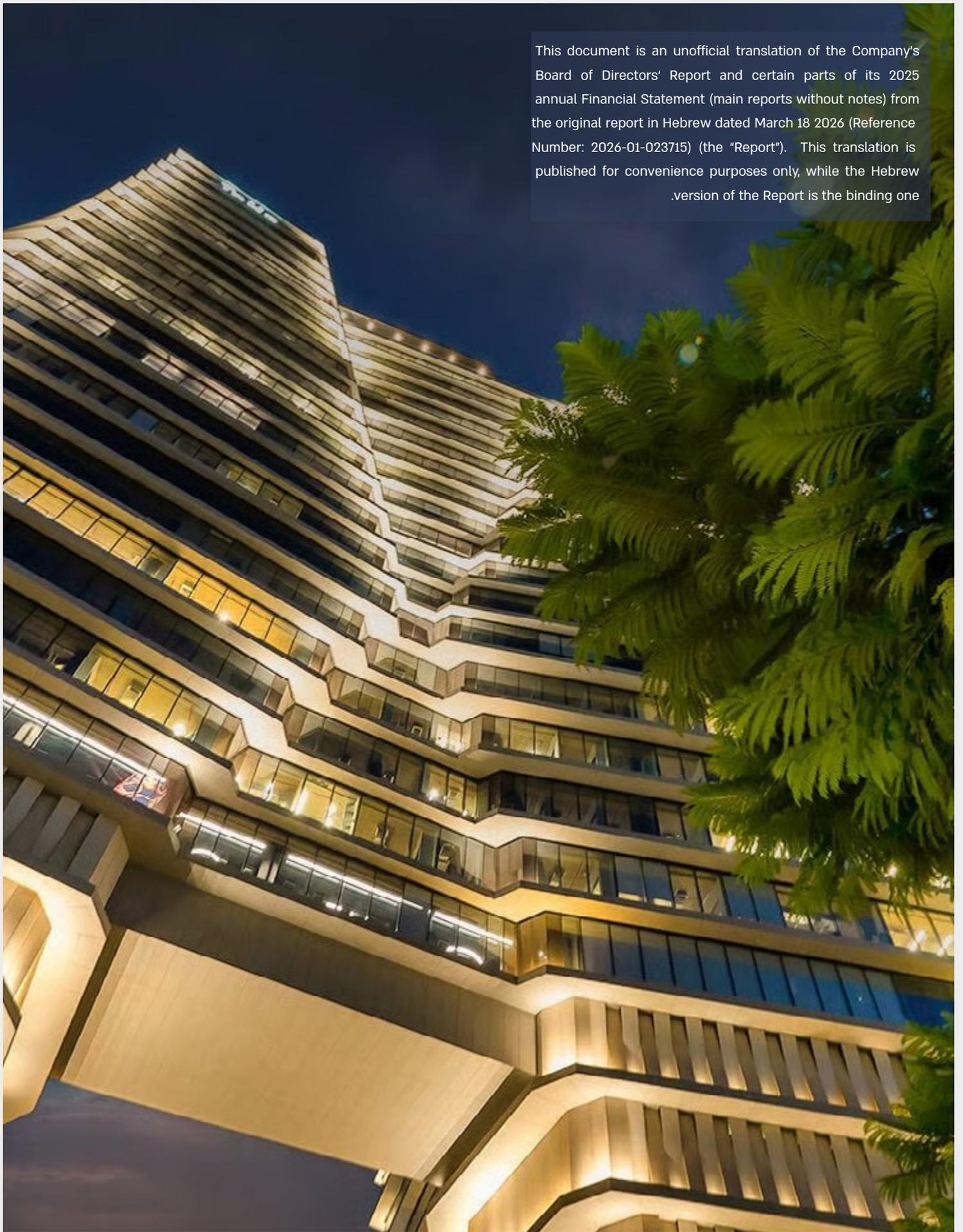


This document is an unofficial translation of the Company's Board of Directors' Report and certain parts of its 2025 annual Financial Statement (main reports without notes) from the original report in Hebrew dated March 18 2026 (Reference Number: 2026-01-023715) (the "Report"). This translation is published for convenience purposes only, while the Hebrew version of the Report is the binding one.



TOHA 1 / AMOT / TEL AVIV

PERIODIC REPORT 2025

ALONY HETZ PROPERTIES & INVESTMENTS LTD





Board of Directors' Report on the State of Corporate Affairs

Consolidated Financial Statements

PERIODIC REPORT 2025

ALONY HETZ PROPERTIES & INVESTMENTS LTD





TOHA II / AMOT / TEL AVIV

BOARD OF DIRECTORS' REPORT ON THE STATE OF CORPORATE AFFAIRS

ALONY HETZ PROPERTIES & INVESTMENTS LTD



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Ramat Gan, March 17, 2026

Board of Directors' Report on the State of Corporate Affairs for the Year ended December 31, 2025

The Board of Directors of Alony-Hetz Properties and Investments Ltd. (hereinafter - the "**Company**") is pleased to present the Company's Board of Directors' Report for the year ended December 31, 2025 (hereinafter - the "**Reporting Period**").

1. Concise description of the Group

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

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

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

Activity in Israel

Holdings at a rate of 50.03% in Amot Investments Ltd. (hereinafter - "**Amot**"), a publicly traded income-generating property company whose securities are listed on the Tel Aviv Stock Exchange Ltd. (the "TASE"). For additional information, please see the report on the Description of the Corporation's Business, Chapter B.

Activity in the United States

- Holdings at a rate of 89.14%¹ in the capital of Carr Properties (hereinafter - "**Carr**"). An American partnership that holds an income-generating property company, all of whose properties are located in the United States in the Washington D.C. area and in Boston. For additional information, please see the report on the Description of the Corporation's Business, Chapter C1.

Activity in the UK

- Holdings of 85% in Brockton Everlast Inc. Limited (hereinafter - "**BE**"), a private company engaged in the purchase, development and betterment, construction, management and maintenance of income-generating property in the London, Cambridge and Oxford metropolitan areas in the UK. For additional information, please see the report on the Description of the Corporation's Business, Chapter D.

Main investments in the income-generating property segment

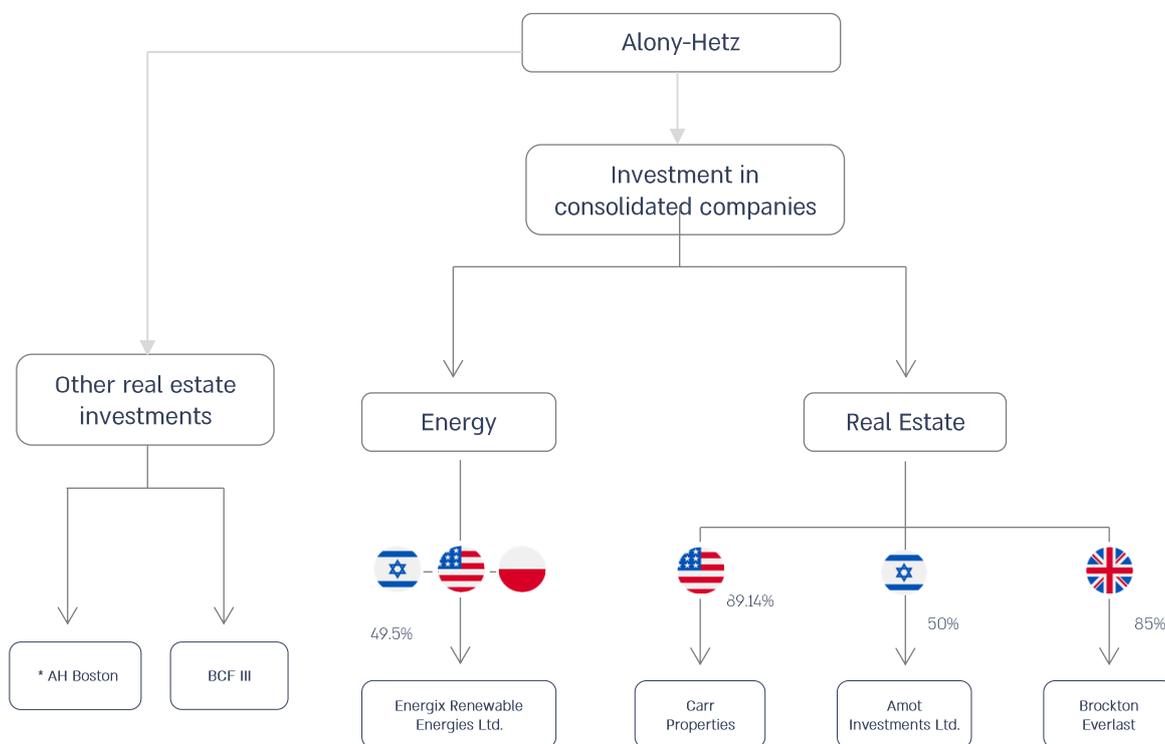
- Holdings at a rate of 55% of the equity rights and 50% of the control in three property companies in the Boston metropolitan area. Two of the properties are in the Boston CBD and one is in East Cambridge – for further details, please see report on the Description of the Corporation's Business, Chapter F.
- Holdings in a British income-generating real estate fund of the Brockton Group - please see the report on the Description of the Corporation's Business, Chapter F.

1.2 The Group's investments in the renewable energy field as of December 31, 2025:

Holdings of 49.52% in Energix Renewable Energies Ltd. (hereinafter - "**Energix**"), a public company whose securities are listed for trading on the stock exchange. Energix engages in the planning, development, financing, construction, management and operation of facilities for the generation and storage of clean electricity from renewable energy sources (photovoltaic systems and wind farms). As of the date of the report, Energix has operations in Israel, the United States, Poland and Lithuania. For additional information, please see the report on the Description of the Corporation's Business, Chapter E.

¹ Holdings of 89.14% in the rights in Carr Properties Holding LP, an American partner that holds (through indirect holdings at a rate of 89.80%) a partnership with income-generating property holdings in the Washington, D.C. metropolitan area, Boston, and Austin, Texas.

1.3 The following are the Group's main holdings close to the date of publication of the report:



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

1.4 Stock Market Indices

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

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

During 2025, the Company operated in each of the Group's main areas of activity as follows:

Income-generating property

Amot continued its entrepreneurial activity and, among other things, it is in advanced stages of construction of the ToHa2 building in Tel Aviv and is working to approve plans that will enable it to continue its entrepreneurial activity in order to improve its portfolio and expand its activity in the logistics sector.

The Group completed a process for the acquisition of full control of Carr, while expanding its activity in both the traditional office sector and the residential rental sector, while restructuring its financing sources.

In BE, the project initiation procedures advanced to the next stage with the start of construction of the Dovetail building and the receipt of significant planning approvals in the Cambridge Science Park.

In the renewable energy sector, Energix continued to significantly expand its project backlog, both in terms of capacity and geographical distribution, with increasing activity in the United States, Poland and Lithuania, while raising adequate financing sources.

The Company raised significant capital and debt and continued to invest in its investee companies, with an emphasis on maintaining financial flexibility.

The following lists the main events from the beginning of 2025 to the date of publication of the report in the Group's material companies:

Alony-Hetz (the Company expanded solo)	<ul style="list-style-type: none"> Investment of NIS 1.2 billion in investees. Control gained in Carr with the completion of the transaction redeeming JPM's holdings in Carr. For information, please see Note 6g to the financial statements. Debt raising for a total (net) consideration of approx. NIS 770 million, through the expansion of bonds (Series M) and the initial issuance of the bonds (Series P) and (Series Q). Capital issuance for a consideration of NIS 351 million following the exercise of options (Series 16) and non-tradable options.
Amot Investments	<ul style="list-style-type: none"> Debt raising through the expansion of bonds (Series J) for a total net consideration of approx. NIS 665 million. Capital raising for an immediate net consideration of approx. NIS 505 million and a future consideration (assuming full exercise of the options) of approx. NIS 290 million.
Carr Properties	<ul style="list-style-type: none"> Completion of the transaction redeeming JPM's holdings in exchange for the transfer of full ownership of 3 properties to JPM. Engagement in a new loan agreement for the One Congress building in the amount of USD 650 million, replacing a construction financing loan in the amount of USD 570 million. Engagement in a loan agreement in the amount of USD 278 million against a lien on three Carr properties. Initiated construction of rental housing totaling 872 apartments over the next few years.
Brockton Everlast	<ul style="list-style-type: none"> Start of construction of the Dovetail building in the City of London (the project is in the excavation and reinforcement stage). Approval of a zoning plan for the establishment of a science park in the Cambridge Science Park on a total rental area of 720 thousand sq ft. Engagement in loan recycling agreements in the total amount of GBP 239 million.
Energix Renewable Energies	<ul style="list-style-type: none"> Increased backlog of photovoltaic, wind and storage projects (connected, under installation and in various initiation stages) to a total capacity of 10.3 GW + 14.8 GWh. Engagement in financing transactions in an aggregate amount of approx. NIS 4.8 billion in the United States, Poland, Lithuania and Israel. Debt raising through the expansion of bonds (Series A) for a total net consideration of approx. NIS 505 million. Capital raising for an immediate amount of approx. NIS 425 million and a future amount (assuming full exercise of the options) of approx. NIS 507 million.

1.6 Summary of the main data - the Group

Main financial results - Consolidated Statement	Unit	2025	2024	2023	% change ²
Revenue from rental fees and management of investment property	NIS thousands	1,668,831	1,389,184	1,324,063	20.1
Fair value adjustments of investment property	NIS thousands	385,136	607,208	(926,169)	(36.6)
Group share in the losses of associates, net	NIS thousands	(40,461)	(540,178)	(1,703,997)	(92.5)
Revenue from sale of electricity and green certificates	NIS thousands	755,665	856,210	680,713	(11.7)
Net profit (loss) for the year	NIS thousands	545,152	249,206	(2,151,838)	118.8
Net profit (loss) for the year attributed to Company shareholders	NIS thousands	7,439	(346,199)	(2,392,409)	(102.1)
Comprehensive loss for the year attributed to Company shareholders	NIS thousands	(22,136)	(443,351)	(2,425,233)	(95.0)
Total balance sheet	NIS thousands	47,327,456	40,047,643	38,731,166	18.2
Equity (including non-controlling interests)	NIS thousands	13,089,187	11,632,526	11,064,123	12.5
Financial debt (bank credit and bonds) ³	NIS thousands	27,810,470	22,419,722	22,793,284	24.0
Net financial debt ⁴	NIS thousands	25,721,420	20,895,396	20,595,607	23.1
Ratio of net financial debt to total balance sheet ⁵	%	56.9	54.2	56.4	5.0
Main Financial Results – Expanded Solo⁶					
Total balance sheet	NIS thousands	11,845,001	11,329,550	11,647,376	4.5
Equity attributed to Company shareholders	NIS thousands	5,608,853	5,413,576	5,002,057	3.6
Financial debt (bank credit and bonds) ⁴	NIS thousands	6,089,326	5,825,236	6,774,485	4.5
Net financial debt ⁵	NIS thousands	5,714,654	5,183,474	5,749,598	10.2
Ratio of net financial debt to total balance sheet ⁶	%	49.8	48.5	54.1	2.7
Cash flow from the Company's financing activities per share	NIS thousands	475,921	454,912	466,035	4.6
Earnings per share data					
Earnings (loss) per share - basic	NIS	0.03	(1.81)	(13.31)	(101.7)
Comprehensive loss per share - basic	NIS	(0.1)	(2.32)	(13.49)	(95)
Cash flow from the Company's financing activities per share	NIS	2.1	2.38	2.59	(11.8)
Current dividend per share⁷	NIS	0.96	0.72	1.28	33.3
NAV per share	NIS	24.81	25.18	27.83	(1.5)
NNAV per share ⁸	NIS	29.02	29.65	32.78	(2.1)
Price per share at end of period	NIS	39.20	30.40	30.24	28.9

2. 2025 compared to 2024.

3. Financial debt also includes assets/liabilities of derivative transactions carried out by the Group.

4. Financial debt presented net of cash balances. The Company's financial debt (expanded solo) as of December 31, 2025 is the financial debt less cash balances. For information regarding the adjusted leverage rate, please see Section 2.4.3 below.

5. Net financial debt as a percent of total balance sheet, less cash balances. The Company's net financial debt (expanded solo) as of December 31, 2025 is the financial debt less cash balances. For information regarding the adjusted leverage rate, please see Section 2.4.3 below.

6. In the expanded solo balance sheet, the investment in Amot, Energix and BE is presented on an equity basis instead of the consolidation of their statements with the Company's statements (the remaining investments are presented unchanged in the statement presented in accordance with IFRS principles).

7. The above dividend amount does not include an additional dividend that was paid in 2023 for the years 2025 and 2024. The dividend was in the amount of NIS 0.24 per share and NIS 18 per share, respectively.

8. When calculating the NNAV per share, the Company's tax reserves (expanded solo) were neutralized, as was the Company's share in the tax reserves of investees.

1.7 Summary of the main data - Investees

	Unit	2025	2024	2023	% change ⁹
Investment in Israel – Amot Investments Ltd. (50.03% rate of holdings)¹⁰					
Number of income-generating properties	Unit	111	112	114	
Value of investment property (not including property in self-development)	NIS thousands	17,726,465	17,294,792	16,730,765	2.5
Weighted discount rate derived from investment property	%	6.33	6.42	6.3	
Occupancy rate at end of period	%	93.3	92.3	93.4	
Value of investment property in self-development	NIS thousands	3,781,206	3,316,001	2,757,003	14.0
Ratio of net financial debt to total balance sheet	%	42.6	44.0	44.0	
NOI ¹¹	NIS thousands	1,059,707	1,042,713	1,004,406	1.6
FFO ¹² per share	NIS	1,667	1,746	1,680	(4.5)
NAV per share	NIS	19.96	19.44	18.78	2.7
Price per share at end of period	NIS	25.00	20.64	20.00	21.1
Investment in the United States - Carr Properties (rate of holdings - 89.14%)¹³					
Number of income-generating properties	Unit	7 ¹⁴	12	14	
Value of investment property (not including property in self-development)	USD thousands	1,648,639	1,976,408	1,707,449	(16.6)
Rental rate	%	92.6	89.4	90.50	
Number of properties under construction and in planning	Unit	3	2	2	
Value of self-developed properties	USD thousands	64,769	48,406	739,887	33.8
Ratio of net financial debt to total balance sheet ¹⁵	%	61.9	63.7	57.7	
NOI ^{16, 11}	USD thousands	136,852	151,879	163,785	(9.9)
FFO ^{16, 12}	USD thousands	56,962	63,491	69,539	(10.3)
Investment in the UK - Brockton Everlast Inc. Limited (rate of holdings - 85%)					
Number of income-generating properties	Unit	11	10	10	
Value of investment property	GBP thousands	701,400	690,500	699,800	1.6
Occupancy rate at end of period	%	94.8	97.3	98.3	
Value of land for initiation and property in development	GBP thousands	492,250	421,450	361,750	16.8
Ratio of financial debt to total balance sheet	%	29.1	29.0	36.4	
NOI ¹¹	GBP thousands	41,892	42,730	41,315	(2.0)
FFO ¹²	GBP thousands	20,061	12,375	15,229	62.1
Investment in renewable energy - Energix Renewable Energies Ltd. (rate of holdings - 49.5%)					
Installed capacity from connected photovoltaic systems (MWp) - Energix's share	Unit	1,411	1,029	978	37.1
Installed capacity from connected wind systems (MW) - Energix's share	Unit	301	301.2	301.2	-
Balance of connected electricity-generating facilities - according to book value	NIS thousands	6,578,233	5,674,033	5,216,739	15.9
Price per share at end of period	NIS	16	12.5	13.36	28.6

9. 2025 compared to 2024.

10. The main figures for Amot are from the Amot's expanded consolidated financial statements published in Amot's Board of Directors' Report (hereinafter: "Amot's Pro Forma Reports"). Amot's Pro Forma Reports are Amot's reports presented according to IFRS principles, with the exception of the implementation of IFRS 11 "Joint Arrangements", which came into effect on January 1, 2013. In Amot's Pro Forma Reports, the investments in investees, presented based on the equity method in Amot's Financial Statements, are neutralized and presented according to the relative consolidation method, similar to their treatment prior to IFRS 11 entering into effect.

11. Net operating income.

12. Funds from operations.

13. The financial data presented above includes Carr's economic share in its assets and liabilities and those of all its investees, including of companies that are not consolidated in its financial statements prepared in accordance with IFRS principles.

14. For information regarding an office building purchased after the balance sheet date, please see Note 6g to the financial statements.

15. Carr's financial debt ratio as of the end of 2023 does not include liabilities for which liabilities exceed asset value (which are on a non-recourse basis).

16. Including NOI from the management of properties.

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

2.1 The business environment

For information regarding the general environment in which the Group operates, please see Section 6 of Chapter A of the report on the Description of the Corporation's Business.

2.2 Statement of Financial Position

Statement of Financial Position Item	December 31, 2025	December 31, 2024	Notes and explanations
	NIS millions	NIS millions	
Cash and cash equivalents	2,089	1,524	For the Statement of Cash Flows, please see Section 2.6 below.
Investment property (including investment property held for sale)	31,004	25,006	The increase is mainly due to the first-time consolidation of Carr during the third quarter of 2025 in the amount of NIS 5.2 billion, from an investment in properties in development by Amot, Carr and BE in the amount of approx. NIS 0.8 billion. There was also an increase stemming from the fair value adjustment of the investment property of Amot, Carr and BE in the amount of approx. NIS 0.4 billion. This increase was offset by realizations and exchange rate differences due to the appreciation of the NIS against the USD and the GBP. For additional information regarding the Group's investment property - please see Note 4 to the financial statements.
Investments in companies accounted for according to the equity method and securities measured at fair value through profit and loss	1,206	2,303	The following are the main changes in investments: <ul style="list-style-type: none"> A decrease of NIS 1.3 billion from the notional realization of Carr due to its first-time consolidation and an increase of NIS 0.4 billion from the first-time consolidation of Carr's associates. Recording of equity losses and losses from the capital reserve from translation differences in the United States (Carr and AH Boston) in the amount of NIS 0.2 billion. For additional information regarding changes in the balance of the investment in securities measured at fair value through profit and loss and investments in companies accounted for according to the equity method, please see Notes 5 and 6 to the financial statements, respectively. In addition, please see Section 2.3 below.
Electricity-generating facilities - connected and in development	11,053	9,943	Most of the growth in electricity-generating facilities stems from Energix's project investment and initiation in Israel and the US. For information regarding electricity-generating facilities, see Notes 7 and 8 to the financial statements.
Other assets	1,975	1,272	
Total assets	47,327	40,048	
Loans and bonds	27,800	22,082	The main changes are as follows: <ul style="list-style-type: none"> Raising of bonds and receipt of loans in the amount of NIS 1.9 billion. Repayment of bonds and long-term loans in the amount of NIS 1.1 billion.
Other liabilities	6,438	6,333	
Total liabilities	34,238	28,415	
Equity attributed to shareholders	5,609	5,414	For additional information regarding the main changes in equity attributed to shareholders, please see Section 2.7.2 below.
Non-controlling interests	7,480	6,219	
Total equity	13,089	11,633	
Total liabilities and equity	47,327	40,048	

2.3 Investments

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

	Currency	Number of shares	Balance in NIS thousands	Adjusted value in NIS thousands	Adjusted value measurement basis
Amot	NIS	246,849,572	4,908,339	6,178,538 ¹⁷	Stock market value - tradable
Energix	NIS	285,984,236	1,241,004	4,606,178 ¹⁸	Stock market value - tradable
Carr	USD	-	1,674,128	1,674,128	Equity method
AH Boston	USD	-	281,762	281,762	Equity method
Brockton Everlast	GBP	-	3,030,754	3,030,754	Equity method
Brockton Funds	GBP	-	195,838	195,838	Equity method
Other ¹⁹			377,497	377,497	
Total			11,709,322	16,344,695	

2.3.2 Investments and realizations in the reporting period

In the reporting period, the Company invested (realized investments) in its investees, as follows:

	2025 NIS millions
Investments:	
Amot	150
Carr	417
Brockton Everlast	212
AH Boston	77 ²⁰
Energix	163
	1,019
Investment in Carr - DRIP	156
Total	1,175

¹⁷ Including options held by the Company in Amot.

¹⁸ Including options held by the Company in Energix.

¹⁹ Mainly including cash and cash equivalents in the amount of NIS 375 million.

²⁰ From the beginning of 2026 to the date of publication of the report, the Company invested an additional amount of NIS 6 million.

2.3.3 FFO data for consolidated companies in the real estate sector

A. Amot's FFO

FFO - Amot Investments Ltd.			
NIS thousands			
	2025	2024	2023
Profit for the year	781,833	919,002	682,607
Adjustments:			
Profit from change in fair value of investment property	(347,387)	(570,485)	(254,637)
Acquisition costs recognized in profit and loss	14,930	23,053	3,300
Current and deferred tax effects of the above adjustments	100,375	154,578	88,263
FFO - according to the Authority's approach	549,751	526,148	519,533
Management's approach, additional adjustments:			
Depreciation and amortizations	9,108	2,850	3,664
Share-based payment	3,023	8,324	6,757
Linkage difference expenses on the debt principal	196,242	285,863	272,559
Tax expenses and financing for previous years in respect of the assessment agreement	45,564	-	(12,776)
FFO - according to the Management's approach	803,688	823,185	787,737
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	277,873	268,752	278,127
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	406,226	420,476	422,778

Carr's FFO

	FFO - Carr		
	USD thousands		
	2025	2024	2023
Loss for the year	47,877	(145,080)	(757,718)
Adjustments:			
Loss (profit) from change in fair value of investment property	(22,864)	129,392	573,670
Depreciation and amortizations	4,154	6,433	5,890
Current and deferred tax effects of the above adjustments	333	1,921	(35)
Adjustments as detailed above in respect of associates	35,468	74,725	273,924
FFO - according to the Authority's approach	64,968	67,391	95,731
Attributed to non-controlling interests	(7,388)	1,643	468
Adjustments stemming from the non-controlling interests' share in FFO	(618)	(6,576)	(26,660)
FFO - according to the Authority's approach attributed to Company shareholders	56,962	62,458	69,539
FFO - according to the Management's approach	56,962	62,458	69,539
The following is a breakdown of the FFO according to the Management's approach:			
NOI	132,610	137,168	153,481
Administrative and general expenses	(14,012)	(7,843)	(9,271)
Financing expenses	(61,636)	(66,867)	(74,671)
FFO - according to the Management's approach	56,962	62,458	69,539
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	120,538	110,216	120,792
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	120,538	110,216	120,792

B. BE's FFO

	FFO - BE		
	GBP thousands		
	2025	2024	2023
Loss for the year	23,859	(26,942)	(256,311)
Adjustments:			
Loss (profit) from change in fair value of investment property	(9,969)	(11,940)	251,569
Loss or reversal of an impairment loss according to IAS 36 (including impairment of an investment measured according to the equity method) or profit from a purchase at a bargain price	(864)	42,800	10,769
Loss (profit) from changes in fair value or sale of financial instruments	5,526	4,480	7,557
Current and deferred tax effects of the above adjustments	-	1,495	(384)
FFO - according to the Authority's approach, in GBP thousands	18,552	9,893	13,200
Management's approach, additional adjustments:			
Depreciation and amortizations	709	527	370
Share-based payment	800	2,314	2,088
Adjustment of tax expenses or income resulting from all of the above adjustments	-	(359)	(429)
FFO - according to the Management's approach, in GBP thousands	20,061	12,375	15,229
The following is a breakdown of FFO according to the Management's approach:			
NOI	41,892	42,730	40,639
Administrative and general expenses	(9,362)	(12,816)	(12,460)
Financing expenses	(12,469)	(20,006)	(17,005)
Management fee revenue from Brockton Funds	-	2,467	4,055
FFO - according to the Management's approach, in GBP thousands	20,061	12,375	15,229
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	71,890	39,208	50,142
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	77,739	49,032	58,041

2.3.4 Project EBITDA data from renewable energy production activities

For the year ended December 31 (unaudited)			
	2025	2024	2023
	NIS thousands	NIS thousands	NIS thousands
Accounting EBITDA	455,298	625,934	479,541
Lease expenses (IFRS 16)	(32,288)	(30,396)	(20,185)
Other revenue/expenses, including initiation expenses	37,395	10,046	16,881
Salary and related expenses	73,671	71,289	46,254
Administrative and HQ expenses	62,547	63,801	45,310
Total project EBITDA	596,623	740,674	567,801

2.3.5 Dividend receipts

The following are the dividends received from the Company's main investments (expanded solo) in 2025 and the projected receipts of dividends for 2026:

	2025 actual	2026 forecast	Additional information in the financial statements
	NIS millions	NIS millions	
Amot	319	323	Note 6c(3)
BE	43	43	Note 6d(3)
Energix	110	114	Note 6e(3)
AH Boston	32	31	
Total cash dividend	505	512	
²¹ Carr – Dividend reinvestment plan	156	123	
Total dividend	661	635	

The dividend receipt forecast for 2026 is calculated in accordance with the declared dividend distribution policy of each of the companies mentioned above, and is based on the Company's existing investment portfolio as of the date of publication of this report.

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

The information on dividend receipts for 2026 constitutes forward-looking information in accordance with Section 32A of the Securities Law, 1968, in view of the fact that there is no certainty that the authorized bodies of the investees will actually approve the dividend distributions, and this is at their sole discretion.

2.3.6 Management fee receipts

The following are the management fees received by the Company (expanded solo) in 2025 and the projected receipts of management fees for 2026:

	2025 actual	2026 forecast	Additional information in the financial statements
	NIS millions	NIS millions	
Amot	11	11	Note 6c(4)
Energix	11	11	Note 6e(5)
Total	22	22	

2.4 Liquidity and financing sources

2.4.1 Cash and credit facilities

As of December 31, 2025, the Group has cash balances in the amount of approx. NIS 2 billion (of which the Company's expanded solo balance is approx. NIS 0.4 billion).

In addition, as of December 31, 2025, the Group has unutilized lines of credit in the amount of approx. NIS 2.7 billion (of which the Company's expanded solo lines of credit - NIS 700 million).

2.4.2 Unencumbered assets

As of December 31, 2025, the Company's assets (expanded solo) are not encumbered. The balance of the Company's assets (expanded solo) (not including cash and other current assets) is in the amount of NIS 11.3 billion (a market value of NIS 15.9 billion).

2.4.3 Financial debt

As of December 31, 2025, the Group's net financial debt amounted to NIS 25.7 billion, constituting 56.9% of the Group's total assets, compared to a net financial debt of NIS 20.8 billion, which constituted 54.2% of the Group's assets as of December 31, 2024.

As of December 31, 2025, the Company's (expanded solo) net financial debt amounted to NIS 5.7 billion, constituting 49.8% of the Group's total assets (expanded solo), compared to net financial debt of NIS 5.2 billion, constituting 48.5% of the Company's assets (expanded solo), as of December 31, 2024.

For information regarding the Company's material financing agreements and material credit facilities and the material investee companies, please see Note 12 to the financial statements. For information regarding the bonds of the Company, Amot and Energix, please see Note 11 to the financial statements. As of December 31, 2025 and close to publication of the report, no reason has arisen for the Group's loans and bonds to be made immediately repayable. For information regarding the Group's reportable substantial credit, please see Chapter G in the report on the Description of the Corporation's Business.

²¹ As part of the Company's choice to participate in Carr's DRIP program, the dividend amount to which the Company is entitled in Carr remains after its receipt and reinvestment.

2.4.4 Raising capital

During the reporting period, the Company (expanded solo) carried out the following:

- 10,251,122 options (Series 16) were exercised for 10,251,122 of the Company's ordinary shares for a total consideration of NIS 325 million.
- 813,522 non-tradable options, which were issued to directors, officers and employees, were exercised for NIS 813,522 of the Company's ordinary shares for a total consideration of NIS 26 million.

2.4.5 Working capital deficit

The working capital deficit as of December 31, 2025 amounted to a total of NIS 1.2 billion in the consolidated financial statements. As of December 31, 2025, the Group has a high balance of unutilized long-term credit facilities and a high balance of unencumbered assets. In view of this, the Company's Board of Directors believes that the existence of a working capital deficit does not indicate a liquidity problem.

2.5 Operating results

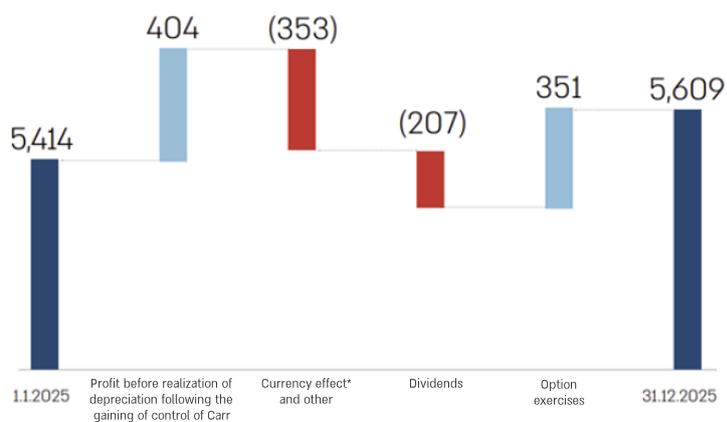
In the reporting period, the Group recorded a net profit of approx. NIS 545 million, compared to a net loss of approx. NIS 249 million in the corresponding period last year. The portion attributed to the Company's shareholders amounted to a profit of NIS 7 million in the reporting period, compared to a loss attributed to the Company's shareholders of NIS 346 million in the corresponding period last year.

This profit in the period is after the reclassification of reserves to profit and loss following the reclassification of approx. NIS 396 million from the "Realization of the translation difference reserve and other reserves due to the gaining of control in Carr" in the Statement of Income for the third quarter of 2025 (from the Company's equity items). The recognition of the above loss has no impact on the Company's equity balance.

In the reporting period, the Group recorded comprehensive income of approx. NIS 344 million, compared to a comprehensive loss of approx. NIS 118 million in the corresponding period last year. The part attributed to the Company's shareholders amounted to a loss of NIS 22 million in the reporting period, compared to a loss attributed to the Company's shareholders of NIS 443 million in the corresponding period last year.

Analysis of movements in equity attributed to Company shareholders in 2025:

Development of equity - majority share in 2025 / NIS millions



For an explanation of the operating results in the reporting period, please see Sections 2.5.1 and 2.5.2 below.

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

	2025	2024	2023	Q4/2025	Q3/2025	Q2/2025	Q1/2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue and profits							
Revenue from rental fees and management of investment property	1,668,831	1,389,184	1,324,063	488,640	477,896	353,161	349,134
Fair value adjustments of investment property	385,136	607,208	(926,169)	71,845	18,201	287,865	7,225
Group share in the profits (losses) of associates, net	(40,461)	(540,178)	(1,703,997)	(97,960)	4,923	(550)	53,126
Net profits (losses) from investments in securities measured at fair value through profit and loss	(10,376)	(227,508)	(17,299)	(2,063)	(730)	2,591	(10,174)
Profit (loss) from decrease in rate of holding, from acquisition and realization of associates	116,596	23	449	(172)	116,846	(6)	(72)
Revenues from sale of electricity and green certificates	755,665	856,210	680,713	192,754	197,759	195,859	169,293
Other revenues (expenses), net	4,372	26,010	1,199	2,987	983	(176)	578
	2,879,763	2,110,949	(641,041)	656,031	815,878	838,744	569,110
Costs and expenses							
Cost of investment property rental and operation	280,555	180,460	168,894	92,714	89,881	49,171	48,789
Initiation, maintenance and operation costs of electricity-generating facilities	167,944	121,400	110,801	43,546	46,088	37,111	41,199
Depreciation and amortizations	306,617	228,141	159,963	68,437	69,105	108,768	60,307
Administrative and general	298,628	266,809	201,798	84,942	83,263	69,407	61,017
Financing expenses, net	1,041,864	987,298	791,525	202,018	361,139	283,300	195,406
	2,095,608	1,784,108	1,432,981	491,657	649,476	547,757	406,718
Profit (loss) before taxes on income	784,155	326,841	(2,074,022)	164,374	166,402	290,987	162,392
Income tax expenses (income)	(157,448)	77,635	77,816	(8,651)	(145,590)	(643)	(2,564)
Profit (loss) before the effect of the realization of reserves due to the first-time consolidation of Carr	941,603	249,206	(2,151,838)	173,025	311,992	291,630	164,956
Realization of translation difference reserve and other reserves due to the first-time consolidation of Carr	(396,451)	-	-	-	(396,451)	-	-
Net profit (loss) for the period	545,152	249,206	(2,151,838)	173,025	(84,459)	291,630	164,956
Allocation of net profit (loss) for the period:							
Share of Company shareholders	7,439	(346,199)	(2,392,409)	20,958	(214,824)	134,332	66,974
Share of non-controlling interests	537,713	595,405	240,571	152,068	130,365	157,298	97,982
	545,152	249,206	(2,151,838)	173,025	(84,459)	291,630	164,956

Comparison of 2025 operating results and 2024 operating results

Revenue from rental fees and management of investment property – amounted to NIS 1,669 million in the reporting period, compared to NIS 1,389 million in the corresponding period last year, an increase of NIS 280 million (approx. 20%).

Most of the increase of NIS 260 million is due to the first-time consolidation of Carr starting in the third quarter. In addition, the increase stems from revenue from Amot properties (approx. NIS 25 million) due to additional revenue from properties whose construction has been completed, and due to additional revenue from identical properties (among other things as a result of occupancy, price increases, and the increase in the CPI). On the other hand, there was a decrease of NIS 9 million in revenue from BE properties, mainly due to the appreciation of the NIS against the GBP.

Summary of data regarding property value adjustments in the Group -

The Company's consolidated companies:

Amot - Revaluation profits of NIS 331 million in 2025 compared to NIS 547 million in 2024.

BE - Revaluation profits of GBP 10 million in 2025 compared to GBP 12 million in 2024.

Carr - Impairment losses of USD 8 million in 2025 compared to USD 202 million in 2024.

An associate of the Company:

AH Boston - In 2025, AH Boston recorded a USD 35 million impairment loss compared to a USD 143 million impairment loss in 2024.

Fair value adjustments of investment property

In 2025, this item included investment property revaluations of Amot, BE and Carr, from the date of its first-time consolidation during the third quarter, compared to 2024, which included the results of Amot and BE.

Group share in of earnings of associates, net

In 2025, this item included equity income of Amot's associates, equity losses of AH Boston and equity income of Carr, until the date of its first-time consolidation during the third quarter, and from that date, the operating results of Carr's associates were also included, compared to 2024, which included equity income of Amot's associates and equity losses of AH Boston and Carr.

Net profit (loss) relating to investments in securities measured at fair value through profit and loss - The loss in the reporting period and in the corresponding period last year stems from the fair value adjustment of securities measured at fair value through profit or loss (mainly the Brockton funds). In 2024, the Group recorded a loss of approx. GBP 12 million (NIS 58 million) from the write-off of its entire investment in one of the Brockton Funds, as well as a loss of approx. GBP 34 million (NIS 159 million) from the write-off of the balance of a loan given to one of the Brockton Funds. The losses were recorded to "Net losses from investments in securities measured at fair value through profit and loss". The write-off was made in view of the Group's assessment that the rate and proceeds of sales of luxury apartments in the project held by the Fund are not sufficient to recover the Group's share in the project.

Revenues from the sale of electricity and green certificates - Revenues from the sale of electricity and green certificates in the reporting period amounted to NIS 756 million compared to NIS 856 million in the corresponding period last year, a decrease of NIS 100 million. The decrease is mainly due to a decrease in revenue from the sale of electricity in Poland and in the United States in the amount of approx. NIS 74 million due to low yields. A decrease in effective electricity prices and green certificate prices in Poland with an offsetting effect of disposable income in the United States of NIS 78 million and an increase of NIS 69 million from the connection of projects in the United States, Poland and Israel, a decrease of NIS 18 million, and strengthening of the NIS against the USD and PLN.

Financing expenses - Financing expenses in the reporting period amounted to NIS 1,041 million compared to NIS 987 million in the corresponding period last year, an increase of NIS 54 million. Part of the increase in the financing expenses is due to the consolidation of Carr starting in the third quarter of 2025 (NIS 100 million), which was offset from a decrease of NIS 50 million in lower index expenses during 2025.

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

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

	2025	2024	2023	Q4/25	Q3/25	Q2/25	Q1/25
Profit (loss) before the effect of the realization of reserves due to the first-time consolidation of Carr	941,603	249,206	(2,151,838)	173,025	311,992	291,630	164,956
Realization of reserves in Carr (2)	(396,451)	-	-	-	(396,451)	-	-
Total net profit (loss)	545,152	249,206	(2,151,838)	173,025	(84,459)	291,630	164,956
Profit (loss) from investment in Carr (1)	(180,578)	(21,344)	(65,028)	(66,648)	(36,562)	(88,883)	11,515
Realization of reserves in Carr (2)	396,451	-	-	-	396,451	-	-
Profit (loss) from investment in AH Boston (1)	(29,507)	(2,443)	(23,673)	(6,144)	(4,269)	(21,873)	2,779
Profit (loss) from investment in BE (1)	(198,473)	(52,143)	71,939	(96,662)	(105,633)	(121,426)	125,248
Profit (loss) from investment in Energix and others (3)	(193,295)	(57,840)	69,090	(35,566)	(60,537)	(156,570)	59,378
Tax effects	3,895	2,582	1,760	406	(83)	3,372	200
Other comprehensive income (loss) for the period	(201,507)	(131,188)	54,088	(204,614)	189,367	(385,380)	199,120
Total comprehensive income (loss) for the period	343,645	118,018	(2,097,750)	(31,589)	104,908	(93,750)	364,076
Allocation of comprehensive income (loss) for the period:							
Share of Company shareholders	(22,136)	(443,351)	(2,425,233)	(121,809)	39,032	(148,834)	209,475
Share of non-controlling interests	365,781	561,369	327,483	90,220	65,876	55,084	154,601
	343,645	118,018	(2,097,750)	(31,589)	104,908	(93,750)	364,076

- (1) Profit (loss) from investment in respect of foreign currency - The profit (loss) represents the increase (decrease) in the Company's investments due to changes in the NIS against the investment currencies in the reporting periods presented above. This profit (loss) is presented net of the effect of forward transactions, cross-currency swap transactions or options transactions, designated as hedges for investments. In 2025, the NIS appreciated by a rate of 12.6% against the USD and by 6.13% against the GBP. In 2024, the NIS depreciated by 0.5% against the USD and appreciated by 1% against the GBP.
- (2) Due to the gaining of control, and the first-time consolidation of Carr's statements as stated, and in accordance with the requirements of IFRS 3, the Company's holding in Carr was measured at fair value on the date of gaining control. Following the above, the translation difference reserve from foreign operations and cash flow hedge funds for exposure to variable interest to profit or loss accumulated in the Company's statements in relation to the investment in Carr, at a negative amount of approx. NIS 396 million, were reclassified to "Realization of the translation difference reserve and other reserves due to the gaining of control in Carr" in the Statement of Income for the third quarter of 2025 (from the Company's equity items). The recognition of the above loss has no impact on the Company's equity balance.
- (3) The loss in the reporting period is mainly due to the effect of exchange rates (net of hedging) at Energix due to the appreciation of the NIS against the USD, which was offset by electricity price fixing transactions in the United States.

2.6 Cash flows

	2025	2024	2023
	NIS millions		
Total cash provided by operating activities	948	1,064	1,121
Cash flows used in investing activities			
Investment in investment property and fixed assets	(1,240)	(864)	(656)
Proceeds from the realization of investment property, net	187	334	-
Investment in electricity-generating systems	(2,434)	(1,429)	(2,279)
Investment in Boston properties	(77)	(124)	(51)
Acquisition of Carr	(186)	-	-
Proceeds from repaid hedging transactions	6	(388)	(549)
Investment in Brockton Funds, net	-	(69)	-
Repayment (provision) of loans, net	(3)	(24)	(61)
Net decrease (increase) in deposits (including encumbered deposits) and realization of tradable securities	(43)	636	(187)
Other	(24)	-	-
Total cash used in investing activities	(3,814)	(1,929)	(3,783)
Cash flows provided by financing activities			
Receipt of loans (long-term loans and utilization of short-term bank credit)	3,840	2,056	3,386
Proceeds from the issuance of bonds	1,924	555	1,972
Repayment of liabilities (long-term loans, bonds and repayment of short-term credit)	(2,463)	(2,827)	(1,801)
Capital raised by the Company	351	1,004	-
Proceeds from the issue of shares and options to non-controlling interests	696	92	220
Acquisition of shares from non-controlling interests	-	(59)	(24)
Payment of dividends to Company shareholders and to non-controlling interests in consolidated companies	(645)	(611)	(695)
Total cash provided by financing activities	3,703	210	3,099
Total increase in cash balances in the period	837	(655)	437
Other influences	(97)	5	36
Cash and cash equivalents and designated deposit balance at end of period	2,291	1,552	2,201
Less designated deposit	(202)	(28)	(3)
Cash and cash equivalents at end of period	2,089	1,524	2,198

2.7 Equity

2.7.1 Equity per share

	As of December 31 2025	As of December 31 2024
	NIS millions	NIS millions
Equity	13,089	11,633
Less non-controlling interests	(7,480)	(6,219)
Equity attributed to Company shareholders	5,609	5,414
NAV per share	24.81	25.18
NNAV per share	29.02	29.65

2.7.2 Explanation of changes in equity

During the reporting period, the capital attributed to the Company's shareholders increased by NIS 200 million. The main changes are as follows:

- A profit attributed to Company shareholders in the amount of NIS 7 million - please see additional information in Section 2.5.2 above.
- Other comprehensive loss attributable to Company shareholders in the amount of NIS 22 million - please see additional information in Section 2.5.3 above.
- A reduction in capital due to dividends paid in the amount of NIS 207 million.
- Issuance of shares and options in the amount of NIS 351 million.
- Profit from capital reserve for changes in holding in the amount of NIS 69 million.

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

Composition of the excess assets over liabilities based on the Company's statements (expanded solo) by currency as of December 31, 2025 (in NIS millions):

As of December 31, 2025	Assets	Liabilities	Assets, net	%
USD	1,972	(930)	1,042	19%
GBP	3,228	(1,456)	1,772	32%
Other	-	(2)	(2)	0%
Excess assets over liabilities in foreign currency	5,200	(2,388)	2,812	50%
Excess assets over liabilities in NIS	6,645	(3,848)	2,797	50%
Equity as of December 31, 2025	11,845	(6,236)	5,609	100%

The Company's exposure to foreign currency as of the date of this report is approx. NIS 2.4 billion (net exposure of approx. USD 291 million and approx. GBP 340 million).

2.7.4 Dividends²²

In March 2026, the Company's Board of Directors adopted a resolution regarding the dividend policy for 2026, according to which the Company intends to pay a dividend during 2026 in a total amount of NIS 1.00 per share, to be paid in 4 quarterly installments of NIS 0.25 each quarter (subject to a specific resolution of the Board of Directors at the end of each quarter, taking business considerations into account and in accordance with the provisions of any law).

For information regarding dividends distributed by the Company in 2025, please see Note 17d to the financial statements.

2.8 Remuneration of senior employees

On December 31, 2024, the General Meeting approved a remuneration policy for Company officers for the years 2025 - 2027 in effect from January 1, 2025 (hereinafter - the "**remuneration policy**").

The Audit and Remuneration Committee and the Board of Directors at their meetings of March 10, 2026 and March 17, 2026, respectively, discussed and determined the annual bonus for the VPs in respect of 2025 according to the remuneration policy, and the economic value of the capital bonus to be granted to each of the VPs in 2026. The Audit and Remuneration Committee and the Board of Directors examined, with respect to each VP separately, all the criteria determined in the remuneration policy, and stated, among other things, that:

- (a) The bonuses offered are for the benefit of the Company in the long term.
- (b) The total remuneration of each one of the VPs, including the remuneration of the VP of Business Development and the CFO, including the variable components, according to Regulation 21 of the Securities Regulations (Periodic and Immediate Reports), is in accordance with the remuneration policy and constitutes a fair consideration for the contribution of each VP to the Company's operations and its results.
- (c) They do not believe that the bonuses detailed above will have an effect on employment relationships in the Company.

Remuneration of the Company CEO -

On October 6, 2021, the General Meeting approved a management agreement with a company owned by Mr. Nathan Hetz, the Company CEO, in accordance with the old remuneration policy, for a period of three years effective January 1, 2022. On November 18, 2024, the Company's Board of Directors decided to extend the management agreement with the Company's CEO for an additional 3 years, until December 31, 2027. For additional information, please see Note 19a to the financial statements and an immediate report published by the Company on November 19, 2024 (Ref: 2024-01-616687). For the financial statements and an immediate report published by the Company on November 19, 2024 (Ref: 2024-01-616687).

Remuneration of the Chairman of the Company's Board of Directors -

On December 31, 2024, the General Meeting approved a management agreement with the Chairman of the Board of Directors effective January 1, 2025, and for as long as he serves as Chairman of the Company's Board of Directors. For additional information, please see Note 19b to the financial statements.

Remuneration of officers -

Regarding the terms of office and employment of the senior executives in the Company and/or in companies under its control (of which 3 are officers of the Company itself), please see Regulation 21 in the Additional Information on the Corporation. Regarding the granting of options to officers and employees of the Company, see Note 17e to the financial statements. Regarding the granting of options to directors, please see Note 19c(2) to the financial statements.

²² The Company's bonds include certain restrictions on dividend distribution, in the following cases:

The Company will declare a distribution in an amount exceeding the permitted amount at a time when the Company's equity, including as a result of the distribution, will be lower than an amount in NIS equal to NIS 2.6 billion.

The term "permitted amount" means FFO plus profit from the sale of assets and minus dividends that have been declared, all from the beginning of the calendar year in aggregate. It should be clarified that to the extent that the Company has not distributed the full permitted amount in a particular calendar year, the balance of that amount will be carried forward to subsequent years.

The term "profit from the sale of assets" means the excess of the proceeds (if any), in excess of the historical cost of the assets that have been sold.

The term "distribution" as defined in the Companies Law, as well as the purchase of shares of the Company by the Company and/or a company wholly owned by the Company.

The Company will declare a distribution that would result in the reduction of equity below NIS 2.2 billion.

A distribution by the Company would result in a breach of one or more of the Company's material liabilities according to the Company's trust deeds and bonds.

3. Sustainability and social responsibility - Environmental risk management, environmental responsibility and the environmental impact on the group's activities (ESG)

In June 2023, the Company published its first ESG Report²³ ("**First ESG Report**"), which reviewed the Group's extensive activities, in the territories in which it operates, in relation to environment, society and corporate governance, in 2021 and 2022.

In the first ESG Report, the Company presented its activities based on the recognition that proper management of environmental risks may yield a business advantage from which it, will benefit, as well as its employees and customers, and increase the trust of the community.

In 2025, the Group continued to work to integrate environmental considerations into the business and management decision-making system of the Group companies.

The Group intends to continue to operate, out of a commitment to environmental and social responsibility, while integrating environmental considerations and environmental risk management into the business and managerial decision-making system of the Group companies, in order to benefit the environment, society and community in which the Group operates.

Corporate governance -

The Group conducts itself in accordance with procedures and high standards of corporate governance, strict ethical standards in the business conduct and supports a high level of transparency. Among the Group's core values: fair business conduct, managers' responsibility for their employees, maintaining individual confidentiality and privacy, safeguarding employees' rights and family values.

The Company has an ethical code that presents the above core values, and its policy on social, environmental and community issues, which is published on the Company's website.

It should be noted that as of December 31, 2025, and as of the date of publication of this report, 5 of the 9 directors who serve on the Company's Board of Directors are independent directors (including three external directors).

Social responsibility -

The Group considers itself as an integral part of the community in which it operates and with this in mind, the Group supports many charities, which share its values, such as: reducing inequality, helping and promoting young people, organizations and initiatives related to health and child education and more. The following are several examples of the Group's activities in this area:

- **Contribution to the community** - During 2025, the Group in Israel made contributions in the amount of approx. NIS 6.5 million.
- **Volunteering** - The Group companies encourage their employees to contribute to the community by volunteering and initiate organized volunteering days for employees who are interested. The Group's employees volunteer, among other things, in the education of Beduin youth, in agriculture, protection of agricultural fields, preparation of food packages, the Israel Police and more.
- **Environmental development** - The group works to develop ancillary facilities in its various projects for the benefit of its customers and the public, such as: open and shaded gardens (by building tall buildings and clearing the land resource for the public), ornamental pools, green roofs, some of which are open to the general public, conference halls, restaurants and cafes.
- **Capital remuneration** - The Company considers the great importance of its employees identifying with its goals and accordingly, the Company employees enjoy capital remuneration. Each year, the Company allocates, without consideration, non-tradable options that can be exercised for the Company's shares, from a long-term perspective.

²³ For the first ESG Report, please see the following link: [NIT ESG](#).

4. Discussion of market risks

4.1 Description of market risk to which the Group is exposed:

The Group's business results and the value of its properties are affected by the following risk factors:

- For information regarding the possible impact of the economic environment and geopolitical events on the Company's activities, please see Section 6 - "General Environment and Influence of External Factors - General" in Chapter A of the report on the Description of the Corporation's Business.
- The Group's revenue from income-generating property is affected, among other things, by the growth rate in the territories in which the Group operates, which is expressed in demand for income-generating property and, as a result, affects rental prices and the value of income-generating property.
- Amot, Carr and BE operate in the income-generating property market in Israel, the US and in the UK (respectively) and are exposed to risks including: economic slowdown, decline in demand for rental space (including implications of a transition to a hybrid work model), decrease in rental prices, excess speculative construction, an increase in the cost of raising capital, an impairment of the strength of major tenants and an increase in the prices of construction inputs, including delays in the supply chain to projects in development.
- The Company's operations in Israel are exposed to changes in inflation rates in Israel, as some of the Company's and Amot's financial liabilities (loans and bonds) and Amot's income from rent and management fees are linked to the CPI. On the one hand, an increase in inflation will cause an increase in financing expenses and in liabilities. On the other hand, at the same time, an increase in revenue and a possible positive revaluation of the Company's assets will be recorded, which may reduce the negative impact on results. In addition, changes in the CPI have an impact on current tax expenses: an increase in the CPI increases financing expenses and reduces tax provisions, and vice versa.
- The volatility of the stock market in which the shares of some of the Group's companies are traded (the TASE) may have an effect on the ability to realize them and on their future value, if and when the Group seeks to realize these investments as well as on the financial covenants related to the value of collateral connected with the loans taken by the Group.
- The Group is dependent on the capital market and the banking system from which it raises capital and debt. The Group's activity in the capital market is subject to fluctuations due to the influence of macroeconomic factors in Israel and abroad and regulatory changes on which the Group has no influence. These fluctuations affect the rates of securities traded on the stock exchange, the amount of the credit sources provided by the banking system and the extent of the public's activity in the capital market. These fluctuations may affect the Group and the options it will have at its disposal for raising the financing sources that will be needed to continue its operations.
Decreases in share prices and/or in the value of income-generating property may, among other things, have an adverse effect on the compliance with financial ratios, lead to an increase in financing prices, difficulty in obtaining financing sources and difficulty in the recycling of existing loans.
- The Company has CPI-linked NIS financing sources (mainly bonds). As a result, the Group is exposed to changes in the CPI. As of December 31, 2025, the Company's net exposure (expanded solo) to the CPI amounted to NIS 1.2 billion (excess liabilities over assets). Because the Company considers its investment in Amot, and part of its investment in Energix (the CPI-linked part), as CPI-linked investments from an economic perspective (for the long term), the Company has excess assets over CPI-linked liabilities in the amount of NIS 3.9 billion as of December 31, 2025.
- The Group is exposed to changes in the short-term and long-term interest rates in the markets in which it operates, which have an impact on the Group's financing expenses, on the Company's and Group companies' liabilities, including loans, derivative transactions and the value of investment property. An increase in financing costs could harm the economic viability for the establishment of projects in initiation (mainly through Energix) and jeopardize their very establishment.
- The Group has investments and sources of financing denominated in foreign currency. Therefore, the Group is exposed to changes in the exchange rates of these currencies against the NIS.
- The Group, through Energix, is exposed to the risk of a decrease in the price of electricity and green certificates and/or a decrease in the demand for them, and is exposed to fluctuation in electricity prices on the Polish Electricity Exchange and electricity prices in the US until the date of engagement in an electricity sales agreement.
- The Group's revenues from the sale of electricity and the construction schedules for projects in this area exposed to changes that may occur in the Israeli, American, Polish and Lithuanian regulatory environments, among other things, regarding tariffs set for the sale of electricity, to the various conditions Energix must meet in order to receive the licenses, permits and approvals for the construction of renewable energy facilities, the regulatory conditions in Poland, changes in the Polish Renewable Energy Law and changes in the American tax regime, such as a reduction in the tax benefits granted to photovoltaic facilities that integrate storage technology and to storage facilities.
- The Group's revenue from the sale of electricity are significantly affected by weather conditions. At wind farms, revenues are affected by the strength and amount of the wind and photovoltaic systems are affected by the intensity of solar radiation (radiation level and hours of radiation), temperature conditions and other climatic parameters. In addition, extreme weather conditions can also lead to delays in project construction or in extreme cases, to the temporary shutdown of electricity-generation systems. In addition, weather conditions may also have an impact on electricity prices, and accordingly on Energix's revenues in markets where there is market exposure to electricity prices.

- The Group's revenue from the sale of electricity is affected by a tax incentive scheme that enables a benefit that reduces the construction cost of projects and is provided at the time of connection to the electricity grid. The loss of tax benefits in a significant amount may result in a breach of contract with a tax partner and an obligation to compensate the partner with the tax liability. Such loss of benefits may impair Energix's cash flow of energy and the return it actually receives.

4.2 The extent of the impact of market risks on the Group's business activity:

	Degree of risk factor's impact on the company's activity	
	High	Moderate
Macro-economic risk factors:		
Interest risks	X	
Changes in exchange rates	X	
Lack of growth	X	
Changes in the value of tradable securities	X	
Regulatory changes in banking, capital markets and taxation	X	
Changes in credit provision policy	X	
Change in employment rate	X	
Changes in inflation rates		X
Industry risk factors:		
Change in the demand for rental space	X	
Changes in rental prices	X	
Excess speculative construction	X	
Increase in capital and debt raising cost	X	
Financial strength of tenants		X
Failure to obtain licenses, quotas, planning approvals, and building permits		X
Lack of available land		X
Increase in construction input costs, delays in the supply chain for projects in initiation		X
Changes in electricity prices and in the price of green certificates in target countries		X
Changes in the regulatory environment in which Energix operates		X
Compliance with the conditions required for receiving tax benefits in the US		X
Market risk		
Cyber risks (please see Section 4.3 below)		X
Weather conditions, seasonality and climate change		X
Geopolitical risks including security risks		X
Environmental risks (please see ESG Report published by the Company)		X

For information regarding interest, inflation and currency exposure risks, see Note 23 to the financial statements.

4.3 Cyber risk

The Company has various information systems for which it estimates that the amount of damage that could be caused to it as a result of a cyber attack is not high. Nevertheless, from time to time the Company is assisted by information security consultants, and implements tools and systems aimed at protecting against cyber threats, loss of information, the risk of information hijacking and destruction by malicious parties, and works to back up information and the ability to recover quickly in the event of a cyber event.

During the reporting period, the Company continued to strengthen the resilience of its information security system in order to reduce the risk of hostile elements infiltrating its internal information systems and computer network. At the same time, it should be clarified that there can be no certainty regarding the Company's ability to completely prevent cyber events.

The Company's cyber risk management policy is managed by the Information Systems Manager, reporting to the Company's VP Finance. As part of the Company's cyber risk management policy, the Company periodically conducts a comprehensive cyber risk survey, on the basis of which a plan is built to reduce exposures, procedures are updated, and additional protection tools are implemented as needed. The Company conducts ongoing activities to raise employee awareness of the latest cyber risks. It should be noted that the Company does not have any officers and/or board members with cyber expertise.

During 2025 and until the date of the report, no cyber incident occurred and no high-risk cyber problems or high-impact cyber issues were found in the Company's operations.

The Group companies -

Income-generating property - The Group companies operating in the income-generating property sector have various databases that contain both confidential and personal information in relation to their customers. They also use computer systems for the ongoing management and operation of the properties. Failure and/or an information security event in relation to the systems used by the Group companies and in which such information is stored, may affect their ongoing activities, their customers, the provision of the services provided by them and their reputation. However, the Group estimates that the extent of the damage that may be caused to it by a cyber attack is not high.

Renewable energy - Energix, a renewable energy company, has operational systems (OT) and organizational information systems (IT). Any damage to Energix's OT systems may expose it to delays and disruptions in the supply of electricity generated at its facilities and/or cause damage to the information in its possession and/or damage its reputation. Energix has procedures for dealing with cyber risks, including an incident response procedure that includes a first-responder team.

Each of the Group companies works according to policy and procedures to secure the information accumulated in their systems and, for that purpose, is assisted by information security consultants, who operate in accordance with instructions and under the supervision of the relevant company's Information Systems Manager. The Group companies work to implement technological and organizational measures, including work procedures, to secure information from unauthorized discovery and/or use and/or loss of information, including dealing with cyber attacks and recovery in the event of an attack. However, there is no certainty regarding the Group companies' ability to completely prevent cyber attacks

During 2025 and until the date of the report, no cyber incidents occurred in the Group companies and no high-risk or high-impact cyber issues were found in the Group companies.²⁴

The risks mentioned in Section 4 above are the risks that, according to the Company management's estimates, may have a specific impact on the Company due to the nature and scope of its activities. It should be noted that other risks that are not necessarily specific to a company of the this type may have an influence on the Company, including risks of war, hostilities, regulation risks, changes in fiscal policy, economic crises and geopolitical crises in countries in which the Group operates.

²⁴ With the exception of 3 low-risk cyber events that occurred during 2025, which had no business impact on Energix.

5. Corporate governance aspects

5.1 The Company Board of Directors; Board members with accounting and financial expertise

As of the date of publication of this report, the Company's Board of Directors has 9 directors: The Company's Board of Directors determined that considering the international activities of the Group, and the Company as a holding company, it is desirable that at least four Company directors have accounting and financial expertise ("the **minimum number**"). This was determined in view of the Company's managerial and financial complexity, its diverse areas of activity and the markets in which it operates, the amounts of its financial assets and liabilities, and the need to maintain adequate control over financial reporting and internal audit procedures. In the opinion of the Board of Directors, the minimum number constitutes an additional layer that strengthens the fulfillment of its duties and responsibilities under the law.

As of December 31, 2025 and as of the date of publication of this report, 8 of the members of the Board of Directors have accounting and financial expertise - Mr. Aviram Wertheim, Mr. Nathan Hetz, Prof. Zvi Eckstein, Mr. Ilan Gifman, Dr. Samer Haj-Yehia, Ms. Batsheva Moshe, Ms. Roni Patishi-Chillim and Mr. Shlomi Shuv.

For information regarding the qualifications, education and experience of the above directors, based on which the Company considers them to have accounting and financial expertise, please see Regulation 26 of the Additional Information Chapter on the Corporation.

During 2025, 7 meetings of the Company's Board of Directors were held, with the average attendance of members of the Board of Directors at 98%, as follows:

Name of Director	Attendance rate at Board meetings	Attendance rate at Audit Committee meetings	Attendance rate at Financial Statements Review Committee meetings	Attendance rate at Remuneration Committee meetings
Aviram Wertheim	100%	N/R	N/R	N/R
Nathan Hetz	100%	N/R	N/R	N/R
Zvi Eckstein	86%	100%	100%	100%
Rony Patishi-Chillim	100%	100%	100%	100%
Shlomi Shuv	100%	100%	100%	100%
Adva Sharvit	100%	N/R	N/R	N/R
Ilan Gifman	100%	N/R	100%	N/R
Batsheva Moshe	100%	N/R	N/R	N/R
Samer Haj-Yehia	100%	100%	N/R	100%

During the reporting year, the Company's Board of Directors held a discussion on the management of the corporation's business by the CEO and his subordinate officers, without their presence.

5.2 Independent Directors²⁵

As of the date of publication of this report, the Company has not adopted the provision in the First Addendum to the Companies Law regarding the rate of independent directors, according to which, among other things, a publicly-owned company that does not have a controlling shareholder or the holder of a controlling block may establish instructions in its articles of association stating that a majority of the members of its Board of Directors must be independent directors.

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

5 members of the Board of Directors (3 of which are external directors) are independent directors.

5.3 The Company's accountant - for information regarding the Company's accountant, please see Appendix D.

5.4 The Company's internal auditor - for information regarding the Company's internal auditor, please see Appendix C.

5.5 Internal enforcement plan

In May 2012 for the first time, the Company adopted an internal enforcement plan regarding securities, which was updated from time to time and most recently in August 2024, following a compliance survey. The Company's enforcement plan was prepared and is updated and implemented in accordance with the criteria for an effective enforcement plan, which were published by the Securities Authority on August 15, 2011.

5.6 Charitable Donations

According to the Company's policy on donations, each of the Group's public companies²⁶ (the Company, Amot Investments Ltd. and Energix Renewable Energies Ltd.) will contribute between 0.3% and up to 0.6% of its FFO (or another similar measure it has published) to the community, mainly for activities involving support, education and assistance to youth in need.

As part of this policy, during 2025 the Group contributed a total of approx. NIS 6.5 million to non-profits and organizations with the aforementioned goals (2024: NIS 5.4 million; 2023: NIS 8 million).

To the best of the Company's knowledge, and according to a review conducted, the relationships between entities to whom the amount of contributions in 2025 exceeded NIS 50 thousand, and the Company and/or a Director and/or the CEO, are as follows:

1. During 2025, the Group donated NIS 100 thousand to the Hetz Vamatara Association. The Hetz Vamatara Association is an association founded by the daughters of Mr. Nathan Hetz, a Company director and CEO, in which Ms. Adva Sharvit, a Company director, serves as CEO on a volunteer basis. The Association operates a bicycle riding center for at-risk children and youths.
2. The Lasova Association, to which the Company has donated for over 20 years, in order to maintain three youth homes (Hetz-Kadima)²⁷, and the Society for the Advancement of Education in Tel Aviv-Yafo²⁸, both of which sent groups of at-risk youths to activities at the Hetz Vamatara Association for a payment of 35% of the cost of the activity.
3. During 2025, the Group donated NIS 180 thousand to the Ofanim Association. Ms. Batsheva Moshe serves on the association's executive committee as a volunteer.

5.7 Communication with analysts, journalists and capital market professionals

The Company's management has adopted principles for regulating its communication with analysts, capital market professionals and journalists ("**contact persons**"), recognizing the importance of providing relevant information on the one hand and complying with the provisions of the law on the other. The following is a summary of these principles, which are an integral part of the Company's administrative enforcement plan:

- Communication with contact persons will only be held through an officer appointed by the Company ("**the representative**").
- The representative will not communicate with contact persons during the dark periods.
- In this regard, "dark periods" mean the periods of darkness resulting from the forming of draft financial statements by the Company, i.e. a period of 30 calendar days before an annual report and 20 calendar days before a periodic report.
- Non-public information that is not required to be reported by law and/or information that has not yet been reported on the basis of a lawful delay of information that is required to be reported - there will be no discussion with contact persons.

25. In the reporting year, an examination was conducted with the external directors and the independent directors, and they were found to be in compliance with the provisions of Section 240(b) and (f) of the Companies Law regarding the absence of affiliation and that they comply with the conditions required for serving as an external/independent director, as relevant.

26 Subject to the donation policy of these companies, as it may be from time to time.

27 The Company donated NIS 480 thousand to the Lasova Association in 2025.

28. The Group donated NIS 260 thousand in 2025 to the Society for the Advancement of Education in Tel Aviv-Yafo.

6. Events subsequent to the balance sheet date

Regarding events subsequent to the balance sheet date, see Note 26 to the financial statements.

7. Special Disclosure for Bondholders

For information regarding bonds issued by the Company and regarding the rating reports, please see Appendix E below.

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

Nathan Hetz

Director and CEO

Aviram Wertheim

Chairman of the Board
of Directors

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

Appendix A – Financial Information, Expanded Solo

Appendix B – Balance Sheet of Linkage Bases for Monetary Balances

Appendix C – Information regarding the Company's Internal Auditor

Appendix D – Information regarding the Company's Accountant

Appendix E – Information regarding Bonds Issued by the Company

Appendix F – Information regarding a material asset, in accordance with the proposed amendment to the Securities Regulations to establish "Disclosure Guidance regarding Investment Property Activities" from December 2023.

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

Appendix H – FFO Adjusted to the Company's Liabilities

Appendix A – Financial Information, Expanded Solo

1. Financial Statements – Expanded Solo

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

1.1 Condensed expanded solo balance sheet (NIS thousands):

	As of December 31 2025 NIS thousands	As of December 31 2024 NIS thousands
Current assets		
Cash and cash equivalents	374,672	641,761
Other accounts receivable	89,232	38,533
Total current assets	463,904	680,294
Non-current assets		
Securities measured at fair value through profit and loss	195,843	218,459
Investments in investees	11,138,807	10,415,263
Miscellaneous	46,447	15,534
Total non-current assets	11,381,097	10,649,256
Total assets	11,845,001	11,329,550
Current liabilities		
Short-term credit and current maturities of long-term liabilities	363,689	378,454
Other accounts payable	187,311	295,661
Total current liabilities	551,000	674,115
Non-current liabilities		
Bonds and long-term loans	5,660,513	5,180,764
Deferred taxes	-	11,541
Miscellaneous	24,635	49,554
Total non-current liabilities	5,685,148	5,241,859
Equity	5,608,853	5,413,576
Total liabilities and equity	11,845,001	11,329,550

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

	2025	2024	2023
Revenue			
Group share in the profits (losses) of investees, net	588,958	(13,211)	(2,163,614)
Profit from acquisition of Carr and change in rate of holding	116,596	23	449
Losses relating to investments in long-term securities held for sale	(14,299)	(11,443)	(10,289)
Other revenues, net	22,380	22,296	21,136
	713,635	(2,335)	(2,152,318)
Expenses			
Administrative and general	39,067	39,136	32,138
Financing expenses, net	254,467	271,169	230,861
	293,534	310,305	262,999
Profit (loss) before the effect of the realization of reserves due to the first-time consolidation of Carr	420,101	(312,640)	(2,415,317)
Income tax expenses (income)	16,206	33,559	(22,908)
Net profit (loss) for the period	403,895	(346,199)	(2,392,409)
Realization of translation difference reserve and other reserves due to the first-time consolidation of Carr			
	(396,451)	-	-
Net profit (loss) for the period	7,443	(346,199)	(2,392,409)

	2025	2024	2023
Group share in the profits (losses) of investees, net			
Group share in Amot's equity income	394,708	468,064	371,116
Group share in Energix's equity income	125,340	169,761	130,138
Group share in Carr's equity profits (losses)	44,002	(263,716)	(1,383,740)
Group share in AH Boston's equity losses	(67,188)	(277,752)	(284,180)
Group share in the profits (losses) of Brockton	93,425	(104,164)	(993,819)
Other	(1,329)	(5,404)	(3,129)
Total profits (losses) of investees (*)	588,958	(13,211)	(2,163,614)
(*) Including investment property revaluations	88,675	(328,403)	(2,613,171)

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

	2025	2024	2023
Revenue from dividends (*)	660,953	674,861	671,229
Management fees - investees	22,377	22,351	21,136
Financing expenses, net	(164,599)	(188,800)	(175,439)
Administrative and general	(33,177)	(32,863)	(31,914)
Current taxes	(9,633)	(20,637)	(18,977)
Total cash flow from the Company's operating activities	475,921	454,912	466,035
Cash flow from the Company's financing activities per share	2.21	2.38	2.59

(*) Including a DRIP plan in Carr in the amount of NIS 156 million, NIS 118 million and NIS 117 million for the years 2025, 2024 and 2023, respectively. For information regarding dividend income, please see Section 2.3.9 above.

3. The Company's liabilities (expanded solo) maturing after December 31, 2025:

	Bonds	Bank loans	Total	
	NIS thousands	NIS thousands	NIS thousands	%
Current maturities	355,919	7,770	363,689	6
Second year	355,919	-	355,919	6
Third year	994,079	-	994,079	16
Fourth year	994,079	-	994,079	16
Fifth year	717,118	-	717,118	12
Sixth year onward	2,825,700	-	2,825,700	45
Total repayments	6,242,814	7,770	6,250,584	100
Miscellaneous			(81,564)	
Balance of liabilities related to financial derivative transactions			(79,694)	
Total financial debt (taking into account the value of financial derivative transactions)			6,089,326	

For information regarding the Company's total financial debt (expanded solo) as of December 31, 2025, please see Section 2.4.3 above.

Appendix B – Balance Sheet of Linkage Bases for Monetary Balances

As of December 31, 2025, in NIS thousands	In NIS		In USD USA	In GBP	Other	Total	Adjustments - Non-monetary	
	Unlinked NIS	In NIS CPI-Linked					items	Total
Current assets								
Cash and cash equivalents	364,652	-	9,275	714	31	374,672	-	374,672
Other accounts receivable	70,299	-	178	-	-	70,477	18,755	89,232
Total current assets	434,951	-	9,453	714	31	445,149	18,755	463,904
Non-current assets								
Securities measured at fair value through profit and loss	4	-	-	195,839	-	195,843	-	195,843
Investments in associates	-	-	-	-	-	-	11,138,807	11,138,807
Miscellaneous	44,995	-	-	-	-	44,995	1,452	46,447
Total non-current assets	44,999	-	-	195,839	-	240,838	11,140,259	11,381,097
Total assets	479,950	-	9,453	196,553	31	685,987	11,159,014	11,845,001
Current liabilities								
Short-term credit and current maturities of long-term liabilities	363,689	-	-	-	-	363,689	-	363,689
Other payables	136,252	36,502	-	-	-	172,754	14,557	187,311
Total current liabilities	499,941	36,502	-	-	-	536,443	14,557	551,000
Non-current liabilities								
Bonds and long-term loans	4,470,415	1,190,098	-	-	-	5,660,513	-	5,660,513
Deferred tax liabilities	-	-	-	-	-	-	-	-
Miscellaneous	23,674	-	798	-	-	24,472	163	24,635
Total non-current liabilities	4,494,089	1,190,098	798	-	-	5,684,985	163	5,685,148
Total liabilities	4,994,030	1,226,600	798	-	-	6,221,428	14,720	6,236,148
Excess assets over liabilities (liabilities over assets)								
Financial derivatives	(4,514,080)	(1,226,600)	8,655	196,553	31	(5,535,441)	11,144,294	5,608,853
Excess financial assets over financial liabilities (financial liabilities over financial assets)	(2,377,494)	(976,600)	(920,678)	(1,260,700)	31	(5,535,441)	11,144,294	5,608,853
Distribution of non-monetary assets (liabilities), net - by linkage basis								
	1,242,852	4,908,339	1,962,592	3,032,616	(2,105)	11,144,294	(11,144,294)	-
Excess assets over liabilities (liabilities over assets)	(1,134,642)	3,931,739	1,041,914	1,771,916	(2,074)	5,608,853	-	5,608,853

In the period from January 1, 2025 until the publication of this report, the following internal auditor reports were submitted in writing to the Company and the Audit Committee and discussed:

Subject of the report	Date of submission in writing to the Company	Date of discussion in Audit Committee	Work hours dedicated	The report refers to the Company's activity / the report refers to the activity of investees outside of Israel
Employee options (capital remuneration)	May 2025	May 14, 2025	70	The Company's activity in Israel
General procurement	June 2025	July 29, 2025	80	The Company's activity in Israel
Control over public investees - Amot	October 2025	November 23, 2025	70	The Company's activity in Israel
Information systems - information and cyber security	August 2025	November 23, 2025	90	The Company's activity in Israel

Significant corporate holdings – the audit plan addresses the management of the Company's holdings in corporations that constitute significant holdings controlled by the Company. It should be noted that the consolidated subsidiaries, Amot Investments Ltd. and Energix Renewable Energy Ltd, have an independent internal audit system. Nevertheless, the Company's audit system also examines the adequacy of the audit systems in these companies.

Professional standards – The internal auditor is in compliance with all conditions determined in Section 3(a) of the Internal Audit Law, 1992 (**"the Audit Law"**). The internal auditor, according to his statement, conducts the internal audit in accordance with accepted professional standards, as stated in Section 4(b) of the Audit Law. The Auditor is complies with Section 146(b) of the Companies Law, 1999 and Section 8 of the Audit Law.

The Auditor's organizational supervisor – The Company's CEO.

The scope, nature and continuity of the internal auditor's activity and work plan – To the best of the Company Board of Directors' knowledge, the nature and continuity of the Auditor's activities and work plan are reasonable under the circumstances and are able to achieve the goals of the Company's audit.

Free access for the internal auditor – The internal auditor is provided free access as stated in Section 9 of the Audit Law, 1992, which includes constant and direct access to the Company's information systems, including financial data.

Remuneration - The Auditor's fees for 2025 amounted to approx. NIS 78 thousand. Remuneration for the audit work is according to the internal auditor's working hour budget. There are no concerns that the remuneration detailed above, which derives from the auditor's actual work hour budget, may influence the application of the auditor's professional judgment.

Appendix D – Information regarding the Company's Accountant

The following are the fees for the Company's auditing accountants and for its significant consolidated companies:

Company name	Accountants		2025	2025	2024	2024
			Audit and tax services	Other services	Audit and tax services	Other services
Alony-Hetz Properties and Investments Ltd.	Brightman Almagor Zohar & Co.	NIS thousands	730	15	650	119
Amot Investments (Ltd.)	Brightman Almagor Zohar & Co.	NIS thousands	763	260	763	77
Eilot Companies Group (*)	Ziv Haft Accountants	NIS thousands	714	192	673	115
Energix Renewable Energies Ltd.	Brightman Almagor Zohar & Co.	NIS thousands	975	535	850	365
Energix Renewable Energies Ltd.	Deloitte Poland	EUR thousands	175	-	180	-
Energix Renewable Energies Ltd.	Deloitte USA	USD thousands	303	225	310	-
Brockton Everlast Inc.	Deloitte UK	GBP thousands	385	15	362	9
Carr Properties Holdings	Pwc USA	USD thousands	500	150	-	-

At the beginning of 2025, the Financial Statements Review Committee examined the planned scope of work of the Company's auditing accountant and his proposed wage for 2025, taking the Company's size and the complexity of its statements into consideration. The Company's Board of Directors approved the wage of the Company's auditing accountant for auditing activity in 2025. The Financial Statements Examination Committee was satisfied, immediately prior to the Company Board of Directors' approval of the 2025 Periodic Report, that the extent of the work of the auditing accountant and his wage in the reporting year are sufficient for performing auditing and reviewing work appropriate for the financial statements in the reporting year.

Appendix E - Information regarding Bonds Issued by the Company

The following are details regarding the Company's bonds as of December 31, 2025 (in NIS thousands)²⁹

	NIS thousands	Bonds (Series I)	Bonds (Series J)	Bonds (Series K)	Bonds (Series L)	Bonds (Series M)	Bonds (Series O)	Bonds (Series P)	Bonds (Series Q)
1	Initial issuance date	December 1, 2015	December 1, 2015	August 11, 2019	August 11, 2019	September 12, 2022	September 12, 2022	September 21, 2025	September 21, 2025
2	Par value on issuance date	275,000	275,000	200,932	400,730	290,176	248,542	102,352	196,170
3	Par value as of December 31, 2025	311,728	400,109	160,746	2,054,943	1,861,029	1,050,480	102,352	196,170
4	Par value linked to December 31, 2025	N/R	N/R	N/R	N/R	N/R	1,155,733	102,352	N/R
5	Value in the financial statements as of December 31, 2025 (at amortized cost)	313,646	401,039	159,555	1,963,776	1,783,126	1,088,786	101,312	194,356
6	Stock exchange value as of December 31, 2025	320,239	406,631	154,766	1,965,553	1,967,480	1,163,932	110,694	209,215
7	Accrued interest as of December 31, 2025	10,062	2,290	3,585	41,519	77,074	24,804	1,042	3,094
8	Interest rate / Fixed annual margin	3.85%	2.24% above Bank of Israel interest rate, as it will be from time to time	2.66%	2.41%	4.94%	2.56%	3.68%	5.70%
9	Materiality of the series ³⁰	Yes	Yes	No	Yes	Yes	Yes	No	No
10	Principal payment dates (from the initial issuance date)	8 annual payments: the four (4) first payments of 10% of the principal each will be paid on February 28 of each of the years 2020-2023; and four (4) payments of 15% of the principal, each, will be repaid on February 28 of each of the years 2024-2027.	Four (4) annual payment of 25% of the principal, to be paid on February 28 of each of the years 2024-2027.	6 annual payments, in cash or in Company shares, according to the Company's absolute discretion - please see Section 13 of bonds, in the following years and at the following rates: (1) 10% of the PV principal of the bonds (Series K) in each of the years 2022 and 2023; (2) 25% of the PV principal of the bonds (Series K) in each of the years 2028 and 2029, and (3) 15% of the PV	6 annual payments in the following years and at the following rates: (1) 10% of the PV principal of the bonds (Series K) in each of the years 2022 and 2023; (2) 25% of the PV principal of the bonds (Series K) in each of the years 2028 and 2029, and (3) 15% of the PV principal of the bonds (Series K) in each of the years 2030 and 2031;	10 equal payments at a rate of 10% each payment on February 28 of each of the years 2028 to 2037, inclusive.	10 equal payments at a rate of 10% each payment on February 28 of each of the years 2028 to 2037, inclusive.	9 annual payments: Seven (7) payments at a rate of 10% each on February 28 of each of the years 2032 to 2038; and Two (2) payments at a rate of 15% each on February 28 of each of the years 2039 to 2040.	9 annual payments: Seven (7) payments at a rate of 10% each on February 28 of each of the years 2032 to 2038; and Two (2) payments at a rate of 15% each on February 28 of each of the years 2039 to 2040.

29. Not including bonds issued by Amot Investments Ltd. and Energix Renewable Energies Ltd.

30. The bond series is material if the amount of the Company liabilities according to it as of the end of the reporting period constitutes 5% or more of the Company's total liabilities as presented in the data stated.

NIS thousands		Bonds (Series I)	Bonds (Series J)	Bonds (Series K)	Bonds (Series L)	Bonds (Series M)	Bonds (Series O)	Bonds (Series P)	Bonds (Series Q)
				principal of the bonds (Series K) in each of the years 2030 and 2031;					
11	Principal payment dates	February 28 of each of the years 2016-2027 (inclusive).	Four payments per year, on February 28, May 31, August 31 and November 30 of each of the years 2016-2027 (inclusive)	February 28 of each of the years 2020-2031 (inclusive) The interest will be paid either in cash from February 22, 2022 or in Company shares, at the absolute discretion of the Company (please see Section 13 below).	February 28 of each of the years 2020-2031 (inclusive)	February 28 of each of the years 2023-2037 (inclusive)	February 28 of each of the years 2023-2037 (inclusive)	February 28 of each of the years 2026-2040 (inclusive)	February 28 of each of the years 2026-2040 (inclusive)
12	Linkage base (principal and interest)	Unlinked	Unlinked	Unlinked	Unlinked	Unlinked	CPI for July 2022	CPI for August 2025	Unlinked
13	Conversion right	None	None	As of February 28, 2022, the Company may, at its absolute and exclusive discretion, pay the principal and/or the interest, with its shares, all as detailed in Section 7 of the Bond.	None	None	None	None	None
14	Main conversion conditions	N/R	N/R	The Company's absolute discretion	N/R	N/R	N/R	N/R	N/R
15	Guarantee for payment of the liability	None	None	None	None	None	None	None	None
16	Early redemption	In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of the series, in accordance with TASE guidelines, as well as at the Company's initiative upon the occurrence of certain events	(1) In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of the series, in accordance with TASE guidelines; or (2) at the Company's initiative upon the occurrence of certain events that constitute grounds for immediate repayment; or (3) according to a	In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of public holdings in the series as specified in section 6.1 of the deed of trust, in accordance with the stock exchange's instructions, as well as at the Company's	In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of public holdings in the series as specified in section 6.1 of the deed of trust, in accordance with the stock exchange's instructions, as well as at the Company's	In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of public holdings in the series as specified in section 6.1 of the deed of trust, in accordance with the stock exchange's instructions, as well as at the Company's	In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of public holdings in the series as specified in section 6.1 of the deed of trust, in accordance with the stock exchange's instructions, as well as at the Company's	In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of public holdings in the series as specified in section 6.1 of the deed of trust, in accordance with the stock exchange's instructions, as well as at the Company's	In the event of a decision by the TASE's Board of Directors to terminate trading due to a decline in the value of public holdings in the series as specified in section 6.1 of the deed of trust, in accordance with the stock exchange's instructions, as well as at the Company's

NIS thousands	Bonds (Series I)	Bonds (Series J)	Bonds (Series K)	Bonds (Series L)	Bonds (Series M)	Bonds (Series O)	Bonds (Series P)	Bonds (Series Q)
	that constitute grounds for immediate repayment, as detailed in Section 6.2 of the deed of trust.	decision by the Company's Board of Directors, as detailed in Section 6.2 of the deed of trust.	initiative, the occurrence of certain event constitutes grounds for immediate repayment as specified in Section 6.2 of the deed of trust.	initiative, the occurrence of certain event constitutes grounds for immediate repayment as specified in Section 6.2 of the deed of trust.	initiative, the occurrence of certain event constitutes grounds for immediate repayment as specified in Section 6.2 of the deed of trust.	initiative, the occurrence of certain event constitutes grounds for immediate repayment as specified in Section 6.2 of the deed of trust.	initiative, the occurrence of certain event constitutes grounds for immediate repayment as specified in Section 6.2 of the deed of trust.	initiative, the occurrence of certain event constitutes grounds for immediate repayment as specified in Section 6.2 of the deed of trust.
17	Liens in favor of bondholders	None ³⁸	None ³⁷	None ³⁶	None ³⁵	None ³⁴	None ³³	None ³²
18	Limitations on the creation of additional liens	The Company will not create floating liens on all of its assets (negative pledge), unless it contacts the trustee in writing prior to creating the lien and inform him about it and create, along with the creation of the lien for the third party, a floating lien on the same level, pari passu, in favor of the bondholders (Series I).	The Company will not create floating liens on all of its assets (negative pledge), unless it contacts the trustee in writing prior to creating the lien and inform him about it and create, along with the creation of the lien for the third party, a floating lien on the same level, pari passu, in favor of the bondholders (Series J).	The Company will not create floating liens on all of its assets (negative pledge), unless it contacts the trustee in writing prior to creating the lien and inform him about it and create, along with the creation of the lien for the third party, a floating lien on the same level, pari passu, in favor of the bondholders (Series K).	The Company will not create floating liens on all of its assets (negative pledge), unless it contacts the trustee in writing prior to creating the lien and inform him about it and create, along with the creation of the lien for the third party, a floating lien on the same level, pari passu, in favor of the bondholders (Series L).	The Company will not create floating liens on all of its assets and all of its existing and future rights (negative pledge), unless it contacts the trustee in writing prior to creating the lien and inform him about it and create, along with the creation of the lien for the third party, a floating lien on the same level, pari passu, in favor of the bondholders (Series M).	The Company will not create floating liens on all of its assets and all of its existing and future rights (negative pledge), unless it contacts the trustee in writing prior to creating the lien and inform him about it and create, along with the creation of the lien for the third party, a floating lien on the same level, pari passu, in favor of the bondholders (Series O).	The Company will not create floating liens on all of its assets and all of its existing and future rights (negative pledge), unless it contacts the trustee in writing prior to creating the lien and inform him about it and create, along with the creation of the lien for the third party, a floating lien on the same level, pari passu, in favor of the bondholders (Series P).

31. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series Q) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

32. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series Q) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

33. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series O) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

34. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series P) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

35. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series L) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

36. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series K) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

37. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series J) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

38. The Company may, under certain circumstances, provide liens in favor of the bondholders (Series I) instead of complying with certain stipulations, as long as the grounds for immediate repayment have materialized according to the above circumstances. Reference is hereby made to Section 5.4 of the deed of trust.

	NIS thousands	Bonds (Series I)	Bonds (Series J)	Bonds (Series K)	Bonds (Series L)	Bonds (Series M)	Bonds (Series O)	Bonds (Series P)	Bonds (Series Q)
		bondholders (Series I).							
19	Limitations regarding the authority to issue additional bonds	None							
20	Lien validity period	N/R							
21	Bond conditions for changing, releasing, replacing or canceling a lien	In this regard, please see Section 5.4 of the deed of trust	In this regard, please see Section 5.4 of the deed of trust	In this regard, please see Section 5.4 of the deed of trust	In this regard, please see Section 5.4 of the deed of trust	In this regard, please see Section 5.4 of the deed of trust	In this regard, please see Section 5.4 of the deed of trust	In this regard, please see Section 5.4 of the deed of trust	In this regard, please see Section 5.4 of the deed of trust
22	Changes in the bond conditions regarding liens during the reporting period	No changes occurred							
23	The manner in which the changes were approved	N/R							
24	Did the Company, during and at the end of the reporting year, comply with all the conditions and obligations according to the deed of trust	Yes							
25	Have the conditions for the immediate repayment of the bonds or the realization of the guarantees been met	No							
26	Description of the breach (if any)	N/R							
27	Was the Company was required to take various actions by the trustee	No							
28	Name of Trust Company Name of Series Supervisor Address Telephone	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200	Reznik Paz Nevo Trusts Ltd. Michal Avatlion, Attorney at Law 14 Yad Harutzim St., Tel Aviv. 03-6389200
29	Holders' meetings	On July 19, 2017, a holders' meeting was held to approve the trustee's term of service.	On July 19, 2017, a holders' meeting was held to approve the trustee's term of service.	On July 14, 2021, a holders' meeting was held to approve the trustee's term of service.	On July 14, 2021, a holders' meeting was held to approve the trustee's term of service.	On July 10, 2024, a holders' meeting was held to approve the trustee's term of service.	On July 10, 2024, a holders' meeting was held to approve the trustee's term of service.	A holders' meeting has not yet been held.	A holders' meeting has not yet been held.
30	Rating								
	Rating Agency	Maalot							
	Rating on the issuance date	AA- Stable Outlook							

NIS thousands	Bonds (Series I)	Bonds (Series J)	Bonds (Series K)	Bonds (Series L)	Bonds (Series M)	Bonds (Series O)	Bonds (Series P)	Bonds (Series Q)
Rating as of December 31, 2025 ³⁹	AA- Stable Outlook							
Rating Agency	Midroog	Midroog		Midroog	Midroog	Midroog	Midroog	Midroog
Rating on the issuance date	Aa3 Stable Outlook	Aa3 Stable Outlook	-	Aa3 Stable Outlook				
Rating as of December 31, 2025 ⁴⁰	Aa3 Stable Outlook	Aa3 Stable Outlook	-	Aa3 Stable Outlook				

Up-to-date rating reports⁴¹

- For a current Midroog Ltd. rating report, please see the immediate report published by the Company on May 6, 2025 (Ref: 2025-01-031642), a rating report dated June 16, 2025 (Ref: 2025-01-042937), a rating report dated June 18, 2025 (Ref: 2025-01-043315), a rating report dated September 8, 2025 (Ref: 2025-15-067798) and a rating report dated September 18, 2025 (Ref: 2025-15-070411).
- For a current rating report of Maalot, the Israel Securities Rating Company Ltd., please see the immediate report dated April 8, 2025 (Ref: 2025-01-026195), a rating report dated June 17, 2025 (Ref: 2025-01-042981), a rating report dated June 18, 2025 (Ref: 2025-01-043314), a rating report dated September 8, 2025 (Ref: 2025-15-067736) and a rating report dated September 18, 2025 (Ref: 2025-15-070465).

39. In January 2012, Maalot announced the ratification of its iIA rating with a stable outlook for the Company's bonds in circulation and for the raising of debt through a new bond series. In January 2013, Maalot announced that it was raising the Company's rating to A+ with a stable outlook. In October 2014, Maalot ratified its iIA+ rating for the bond series in circulation and raised the outlook from stable to positive. In December 2014, Maalot confirmed its rating of iIA+ with a positive outlook for the bond series in circulation. In May 2015, Maalot announced that it was raising the Company's rating to iIA- with a stable outlook. In November 2015, Maalot determined its rating of iIA- with a stable outlook for the issue of new bonds (Series I and Series J). In July 2019, Maalot determined its rating of iIA- with a stable outlook for the issue of new bonds (Series K and Series L). In September 2022, Maalot determined its rating of iIA- with a stable outlook for the issue of new bonds (Series M), (Series N) and (Series O). In April 2024, Maalot informed the Company of an update to the rating outlook to negative. In April 2025, Maalot informed the Company of an update to the rating outlook from negative to stable. In September 2025, Maalot determined its rating of iIA- with a stable outlook for the issue of new bonds (Series P and Series Q).

40. In January 2012, Midroog announced the ratification of its A1 rating with a stable outlook for the Company's bonds in circulation and for the raising of debt through a new bond series. In January 2014, Midroog announced that it was ratifying the rating of iIA for the Company and for the bond series in circulation, and raising the outlook from stable to positive. In December 2014, Midroog announced that it would be raising the rating of these bonds in circulation from A1 with a positive outlook to Aa3 with a stable outlook. In November 2015, Midroog determined its rating of iIAa3 with a stable outlook for the issue of new bonds (Series I and Series J). In July 2019, Midroog determined its rating of iIAa3 with a stable outlook for the issue of new bonds (Series L). In September 2022, Midroog determined its rating of iIAa3 with a stable outlook for the issue of new bonds (Series M), (Series N) and (Series O). In April 2024, Midroog informed the Company of an update to the rating outlook from stable to negative. In addition, Midroog assigned the Company an issuer rating of Aa3.il with a negative rating outlook. In May 2025, Midroog informed the Company of an update to the rating outlook from negative to stable. In September 2025, Midroog determined its rating of Aa3.il with a stable outlook for the issue of new bonds (Series P and Series Q).

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

Appendix F – Material Assets⁴²

The following is information regarding a material property - the Dovetail Building, an investment property in development:

Parameters	December 31, 2025
Subject of the valuation	Investment property
Property name	Dovetail Building
Property location	Houndsditch, London, EC3
Holding structure in the property	BE holds 100% indirectly in the property
Property acquisition date	March 2019
Identity of valuer	John Barham - Cushman & Wakefield
Type of valuer	Cushman & Wakefield – Mr. John Barham, Certified Valuer since 1989, registered as a Valuer on behalf of RICS (Royal Institute of Certified Reviewers). Mr. Barham has specialized in valuations of income-generating properties in central London since 2000. He serves as Team Head of Income-Generating Property Valuation in Central London at C&W. The team is regularly responsible for property valuations amounting to approx. GBP 100 billion in central London. Mr. Barham is a signatory to reports for British Land (for the Broadgate and Canada Water properties), Kings Cross properties for the borrowers, the Salesforce Tower property (for the borrowers), and the Nuveen Central London Property Fund.
Independent valuer?	Independent - External valuer as defined by the RICS
Indemnity agreement?	No
Validity date of the valuation (the date to which the appraisal refers)	December 31, 2025
Valuation model	Extraction method
Main Use	Offices

	2025	2024 ⁴³
Cumulative cost at end of year (including land) in GBP millions	169	138
Fair value at end of year in GBP millions	194	135
Book value at end of year in NIS millions	831	620
Revaluation gains in GBP millions	17	14
Completion rate as of the end of the year	5%-10%	Non-material

The following is a summary of additional key data regarding the valuation:

Parameters	2025	2024
Balance of estimated construction budget (not including the land cost)	GBP 520 million	GBP 530 million
Expected NOI upon full occupancy	GBP 47 million	GBP 45 million
Rent free months	24-36	24-36
Discount rate	5%	5%
Entrepreneurial profit rate over cost	15%	15%
Rental area	440 sq ft	462 sq ft
Rate of property areas for which binding leases were signed at end of year	-	-
Main use	Offices	Offices
Date of project start	2024	2024
Date of project end	2029	2029

42. In accordance with the proposed amendment to the Securities Regulations to establish "Disclosure Guidance regarding Investment Property Activities" from December 2023.

43. The property was classified as property in development as of December 31, 2024, and therefore the disclosure regarding a material property in development was provided as of this date.

Appendix F – Material Assets⁴⁴

The following is information regarding a material asset - One Congress, an income-generating property (the above information relates to 100% of the project. Carr's share in the property as of September 30, 2025 is 75%.

Parameters	December 31, 2025
Subject of the valuation	Income-generating property
Property name	One Congress
Carr's share in the property	75%
Property location	1 Congress St. Boston, MA 02114
Size (leasable sq ft)	1,008,122
Main use	Offices
Identity of appraiser⁴⁵	Caitlin Bevis - Breakpoint Advisors
About the appraiser	Ms. Caitlin Bevis (MAI) is the Managing Partner of Breakpoint Advisors, a real estate appraisal and consulting firm whose main clients are institutional clients. Ms. Bevis is a member of the Appraisal Institute and holds an appraisal license in various states. Ms. Bevis specializes in the appraisal of most types of real estate throughout the United States. Ms. Bevis focuses mainly on the appraisal of offices located in CBD and suburban areas as well as industrial, commercial and residential properties. Ms. Bevis also teaches and coaches students and colleagues at the Steers Center for Global Real Estate at Georgetown University's School of Business. Previously, she served as a property manager for a portfolio of medical offices. Prior to founding Breakpoint, Ms. Bevis held management positions at Capright Appraisals as the Boston Branch Manager, and before that as an appraiser at Walden Merling. Ms. Bevis holds a Master of Arts degree from the University of Chicago and has over 23 years of experience in commercial real estate.
Independence of appraiser	The appraiser is independent.
Indemnity agreement?	There is indemnity on the part of Carr, except in cases of negligence or misconduct on the part of the appraiser. The specific wording does not include negligence or misconduct of Breakpoint.
Valuation date	December 31, 2025
Valuation model	Income approach (DCF)
Fair value shortly before the valuation date (fair value as of September 30, 2025) (100% of the asset) (USD millions)	998.9
Fair value shortly as of the valuation date (December 31, 2025) (100% of the asset) (USD millions)	1,020.6
Revaluation gains in the fourth quarter of 2025 (100% of the asset) (USD millions)	6.3
Revaluation gains in 2025 (100% of the asset) (USD millions)	27
Discount rate	6.5%
Exit rate	7.5%
Annual inflation rate for market rental fees	Years 1-2 – 0% Year 3 – 2% Year 4 onwards – 3%
Inflation rate for expenses	Year 2 onwards – 3%
Probability of renewal	65%
Marketing period for tenant replacement	12 months
The first months exempt from rent	10 months (for a 10-year rental period)

⁴⁴ In accordance with the proposed amendment to the Securities Regulations to establish "Disclosure Guidance regarding Investment Property Activities" from December 2023.

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

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

Appendix H – FFO for Financial Liabilities and Trust Deed Purposes

The FFO is an index commonly-used in the United States and in Europe to provide additional information on the results of the operations of real estate companies, providing an appropriate basis for comparisons between income-generating property companies. The FFO reflects net income, with the neutralization of profits (or losses) from the sale of properties and/or from property revaluations, depreciation and amortization and deferred taxes. This index presents the Company's cash generating capability from regular and ongoing activities in the reporting period.

In the calculation of the FFO in the income-generating property activity (in the investees mentioned below), exchange rate differences and linkage difference expenses in respect of CPI-linked bonds and loans were not included because, in the opinion of the investees' managements, those expenses do not reflect cash flow from regular ongoing activities (hereinafter - **"FFO according to the Management Approach"**).

According to the position of the Securities Authority, FFO data according to the Securities Authority's approach has been added, in addition to the FFO according to the management's approach. The FFO according to the Securities Authority's approach includes, among other things, the exchange rate differences and the linkage difference expenses for index-linked bonds and loans (hereinafter - **"FFO according to the Securities Authority's approach"**).

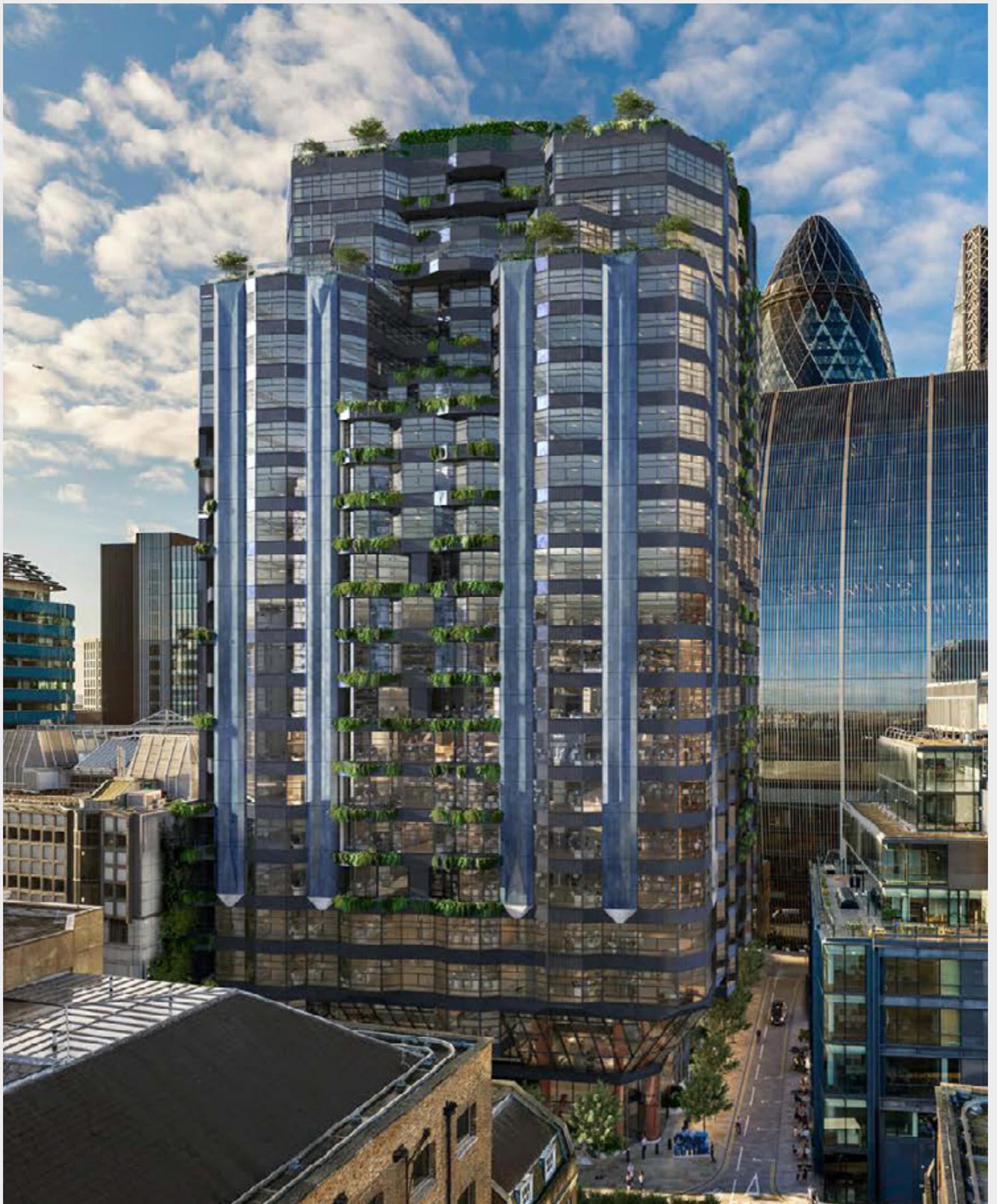
For information regarding the FFO of the investees Amot, Carr, BE and AH Boston, please see Section 2.3.3 above.

It should be noted that throughout this periodic report (of which this Board of Directors' Report forms a part), whenever the "FFO" is mentioned, it refers to the FFO according to management's approach unless expressly stated otherwise.

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

	2025	2024	2023
	NIS thousands	NIS thousands	NIS thousands
Company shareholders' share in net income (loss) for the period	7,439	(346,199)	(2,392,409)
Adjustments to profit and loss:			
Fair value adjustments of investment property	(385,136)	(607,208)	926,169
Company share in property revaluations and other non-FFO items in investees	161,864	702,641	1,892,409
Profit from Carr's conceptual realization and gain of control	(116,502)	-	-
Realization of capital reserves due to the gaining of control in Carr	396,451	-	-
Net losses (profits) from investments in securities measured at fair value through profit or loss	10,376	231,945	17,299
Others (mainly depreciation and amortizations) (*)	379,008	208,458	168,145
Non-FFO financing expenses (mainly linkage differences and exchange rate differences)	331,642	354,889	317,157
Non-FFO deferred taxes and current taxes, net	(258,909)	(15,835)	(3,800)
Share of non-controlling interests in the above adjustments to FFO	(29,579)	7,557	(324,468)
Real FFO - according to the Management's approach	496,654	536,225	600,053
The sources of the FFO are as follows:			
Revenue			
Investment property NOI	1,388,272	1,208,724	1,152,065
NOI from the sale of electricity (**)	628,369	693,658	560,965
Group's share in Carr's FFO, not including property revaluations	57,764	110,216	120,792
Group's share in AH Boston's FFO, not including property revaluations	8,916	29,899	40,351
Group's share in FFO of associates in Amot and in Brockton Everlast	54,723	22,348	27,269
Other revenue	4,464	30,498	1,199
Total revenue	2,142,508	2,095,343	1,902,641
Expenses			
Real financing, net	(710,222)	(632,409)	(474,368)
Administrative and general	(266,879)	(245,391)	(181,565)
Current taxes	(101,461)	(93,470)	(81,616)
Share of non-controlling interests attributed to operating activities	(567,289)	(587,848)	(565,039)
Total expenses	(1,645,851)	(1,559,118)	(1,302,588)
Real FFO - according to the Management's approach	496,657	536,225	600,053

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



CONSOLIDATED FINANCIAL STATEMENTS

ALONY HETZ PROPERTIES & INVESTMENTS LTD



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

	Note	As of	As of December
		December 31	31
		2025	2024
		NIS thousands	NIS thousands
Assets			
<u>Current assets</u>			
Cash and cash equivalents	3a	2,089,050	1,524,326
Deposits and designated deposit	3d	414,970	30,940
Trade receivables		122,523	115,629
Current tax assets, net	20	89,268	29,777
Other receivables	3c	526,004	302,817
Total current assets		3,241,815	2,003,489
<u>Non-current assets</u>			
Investment property	4	24,988,174	19,846,080
Investment property in development and land rights	4	6,016,638	5,160,484
Long-term investments			
Securities measured at fair value through profit and loss	5	195,843	218,459
Investment in companies accounted for according to the equity method	6	1,010,517	2,084,985
Deferred tax assets	21	276,150	233,675
Electricity-generating facilities			
Connected electricity-generating facilities	7	6,578,233	5,674,033
Right-of-use asset	7	637,507	617,966
Electricity-generating facilities in development	8	3,816,543	3,620,530
Restricted deposits	9	20,821	30,005
Fixed assets, net		133,641	120,407
Other assets		411,574	437,530
Total non-current assets		44,085,641	38,044,154
Total assets		47,327,456	40,047,643

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

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

	As of December 31		
	2025	2024	
	Note	NIS thousands	NIS thousands
Liabilities and equity			
<u>Current liabilities</u>			
Short term credit and current maturities of long term loans	10a	1,363,250	850,251
Current maturities of bonds	11	1,129,704	1,048,061
Current maturities of lease liabilities	2n	41,215	35,808
Current tax liabilities, net	21	126,881	133,592
Other payables	10b	1,450,663	1,644,680
Deferred revenue in respect of agreement with the tax partner	13	321,040	228,112
Financial liability in respect of agreement with the tax partner	13	35,213	47,095
Total current liabilities		4,467,966	3,987,599
<u>Non-current liabilities</u>			
Bonds	11	15,287,203	14,192,726
Loans from banking corporations and financial institutions	12	10,020,434	5,991,375
Lease liability	2n	706,958	676,820
Deferred tax liabilities	20	2,153,270	2,038,435
Provisions	16	16,483	16,483
Other liabilities	15	812,132	865,665
Deferred revenue in respect of agreement with the tax partner	13	659,326	549,025
Financial liability in respect of agreement with the tax partner	13	114,497	96,989
Total non-current liabilities		29,770,303	24,427,518
<u>Equity</u>			
Equity attributed to Company shareholders	17	5,608,853	5,413,576
Non-controlling interests		7,480,334	6,218,950
Total equity		13,089,187	11,632,526
Total liabilities and equity		47,327,456	40,047,643

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

On behalf of the Board of Directors:

Aviram Wertheim _____ Chairman of the Board of Directors

Nathan Hetz _____ Member of the Board of Directors and CEO

Oren Frenkel _____ Chief Financial Officer

March 17, 2026

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

		For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
	Note	NIS thousands	NIS thousands	NIS thousands
Revenues and profits				
Revenue from rental fees and management of investment property	17a	1,668,831	1,389,184	1,324,063
Fair value adjustments of investment property	17b	385,136	607,208	(926,169)
Group share in the losses of associates, net	6f	(40,461)	(540,178)	(1,703,997)
Net losses from investments in securities measured at fair value through profit and loss		(10,376)	(227,508)	(17,299)
Revenues from sale of electricity and green certificates		755,665	856,210	680,713
Profit from gain of control in Carr		116,502	-	-
Other revenues, net		4,466	26,033	1,648
		<u>2,879,763</u>	<u>2,110,949</u>	<u>(641,041)</u>
Costs and expenses				
Cost of investment property rental and operation	17c	280,555	180,460	168,894
Initiation, maintenance and operation costs of electricity-generating facilities		167,944	121,400	110,801
Depreciation and amortizations		306,617	228,141	159,963
Administrative and general	18d	298,628	266,809	201,798
Realization of translation difference reserve and other reserves due to the gain of control in Carr	6b	396,451	-	-
Financing income	18f	(79,219)	(92,140)	(96,590)
Financing expenses	18e	1,121,083	1,079,438	888,115
		<u>2,492,059</u>	<u>1,784,108</u>	<u>1,432,981</u>
Profit before taxes on income		387,704	326,841	(2,074,022)
Income tax expenses (income)	21	(157,448)	77,635	77,816
Net profit for the period		545,152	249,206	(2,151,838)
Company shareholders				
Non-controlling interests		537,713	595,405	240,571
		<u>545,152</u>	<u>249,206</u>	<u>(2,151,838)</u>
Net earnings (loss) per share attributed to Company shareholders (in NIS)				
Basic	20	0.03	(1.81)	(13.31)
Fully diluted		0.03	(1.81)	(14.15)
Weighted average of share capital used in calculation of earnings per share (thousands of shares)				
Basic		215,593	191,054	179,722
Fully diluted		<u>215,773</u>	<u>191,054</u>	<u>179,722</u>

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

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

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
	NIS thousands	NIS thousands	NIS thousands
Net profit for the period	545,152	249,206	(2,151,838)
Other comprehensive income (loss)			
Amounts to be classified in the future to profit or loss, net of tax			
Profit (loss) from the translation of financial statements for foreign activities	(872,859)	(23,218)	719,644
Profit (loss) from exchange rate differences in respect of credit and derivatives designated for the hedging of investments in companies that constitute foreign activity, net of tax	321,205	(65,473)	(664,736)
Profit (loss) from exchange rate differences and changes in fair value of instruments used for cash flow hedging, net of tax	(41,103)	(26,849)	17,805
Company's share in other comprehensive income of associates, net of tax	(5,201)	(15,648)	(18,625)
Realization of capital reserves due to the acquisition of Carr (1)	396,451	-	-
Other comprehensive income (loss) for the period, net of tax	(201,507)	(131,188)	54,088
Total comprehensive income (loss) for the period	343,645	118,018	(2,097,750)
Distribution of comprehensive earnings (loss) for the period			
Company shareholders	(22,136)	(443,351)	(2,425,233)
Non-controlling interests	365,781	561,369	327,483
	343,645	118,018	(2,097,750)

- (1) The amount consists of the realization of a reserve for the translation of financial statements of foreign operations in the amount of approx. NIS 103 million, the realization of a cash flow hedging reserve in the amount of approx. NIS 46 million and the realization of a reserve for exchange rate differences in respect of derivatives designated for hedging in the amount of NIS 247 million.

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

Alony-Hetz Properties and Investments Ltd. | Consolidated Statements of Changes in Equity for the Year ended December 31, 2025 (NIS thousands)

	Share capital	Share premium	Receipts on account of options	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 2025	233,107	3,751,981	27,626	(636,807)	387,117	(589)	1,651,141	5,413,576	6,218,950	11,632,526
Total comprehensive income for the period	-	-	-	(43,542)	13,967	-	7,439	(22,136)	365,781	343,645
Dividend paid to Company shareholders	-	-	-	-	-	-	(207,161)	(207,161)	-	(207,161)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	-	(438,296)	(438,296)
Entry into consolidation	-	-	-	-	-	-	-	-	691,379	691,379
Exercise of employee options	814	28,676	-	-	(3,488)	-	-	26,002	-	26,002
Exercise of Series 16 options	10,251	342,629	(27,626)	-	-	-	-	325,254	-	325,254
Expiry of employee options	-	3,698	-	-	4,285	-	-	7,983	(7,983)	-
Allocation of benefit in respect of options to employees and officers	-	-	-	-	3,950	-	-	3,950	24,026	27,976
Exercise of employee options in consolidated companies	-	-	-	-	14,828	-	-	14,828	33,386	48,214
Issuance of capital in consolidated companies	-	-	-	-	46,557	-	-	46,557	593,091	639,648
Balance as of December 31, 2025	244,172	4,126,984	-	(680,349)	467,216	(589)	1,451,419	5,608,853	7,480,334	13,089,187

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

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

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

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

Alony-Hetz Properties and Investments Ltd. | Consolidated Statements of Changes in Equity for the Year ended December 31, 2023 (NIS thousands)

	Share capital	Share premium	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 2023	197,796	2,795,162	(551,365)	478,680	(589)	4,790,295	7,709,979	5,881,441	13,591,420
Total comprehensive income (loss) for the period	-	-	(18,134)	(14,690)	-	(2,392,409)	(2,425,233)	327,483	(2,097,750)
Dividend paid to Company shareholders	-	-	-	-	-	(262,394)	(262,394)	-	(262,394)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	(432,386)	(432,386)
Expiry of employee options	-	12,476	-	(5,711)	-	-	6,765	(6,765)	-
Allocation of benefit in respect of options to employees and officers	-	-	-	4,148	-	-	4,148	35,534	39,682
Issuance of capital in consolidated companies	-	-	-	1,521	-	-	1,521	63,329	64,850
Sale of shares to non-controlling interests in a consolidated company	-	-	-	(2,928)	-	-	(2,928)	222,918	219,990
Acquisition of shares from non-controlling interests in a consolidated company	-	-	-	(29,801)	-	-	(29,801)	(29,488)	(59,289)
Balance as of December 31, 2023	197,796	2,807,638	(569,499)	431,219	(589)	2,135,492	5,002,057	6,062,066	11,064,123

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

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

	For the year ended December 31	For the year ended December 31	For the year ended December 31
	2025	2024	2023
	NIS thousands	NIS thousands	NIS thousands
Cash flows - Operating activities			
Net profit (loss) for the period	545,152	249,206	(2,151,838)
Net expenses not entailing cash flows (Appendix A)	941,391	1,051,783	3,147,558
	1,486,543	1,300,989	995,720
Changes in working capital (Appendix B)	(538,509)	(236,656)	124,977
Net cash provided by operating activities	948,034	1,064,333	1,120,697
Cash flows - Investing activities			
Investment in fixed assets and investment property (including investment property in development)	(1,240,312)	(864,383)	(655,762)
Proceeds from the realization of investment property, net of tax	186,669	333,570	-
Investment in electricity-generating systems	(2,434,335)	(1,428,938)	(2,279,175)
Investment in associates	(76,630)	(124,240)	(51,213)
Decrease (increase) in pledged deposit and restricted cash	(42,843)	636,054	(587,164)
Repayment of loans provided to associates, net	2,401	4,000	3,950
Provision of loans to others	(5,141)	(28,167)	(65,254)
Decrease in deposits and tradable securities, net	-	-	400,000
Cash from forward transactions and options designated for hedging	6,018	(388,117)	(549,292)
Net investment in investment property funds	-	(68,598)	-
Acquisition of consolidated companies (Appendix E)	(185,664)	-	-
Miscellaneous	(24,293)	-	353
Net cash used in investing activities	(3,814,130)	(1,928,819)	(3,783,557)
Cash flows - Financing activities			
Proceeds from the Group's issuance of bonds, net	1,924,353	555,078	1,972,385
Repayment of bonds	(1,107,956)	(1,299,833)	(1,299,986)
Receipt of long-term loans, net of capital raising expenses paid	3,352,203	2,055,653	2,503,494
Repayment of long-term loans	(1,356,270)	(978,682)	(501,831)
Proceeds from the issuance of shares and options	351,256	1,003,812	-
Proceeds from the issuance of shares and options to non-controlling interests in consolidated companies	696,344	92,154	41,457
Sale of shares to non-controlling interests in consolidated companies, net	-	-	219,990
Acquisition of shares and options from non-controlling interests in consolidated companies, net	-	(58,961)	(24,243)
Increase (decrease) in short-term credit and in utilized long-term credit facilities from banks	488,323	(548,551)	882,905
Dividend paid to Company shareholders	(207,161)	(138,152)	(262,394)
Dividends paid to non-controlling interests in consolidated companies	(438,296)	(472,563)	(432,386)
Net cash provided by financing activities	3,702,796	209,955	3,099,391
Increase (decrease) in cash and cash equivalents	836,700	(654,531)	436,531
Cash and cash equivalents at beginning of period	1,524,326	2,197,677	1,694,701
Designated deposit at beginning of period	27,931	3,627	34,435
Effect of exchange rates on foreign currency cash balances	(97,745)	5,484	35,637
Cash and cash equivalents at end of period	2,291,212	1,552,257	2,201,304
Less - Designated deposit at end of period	202,162	27,931	3,627
Total cash and cash equivalents	2,089,050	1,524,326	2,197,677

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

	For the year ended December 31 2025	For the year ended December 31 2024	For the year ended December 31 2023
	NIS thousands	NIS thousands	NIS thousands
Adjustments required to present cash flows from operating activities			
a. Expenses (income) not entailing cash flows			
Fair value adjustment of investment property and profit from its sale	(385,138)	(607,209)	926,169
Loss (profit) from gain of control in Carr and from changes in rate of holding	280,031	(23)	(449)
Differences from adjustments, interest and discounting in respect of long-term liabilities and cash balances	441,078	474,223	324,327
Loss (profit) from fair value adjustment of financial assets at fair value through profit and loss	33,645	222,102	(719)
Company's share in results of associates, net of dividends and capital reductions received	94,854	569,073	1,733,948
Deferred taxes, net	81,878	170,419	(46,511)
Depreciation and amortizations	308,403	200,666	165,273
Allocation of benefit in respect of share-based payment	34,994	24,222	34,069
Miscellaneous, net	7,979	(1,690)	11,451
	<u>897,724</u>	<u>1,051,783</u>	<u>3,147,558</u>
b. Changes in asset and liability items (changes in working capital)			
Decrease (increase) in trade receivables and in other receivables	(37,926)	(49,116)	(2,754)
Decrease (increase) in current tax assets, net	(319)	(5,839)	30,103
Increase (decrease) in payables and credit balances	20,544	(26,432)	(10,169)
Increase (decrease) in current tax liabilities, net	(467,811)	(156,805)	110,149
Sale (purchase) of CAP options	(9,330)	1,536	(2,352)
	<u>(494,842)</u>	<u>(236,656)</u>	<u>124,977</u>
c. Non-cash activity			
Increase in provision for evacuation and rehabilitation against systems under construction	15,130	18,796	64,055
Investment of non-controlling interests	-	-	20,820
Exercise of employee options against receivables	5,189	12,353	10,189
Investment in electricity-generating systems against supplier credit and payables	379,399	855,213	440,014
Realization of investment property against receivables	1,000	8,250	-
Increase in right-of-use asset against lease liabilities	105,626	134,076	123,421
Investment in property and fixed assets against other payables and credit balances	35,232	61,761	24,882
Accounts payable in respect of capital issuance	1,253	-	-

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

	For the year ended December 31	For the year ended December 31	For the year ended December 31
	2025	2024	2023
	NIS thousands	NIS thousands	NIS thousands
d. Additional information			
Interest paid	764,543	593,261	559,420
Interest received	67,941	83,458	54,977
Taxes paid (*)	279,232	89,588	74,297
Taxes received	17,736	11,739	14,696
Dividends and capital reductions received	54,451	21,017	27,459

(*) The taxes paid in 2024 and 2025 include appreciation tax due to realization of properties.

e. Company consolidated for the first time - Asset and liability amounts recognized on the date of gaining control

Working capital	90,638	-	-
Investment property and investment property in development	5,159,604	-	-
Investments in companies accounted for according to the equity method and other assets	452,002	-	-
Loans from banking corporations and financial institutions and other liabilities	(3,433,417)	-	-
Non-controlling interests	(691,378)	-	-
Realization of investment in associate	(1,391,786)	-	-
Net cash	185,663	-	-

(*) The taxes paid in 2024 and 2025 include appreciation tax due to realization of properties.

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