company officers directors in the Company are entitled to the following compensation:

A. Annual compensation and compensation for participation in meetings of the Board of Directors and Board committees ("compensation for participation")

All of the Company's directors, including outside directors (but excluding directors who are controlling shareholders and/or who are employed or serve as officers in the parent company) (hereinafter: the "Eligible Directors"), will be entitled to annual compensation and to compensation for participation in meetings, which will be determined in accordance with resolutions of the Compensation Committee and Board of Directors from time to time, based on the following principles of the compensation policy:

- The rates of annual compensation and compensation for participation will be in amounts between the fixed amount and the maximum amount, in accordance with the Company's grade, as specified in the second and third addenda to the Companies Regulations (Rules Regarding Compensation and Expenses of External Director), 5760-2000 (hereinafter: the "Compensation Regulations"), and will be determined by the relevant entities in the Company in accordance with the law.
- The compensation for participation in meetings of the Board of Directors and/or of Board committees remotely via teleconference, and for participation in resolutions of the Board of Directors or of Board committees without convening in person, will be a partial rate of the fixed amount, as determined in the Compensation Regulations.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties (Cont.):

(3) Directors' compensation

B. Equity compensation

On August 18, 2015, the Company's general meeting approved a framework resolution to grant equity compensation to the eligible directors, as defined above, through an annual grant of (non-marketable) options, worth 50% of the annual compensation which is paid to the directors (excluding compensation for participation in meetings of the Board of Directors and Board committees). The options will be granted in accordance with the Company's options plan which is in effect as of the actual grant date (hereinafter: the "Framework Decision" and the "Options Plan", respectively), through the capital gains track pursuant to section 102 of the Income Tax Ordinance (New Version), 5721-1961. Options will be granted each calendar year, on the approval date of the Company's periodic report, to eligible directors who hold office at that time. The grant terms and the exercise price of the options will be determined in accordance with the terms of the compensation policy and the options plan, as they stand from time to time. The exercise price and/or the number of exercise shares will be adjusted in case of a dividend distribution, distribution of bonus shares, issuance by way of rights or in case of changes to the Company's structure or capital, all in accordance with the provisions of the Company's options plan which is in effect as of the grant date. The ratio between the variable compensation, as defined in section C(3)B, and the fixed component, as defined in section C(3)A above, will not exceed 0.5. The granting of options to outside directors will be done under identical conditions as the terms of the options which will be granted to the Company's other directors, and in accordance with the provisions of the Compensation Regulations.

The compensation policy also determines that an eligible director who has concluded their tenure in the Company, in circumstances not involving a breach of fiduciary duty, harm to the Company's interests, or action taken in a conflict of interest situation, will be entitled to all of the options that have been granted to them, even insofar as their eligibility to exercise them had not yet materialized on the date of termination of the engagement. In the foregoing case, the options which have not vested by the conclusion date of their tenure will vest upon the conclusion of their tenure, and will not expire, and the director will be entitled to exercise them for up to one year after the conclusion date of their tenure.

Implementation of the compensation policy:

Annual compensation and compensation for participation

By virtue of the authority which is conferred upon them in accordance with the compensation policy, the Company's Compensation Committee and Board of Directors resolved that the eligible directors, as this term is defined in section C(3)A above, will be entitled to annual compensation according to the maximum amount specified in the Compensation Regulations, and to compensation for participation in meetings of the Board of Directors and Board committees, according to the fixed amount specified in the Compensation Regulations, in accordance with the Company's grade, as specified in the second and third addenda to the Compensation Regulations. The Company's grade in accordance with the Compensation Regulations, according to its equity in accordance with its financial statements as of December 31, 2022, and December 31, 2023, is grade E. The Company's grade in accordance with the Compensation Regulations, according to its equity

As of the publication date of this report, the maximum amount of annual compensation, in consideration of the Company's grade, is NIS 120,126, and the compensation for participation in a meeting is around NIS 3,614 (these amounts are updated from time to time, in accordance with the index-linked update mechanism currently prescribed in the Compensation Regulations). The total sum of payments which were received by the eligible directors in 2023 amounted to a total of approximately NIS 1,043 (see Note 21A).

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(3) Directors' compensation: (Cont.)

Equity compensation

In accordance with the framework decision and the principles of the compensation policy, as specified in section C(3)B above, options were granted to eligible directors during the years 2021-2024 in accordance with the terms of the options plan, as follows:

Date of the Board of Directors' resolution	**Offeree directors** (Eligible directors holding office on the date of the grant decision)	**Number of recipients**	**Total number of options granted** (Represents 50% value of the annual compensation which is paid to each of the foregoing directors) (excluding compensation for participation)	**Exercise price per option on the grant date in NIS** (unlinked, subject to adjustments)	**Total benefit cost represented in the options which were allocated, based on their fair value according to the Black-Scholes model on the grant date, in accordance with the provisions of IFRS 2, Share-Based Payment, in NIS**
Board of Directors' resolution on March 7, 2021	Messrs. Amir Amar, Yechiel Gutman, Eyal Gabai, Nira Dror, Gad Pnini and Yael Endorn	6	108,738	18.18	335,885
Board of Directors' resolution on March 7, 2022	Messrs. Amir Amar, Yechiel Gutman, Eyal Gabai, Nira Dror, Gad Pnini and Yael Endorn	6	68,994	25.95	336,000
Board of Directors' resolution on February 21, 2023	Messrs.: Yarom Ariav, Nira Dror, Gad Pnini, Yael Endorn, Dorit Kadosh and Keren Turner	6	82,254	20.71	336,853
Board of Directors' resolution on February 7, 2024	Messrs.: Yarom Ariav, Nira Dror, Gad Pnini, Yael Endorn, Dorit Kadosh and Keren Turner	6	91,603	19.48	360,000

- Following the conclusion of 3 directors' tenure on August 17, 2021 (Messrs. Amir Amar, Eyal Gabai and Yechiel Gutman), and in accordance with the terms of the compensation policy, the vesting of the options which were granted to them during the year 2021, and which had not yet vested on the conclusion date of their tenure, will be accelerated, and they will be entitled to exercise those options for one year after the conclusion date of their tenure, i.e., until August 17, 2022.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(4) Release, indemnity and insurance

Addition to framework arrangement regarding directors and officers insurance

In its meeting on May 2, 2018 (hereinafter: the "May 2018 Meeting"), the Company's general meeting approved (in respect of officers and directors who are not controlling shareholders or their relatives) (after approval was received from the Company's Board of Directors, Compensation Committee and Audit Committee), the Company's purchase of a new insurance arrangement for directors and officers insurance, which was adopted in Alony Hetz Group (which replaced the previous insurance arrangement which was adopted by the Group for the period from July 1, 2013 to June 30, 2018). The new insurance arrangement, like its predecessor, is an umbrella arrangement, which includes the directors and officers of the Company, of Alony Hetz Properties and Investments Ltd. ("Alony Hetz") and of Energix Renewable Energies Ltd. ("Energix") (also a company controlled by Alony Hetz) (hereinafter: the "Framework Arrangement"), in accordance with the principles specified below. The meeting also approved the insurance coverage which will be granted by virtue of the foregoing insurance policies to directors and officers who currently hold office in the Company, and who will hold office from time to time. The framework arrangement will also be duly approved by all of the Group's member companies.
The framework arrangement will be in effect for a period of six years, from July 1, 2018 to June 30, 2024, and like its predecessor, it is an umbrella arrangement, through an umbrella officers' liability insurance policy which will be acquired by Alony Hetz each year, which provides insurance coverage for directors and officers who are serving in the Company, in Alony Hetz and in Energix (and in any other public subsidiary of Alony Hetz, if any, during the period of the arrangement) (hereinafter: the "Collective Policy" or the "Umbrella Policy"), in accordance with and subject to the following principles:

A. The total sum of annual premiums which will be paid by all of the Group's member companies, in respect of any insurance year, within the framework of the umbrella policy, will not exceed USD 112,500 (the "Annual Premium"). Insofar as the insurance period is shorter than one year, the insurance premiums will be determined in proportion to the foregoing amount. If the insurance premiums increase in the coming years, the premiums which will be paid in respect of the insurance year will not increase by over 50% in any year above the annual premium amount, provided that an increase in premiums of over 25% per year will be conditional on the occurrence of significant changes in the market for directors and officers insurance. Any deviation from these restrictions, respectively, will require the general meeting's approval.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(4) Release, indemnity and insurance (Cont.)

Addition to framework arrangement regarding directors and officers insurance (Cont.)

B. The foregoing policies will be purchased for a number of insurance periods which will not cumulatively exceed six years, beginning on July 1, 2018.

C. The liability limit for officers' liability insurance will be up to USD 75 (seventy-five) million per claim and cumulatively, plus coverage of legal expenses.

D. The Board of Directors of each company will have the possibility to decide, in its discretion, to purchase an additional insurance layer for the company's officers, through a separate and independent policy, with an additional liability limit of up to USD 25 (twenty-five) million per claim and cumulatively, independently or jointly with any of the Group's member companies, plus a premium not to exceed 37,500 USD per year (hereinafter: the "Additional Policy").

E. The policies will cover the liability of the Company's officers, officers of the Company's subsidiaries, officers of the Company who serve as directors on behalf of the Company in subsidiaries or in companies in which the Company holds a stake, although it does not hold full ownership or control.

F. The policies which will be purchased will also cover, as much as possible, events which may be insured in accordance with the Streamlining of Enforcement Procedures in the Israel Securities Authority Law (Legislative Amendments), 5771-2011, in accordance with the Economic Competition Law, 5748- 1988 (hereinafter: the "Competition Law") and/or any other law applicable to officers' liability insurance, including and without derogating from the generality of the foregoing, in accordance with the provisions of section 56H of the Securities Law and/or the provisions of section 50P of the Competition Law.

G. The premiums in respect of each policy will be paid through a division between the Company, Alony Hetz and Energix (and any additional public subsidiary of Alony Hetz, if applicable during the period of the arrangement), according to the ratio of equity attributable to the majority shareholders in those companies, in accordance with the last annual (consolidated) financial statements which were published before the renewal of the engagement in each individual policy.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(4) Release, indemnity and insurance (Cont.)

The Company's Board of Directors, in its meeting on March 11, 2018 (after approval was received from the Compensation Committee) approved that the application of the foregoing resolutions regarding the Company's joining of the framework arrangement, and regarding the provision of insurance coverage by virtue of the insurance policies which will be purchased thereunder, also to directors and officers who are controlling shareholders or their relatives, complies with the conditions prescribed in regulation 1B(A)(5) of the Companies Regulations (Expedients Regarding Interested Party Transactions), 5760-2000 (hereinafter: the "Expedient Regulations"), and in respect of the Company's CEO, that it complies with the conditions prescribed in regulation 1A1 of the Expedient Regulations. Accordingly, so long as the framework transaction complies with the conditions of the foregoing Expedient Regulations, approval is not required from the general meeting for the purpose of applying the framework transaction to directors and officers who are the controlling shareholders or their relatives, or to the Company's CEO, who hold office from time to time. The resolutions of the Compensation Committee and the Board of Directors relied on the fact that the policies which will be purchased will apply under the same conditions, and without any distinction, both to officers who are not controlling shareholders or relatives of the controlling shareholders, and to officers who are controlling shareholders or relatives of the controlling shareholders, who serve now, and who may serve from time to time in the future, such that the terms of the engagement with the insurance companies in respect of all of the officers are identical.
The Compensation Committee and Board of Directors further determined that the transaction involving the engagement with the insurance company is under market conditions, and is not expected to significantly affect the Company's profitability, assets or liabilities, and authorized the Company's current management to evaluate and determine whether the terms of the umbrella insurance policy, which will be purchased each year (as well as the additional insurance policy, insofar as it will be purchased), comply with the conditions of regulations 1A1 (in respect of the CEO) and 1B(A)(5) (in respect of controlling shareholders and their relatives) of the Expedient Regulations.

Update to the terms of the framework arrangement
In light of the significant changes which have occurred in the global officers and directors insurance market in recent years, as reflected in a significant increase of insurance premiums, in increased policy deductibles, in reduced scopes of coverage in the policies, and in the reduction of the number of international insurers operating in the field, which affects the ability of those companies to maintain the scope of insurance coverage for officers and directors, the Company's general meeting resolved, in its meeting on December 15, 2020 (after approval and recommendation were received from the Company's Board of Directors, in its meeting on August 9, 2020, and after the Compensation Committee's approval was received in its meeting on August 2, 2020), to approve as follows:

C. Engagements with related parties: (Cont.)

(4) Release, indemnity and insurance (Cont.)

provided that the premiums for the directors and officers insurance policies which will be purchased in the coming years by Alony Hetz Group, within the framework of the Group's umbrella insurance policy (both the collective policy and the additional policy, as defined above), will be determined in negotiations between the Group and the insurance companies and reinsurers (which are not related parties), and that its cost is immaterial for the Company at that time, that the maximum premium amounts which were determined in the resolution of the May 2018 meeting will not apply to those insurance policies.

In consideration of the fact that all of the Group's member companies benefit equally from insurance coverage, since the engagement in the framework transaction leads to savings for each of the Group's member companies, and in consideration of the changes in the companies' market value, and the resulting exposures, and in accordance with the recommendation of the group's insurance advisor, and following negotiations between the management boards of the Group's member companies, the Company's Audit Committee and Board of Directors approved (in their meetings on August 2 and 9, 2020, respectively) that the payment of the new premium, and of any premium which will be paid in the future for the purpose of purchasing a policy by virtue of the framework transaction in accordance with the framework arrangement, will be divided equally between the Group's three member companies (and between any additional public subsidiaries of Alony Hetz, if any exist during the period of the framework transaction), and that an additional competitive process during the period of the framework transaction had become unnecessary.
It was further decided that in case, upon the renewal of the policy at the end of the insurance period, the premiums have increased due to the filing of a claim or a notice to the insurer regarding one of the Group's member companies, then the division of the premium payment liability between the Company and the foregoing companies will be adjusted, in a manner whereby the Company's share in the amount of the submitted claim or notice will be increased accordingly.

In consideration of the fact that the insurance for the Company's CEO was obtained under the policy for the other directors and officers, under the same conditions, the Compensation Committee and the Board of Directors resolved, in the foregoing meetings, to apply the current framework arrangement, as amended, also to the Company's CEO, by virtue of Regulation 1A1 of the Expedient Regulations.
It is noted that the competent organs of Energix and Alony Hetz convened and passed similar resolutions.

In its meeting on February 7, 2024, the Company's Board of Directors approved (after approval was received from the Compensation Committee and the Audit Committee in their meetings on February 6, 2024), and recommended that the general meeting approve (with respect to the application of the arrangement to directors in the Company), the Company's joining of a new framework arrangement for directors and officers insurance (hereinafter: the "New Arrangement"), which will enter into effect as from July 1, 2024, and will remain in effect so long as it has not been replaced with another arrangement. The principles of the new arrangement are identical to the principles underlying the current framework arrangement, except for the following changes:

C. Engagements with related parties: (Cont.)

(4) Release, indemnity and insurance (Cont.)

A restriction on the premium was not determined in the new arrangement. A restriction of this kind existed in the current arrangement, until it was removed in a resolution of the Company's general meeting in its meeting on December 15, 2020, inter alia, because the premiums are immaterial for the Group's member companies, and are determined in negotiations with insurance companies which are not related parties.

The premium to acquire the additional policy, as defined above, was changed from a cap of USD 37,500, to -50% of the total premium paid by the Group in the Group's umbrella policy.

In consideration of the fact that the insurance for the Company's CEO was obtained under the policy for the other directors and officers, under the same conditions, the Compensation Committee and the Board of Directors resolved, in the foregoing meetings, to apply the framework arrangement also to the Company's CEO, by virtue of Regulation 1A1 of the Expedient Regulations. The implementation of the new arrangement is subject to the passing of resolutions in a similar format by the competent organs of Energix and Alony Hetz.

Letter of Indemnity

On May 2, 2018, the general meeting approved (after approval was received from the Board of Directors in its meeting on March 11, 2018, and from the Compensation Committee in its meeting on March 5, 2018) the adoption of the new letter of indemnity, which will replace the letter of indemnity which was practiced in the Company until that time, and which will become the Company's standard letter of indemnity beginning on May 2, 2018. The new letter of indemnity will be granted by the Company to officers serving in the Company and to officers who will be appointed from time to time, including to officers serving in subsidiaries and in companies in which the Company has holdings but are not wholly owned or held by the Company, including to officers who serve and/or will serve in the Company in the future, who are and/or whose relatives are controlling shareholders of the Company and/or who may be controlling shareholders of the Company from time to time (including to Mr. Nathan Hetz, the Company's Chairman of the Board, who was also the Company's controlling shareholder at that time).

The new letter of indemnity is considered to be valid from the beginning of the term of office of the officers in the company and the general meeting in its above decision approved the replacement of the letters of indemnity granted by the company until that time, for the office holders in office in the company it goes to the date of the adoption of the above decision, except in relation to office holders who have completed their term and have not served Even at the time of the adoption of the new indemnity letters (May 2018).

The indemnity letter is adapted to the changes that have taken place in the legislation and especially to the amendments to the Economic Competition Law, 5578-1988 and also includes expansions of the list of events that are grounds for indemnity. According to the indemnity letter, the maximum amount of indemnity shall not exceed 25% of the company's equity as it would be according to financial statements (consolidated) latest published by the company before the day of payment according to the indemnity letter, and all in addition to the amounts that will be received, if received, from the insurance company.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(4) Release, indemnity and insurance (Cont.)

Letter of release

The general meeting also approved, in the foregoing meeting on May 2, 2018 (after approval was received from the Board of Directors in its meeting), the following:

A. To amend section 143 of the Company's articles of association, regarding the release of officers, such that, beginning from the date of the general meeting's approval of the resolution (in other words, beginning from May 2, 2018), the letters of release which will be granted by the Company will not apply to resolutions and/or transactions in which the controlling shareholder or any officer of the Company (including any officer other than the officer to whom the letter of release was granted) has a personal interest, provided that the letters of release which were granted by the Company prior to the date of the meeting's approval, and which are still in effect, will remain in effect in their entirety and without changes, in respect of all events covered thereunder, which occurred prior to the date of the meeting's approval.

B. To approve the provision of letters of release to directors and officers in the Company, including to directors and officers in the Company who are controlling shareholders of the Company or their relatives, and including to the Company's CEO, who currently hold office, or who may hold office in the Company from time to time, whereby the letters of release which will be granted by the Company will not apply to resolutions and/or transactions in which the controlling shareholder or any officer of the Company (including any officer other than the officer to whom the letter of release was granted) has a personal interest, provided that the letters of release which were provided by the Company prior to the date of the meeting's approval, and which are still in effect, will remain in effect in their entirety and without changes, in respect of all events covered thereunder, which occurred prior to the date of the meeting's approval, and that the release which was provided by the Company to directors and officers who are controlling shareholders or their relatives (in other words, to the Chairman of the Board, Mr. Nathan Hetz, who wAs of that time also a controlling shareholder of the Company), will remain in effect, in its entirety, and unchanged, in respect of all grounds covered thereunder, which occurred until November 22, 2011.

(5) Insignificant transactions:

The Company's Board of Directors determined that the transactions which will be considered insignificant for the purpose of regulations 22(A) and 37A(6) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, and for the purpose of regulation 41(A)(6) of the Securities Regulations (Annual Financial Statements), 5770-2010, are transactions which meet all of the following conditions:

1. The transaction is executed in the Company's ordinary course of business.
2. The transaction is executed under market conditions, and the agreement is executed under the customary terms for the relevant market.

Note 21 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(5) Insignificant transactions (Cont.)

3. The transaction's expected contribution to profit or loss, in annual terms (before tax effect), or its monetary scope in case the transaction is not recorded through the statement of income, does not exceed 0.125% of the Company's equity in accordance with its audited consolidated financial statements which were published as of December 31 of the year preceding the date of the transaction's reporting, or 0.5% of the Company's average profit or loss, in absolute terms, during the last three calendar years preceding the date of the transaction's reporting, in accordance with the Company's audited consolidated financial statements; Whichever of the two is lower, regardless of whether the transaction involves a single agreement, or a series of agreements on the same matter, during the same year. On this matter, in case the Company does not hold all of the rights and obligations in the transaction, the transaction will be evaluated in accordance with the Company's proportional share in the transaction.
4. The transaction was approved by the Company's Board of Directors, and the interested party notified the Board of Directors of its interest in that transaction, and refrained from participating in the discussion and vote regarding that transaction.

During 2023 and until the publication date of the report, the Company engaged in the following transactions, which constitute insignificant transactions:

1. **Leasing of rooftops to Energix** – During the reporting period the Group was party to lease agreements, under which the Group leases to a registered limited partnership which is wholly owned by Energix Renewable Energies Ltd. ("Energix") rooftops which are owned by the Company, in order to install on those rooftops photovoltaic systems for the production of electricity (the "Rooftop Lease Agreements"). In accordance with the terms of the rooftop lease agreements, the rent paid by Energix to the Company amounts to 10% of the proceeds which Energix receives, in practice, from the electric corporation / essential service provider in respect of the electricity produced by the relevant system.

2. **Addition to the parent company's crime insurance policy** - The Company is insured under a crime insurance policy which is purchased from time to time by the parent company, whereby the policy is shared by Alony Hetz, the Company and Energix. The premium in respect of the crime insurance policies is paid by the three companies, with each company bearing 33.3% of the premium cost. The Company's Board of Directors approved (after receiving the Audit Committee's approval that it constituted an insignificant transaction), the Company's addition to the new crime insurance policy which was purchased by Alony Hetz, for an additional year from July 1, 2023 to June 30, 2024, shared by Alony Hetz and Energix. The Board of Directors also approved the method for distribution of premiums between the three companies, in a manner whereby each of the companies will bear 33.3% of the premium cost, in light of the fact that, in case of the acquisition of a separate policy by each of the Group's member companies, each of the companies is expected to pay premiums in an amount which will be no less than the total premium amount which is currently paid. The Company's Board of Directors also approved the agreement which was reached between the companies, according to which, in case of the occurrence of an insurance event in one of the Group's member companies, which resulted in a reduction of the insurance coverage for the other member companies in the Group, the company which caused the reduction in insurance coverage for the other the Group's member companies will independently bear the cost of acquiring additional insurance coverage to match the original scope of insurance coverage.

C. Engagements with related parties: (Cont.)

(5) Insignificant transactions (Cont.)

The Company will evaluate the possibility of participating again in a new crime insurance policy this year which may be purchased by Alony Hetz, if purchased, since the current policy is set to expire on June 30, 2024.

3. For details regarding the Company's engagement in agreements with Alony Hetz and Energix, regarding the mechanism for participation in the premiums of the directors and officers insurance policy, see section C(4) of this note above.

4. Engagement with Value Base Underwriting and Securities Distribution Ltd. (A company that, to the best of the company's knowledge, among the holders of its parent company are, with permission, the chairman of the company's board of directors, Mr. Natan Hatz and his wife (about 15.76%)) for the purpose of receiving consulting, management and distribution services in the IPO - as part of raising debt and capital from the public based on shelf offer reports published by the company on October 19, 2023 the company entered into a contract with Value Base Underwriting and Issuance Management Ltd. for the purpose of providing consulting and management services for the issuance as well as its distribution, Under identical conditions regarding the consulting and management fee for the additional issue managers and under identical conditions for the other distributors, regarding the distribution fee.

(6) Other transactions (transactions which are not covered under section 270(4) of the Companies Law, and non-insignificant transactions):

During the reporting period, the Company was party to lease agreements under which the Company leased, under market conditions and in the ordinary course of business, to the parent company (Alony Hetz Properties and Investments Ltd.) and to Energix (a company owned by the parent company) (in separate lease agreements), offices with an area of approximately 772 square meters (to Alony Hetz) and approximately 1,056 square meters to Energix, on the 40th floor of Amot Atrium Tower in Ramat Gan (the "Building"), as well as parking spaces in the building's parking lot. The lease is under the Company's standard lease conditions for tenants in the building, and after period of 5 years an option which was available to Alony Hetz and to Energix, to extend the period by an additional 5 years, was exercised.

The Board of Directors' approval for the foregoing engagement was given on August 13, 2015 and May 10, 2020, after the Audit Committee classified the engagement in the foregoing lease agreements as a non-extraordinary transaction, as this term is defined in the Companies Law, 5759-1999. The engagement was also duly approved by the competent organs of Alony Hetz and Energix. The Company's annual revenue in respect of the foregoing lease agreements amounts to approximately NIS 1,787 thousand from the parent company and approximately NIS 2,202 thousand from Energix.

On December 25, 2023, the Company's Board of Directors approved (after the Audit Committee classified the engagement as an insignificant transaction, and à fortiori as a non-extraordinary transaction) the Company's engagement in an agreement with Energix, for the rental of another area of approximately 840 square meters (gross), on the 18th floor of Amot Holon Campus, as well as parking spaces in the building's parking lot, for a period of 10 years (with an exit option after 7.5 years, against the payment of agreed-upon compensation). The lease is in accordance with the Company's standard lease terms for tenants in that building. The annual income expected for the Company with respect to the lease agreement amount to approximately NIS 1,149 thousand. The engagement was also duly approved by Energix's competent organs.

Note 22: Fair value

A. Details of assets and liabilities that are measured at fair value in the statement of financial position

For the purpose of measuring the fair value of assets and liabilities, the Company classifies them in accordance with a hierarchy that contains the following three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or identical liabilities to which the entity has access at the time of the measurement.

Level 2: Data, apart from quoted prices that are included in Level 1, which are observable for the asset or the liability, directly or indirectly.

Level 3: Data that are not observable for the asset or the liability

The classification of the assets that are measured at fair value is done based on the lowest level of which significant use is made for the purpose of measuring the fair value of the asset as a whole.

The following are details of the Company's assets, which are measured at their fair values in the Company's statements of financial position As of December 31, 2023 and 2022, in accordance with their measurement levels.

	Level 3	
As of December 31, 2023	NIS thousands	
Fair value of items that are measured at Fair value on a timing basis	Investment property	Property under construction
Offices	7,816,136	1,743,759
Industrial parks and logistics	4,641,152	518,925
Retail centres	2,703,629	9,570
Supermarkets	767,816	-
Others	226,916	400,298
Total investment property in Israel	16,155,649	2,672,553

	Level 3	
As of December 31, 2022	NIS thousands	
Fair value of items that are measured at Fair value on a timing basis	Investment property	Property under construction
Offices	7,798,706	1,879,780
Industrial parks and logistics	4,518,446	367,431
Retail centres	2,683,074	9,470
Supermarkets	734,733	-
Others	220,563	9,327
Total investment property in Israel	15,955,522	2,266,008

	Level 2	
	2023	2022
	NIS thousands	
Fair value of items that are measured at fair value on a timing basis		
Assets held for sale	177,825	-
Derivative financial instruments, which are designated as hedging items (see Note 10)	(201,980)	(191,284)

Note 22: **Fair value** (Continued)

B. Assets that are measured at fair value at level 3 in the statement of financial position

1. Movement in assets that are measured at fair value

	Investment property in Israel						
	Offices	Retail centers	Super-markets	Industrial parks and logistics	Others	Investment property under construction	Total
	NIS thousands						
Balance as of January 1, 2022	6,418,151	2,602,516	695,212	4,123,635	205,829	2,371,957	16,417,300
Additions deriving from acquisitions	-	4,240	-	42,381	-	309,312	355,933
Transfer from investment property under construction to investment property	759,775	-	-	-	-	(759,775)	-
Investments and other	156,645	7,500	230	83,586	(536)	216,587	464,012
Gain on adjustment to fair value, net	464,135	68,818	39,291	268,844	15,270	127,927	984,285
Balance as of December 31, 2022	7,798,706	2,683,074	734,733	4,518,446	220,563	2,266,008	18,221,530
Additions deriving from acquisitions	38,494	1,000	10,000	-	-	5,491	54,985
Transfer to held for sale	(177,825)	-	-	-	-	-	(177,825)
Investments and other	42,275	9,826	5,309	24,795	(281)	402,865	484,790
Gain on adjustment to fair value, net	114,486	9,729	17,773	97,912	6,634	(1,811)	244,722
Balance as of December 31, 2023	7,816,136	2,703,629	767,815	4,641,153	226,916	2,672,553	18,828,202

2. Details of gains recognized in profit or loss

Adjustment of the fair value of investment property

Adjustment of the fair value of investment property	Level 3	
	2023	2022
	NIS thousands	
Unrealized gains on investment property	244,722	984,285

Note 22: **Fair value** (Continued)

B. Assets that are measured at fair value at level 3 in the statement of financial position (Cont.):

3. Description of the evaluation techniques for investment property measured at fair value to 31.12.2023

Investments in investment property in Israel	Fair value as of December 31, 2023 (NIS thousands)	Evaluation technique	Description of unobserved data	Weighted average	Area (Sq. m.)
Offices	7,816,136	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	100 5.75%-7.00% 84.8%	423,611
Industrial parks and logistics	4,641,152	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	44 5.25%-7.00% 99%	493,811
Retail centres	2,703,629	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	121 6.25%-7.25% 96.5%	124,080
Supermarkets	767,816	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	112 6.25%-6.75% 100%	35,038
Others	226,916	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	63 6.25%-7.00% 100%	20,988
Real estate under construction and building rights	2,672,553	Comparison, costs discounted cash flows – (DCF)	-	-	-

Note 22: **Fair value** (Continued).

B. Assets that are measured at fair value at level 3 in the statement of financial position (Cont.):

Description of the evaluation techniques for investment property measured at fair value to 31.12.2022

Investment property in Israel					
Investments in investment property in Israel	**Fair value as of December 31, 2021 (NIS thousands)**	**Evaluation technique**	**Description of unobserved data**	**Weighted average**	**Area (Sq. m.)**
Offices	7,798,706	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	95 5.75%-7.00% 86.3%	423,611
Industrial parks and logistics	4,518,446	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	41 5.00%-7.25% 100%	493,811
Retail centres	2,683,074	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	115 6.25%-7.00% 98.1%	124,080
Supermarkets	734,733	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	107 6.25%-6.75% 100%	35,038
Others	220,563	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	58 6.25%-7.00% 100%	20,988
Real estate and construction	2,266,008	Comparison, costs discounted cash flows – (DCF)	-	-	-

4. Sensitivity analysis of investment property measured at fair value

See Note 7G.

Note 22: **Fair value** (Continued).

B. Assets that are measured at fair value at level 3 in the statement of financial position (Cont.):

5. Description of the evaluation processes employed in the determination of the fair value

The body in the Company who is responsible for the fair measurement process for items that are classified at level 3 is the Company's senior management. The Company's management report to the Financial Statements Committee on the fair value findings in respect of investment property and they examine the fairness of the data and the evaluation methodology that have been used in the determination of the fair value. The Company's evaluations are tested once a quarter and if necessary, adjustments are made in order to estimate the fair value as accurately as possible in the Company's opinion. The fair value is measured based on evaluation techniques, such as: the market approach – an approach that uses prices and relevant information that has been created by comparable transactions in the market to which adjustments are made, such as: the comparison method. The revenues method- a method that converts future amounts (for example – future cash flows) into present values (discounted) such as: The discounted cash flows method (DCF).

Inter alia, the discount rates that are used to discount the future cash flows, the length of the rental period, the stability of the tenants, the extent of the available areas in the property, the length of the rental periods and the period of time that will be required to lease vacant areas in the properties, implications deriving from the investments that will be required for development, the completion of the project and/or maintaining existing properties and the deduction of uncovered operating costs and other factors are taken into account in the determination of the fair value.

Regarding investment property under construction, its fair value is assessed by estimating the fair value of the investment property after the completion of its construction and less the present value of the estimate of the construction costs that are expected to be incurred for the purpose of its completion and less an entrepreneurial profit, where relevant, whilst taking a yield rate that has been

adjusted for relevant risks that are relevant to and typify the investment property into account.

Note 23: Fair value of financial instruments

The Group's financial instruments include primarily cash and cash equivalents, trade and other receivables, shares held as a financial asset available for sale, short-term credit from banking corporations, trade payables, other payables, payables for investment property and long-term financial liabilities.

A. Fair value of financial instruments

The fair value of financial instruments that are traded on an active market (such as bonds (Series D – H) – Level 1. A derivative financial instrument designated as a gender item - classified at level 2.

(1) Financial instruments that are recorded under current assets – (cash and cash equivalents, trade receivables, other receivables and long-term receivables) – the balances in the statements of financial position As of December 31, 2023 and 2022, approximate to their fair values.

(2) Financial instruments that are recorded under current liabilities – (credit from banking corporations, trade payables, other payables and payables for investment property) – the balances in the statements of financial position As of December 31, 2023 and 2022, approximate to their fair values.

(3) Financial instruments that are recorded under non-current liabilities – the fair value of the marketable liabilities has been determined in accordance with the closing rates As of December 31, 2023 and 2022, as quoted on the Tel-Aviv Stock Exchange, as multiplied by the quantity of the marketable financial instruments (bonds (Series D-H) that had been issued at those times.

Loan from a banking corporation - The fair value as of December 31, 2023 and 2022 was determined according to the present value of the future cash flows, discounted by an interest rate which reflects, in the opinion of management, the change in the credit margins which occurred during the period, and their inherent level of risk.

Note 23: **Fair value of financial instruments** (Continued)

B. The following table details the carrying value in the accounting records and the fair value of groups of financial instruments, which are presented other than at fair value in the financial statements:

	value in the accounting records	Fair value	value in the accounting records	Fair value
	As of December 31, 2023		As of December 31, 2022	
	NIS thousands		NIS thousands	
Financial liabilities				
Long-term loans bearing fixed rate interest (including current maturities)	543,977	450,556	526,379	450,662
Bonds (including current maturities and hedging transactions)	8,815,508	8,327,014	8,555,746	8,216,536
	9,359,485	8,777,570	9,082,125	8,667,198

C. Analysis of financial instruments by linkage basis and types of currency

	As of December 31, 2023		
	NIS index linked	unlinked	Total
Current assets:			
Cash and cash equivalents	-	521,212	521,212
Trade and other receivables and long-term receivables	-	150,955	150,955
Non-current assets			
Loans to companies treated at equity	-	14,343	14,343
	-	686,510	686,510
Current liabilities:			
Other liabilities at amortized cost	711,135	121,807	832,942
Non-current liabilities			
Other liabilities at fair value	201,980	-	201,980
Other liabilities at amortized cost	8,227,157	194,150	8,421,307
	9,140,272	315,957	9,456,229

	As of December 31, 2022		
	NIS index linked	unlinked	Total
Current assets:			
Cash and cash equivalents	-	680,735	680,735
short term deposits	-	400,000	400,000
Trade and other receivables and long-term receivables	-	74,673	74,673
Non-current assets			
Loans to companies treated at equity	-	18,042	18,042
	-	1,173,450	1,173,450
Current liabilities:			
Other liabilities at amortized cost	691,723	131,725	823,448
Non-current liabilities			
Other liabilities at fair value	191,284	-	191,284
Other liabilities at amortized cost	8,053,898	228,033	8,281,931
	8,936,905	359,758	9,296,663

Note 24: The objectives of and policy for the management of financial risks

The management of equity risk

The Group manages its equity in order to ensure that the Companies in the Group will be able to continue to operate as a going concern, while maximizing the yield for the shareholders, with an emphasis on the optimization of the Company's debt and shareholders' equity.

The Company's equity structure includes debt instruments (primarily bonds and loans), financial instruments (primarily cash and cash equivalents) and the shareholders' equity attributed to the majority shareholders in the Company. The Company's CEO monitors the Company's equity structure routinely and at least once every half a year. This monitoring includes, inter alia, the examination of the cost of capital and the examination of the risks that are connected to each of the components of the equity. Based on recommendations by the Company's Board of Directors, the Group manages its equity structure by way of payments of a dividend, the issuance of equity, the recruitment of debt and repayments of debt. The Company's equity management policy, as described above, is consistent with the policy that was implemented in the previous year.

See Note 11C regarding the Company's credit facilities.

The main points of the accounting policy

The main points of the accounting policy and the methods that have been adopted in connection with financial assets and liabilities and the components of the shareholders' equity, including criteria for the recognition thereof, the measurement basis and the basis for reflection in the statement of profit or loss, are presented in Note 2.

Balances of financial instruments by category

	As of December 31, 2022	
	2023	2022
	NIS thousands	
Financial assets		
Cash and cash equivalents	521,212	680,735
short term deposits	-	400,000
Trade receivables, deposits, other long-term receivables	150,955	74,673
Loans to companies presented at equity	14,343	18,042
	686,510	1,173,450
Financial liabilities		
Financial liabilities at amortized cost	9,254,248	9,105,379
Financial liabilities at fair value through profit or loss - Hedging instruments	201,980	191,284
	9,456,228	9,296,663

Note 24: **The objectives of and policy for the management of financial risks** (Continued)

The management of financial risks

The Group's operations expose it risks that are connected to various financial instruments, such as market risk (including currency risk, fair value risk in respect of the interest rate and price risk), credit risk, liquidity risk, cash flow risk in respect of the interest rate and risk in respect of changes in the Consumer Prices Index. The Group's risks management program focuses on activity the objective of which is to reduce the possible adverse impacts on the Group's financial performance to a minimum.

The management of the risks is performed primarily by the Company's CEO, who, together with the Chairman of the Board of Directors, routinely monitors developments in the various markets. Where there are exceptional developments in the markets, the Company's management convenes in order to examine the need for the making of appropriate decisions in response to the various events. The Company' Board of Directors repots on the developments in this field once a quarter.

The following is information regarding risks that are connected to the financial instruments:

A. Credit risk:

The Group does not have a significant concentration of credit risk. Cash and cash equivalents are held in short-term deposits, which in the Company's management's opinion, have a high level of financial stability.

The Group has policy that insures that the revenues from rental and management fees from properties are received after commitments with customers who have an appropriate payments history, whilst furnishing appropriate collateral for the future payments. In some cases, rental fees are received in advance.

A loan for a partner in the Beit Shemesh project (see investment in the Beit Shemesh Logistics Center in note 7e), presented in the Long-term Debtors section, at a total of approx. ILS 77m – to secure Amot's rights under the loan agreement, the partner placed, to the benefit of Amot, first-lien pledges, both current and permanent, on all its rights in the land, in the project and in the shared transaction, as well as on properties and rights related to the project – along with an undertaking to place, to the benefit of Amot, a sum-unrestricted first-lien mortgage on all of the partner's rights in relation to the land and the project in the ledgers of the Israel Land Authority.

The management of credit risk by the Group

Credit risk relates to the risk that the counter-party will not meet its contractual commitments and will cause a financial loss to the Group. The Group does not have a significant exposure to credit risk relating to a particular customer or group of customers with similar characteristic. The Group defines customers as having similar characteristics if they are related entities. The concentration of credit risk is limited because the customer base is large and unrelated. No change has occurred in the estimation technique or in the significant assumptions made in the current reporting period. The Group writes off customers' debts where information exists indicating that the customer is in serious financial difficulty and there is no real chance of collecting the debt, for example where the customer is in liquidation or bankruptcy proceedings.

Note 24: **The objectives of and policy for the management of financial risks** (Continued)

B. Interest rate risk:

- **Cash flows risk –** Loans that bear interest at a variable rate expose the Group to cash flow risk in respect of a change in the interest rates, which are not accompanied by a parallel change in the fair value of the financial instruments. As of December 31, 2023 and 2022, the Company's main long-term liabilities are at a fixed rate of interest. See Note 23B for the impact of the sensitivity analysis for the interest rate on the fair value of the financial liabilities
- **Fair value hedging** – Further to the issuance of the bonds (Series E), the Company has executed hedging transactions opposite financial institutions in Israel, which converted Shekel interest at a rate of 3.39% into index-linked principal and interest linkage at a rate of between 2.125% - 2.49%, for overall principal of NIS 525 million**.** The hedged bonds are presented as index-linked bonds.

  Further to the issuance of the bonds (Series G), the Company executed hedging transactions opposite financial institutions in Israel, which converted an annual NIS interest rate of 2.44% to CPI-linked principal and linked interest at a rate of 0.09% - 1.365%, with total principal of NIS 1,156 million. The hedged bonds are presented as CPI-linked bonds.

  The following table details the interest rate swap transactions that have been designated as hedging instruments, which are extant at the end of the reporting period:

Contract: Pay variable interest Receive fixed interest	Average interest rate – fixed pursuant to a contract		Amount of the principal that is denoted		accounting records of the hedging instruments assets/ (liabilities)	
	As of December 31		As of December 31		As of December 31	
	2023	2022	2023	2022	2023	2022
	%		NIS thousands		NIS thousands	
Hedging transactions	2.49%-0.09%	2.49%-0.09%	1,666,860	1,737,147	(201,980)	(191,284)

C. Liquidity risk:

The responsibility for the management of liquidity risks rests with the Company's management, which maintains a program for managing short-term, intermediate-term and long-term financing and liquidity risks in accordance with the Company's needs. The Company manages the liquidity risk by maintaining suitable cash surpluses, preparing financial forecasts which kept up to date by comparing the future yields from the financial assets and liabilities.

As of the reporting date and at the time of the approval of the financial statements, the Company has credit facilities from banking corporations and financial institutions amounting to approximately NIS 1,080 million. As of December 31, 2023, NIS 1,060 million in unutilized facilities.

As stated in Note 15E, the Company has a policy of distribution dividends on a quarterly basis. Before the Company's Board of Directors decides on the distribution of a quarterly dividend, the Company examines its ability to settle its liabilities.

The following table presents the flow of financial liabilities as of December 31st, 2023 and 2022, which are exposed to fair value risk and/or cash flow risk in respect of interest rates, in accordance with the contractual repayment dates or interest rate re-establishment dates, whichever is earlier. The table includes cash flows in respect of both interest and principal:

Note 24: **The objectives of and policy for the management of financial risks** (Continued)

As of December 31, 2023:

	Interest rate (*)	Year 1	Year 2	Year 3	Year 4	Year 5	than 5 years
	%	NIS thousands					
NIS linked fixed-rate shekel loans	0.60	3,266	3,257	3,264	3,264	3,270	551,326
NIS denoted index-linked bonds bearing fixed rate interest	1.79	763,107	910,548	892,270	1,154,188	1,135,959	4,656,875
Trade payables		28,493	-	-	-	-	-
Other payables		130,716	-	-	-	-	-
		925,582	913,805	895,534	1,157,452	1,139,229	5,208,201

(*) The weighted interest rate As of the date of the statement of financial position.

As of December 31, 2022:

	Interest rate (*)	Year 1	Year 2	Year 3	Year 4	Year 5	than 5 years
	%	NIS thousands					
NIS linked fixed-rate shekel loans	0.60	3,160	3,160	3,160	3,160	3,160	535,061
NIS denoted index-linked bonds bearing fixed rate interest	1.70	749,359	739,081	877,846	860,134	1,111,995	5,011,889
Trade payables		27,636	-	-	-	-	-
Other payables		127,639	-	-	-	-	-
		907,794	742,241	881,007	863,294	1,115,156	5,546,949

(*) The weighted interest rate As of the date of the statement of financial position.

D. Linkage risks:

Consumer price index risk:

In view of the fact that the vast majority of the financial obligations taken by the company are linked to the consumer price index and so are its revenues, an increase in inflation will cause an increase in the company's financing expenses and the scope of its liabilities, but on the other hand there will be an increase in its revenues which can lead to a positive revaluation of the company's assets in a way that will reduce the negative impact on the company's results.

Note 25: Changes in liabilities deriving from financing activity

	Balance As of January 1,2023	Cash flows from financing activities	Other Change *	Change in fair Value	Balance As of December 31 2023
	NIS thousands				
Credit from banking corporations and other providers of credit	13,630	(7,902)	-	-	5,728
Bonds	8,364,462	(122,062)	274,120	(10,696)	8,505,824
Loans from banking corporations	526,379	-	17,598	-	543,977
	8,904,471	(129,964)	291,718	(10,696)	9,055,529

	Balance As of January 1,2022	Cash flows from financing activities	Other Change *	Change in fair value	Balance As of December 31 2022
	NIS thousands				
Credit from banking corporations and other providers of credit	5,028	8,602	-	-	13,630
Bonds	7,242,171	826,535	355,126	(59,369)	8,364,462
Loans from banking corporations	499,978	-	26,401	-	526,379
	7,747,177	835,137	381,527	(59,369)	8,904,471

* Other changes mostly include linkage to the CPI and amortization of discount.

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Note 26: List of Investee Companies

	As of December 31, 2023	
	Holding rate	Voting and appointment of directors
	%	%
Consolidated companies		
Ayalot Investments in Properties (Herzliya) Ltd.	100	100
Ayalot Investments in Properties (AB"G) 1992 Ltd.	100	100
Ayalot Investments in Properties (Kfar Saba) 1992 Ltd.	100	100
Ayalot Investments in Properties (Rehovot West) 1992 Ltd.	100	100
Ayalot Investments in Properties (Netanya) 1993 Ltd.	100	100
Ayalot Investments in Properties (Har Hotzvim) 1994 Ltd.	100	100
Ayalot Investments (T.M.R.) 1994 Ltd.	100	100
Ayalot Investments (Ramat Vered) 1994 Ltd.	100	100
Ayalot Investments (Patir) 1996 Ltd.	100	100
Ayalot Investments in Properties Ltd.	90	90
Nes-Pan Ltd.	100	100
Hakirya Center (Ashdod 1995) Ltd.	100	100
Kiryat Ono Mall Management Company Joint Venture Ltd.	100	100
Ha'Nasi Mall Or Akiva Management (Limited Partnership)	100	100
Amot Real Estate initiation and Development Ltd.	100	100
Amot Atrium Management Ltd.	100	100
Amot Platinum Management Ltd.	100	100
Amot Campus Holon Management Ltd.	100	100
Amot Har Hotzvim, Management Ltd.	100	100
Amot Beit Dagan, Management Ltd.	100	100
Amot Mevaseret, Management Ltd.	100	100
Amot Habarzel 30, Management Ltd.	100	100
Amot Maccabi Netanya, Management Ltd.	100	100
Amot Kiryat HaMada, Management Ltd.	100	100
Amot Park Rehovot, Management Ltd.	100	100
Amot Hayezira Management Ltd.	100	100
Amot Haifa, Management Ltd.	100	100
Amot Investments Construction Ltd.	100	100
Beit Amot Insurance, Management Ltd.	100	100
"A" Tower Tel Aviv, Management Ltd.	100	100
Amot Investments Energy Ltd.	100	100
Migdal Amot Investment, Management Ltd.	100	100
Amot Beit Europe, Management Ltd.	100	100
Joint operations		
The Central Station in Jerusalem (Management) 1996 Ltd.	50	50
Amot – Clal Joint Venture	50	50
Ashtrom Properties Ltd – Amot Investments Ltd. (Joint Venture)	50	50
Ayalot HaYarkon Joint Venture	50	50
Century Tower parking Ltd	50	50
Merkazit Jerusalem Joint Venture for Rental	50	50
Amot Investments and Gabriels Hotzot Karmiel	50	50
Amot Ronimore Habarzel Ltd	50	50
Merkazim 2001	50	50
Ellied Amot Jerusalem entrance gate Joint Venture	50	50
Ellied Amot Halechi Bnei Brak Joint Venture	50	50
Joint Ventures		
Izdarechet Investments Company Ltd.	50	50
Hotzot Alonim Ltd.	49	49
Amot Danisra Park Afek Ltd.	50	50
Roni Dan Investments Ltd.	50	50
Ziviel Investments Ltd.	49	49
Amot Shaul Ltd.(Some of the shares are held in trust for the Company)	50	50
Kochav Or Industry and Commerce Ltd.	50	50

AMOT
ALONY HETZ GROUP

SEPARATE FINANCIAL INFORMATION

AS OF 31.12.2023

Amot Investments Ltd. is a leading Israeli real estate company.

Amot Investments Ltd.

Separate Financial Statements

For the Year 2023

Amot Investments Ltd.

Separate Financial Statements as of December 31, 2023

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Deloitte.

These financial statements are a translation from Hebrew of the original financial statements; in any case of difference between the two versions, the Hebrew version shall govern

To
The Shareholders of
Amot Investments Ltd.
Jabotinsky Street 2,
Ramat Gan

Dear Sir/Madam,

Re: Special report of the auditor on separate financial information pursuant to Regulation 9-C of the Securities Regulations (Periodic and Immediate Reports), 1970

We have audited the separate financial information that was prepared in accordance with regulation 9-C of the Securities Regulations (Periodic and Immediate reports), 1970 of **Amot Investments Ltd**. ("the Company") as of 31 December 2023 and 2022 and for each of the three years in the period ended December 31, 2023. The board of directors and management are responsible for the separate financial information. Our responsibility is to express an opinion on this separate financial information based on our audit.

We did not audit the separate financial information of investee companies the investment in which amounted to NIS 2,341,478 thousand and NIS 2,139,828 thousand as at December 31, 2023 and 2022, respectively, and the profit from these investee companies amounted to NIS 202,719 thousand, NIS 297,710 thousand and NIS 288,708 thousand for the years ended December 31, 2023, 2022 and 2021, respectively. The financial information of these companies were audited by other auditors, whose reports have been furnished to us, and our opinion, to the extent that it relates to the amounts recorded for those companies, is based on the reports of the other auditors.

We conducted our audit in accordance with Generally Accepted Auditing Standards in Israel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate financial information. An audit also includes assessing the accounting principles used in the preparation of the separate financial information and significant estimates made by the board of directors and management, as well as evaluating the overall separate financial information presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the separate financial information is prepared, in all material respects, in accordance with the requirements of regulation 9-C of the Securities Regulations (Periodic and Immediate reports), 1970.

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

Tel Aviv, February 7, 2024

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Amot Investment Ltd.
Financial Position Data

	Additional information	As of December 31, 2023	2022
		NIS thousand	
Current assets:			
Cash and cash equivalents	2	440,478	591,998
Short-term deposits	3	-	400,000
Trade receivables		10,314	5,534
Other receivables		102,186	60,175
Asset held for sale		77,700	-
Total current assets		630,678	1,057,707
Non - current assets:			
Investment property		10,814,646	10,633,374
Investment property under construction and building rights		2,644,814	2,231,708
		13,459,460	12,865,082
Loans, bonds and capital notes to investee companies		2,067,599	2,220,711
Investment in investee companies	5	3,325,751	3,064,292
Long-term receivables		92,006	28,842
Fixed assets		46,803	46,188
Total non-current assets		18,991,619	18,225,115
Total assets		19,622,297	19,282,822
Current liabilities:			
Credit from banking corporations and others	4	634,223	623,304
Trade payables		7,700	7,217
Current tax liabilities, net		15,416	15,503
Other payables		262,320	204,008
Payables for investment property		43,068	45,280
Total current liabilities		962,727	895,312
Non-current liabilities:			
Bonds	4	7,877,329	7,754,788
Loans from banking corporations and others	4	543,977	526,379
Provisions		16,483	16,483
Investments in investee companies		10,104	10,571
Others		222,003	209,181
Deferred taxes, net	6	1,152,004	1,094,517
Total non-current liabilities		9,821,900	9,611,919
Equity		8,837,670	8,775,591
Total liabilities and equity		19,622,297	19,282,822

February 7, 2024			
Approval Date of the Financial Statements	**Nathan Hetz Chairman of the Board**	**Shimon Abudraham Chief Executive Officer**	**Judith Zynger Deputy CEO and CFO**

Amot Investment Ltd.

Profit or Loss Data

	Additional information	For the year ended December 31		
		2023	2022	2021
		NIS thousands		
Revenues from rental fees and the management of investment property		661,361	605,697	493,948
Costs of the rental and operation of properties		44,319	37,643	28,174
Profit from the rental and operation of properties		617,042	568,054	465,774
Adjustment of the fair value - investment property, net		166,927	812,514	555,389
Adjustment of the fair value - reducing transaction costs		(3,300)	(18,248)	(120,538)
		780,669	1,362,320	900,625
Administrative and general expenses		50,832	47,391	40,483
Donations		2,556	2,000	2,000
Other incomes, net		(1,368)	(1,160)	(1,264)
Operating income		728,649	1,314,089	859,406
Financing income (see note 6(3))		158,768	143,565	208,589
Financing expenses		(414,143)	(482,744)	(253,264)
Operating income after financing		473,274	974,910	814,731
The Company's share of the profits of investee companies, net of tax	5	266,825	340,175	324,253
Income before taxes on income		740,099	1,315,085	1,138,984
Tax expenses on income	6	57,487	143,935	206,795
Net income for the year		682,612	1,171,150	932,189

Amot Investment Ltd.

Comprehensive Income Data

	For the year ended December 31		
	2023	2022	2021
	NIS thousands		
Net income for the year	682,612	1,171,150	932,189
Amounts that will be reclassified to profit and loss in the future, net of tax			
Adjustments deriving from the translation of the financial statements of foreign operations	-	-	-
Total comprehensive income	682,612	1,171,150	932,189

Amot Investment Ltd.

Cash Flows Data

	For the year ended December 31		
	2023	2022	2021
	NIS thousands		
Cash flows from operating activities			
Net income for the year	682,612	1,171,150	932,189
Adjustments required to present cash flows from operating activities (Appendix A)	(187,087)	(875,720)	(428,566)
Net cash generated by operating activities	495,525	295,430	503,623
Cash flows from investment activities			
Investments in investment property and investment property under construction and building rights	(492,257)	(709,435)	(2,249,933)
Collection (granting) of loans from investees, net	272,626	194,311	35,741
A loan given for investment purposes	(65,254)	-	-
Investments in equity-accounted company	-	-	(41,768)
Realization (investment) in short-term deposits	400,000	(400,000)	-
Return from exercise (investment) Securities measured at fair value through profit or loss	-	-	50,547
Investment in fixed assets and others	(3,650)	(4,326)	(2,234)
Net cash absorbed by investment activities	111,465	(919,450)	(2,207,647)
Cash flows from financing activities			
Dividend paid	(639,227)	(648,793)	(419,053)
Issuance of shares and share options, after deducting issuance costs	-	610,745	714,813
Issuance of bonds, net	496,896	1,384,357	1,304,931
Exercise of option warrants for employees, directors and officers	10,681	35,559	47,289
Receiving long-term loans from banking corporations	-	-	1,029,000
Repayment of long-term loans from banking corporations	-	-	(530,000)
Repayment of long-term bonds	(618,958)	(557,822)	(535,085)
Issuance of negotiable securities	100,000	-	-
Repayment of negotiable securities	(100,000)	-	-
Short-term credit from banking corporations, net and others	(7,902)	8,602	(96,506)
Net cash generated by financing activities	(758,510)	832,648	1,515,389
Increase (decrease) in cash and cash equivalents	(151,520)	208,629	(188,635)
Balance of cash and cash equivalents at the beginning of the year	591,998	383,369	572,004
Balance of cash and cash equivalents at the end of the year	440,478	591,998	383,369

Amot Investment Ltd.

Cash Flows Data

		For the year ended December 31		
		2023	2022	2021
		NIS thousands		
A.	**Adjustments required to present cash flows from operating activities**			
	Expenses (revenues) not involving cash flows			
	Fair value adjustment of investment property, net	(166,927)	(812,514)	(555,389)
	Fair value adjustment - Reducing transaction costs	3,300	18,248	120,538
	Company's share of the profits of investee companies	(266,825)	(340,175)	(324,253)
	Dividend from investee companies	4,500	4,750	5,250
	Erosion of bonds, loans and loans from subsidiaries	194,904	267,109	36,505
	Crediting of benefit with respect to share-based payment	6,756	6,343	5,043
	Deferred taxes and taxes related to previous years, net	57,487	143,876	191,797
	Depreciation and others	6,561	6,082	8,493
		(160,244)	(706,281)	(512,016)
	Changes in assets and liabilities			
	Decrease (increase) in trade receivables	(4,780)	4,061	8,973
	Decrease (increase) in other receivables	(11,357)	1,376	4,419
	Decrease in long-term receivables	1,566	2,720	7,537
	Increase (decrease) in trade payables	2,140	2,180	(1,261)
	Increase (decrease) in liabilities in respect of the termination of employee-employer relationships	-	1,400	(490)
	Increase (decrease) in other payables	(14,412)	(181,177)	64,272
		(26,843)	(169,440)	83,450
		(187,087)	(875,720)	(428,566)
B.	**Activities not involving cash flows**			
	Investments in investment property against other payables	16,878	3,773	52,534
	Exercise of employees' options against receivables	1,257	-	4,214
	Dividends have not yet been received from companies treated according to the equity method	-	-	1,750
C.	**Additional information**			
	Interest paid (**)	154,307	179,085	158,203
	Interest received (***)	23,789	21,627	153,216
	Taxes paid (*)	-	158,616	-
	Taxes received	-	-	19,219
	Dividend received	4,500	4,750	5,250

(*) Taxes paid in 2022 include taxes paid in respect of an assessment agreement in the company (for more details, see Note 13H1 in the company's consolidated annual financial statements for 2023).

(**) Interest paid in 2022 including interest related to tax assessment.
Interest paid in 2023 includes interest derived from the expansion of bond series in 2022.

(***) Interest received in 2022 and 2023 includes interest derived from the expansion of bond series.

Amot Investment Ltd.

Additional information regarding the financial statements

1. General:

(1) General:

The Company's separate financial statements have been prepared pursuant to the provisions of Regulation 9C and the Tenth Addition to the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970.

(2) Definitions:

The Company	-	Amot Investments Ltd.
Investee Company	-	As defined in Note 1B to the Company's consolidated financial statements as at December 31, 2023.

(3) Accounting policies:

The Company's separate financial information has been prepared in accordance with the accounting policies that are detailed in Note 2 to the Company's consolidated financial statements, except for the amounts of the liabilities, the assets, the revenues, the expenses and the cash flows in respect of investee companies, as detailed below:

A. The assets and the liabilities are presented in accordance with their values in the consolidated financial statements, which are attributed to the Company itself as parent company, except for investments in investee companies.

B. Investments in investee companies are presented as the net amount of the total of the assets less the total of the liabilities that represent financial information regarding the investee companies in the Company's consolidated financial statements,

C. The amounts of the revenues and the expenses reflect the revenues and the expenses that are included in the consolidated financial statements, which are attributed to the Company itself as parent company, with a break down between profit or loss and other comprehensive income, except for the amounts of the revenues and expenses in respect of investee companies.

D. The Company's share of the results of investee companies is presented as the net amount of the total of the assets les the total of the liabilities that represent the operating results in respect of investee companies in the Company's consolidated financial statements.

E. The amounts of the cash flows reflect the amounts that are included in the consolidated statements, which are attributed to the Company itself as parent company, except for the amounts of the cash flows in respect of investee companies.

F. Loans that have been extended and/or received from investee companies are presented at the amount that is attributed to the Company itself as a parent company.

G. Balances, revenues and expenses in respect of transactions with investee companies, which have been eliminated within the framework of the consolidated financial statements are measured and presented under the relevant items in the financial position and profit or loss data, in the manner in which those transactions would have been presented, where they to have been executed opposite third parties. Gain (losses), net are presented as a deduction from (as an addition to) the Company's share of the profits (losses) of investee companies and investments in investee companies.

2. Cash and cash equivalents:

	Interest rate As of December 31, 2023	As of December 31,	
		2023	2022
	%	NIS thousands	
In Israeli currency:			
Cash and balances in banks		26,738	20,834
Short-term deposits	4.47-4.73	413,740	571,164
		440,478	591,998

3. Short-term deposits:

	Interest rate As of December 31, 2023	As of December 31,	
		2023	2022
	%	NIS thousands	
In Israeli currency:			
Short-term deposits		-	400,000
		-	400,000

4. Financial assets and liabilities:

(1) Analysis of the groups of financial assets and liabilities by indexation basis and type of currency:

	As of December 31, 2023		As of December 31, 2022	
	In NIS - Index-linked	In NIS - Unlinked	In NIS - Index-linked	In NIS - Unlinked
	NIS thousands		NIS thousands	
Current assets:				
Cash and cash equivalents	-	440,478	-	591,998
Short-term deposits	-	-	-	400,000
Trade and other receivables	-	102,237	-	58,161
Non-current assets:				
Long-term receivables	-	92,006	-	14,466
Bonds, capital notes and loans extended	1,967,356	100,243	2,118,577	102,134
	1,967,356	734,964	2,118,577	1,166,759
Current liabilities:				
Other liabilities at amortized cost	711,134	220,482	691,723	173,326
Non-current liabilities:				
Other liabilities at amortized cost	8,227,156	194,150	8,053,898	226,909
Other liabilities at fair value	201,980	-	191,284	-
	9,140,270	414,632	8,936,905	400,235

4. Financial assets and liabilities: (Cont.)

(2) The management of liquidity risks:

The responsibility for the management of the liquidity risk is placed upon the Company's management, which maintains a management program for the financing risks and the short-term, medium-term and long-term liquidity risks, in accordance with the Company's needs. The Company manages the liquidity risk by maintaining appropriate cash surpluses, the preparation of financial forecasts that are perpetually updated and by comparing the future yields on the financial assets and liabilities.

As at the reporting date and at the time of the approval of the financial statements, the Company has credit facilities from banking corporations and financial institutions amounting to approximately NIS 1,080 million. As of December 31, 2023, NIS 1,060 million in unutilized facilities. As stated in Note 15E, the Company has a policy of distribution dividends on a quarterly basis. Before the Company's Board of Directors decides on the distribution of a quarterly dividend, the Company examines its ability to settle its liabilities.

Financial liabilities that do not constitute derivative financial instruments:

The following tables details the Company's remaining contractual repayment times for financial liabilities, which do not constitute derive financial instruments. The tables have been prepared based on the undiscounted cash flows of the financial liabilities based on the earliest times at which the Company may be required to repay them, the tables include cash flows for both interest and for principal.

	Effective average interest rate	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 Years
	%	NIS thousands					
2023							
NIS linked fixed-rate shekel loans	0.6	3,266	3,257	3,264	3,264	3,270	551,326
NIS denoted index-linked bonds bearing fixed rate interest	1.79	763,107	910,548	892,270	1,154,188	1,135,959	4,656,875
Trade payables		7,700	-	-	-	-	-
Other payables		246,625	-	-	-	-	-
		1,020,698	913,805	895,534	1,157,452	1,139,229	5,208,201
2022							
NIS linked fixed-rate shekel loans	0.6	3,160	3,160	3,160	3,160	3,160	535,061
NIS denoted index-linked bonds bearing fixed rate interest	1.70	749,359	739,081	877,846	860,134	1,111,995	5,011,889
Trade payables		7,217	-	-	-	-	-
Other payables		189,248	-	-	-	-	-
		948,984	742,241	881,006	863,294	1,115,155	5,546,9 50

5. Details regarding investments in other companies:

See Note 8 to the consolidated financial statements for information regarding investments in investee companies.

6. Taxes on income:

(1) Deferred tax balances:

The composition of the deferred tax assets (liabilities) is detailed below:

	As of December 31, 2023			As of December 31, 2022		
	Balance as of January 1, 2023	Recognized in other comprehensive income	Balance as of December 31, 2023	Balance as of January 1, 2022	Recognized in other comprehensive income	Balance as of December 31, 2022
	NIS thousands			NIS thousands		
Investment property	1,162,998	40,823	1,203,821	1,007,998	155,000	1,162,998
On tax losses carried forward	(65,800)	16,861	(48,939)	(55,125)	(10,675)	(65,800)
Provisions for employee's rights	(2,681)	(197)	(2,878)	(2,232)	(449)	(2,681)
	1,094,517	57,487	1,152,004	950,641	143,876	1,094,517

The deferred taxes are presented in the statement of financial position, as follows:

	As of December 31,	
	2023	2022
	NIS thousands	
Non-current liabilities	1,152,004	1,094,517

(2) Taxes on income - expenses (benefits) that have been recognized in profit or loss:

Composition of the item:

	For the year ended December 31		
	2023	2022	2021
	NIS thousands		
Current taxes	-	-	14,998
Deferred taxes on timing differences created and the reversal thereof	57,487	143,876	131,950
Taxes in respect of prior years, net	-	59	59,847
	57,487	143,935	206,795

	As of December 31,	
	2023	2022
	NIS thousands	
Current tax liabilities	15,416	15,503

6. Taxes on income: (Continued)

(3) Additional information:

1. In December 2021, the Company a signed final tax assessment agreement wuth the Income Tax Authority in respect of the years 2016-2019, after which the Company paid, in January 2022, taxes in the amount of approximately NIS 134 million (not including interest and linkage. The Company has full provisions, excluding NIS 37 (In the consolidated financial statements of the company) million which were recorded under prior year tax expenses). Under the agreement, carry forward losses were recognized for the Company in the amount of approximately NIS 255 million, usable over the years 2020 and thereafter.
As part of the understandings reached in the assessment agreement, capital notes from subsidiaries were converted into interest-bearing and linkage-bearing bonds (see Note 7(1)), and in 2021 the Company recognized financing income for the years 2016-2020. In the subsidiaries, expense in the same amount was recognized.

2. The Company has been issued final tax assessments up to and including the 2019 tax year.

3. Since January 1st, 2018, the corporate tax rate applicable to the Company has been 23%.

7. Additional information:

(1) Bonds issued to the Company by subsidiaries:

In December 2011, the Company reached a new financing arrangement with its subsidiary companies in connection with the bonds. As part of the arrangement, all the loans and the bonds were repaid in January 2012 and new bonds that are renewable every year were issued. In 2014, capital notes were issued to the Company by the subsidiary companies in connection with the balance of the bonds that were made available in January 2012. The terms of the capital notes replace the terms of the bond's agreement of December 31, 2013 between the parties. The capital notes are non-interest bearing, they are not linked to the CPI and are not repayable before January 2020. Pursuant to the amendment to the agreement of 2019, some of the capital notes were repaid. As of January 2021, all capital notes have been converted into CPI-linked bonds at a rate of 1% (will not fall below the interest rate prescribed regarding Section 3J of the Income Tax Ordinance). As of January 2023, The CPI-linked bonds were updated to 3% rate (will not fall below the interest rate prescribed regarding Section 3J of the Income Tax Ordinance).

(2) Management fees:

In January 2011, the Company made a commitment under a management agreement with its subsidiary companies. The level of the management fees was set after a thorough examination of the nature of the subsidiary companies' assets, the inputs of time that are invested by Amot's head office in providing services to the subsidiary companies and other parameters.

In January 2014, further to the agreement for the provision of services, the management fees that are charged by the Company were updated. In February 2015, the Company signed on an agreement with the Income Tax Authority regarding the issue of the management fees.

(3) Management agreement with the parent company:

See Note 21C (1) to the consolidated financial statements for information regarding the management agreement with the parent company.

7. Additional information: (Continued)

(4) Loan agreement with a banking institution:

In October 2021, the Company signed an agreement with a banking institution, according to which the bank provided to the Company a loan in the amount of approximately NIS 500 million, with an average lifetime of 8.5 years. The loan, which is not secured by any pledges, is CPI-linked and bears annual interest of 0.6%. The loan principal will be repaid by the Company in four equal annual installments, over the years 2029 to 2032. Under the loan agreement, the Company undertook to fulfill financial covenants which are similar to the financial covenants specified in the Company's series of bonds (Series H), which are listed on the Tel Aviv Stock Exchange. The average lifetime and principal repayment dates of the loan correspond to those of the bonds. For additional details regarding the financial covenants, See Note 10G to the consolidated financial statements.

(5) Issuance of share capital:

As to issuance of the Company's share capital in September 2021 and regarding the Company's share capital issuance in January 2022 and May 2022, see Note 15D to the Company's consolidated financial statements.

(6) Issuance of bonds:

As to issuance of the Company's bonds, see Note 10 to the Company's consolidated financial statements.

(7) Transactions during the reporting date and after regarding investment property, investment property under construction and investment property under development:

Regarding transactions in the reporting year and after that relates to investment investment property, investment property under construction and investment property under development, see Note 7D to the Company's consolidated financial statements.