This document is an unofficial translation of the Company's Board of Directors' Report and certain parts of its Second quarter of 2026 Financial Statement (main reports without notes) from the original report in Hebrew dated August 18, 2026 (Reference Number: 2026-01-077032) (the "Report"). This translation is published for convenience purposes only, while the Hebrew version of the Report is the binding one.

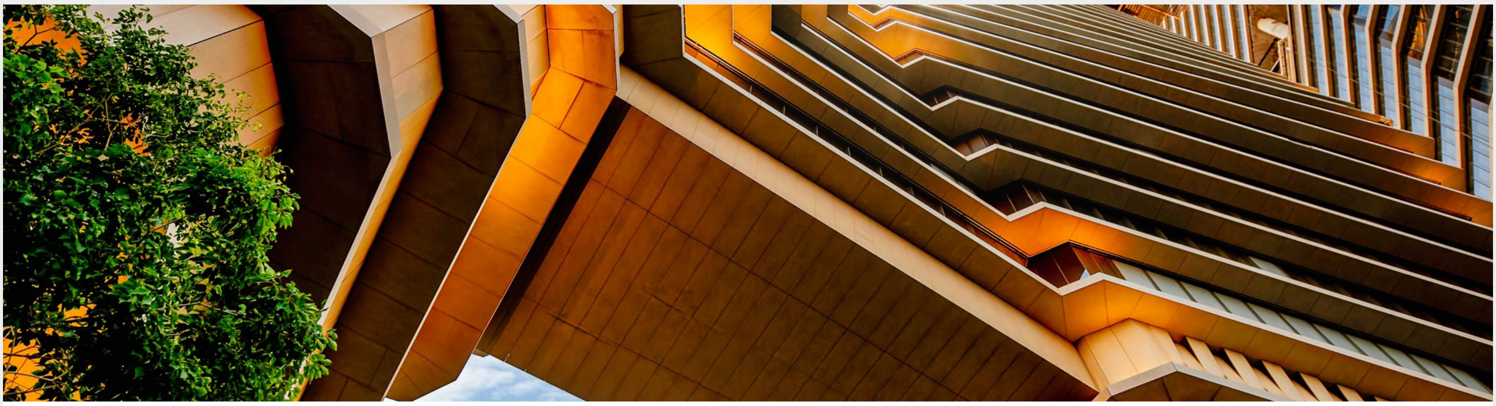
TOHA II / AMOT / TEL AVIV

QUARTERLY REPORT AS OF JUNE 30, 2026

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz

Properties & Investments Ltd



TOHA I / AMOT / TEL AVIV

Board of Directors' Report on the State of Corporate Affairs

Consolidated Financial Statements

QUARTERLY REPORT AS OF JUNE 30, 2026

ALONY HETZ PROPERTIES & INVESTMENTS LTD

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MIDTOWN CENTER / CARR / WASHINGTON DC, USA

BOARD OF DIRECTORS' REPORT ON THE STATE OF CORPORATE AFFAIRS

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz
Properties & Investments Ltd

Ramat Gan, August 17, 2026

Board of Directors' Report for the Six-Month Period ended June 30, 2026

The Board of Directors of Alony-Hetz Properties and Investments Ltd. (hereinafter - the "**Company**") is pleased to submit the Company's Board of Directors' Report for the six-month period ended June 30, 2026 (hereinafter - the "**Reporting Period**"). This Board of Directors' Report and its updates were prepared on the assumption that the reader has access to the Company's periodic report for the year 2025, which the Company published on March 18, 2026 (Ref: 2026-01-023715), including the "Description of the Corporation's Business" chapter, the "Report of the Board of Directors on the Status of the Corporation's Business", "Additional Information on the Corporation" and the "Consolidated Financial Statements" (hereinafter, collectively - the "**2025 Periodic Report**").

1. Concise description of the Group

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

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

1.1 The Group's main income-generating property investments as of June 30, 2026:

Activity in Israel

Holdings at a rate of 51.17% in Amot Investments Ltd. (hereinafter - "**Amot**"), a publicly traded income-generating property company whose securities are listed on the Tel Aviv Stock Exchange Ltd. For additional information, see Section 2.3.4 below.

Activity in the United States

- Effective holdings at a rate of 80.75% in the capital of Carr Properties (hereinafter - "**Carr**"), an American partnership that holds income-generating property, whose properties are all located in the United States, in the Washington D.C. metropolitan area and in Boston. For additional information, please see Section 2.3.5 below.

Activity in the UK

- A holding rate of 85.57% 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 Section 2.3.6 below.

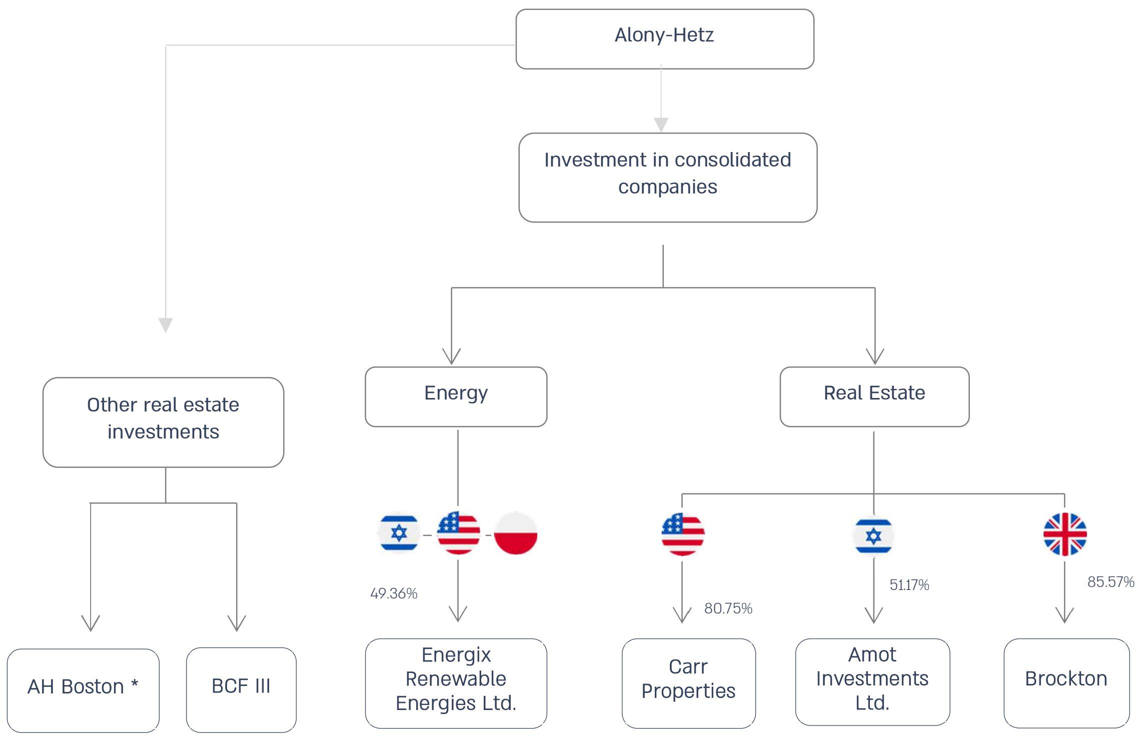
Main investments in the income-generating property segment

- 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.
- Holdings in a UK income-generating real estate fund.

1.2 The Group’s renewable energy investments as of June 30, 2026:

Holdings of 49.36% in Energix - Renewable Energies Ltd. (hereinafter - “**Energix**”), a public company whose securities are listed for trading on the Tel Aviv Stock Exchange Ltd. Energix engages in the initiation, development, financing, construction, management and operation of facilities for the electricity generation from renewable energy sources, storage and sale of electricity generated in these facilities, with the intention of holding them for the long term. As of the date of the report, Energix has operations in the United States, Poland, Lithuania and Israel. For additional information, please see Section 2.3.7 below.

1.3 The following are the Group's main holdings as of June 30, 2026:



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

1.4 Stock Market Indices

The Company’s shares are traded on the Tel Aviv Stock Exchange Ltd. (hereinafter - the “**TASE**”). The main stock market indices to which the Company's securities belong are: TA-90, TA-125, TEREAL, TA-Investment Properties in Israel, Tel-Div, the various TelBond indices and the TA-125 Fossil Free Climate Index.

1.5 Main events from the beginning of 2026 to the date of publication of the report:

Alony-Hetz (the Company expanded solo)	▪ Debt raising through the expansion of bonds (Series Q) in the amount of NIS 335 million PV with an average maturity of 7.65 and net proceeds of approx. NIS 353 million. ▪ Extension of credit facilities with banks in Israel in a total amount of NIS 400 million. ▪ Engagement in a new credit facility agreement with a bank in Israel in the amount of NIS 150 million.
Amot	▪ Debt raising through the expansion of bonds (Series I) and (Series J) in the amounts of NIS 505 and 236 million PV (respectively) with an average maturity of 7.59 and 6.95 (respectively) and net proceeds of approx. NIS 777 million.
Carr Properties	▪ Acquisition of a Class A office building (1401 New York Ave.) located in Washington, D.C., in partnership with an American institutional investor (Carr's share - 25%) for USD 85 million. ▪ Addition of an American institutional investor (75%) to a project for the construction of rental apartments in Northern Virginia. 3033 Wilson for USD 31 million.
Energix	▪ Connection of systems to the electricity grid with a total capacity of approx. 43 MW in the United States and approx. 71 MWh of storage systems (Stand Alone) in Poland. ▪ Engagement in transactions for the acquisition of projects in the United States and Lithuania with a capacity of over 0.9 GW. ▪ Acquisition transactions completed for projects in Lithuania with a total capacity of approx. 626 MW (approx. 220 MW wind and up to 60 MWp photovoltaic) and approx. 286 MWh (storage). ▪ Completion of project financing and tax partner investment for an additional project with a capacity of 152 MWp E5 battery in the United States in the amount of up to USD 236 million.

1.6 Summary of the main data - the Group

Main financial results - Consolidated Statements		H1	H1	Q2	Q2	Year	
	Unit	2026	2025	2026	2025	2025	% Change[1]
Revenue from rental fees and management of investment property	NIS thousands	979,444	702,295	485,886	353,161	1,668,831	39
Fair value adjustments of investment property	NIS thousands	(6,671)	295,090	9,675	287,865	385,136	
Group share in the profits (losses) of associates, net	NIS thousands	33,280	52,576	17,290	(550)	(40,461)	(37)
Revenue from sale of electricity and green certificates	NIS thousands	378,674	365,152	193,302	195,859	755,665	4
Revenue from sale of tax benefits	NIS thousands	161,766	112,647	77,420	53,720	407,768	44
Net profit (loss) for the period	NIS thousands	90,803	456,586	(107,825)	291,630	545,152	(80)
Net profit (loss) for the period attributed to Company shareholders	NIS thousands	(102,238)	201,306	(178,774)	134,332	7,439	
Comprehensive income (loss) for the period, attributed to Company shareholders	NIS thousands	(422,958)	60,641	(449,599)	(148,834)	(22,136)	
Total balance sheet	NIS thousands	47,009,639	41,755,709			47,327,456	(.7)
Equity (including non-controlling interests)	NIS thousands	12,265,139	11,618,905			13,089,187	(6.3)
Financial debt (bank credit and bonds)[2]	NIS thousands	28,369,730	22,316,892			27,810,470	2
Net financial debt[3]	NIS thousands	26,638,509	22,576,163			25,721,420	3.6
Ratio of net financial debt to total balance sheet[4]	%	58.8	56.4			56.9	
Main financial results - Expanded Solo[5]							
Total balance sheet	NIS thousands	11,251,483	11,268,929			11,845,001	(5.0)
Equity attributed to Company shareholders	NIS thousands	5,097,711	5,388,254			5,608,853	(9.1)
Financial debt (bank credit and bonds)[2]	NIS thousands	5,947,604	5,802,493			6,089,326	(2.3)
Net financial debt[3]	NIS thousands	5,844,953	5,293,407			5,714,654	2.3
Ratio of net financial debt to total balance sheet[3]	%	52.4	49.2			49.8	
Earnings (loss) per share data							
Earnings (loss) per share - basic	NIS	(0.45)	0.94	(0.79)	0.63	0.03	
Comprehensive income (loss) per share - basic	NIS	(1.87)	0.28	0.63	(.69)	(.10)	
Current dividend per share	NIS	0.50	0.48	0.25	0.24	0.96	4.2
NAV per share	NIS	22.53	25.06			24.81	(9.2)
NNAV per share[6]	NIS	27.28	29.64			29.02	2.1
Price per share at end of period	NIS	33.16	34.89			39.20	(15.4)

1. Balance sheet data of June 30, 2026 compared to December 31, 2025. Result data of 1-6/2026 compared to 1-6/2025.
2 Financial debt also includes assets/liabilities of derivative transactions carried out by the Group.
3. Financial debt presented net of cash balances.
4. Net financial debt as a percent of total balance sheet, less cash balances.
5. In the expanded solo balance sheet, the investment in Amot, Energix, BE and Carr is presented on an equity basis instead of the consolidation of their statements with the Company's statements (the remaining investments are presented unchanged in the statement presented in accordance with IFRS principles).
6. When calculating the NNAV per share, the Company's tax reserves (expanded solo) were neutralized, as was the Company's share in the tax reserves of investees.

1.7 Summary of the main data - Investees

		H1 2026	H1 2025	Q2 2026	Q2 2025	Year 2025
Investment in Israel - Amot Investments Ltd. (rate of holdings as of June 30, 2026 - 51.17%)[7]						
Number of income-generating properties	Unit	111	113			111
Value of investment property (not including property in development) - incl. property held for sale	NIS thousands	17,941,037	17,679,764			17,726,465
Weighted discount rate derived from investment property	%	6.34	6.36			6.3
Occupancy rate at end of period	%	91.9	93.2			93.3
Value of investment property in self-development	NIS thousands	4,149,141	3,546,932			332,457
Fair value adjustment	NIS thousands	290,778	263,159	290,778	249,872	3,781,206
Ratio of net financial debt to total balance sheet	%	43.5	44.6			1,059,707
NOI[8]	NIS thousands	539,673	527,174	270,317	262,846	801,788
FFO[9]	NIS	399,787	405,345	211,963	203,492	20.0
NAV per share	NIS	20.2	19.6			25.0
Price per share at end of period	NIS	18.5	22.8			3,781,206
Investment in the United States - Carr Properties Corporation (rate of holdings as of June 30, 2026 - 80.75%)[10]						
Number of income-generating properties	Unit	7	10			7
Value of investment property (not including property in development)	USD thousands	1,613,877	1,896,996			1,648,639
Rental rate at end of period	%	94.3	89.3			92.6
Number of properties in development	Unit	3	2			3
Value of self-developed properties	USD thousands	53,156	34,036			64,769
Fair value adjustment		(11,809)	16,099	(7,122)	6,143	(13,833)
Ratio of net financial debt to total balance sheet	%	60.2	60.2			61.9
[11]NOI	USD thousands	64,157	74,891	33,582	36,056	136,852
FFO	USD thousands	27,351	33,587	14,803	15,578	56,962

7. The main figures for Amot are from the Amot's expanded consolidated financial statements published in Amot's Board of Directors' Report (hereinafter - "**Amot's Pro Forma Reports**"). Amot's Pro Forma Reports are Amot's reports presented according to IFRS principles, with the exception of the implementation of IFRS 11 "Joint Arrangements", which came into effect on January 1, 2013. In Amot's Pro Forma Reports, the investments in investees, presented based on the equity method in Amot's Financial Statements, are neutralized and presented according to the relative consolidation method, similar to their treatment prior to IFRS coming into effect.
8 Net operating income.
9. Funds from operations.
10. The financial data presented above includes Carr's economic share in its assets and liabilities and those of all its investees, including of companies that are not consolidated in its financial statements prepared in accordance with IFRS principles. For additional information regarding Carr's business development after the reporting period, please see Section 2.3.5.2.
11. Including NOI from property management

1.8 Summary of the main data - Investees (continued)

		H1 2026	H1 2025	Q2 2026	Q2/2025	2025
Investment in the UK - Brockton Everlast Inc. Limited (rate of holdings as of June 30, 2026 - 85.57%)						
Number of income-generating properties	Unit	11	11			11
Value of investment property (not including property in development and land in initiation)	GBP thousands	690,200	705,800			701,400
Occupancy rate at end of period	%	97.6	97.5			94.8
Property in development and land in initiation[12]	GBP thousands	464,100	454,150			492,250
Fair value adjustment	GBP thousands	(66,429)	7,609	(65,587)	8,942	9,969
Ratio of financial debt to total balance sheet	%	28.2	29.0			29.1
NOI	GBP thousands	20,028	20,185	10,090	10,434	41,892
FFO	GBP thousands	9,392	8,541	4,863	6,494	20,061
Investment in renewable energy - Energix Renewable Energies Ltd. (rate of holdings as of June 30, 2026 - 49.36%)						
Installed capacity from connected photovoltaic systems (MWp) - Energix's share	Unit	1,400	1,209			1,400
Installed capacity from connected wind systems (MW) - Energix's share	Unit	301.2	301.2			301.2
Installed capacity of storage (MWh) - Energix's share	Unit	0.5 GWh	0.189 GWh			0.189 GWh
Balance of connected electricity-generating facilities - according to book value	NIS thousands	6,214,871	5,794,654			6,578,233
Balance of electricity-generating facilities under construction - at book value	NIS thousands	4,913,188	3,804,846			3,816,543
Price per share at end of period	NIS	26.1	12.4			16.0
Project EBITDA	NIS thousands	469,842	397,297	237,105	209,700	1,004,391

[12] As of June 30, 2026, the project included an office building under construction in London valued at GBP 218 million and land for development in Cambridge covering an area of approx. 80 dunams valued at GBP 246 million with building rights for approx. one million sq ft.

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

2.1 The business environment

1. **For additional information regarding the business environment in which the Group operates in the areas of income-generating property and renewable energies, please see the Description of the Corporation's Business chapter in the 2025 Periodic Report.**

2. Income-generating property sector - The following is information regarding significant developments that occurred in the business environment of the Group companies engaged in the income-generating property sector, from the beginning of 2026 until close to the date of publication of the report:

a. <u>Developments in Israel</u>

The first half of 2026 was characterized by continued geopolitical uncertainty. Annual inflation declined, in contrast to the global trend, and stabilized around the center of the target range. The unemployment rate remained at a low level, except for a temporary increase during Operation "Roaring Lion". In this context, and given the high uncertainty, the Bank of Israel's Monetary Committee gradually reduced the Bank of Israel interest rate during the first half in January, May and July 2026 decisions by 0.25 percentage points at each decision, so that at the end of the first half of 2026, the Bank of Israel interest rate was 3.5%.

According to the baseline scenario included in the Bank of Israel Research Division's macroeconomic forecast from July 2026, the GDP is expected to grow by 4.0% in 2026 and by 5.5% in 2027. The inflation rate in the coming four quarters (ending in the second quarter of 2027) is expected to be 1.8% (and 1.8% during 2026), and the average interest rate in the second quarter of 2027 is expected to be 3.0%. To the extent that the defense budget is not increased beyond the reserves allocated in the budget, the state budget deficit is expected to be 4.9% of GDP in 2026 and 4.2% in 2027. The debt-to-GDP ratio is expected to stabilize at approx. 69% in these years.

b. <u>Developments in the United States</u>

During the second quarter of 2026, the US economy grew at an annual rate of 1.5%, compared to 2.1% in the first quarter of 2026. The decline in growth reflects a reduction in government spending and a decrease in investment and import growth, which were slightly offset by an increase in consumer spending. The US unemployment rate declined slightly from 4.3% in March 2026 to 4.2% in June 2026, indicating a strong labor market.
The inflation rate in the second quarter of 2026 increased slightly to an annual level of approx. 3.5%, compared to approx. 3.3% in the first quarter of 2026, mainly due to continued increases in energy costs stemming from unstable geopolitical conditions. The Federal Reserve left interest rates unchanged at 3.5%-3.75%, noting rising inflation and an uncertain economic environment. The 10-year interest rate has increased to approx. 4.69% as of July 2026.

<u>Washington D.C.</u>

As of March 2026, the overall vacancy rate for Trophy offices was 11.9%, compared to 19.4% for Class A offices. Most of the vacant space (approx. 70%) is concentrated in Class B+C buildings.

Average asking rent for Trophy offices reached a peak of USD 94 per sq ft, while asking rent for Class A offices was USD 72 per sq ft.

The volume of lease transactions in the second quarter of 2026 amounted to approx. 1.2 million sq ft, less than the long-term quarterly average of 1.8 million sq ft, although the existing transaction backlog indicates that the gap is expected to close by the end of the year. Although Trophy properties account for only approx. 9% of the inventory, the occupancy rate in these properties accounted for approx. 23% of all occupancy. The continued increase in the rate of return to offices in the first half of 2026 was reflected in approx. 85% of tenants renting the same or larger space in new contracts.

The backlog of new office projects under construction is at historically low levels, with only three buildings with 75% of their space pre-leased.

Rental housing market - The Washington, D.C. metropolitan area is one of the largest rental housing markets in the United States. As of the second quarter of 2026, the metropolitan area's occupancy rate was 94%, and rental fees are expected to grow by approx. 2.1% over the next 12 months - a reversal of the weakness reported in the first quarter of the year.

As of the second quarter, approx. 13,600 housing units are under construction in the metropolitan area, representing only approx. 1.9% of the existing inventory, reflecting a relatively limited backlog of new supply relative to the overall housing shortage in the area. Rentals continue to represent a significant discount compared to homeownership in the area, at approx. 40%-50% below the cost of ownership, supporting the continued demand for rentals.

Boston

As of the second quarter of 2026, the overall vacancy rate for Trophy offices was 7.5%, compared to 20.5% for Class A offices. As of the second quarter of 2026, there are no new office tower construction projects.

Rental fees remained stable, with asking rent for Trophy offices at USD 92 per sq ft, compared to USD 71 per sq ft for Class A offices.

Lease transactions in the second quarter of 2026 increased by approx. 2.1% compared to the previous quarter and the demand for offices remained stable. Total sublease space continued the declining trend to approx. 2.5 million sq ft, the lowest level since February 2022.

c. Developments in the UK

According to the Bank of England's (BoE) updated forecast, the UK GDP growth rate in 2026 is forecast to be 1.1%, compared to 1.3% in 2025. The UK unemployment rate remained unchanged at 4.9% in the three months ended May 2026, compared to the three months ended April 2026.

The annual inflation rate in the UK fell to 2.6% in June 2026, still above the 2% target, and therefore the BoE Monetary Policy Committee left interest rates unchanged at 3.75% in July 2026.

Following a leadership crisis and a loss of confidence within the leading Labour Party, Prime Minister Keir Starmer resigned and Manchester Mayor Andy Burnham became the new Prime Minister on July 20, 2026.

Following these political developments, which worsened economic sentiment, combined with tensions between the United States and Iran, the risk level of long-term interest rates in the UK increased. The yield on 10-year government bonds (Gilt) increased by approx. 50 points and crossed the 5% mark during May this year.

London

Total office take-up in London in the second quarter of 2026 was 2.6 million sq ft, approx. 6% over the last decade average. As of the first half of 2026, total take-ups were approx. 4.8 million sq ft. AI companies accounted for 33% of all take-up.

Prime rental fees rose to approx. GBP 190 per sq ft in the West End and approx. GBP 95 per sq ft in the City, reflecting annual growth in rental fees of 15% and approx. 6% (respectively), compared to the corresponding period.

The supply of vacant space in central London fell for the third consecutive quarter to 21.6 million sq ft, leading to a vacancy rate of 8.6%. New supply was 2.5 million sq ft, with the vacancy rate remaining very low at just 1.1%.

Office space under construction for delivery by the end of 2029 is approx. 14.4 million sq ft, of which 35% has been pre-let.

The Company's estimates of the possible consequences of future developments in the economic environment in which the Group operates, as detailed above, constitute forward-looking information, as defined in Section 32A of the Securities Law, 1968 ("Forward-looking Information"), which is based, among other things, on the Company's assessments as of the date of publication of this report with respect to factors that are not under its control. The Company's assessments are based on information available to the Company, on publications and research on these subjects and on the guidelines of the relevant authorities in the various countries in which the Group operates. It should be clarified that there is no certainty that the above assessments will be realized, in whole or in part, due to factors beyond the Company's control. For additional information regarding the risk factors to which the Group is exposed, please see Section 4 of the Board of Directors' Report in the Company's Periodic Report for 2025.

2.2 Statement of Financial Position

Statement of Financial Position item	June 30, 2026 NIS millions	December 31, 2025 NIS millions	Notes and explanations
Cash and cash equivalents	1,169	2,089	For the Statement of Cash Flows, please see Section 2.6 below.
Investment property, investment property in development and land rights (incl. assets of disposal groups classified as held for sale)	30,593	31,004	The decrease is mainly due to the effect of exchange rates on the properties of BE and Carr in the amount of NIS 760 million, which was offset by investments in property under construction and existing income-generating properties in the amount of NIS 446 million, and from the transfer of a property to an associate due to the introduction of a partner in the amount of NIS 110 million.
Investments in associates and securities measured at fair value through profit or loss	1,236	1,206	
Electricity-generating facilities - connected and in development	11,777	11,053	Most of the increase is due to Energix's investments in the initiation and development of projects in the United States and in Israel, offset by the impairment loss recorded in respect of the ARAN project in the amount of NIS 185 million. For information regarding electricity-generating facilities, please see Note 5 to the financial statements.
Other assets	2,235	1,975	Mainly an increase in deposits.
Total assets	47,010	47,327	
Loans and bonds	28,425	27,800	For information regarding the main changes in the Group's financial debt, please see Section 2.4.3 below.
Other liabilities	6,320	6,438	
Total liabilities	34,745	34,238	
Equity attributed to shareholders	5,098	5,609	For information regarding the main changes in equity attributed to shareholders, please see Section 2.7.2 below.
Non-controlling interests	7,167	7,480	
Total equity	12,265	13,089	
Total liabilities and equity	47,010	47,327	

2.3 Investments

2.3.1 The following are the Company's investments (expanded solo) as of June 30, 2026:

Investee	Currency	Number of shares	Balance in the Company books (expanded solo)	Value	Value measurement basis
			NIS thousands	NIS thousands	
Amot	NIS	252,715,062	5,083,729	4,684,751	Stock market value - tradable
Energix	USD/PLN/EUR/NIS	285,984,236	1,088,799	7,548,185	Stock market value - tradable
Carr	USD	-	1,602,489	1,602,489	Equity method
AH Boston	USD	-	257,956	257,956	Equity method
Brockton Everlast	GBP	-	2,731,360	2,731,360	Equity method
Brockton Funds	GBP	-	181,113	181,113	Equity method
Other[13]			104,918	104,918	
Total			11,050,364	17,110,772	

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

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

	H1/2026	After the balance sheet date	Total
	NIS millions	NIS millions	NIS millions
Amot - Stock exchange acquisition	111	-	111
Brockton Everlast	134	-	134
AH Boston	9	2	11
	254	2	256

[13] Including mainly cash in the amount of NIS 103 million.

2.3.3 Property revaluations and impairments

2.3.3.1 Property revaluations

The following is a summary of investment property revaluations recorded by the Group's investees in the reporting period:

		H1/2026	H1/2026	Q2/2026
Company name	Functional currency	In millions of the investee's functional currency (100%)	Company share in NIS millions	Company share in NIS millions
Amot	NIS	290	146	146
Brockton	GBP	(66)	(226)	(223)
Carr	USD	(12)	(29)	(17)
AH Boston	USD	(2)	(4)	(4)
Total			**(113)**	**(98)**

The main factors for property revaluations in the reporting period:

Amot - Includes NIS 167 million in respect of the ToHa 2 project from the reduction in discount rates due to the project's progress to the completion stages of construction including additional rentals in the tower.

BE - Due to the increase in discount rates by 0.25% (resulting from the increase in government bond yields) which caused, among other things, a decrease of GBP 50 million in the value of land for development and building rights.

Carr - Mainly due to the recording of SLR (Straight Line Rent) income resulting from new rentals.

The following is a summary of investment property revaluations recorded by the Group's investees in the corresponding period:

		H1/2025	H1/2025	Q2/2025
Company name	Functional currency	In millions of the investee's functional currency (100%)	Company share in NIS millions	Company share in NIS millions
Amot	NIS	264	134	127
Brockton	GBP	8	31	36
Carr	USD	19	32	15
AH Boston	USD	(20)	(40)	(40)
Total			**157**	**138**

2.3.3.2 Impairment losses

Impairment loss of a wind farm under construction in the Golan Heights in the ARAN project - for details please see Section 2.3.7.2

	1-6/2026	1-6/2025	4-6/2026	4-6/2025
	NIS millions			
Energix 100%	(185)	(36)	(185)	(36)
Company's share	(90)	(18)	(90)	(18)

2.3.4 Investment in real estate in Israel - through Amot:

As of June 30, 2026, the Company holds 51.17% in Amot. During the reporting period, the Company acquired Amot shares on the stock exchange in the amount of approx. NIS 111 million.

2.3.4.1 Information regarding Energix's activity in Israel

For information regarding Amot's activity, please see Chapter B of the Company's Description of Corporate Business for 2025.

2.3.4.2 Information regarding projects in development as of June 30, 2026:

Property name	Location	Main use	Estimated completion date of projects in development	Above-ground sqm for marketing - 100%	Rate of holdings	Above-ground sqm for marketing - Amot's share	Cumulative cost	Value of projects in Amot's books	Estimated construction cost	Estimated NOI upon full occupancy	Expected return on cost
Entrepreneurial projects in development[14]											
						Amot's share - in NIS millions					
ToHa2	Tel Aviv	Offices	2026	154,400	50%	77,200	1,169	1,916	1,700-1,750	150-165	9.2%
Halehi Complex[15]	Bnei Brak	Offices	2026	86,920	50%	43,460	507	470	630-670	44-48	7.1%
K Complex - Jerusalem[16]	Jerusalem	Offices	2029	93,000	50%	46,500	182	182	750-800	49-53	6.6%
Total				**334,320**		**167,160**	**1,858**	**2,568**	**3,080-3,220**	**243-266**	**7.9%**
Tenant-dependent projects for development[17], [18]											
Platinum Stage B[19]	Petach Tikva	Offices		20,000	100%	20,000		40	210-230		
Amot Shaul - Stage A	Kfar Saba	Offices		35,000	50%	17,500		61	160-180		
Total				**55,000**		**37,500**		**101**	**370-410**		
Total projects in development				**389,320**		**204,660**		**2,669**	**3,450-3,630**		

14 The construction cost includes the land component and parking basements, tenant adjustments and capitalization.
15 As of the date of publication of the report, the commerce floors have opened to the public. The partnership has signed contracts for approx. 13,000 sqm (Amot's share - 50%), which are expected to generate annual rent for the partnership of approx. NIS 22 million (Amot's share - 50%).
In the second quarter of 2025, the commercial portion was classified from property in development to income-generating property, and as a result, the expected rate of return for the office portion changed to 7.1%.
16 Subject to the completion of additional rights in the K Complex in Jerusalem
17 The cost of construction includes the land component and parking garages and does not include adjustments to tenants and capitalizations.
18 HaElef complex in Rishon LeZion - There is an option agreement to sell the property and therefore it was removed from "Tenant-dependent projects for development" and included under "Other projects" below.
19 Subject to the completion of additional construction rights in order to build a matching tower to Platinum Stage A.

The information in this section above regarding the estimated completion of projects in development and the expected return, the estimated NOI and the estimated construction cost is forward-looking information as defined in Section 32A of the Securities Law. The information is based on data available and known to Amot on the date of publication of this report and on its estimates. The information may also change materially as a result of factors relating to environmental requirements, on City Building Plan changes subject to approvals of the planning and building authorities, on receipt of consent from owners of bordering properties, for which there is no certainty of receipt, in the event of any of the risk factors affecting Amot's operations, as detailed in Section 4 of the Board of Directors' Report included in the 2025 Periodic Report, and which are not under Amot's control, and therefore, there is no certainty that these projects will actually be executed.

2.3.4.3 Information regarding projects in planning as of June 30, 2026:

Property name	Location	Main use	Rate of holdings	Additional above-ground area for marketing - Amot's share in sqm	Value of project in Amot's books
Projects in initiation for planning and licensing:					
ToHa3/ToHa4	Tel Aviv	Offices	50%	100,000	259
Beit Amot - Ravad	Tel Aviv	Offices	50%	30,000	130
HaSolelim land	Tel Aviv	Offices	100%	110,000	211
Building rights - Tzrifin Logistic Center	Tzrifin	Logistics	100%	200,000	253
Azor residential project	Location	Residential	100%	187 housing units	132
Lot 300	Tel Aviv	Housing/offices	50%	63 housing units	134
Other projects (see table below - Main projects)					361
Total projects for planning and licensing					**1,480**

Project name	Location	Main use	Rate of holdings	Additional above-ground area for marketing - Amot's share in sqm
Main projects under Other Projects				
Amot Mishpat (valid City Building Plan)	Tel Aviv	Offices	73%	20,000
Amot Mishpat (valid City Building Plan)	Tel Aviv	Residential	73%	115 housing units
Amot BDO	Tel Aviv	Offices	86%	60,200
Migdal HaMe'a - Ibn Gabirol	Tel Aviv	Offices	46%	27,600
Amot Europe	Tel Aviv	Offices	100%	32,000

The data in the table above is based on Amot's estimates regarding the utilization of building rights in some of the aforementioned projects, and accordingly, is forward-looking information, as defined in Section 32A of the Securities Law. These Amot estimates are based, among other things, on information available to Amot's management, as of the date of publication of the report, which includes forecasts, assessments, assumptions and estimates, which may not materialize, or may materialize differently from Amot's estimate, including due to dependence on external factors, and primarily on the various authorities, in the maturation of the processes relating to the improvement and planning options, which are naturally beyond Amot's control, and may therefore lead to a change (even a material change) in the data mentioned in the table above, so that there is no certainty that these projects will actually be implemented.

2.3.4.4 Amot's FFO is as follows:

	FFO - Amot Investments Ltd.				
	NIS thousands				
	H1/2026	H1/2025	Q2/2026	Q2/2025	2025
Profit for the year	**492,197**	**457,497**	**328,825**	**298,266**	**781,833**
Adjustments:					
Profit from change in fair value of investment property and profit from sale of investment property	(291,698)	(267,420)	(291,698)	(250,623)	(347,387)
Acquisition costs recognized in profit and loss	920	4,260	920	750	14,930
Current and deferred tax effects of the above adjustments	90,758	77,702	61,757	48,697	100,375
FFO - according to the Authority's approach	**292,177**	**272,039**	**99,804**	**97,090**	**549,751**
Management's approach, additional adjustments:					
Tax expenses and financing for previous years in respect of the assessment agreement and others (**)	5,700	(950)	5,700	(475)	43,664
Share-based payment	5,087	4,448	2,569	2,330	9,108
Depreciation and amortizations	1,575	1,483	782	756	3,023
Linkage difference expenses on the debt principal	95,248	128,325	103,108	103,791	196,242
FFO - according to the Management's approach	**399,787**	**405,345**	**211,963**	**203,492**	**801,788**
The following is a breakdown of FFO according to the Management's approach:					
NOI	539,673	527,174	270,317	262,846	1,059,707
Administrative and general expenses	(34,452)	(30,195)	(18,059)	(14,978)	(61,787)
Financing expenses	(78,786)	(74,189)	(40,419)	(38,878)	(141,039)
Current taxes	(26,605)	(16,256)	115	(4,897)	(52,841)
Miscellaneous	(43)	(1,189)	9	(601)	(2,252)
FFO - according to the Management's approach	**399,787**	**405,345**	**211,963**	**203,492**	**801,788**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**146,261**	**139,359**	**50,089**	**49,556**	**277,873**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**200,276**	**207,158**	**106,378**	**103,865**	**407,176**

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

(**) Adjustment of previous years' tax expenses and financing expenses for the assessment agreement for the years 2020-2023.

2.3.5 Investment in Carr

As of June 30, 2026 and close to the date of publication of the financial statements, the Group's effective holding in Carr is 80.75%.

2.3.5.1 Information regarding Carr's activity

For information regarding Carr's activity, please see Chapter C1 of the Company's Description of Corporate Business for 2025.

2.3.5.2 The following are Carr's business developments in the reporting period and after the date of the report:

- For additional information regarding the addition of a partner to the project for the construction of a residential rental building at 3033 Wilson in Northern Virginia, please see Note 6b to the financial statements.
- For additional information regarding the transaction for the acquisition of the office building at 1401 New York Ave. in Washington, D.C., please see Note 6b to the financial statements.

2.3.5.3 Information regarding residential rental projects under construction as of June 30, 2026:

a. In accordance with the business strategy described in Section 8 of Chapter C1 of the 2025 Periodic Report, Carr, as a developer, is establishing residential rental projects in Washington D.C. and in Northern Virginia. In some of the projects, Carr includes American institutional partners. In its capacity as managing partner, Carr is entitled to receive management fees from the project companies and, in addition, carry interest for excess profitability (to the extent it is achieved), above the hurdle rate.

b. The following is information about the project backlog in the development stages as of June 30, 2026, in full ownership terms (100%):

Project	2121 Virginia	3033 Wilson	425 Montgomery
Location	Washington D.C.	Arlington, Virginia	Alexandria, Virginia
Size (sq ft)	230,000	300,000	250,000
Number of units	299	315	237
Total construction budget	USD 134 million	USD 148 million	USD 130 million
Costs remaining for completion	USD 105 million	USD 105 million	USD 49 million
Stabilized NOI	USD 11 million	USD 10 million	USD 8 million
End of construction	Q1/2028	Q1/2028	Q4/2026

The following are Carr's rates of ownership in the aforementioned projects:

Project	2121 Virginia	3033 Wilson	425 Montgomery
Ownership rate	100%	25%	10%

c. As of the date of publication of the report, Carr's total investment in the projects described above is USD 45 million. Carr is expected to invest an additional USD 18 million in these projects until their completion. Carr expects its share of the entrepreneurial profit in the coming years, including the carry interest component in the aforementioned projects, to amount to approx. USD 95 million.

d. Carr aims to expand its residential rental segment and is looking into the acquisition of additional properties for development in the areas described above.

The information in this section above regarding the estimated completion of projects in development, the estimated NOI, the estimated construction cost, and reaching the stabilization rental volume is forward-looking information as defined in Section 32A of the Securities Law. The information is based on data available and known to Carr's management on the date of publication of this report and on its estimates. The information may also change materially as a result of factors relating to the requirements for changes in the City Building Plan subject to approvals from the planning and building authorities, changes in the costs of construction materials and additional risk factors affecting Carr's operations and over which Carr's management has no control, as detailed in Section 4 of the Board of Directors' Report included in the 2025 Periodic Report, and therefore, the actual results may be different from those detailed above.

2.3.5.4 Carr's FFO:

	FFO - Carr				
	USD thousands				
	H1 2026	H1 2025	Q2 2026	Q2 2025	For the year 2025
Profit for the period	**16,347**	**53,543**	**7,752**	**22,206**	**47,877**
Adjustments:					
Fair value adjustments of investment property	10,443	(20,879)	6,342	(8,164)	(22,864)
Depreciation and amortizations	2,092	2,753	1,493	1,908	4,154
Current and deferred tax effects of the above adjustments	33	(105)	26	5	333
Adjustments as detailed above in respect of associates	2,563	2,286	1,499	1,362	35,468
FFO - according to the Authority's approach	**31,478**	**37,598**	**17,112**	**17,317**	**64,968**
Attributed to non-controlling interests	(4,306)	(5,188)	(2,151)	(2,196)	(7,388)
Adjustments stemming from the non-controlling interests' share in FFO	179	1,177	(158)	457	(618)
FFO - according to the approach of the Authority and the Company attributed to the majority	**27,351**	**33,587**	**14,803**	**15,578**	**56,962**
Management's approach, additional adjustments:					
NOI	64,157	74,891	33,582	36,056	136,852
Administrative and general expenses	(7,124)	(10,401)	(3,543)	(5,135)	(18,254)
Financing expenses	(29,682)	(30,903)	(15,236)	(15,343)	(61,636)
FFO - according to the Management's approach	**27,351**	**33,587**	**14,803**	**15,578**	**56,962**
Alony-Hetz's share in FFO - according to the Authority's and Management's approach, in NIS thousands	**66,472**	**57,753**	**35,215**	**26,675**	**120,538**

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

As of June 30, 2026 and close to the date of publication of the report, the Company indirectly held approx. 85.57% of the rights in BE.
During the reporting period, the Company invested approx. GBP 34 million (approx. NIS 134 million) in BE's capital.

2.3.6.1 Information regarding BE's activity

For additional information regarding BE's activity, please see Chapter D of the Company's Description of Corporate Business for 2025.

2.3.6.2 Information regarding a project in development as of June 30, 2026:

Property name	Location	Main use	Rate of holdings	Thousands of above-ground sq ft for marketing, 100%	Estimated completion date	Fair value as of June 30, 2026	Remaining investment in the project as of June 30, 2026	Remaining equity for investment in the project as of June 30, 2026	Expected NOI upon project occupancy (forecast range average)
						GBP millions			
Dovetail Building	City of London	Offices	100%	430	2029	218	545	67	52

The information detailed in this Section 2.3.6.2 above regarding the estimated construction completion date, the remaining balance to be invested in the project, the balance of equity for investment in the project and the expected NOI upon the project's occupancy is forward-looking information as defined in Section 32A of the Securities Law as it is influenced by factors that are not dependent on BE, such as construction costs, regulatory changes, environmental aspects and additional risk factors, which are beyond BE's control, as detailed in Section 4 of the Board of Directors' Report in the 2025 Periodic Report, and therefore there is no certainty that the project will be completed on time, at the planned costs or with the planned results.

2.3.6.3 Financial debt

As of June 30, 2026, BE had loans from banking corporations totaling approx. GBP 370 million. For additional information, please see Note 12e.3 to the Annual Financial Statements and Note 8b to the financial statements.

2.3.6.4 BE's FFO:

	FFO - BE				
	GBP thousands				
	H1/2026	**H1/2025**	**Q2/2026**	**Q2/2025**	**2025**
Profit (loss) for the period	**(56,744)**	**13,880**	**(60,823)**	**15,013**	**23,859**
<u>Adjustments</u>:					
Loss (profit) from change in fair value of investment property	66,429	(7,609)	65,587	(8,942)	(9,969)
Reversal of impairment loss according to IAS 36	-	(866)	-	(866)	(864)
Loss (profit) from changes in fair value or from sale of financial instruments	(950)	2,351	(230)	897	5,526
FFO - according to the Authority's approach, in GBP thousands	**8,735**	**7,756**	**4,534**	**6,102**	**18,552**
<u>Management's approach, additional adjustments</u>:					
Depreciation and amortizations	263	385	132	192	709
Share-based payment	394	400	197	200	800
FFO - according to the Management's approach, in GBP thousands	**9,392**	**8,541**	**4,863**	**6,494**	**20,061**
<u>The following is a breakdown of FFO according to the Management's approach</u>:					
NOI	20,028	20,185	10,090	10,434	41,892
Administrative and general expenses	(4,532)	(4,998)	(2,264)	(2,677)	(9,362)
Financing expenses	(6,104)	(6,646)	(2,963)	(1,263)	(12,469)
FFO - according to the Management's approach, in GBP thousands	**9,392**	**8,541**	**4,863**	**6,494**	**20,061**
Alony-Hetz's share in FFO - according to the Authority's approach, in NIS thousands	**30,406**	**31,098**	**15,375**	**24,712**	**71,890**
Alony-Hetz's share in FFO - according to the Management's approach, in NIS thousands	**32,694**	**34,244**	**16,486**	**26,341**	**77,739**

2.3.7 Investment in renewable energy through Energix

As part of Energix's total activity in the United States, Poland, Lithuania and Israel, the total capacity of its systems, as of the date of approval of the report, amounts to approx. 1.7 GW and approx. 0.5 GWh (storage) in commercially operating projects, approx. 2.4 GW and approx. 1.8 GWh (storage) in projects in development or pre-construction, and approx. 1.2 GW and 1.3 GWh (storage) in projects in advanced initiation.[20] In addition, Energix has photovoltaic and wind energy projects in initiation with a capacity of approx. 4.5 GW and storage projects in initiation with a capacity of approx. 10 GWh (storage).

2.3.7.1 Information regarding Energix's activity

For information regarding Energix's activity, see Chapter F of the Company's Description of Corporate Business for 2025.

2.3.7.2 Developments in Energix's business in the reporting period and subsequent to the balance sheet date are as follows:

- **Commercial operation** - During the reporting period, Energix connected systems to the electricity grid with a total capacity of approx. 43 MW in the United States and approx. 71 MWh of storage systems (Stand Alone) in Poland.
- Energix estimates that during the second half of 2026, it is expected to connect 5 projects in the final stages of construction to the electricity grid with a total capacity of approx. 0.5 GW.
- As of the date of approval of the report, Energix is in the midst of construction work on projects with a total capacity of approx. 2.4 GW and 1.8 GWh (storage), including projects in the United States with a total capacity of approx. 1.3 GWp, projects in Poland with a total capacity of approx. 200 MW and 0.6 GWh (storage), projects in Lithuania with a total capacity of approx. 0.9 GW and 0.65 GWh, and projects are in Israel with a total capacity of approx. 17 MW and 530 MWh (storage).
- **ARAN project for the establishment of a wind farm with a capacity of 104 MW** - During the reporting period and following Operation Roaring Lion, the project areas were declared a closed military area, preventing Energix from resuming construction work on the project. With the lifting of the restrictions, Energix began engineering preparations and during May 2026, Energix resumed construction work on the project, in coordination with the Israel Police and accompanied by private security agencies. During the construction work, there were disturbances and violent resistance at the site, in violation of the law, by a group of violent rioters from the Druze community in the Golan Heights, which included, among other things, threats and attacks that injured some of those present at the site, including police officers who required medical treatment. Property was also damaged, including tools and vehicles belonging to contractors on site that were set on fire. In view of these events, construction work was halted.

20 **Commercially operated projects** are projects whose construction has been completed and the electricity produced in them is fed into the relevant electricity grid; **projects in development** or **pre-construction** are the Energix's projects that are in the construction process or that the actual start of construction is expected in the near future; **projects in advanced initiation stages** are the Company's backlog of projects (i) that have an interest in the land, an approved statutory plan and a connection survey with the Electricity Authority; or (ii) that the Company estimates can be financially closed or ready for construction within the next 12 months; or (iii) projects in initiation that have won a guaranteed rate; **initiation projects** are the backlog of the Energix's projects at various stages of development which may mature into development projects, for which the Energix has rights to the land and it is working to obtain the permits and approvals required for their construction, and regarding projects in the United States and Poland, initiation projects will also include the capacity for which Energix has connection permits; **mature project backlog** includes projects in commercial operation, projects in development and pre-construction and advanced initiation projects.

In view of the events described above and their consequences as stated, the Energix Board of Directors decided that as of the date of the report, the probability of the construction of the 10 turbines that make up Phase A of the project is less than 50%. As a result, Energix recorded an impairment loss for the project in the second quarter of the year in Energix's Statement of Income in the amount of approx. NIS 185 million, before tax. For additional information, please see Note 5c to the financial statements.

Energix is working with state agencies and the competent authorities in order to continue advancing the project and finding a solution that will enable the resumption of its construction work in a safe and continuous manner, and also to exercise its legal rights according to law.

As of the date of publication of the report, 11 of the 21 turbines from the ARAN project have been sent to be used by Energix in the project in Lithuania. In addition, Energix estimates that the remaining 10 turbines will also be diverted for use in its various projects in Europe.

Close to the date of approval of the report, all the necessary approvals for the construction of the Banie7 project with a capacity of 24 MW were received. Energix intends to use 6 turbines originally intended for the ARAN project for this project.

- For information regarding Energix’s engagement in transactions for the acquisition of projects in the United States and in Lithuania with a capacity of over 0.9 W and its increased backlog of initiation projects in Poland with a capacity of approx. 0.6 GWh (storage), please see Note 5 to the financial statements.

The provisions of this section above regarding projects in initiation, development and construction include forecasts, valuations, estimates or other information relating to a future event or matter, the realization of which is uncertain and beyond the control of the Company and/or the Group, and therefore constitutes forward-looking information as the term is defined in Section 32A of the Securities Law.

For additional information regarding Energix's business developments during the reporting period and after the balance sheet date, please see Note 5 to the financial statements.

2.3.7.3 The following is an analysis of Energix's operating results in the reporting period:

	4-6/2026	4-6/2025	Change %	1-6/2026	1-6/2025	Change %
	Unaudited			Unaudited		
Revenue[21]	**276,978**	249,638	11%	**548,039**	478,436	15%
EBITDA	**199,182**	177,479	12%	**390,039**	334,351	17%
Net profit[22]	**56,614**	29,460	92%	**114,219**	71,452	60%

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

	4-6/2026	4-6/2025		1-6/2026	1-6/2025		1-12/2025
	NIS thousands	NIS thousands	Change %	NIS thousands	NIS thousands	Change %	NIS thousands
Energix's accounting EBITDA	199,182	177,479	12%	390,039	334,351	17%	863,066
Lease expenses (IFRS)	(7,375)	(8,936)		(15,585)	(16,410)		(32,288)
Other expenses, including initiation expenses	8,421	6,113		31,538	13,585		37,395
Salary and related expenses	19,055	19,560		41,891	35,458		73,671
Management, administrative and HQ expenses	17,822	15,484		21,959	30,313		62,547
Total project EBITDA	**237,105**	**209,700**	**13%**	**469,842**	**397,297**	**18%**	**1,004,391**

[21] In connection with the accounting policy update regarding the presentation of revenues from the tax partner, effective starting from the first quarter of 2026, please see Note 2a.2 to the financial statements.

[22] Net of an impairment loss in respect of the ARAN project in the second quarter of 2026 and in the reporting period in the amount of approx. NIS 185 million and an impairment loss in the corresponding periods last year in the amount of approx. NIS 36 million. For additional information, please see Section 2.3.7.3 לעיל וכן ביאור above and Note 5c.2 to the financial statements.

2.3.8 Dividend receipts

The following are the dividends received from the Company's main investments (expanded solo) in 2026, up to the date of publication of the financial statements, and the projected receipts of dividends for 2026:

	From January 2026 to the date of publication of the reports	2026 forecast
	NIS millions	
Amot	190	327
BE	-	42
Energix	57	114
AH Boston	13	30
Total cash dividend	260	513
[23]Carr - Dividend reinvestment plan	-	119
Total dividend	260	632

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 Funds, which were received and which may be received upon realization of their 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.

2.4 Liquidity and financing sources

2.4.1 Cash and credit facilities

As of June 30, 2026, the Group has cash balances of NIS 1.2 billion (of which the Company's expanded solo balance - NIS 103 million) and unutilized lines of credit in the amount of approx. NIS 1.8 billion (of which the Company's expanded solo lines of credit - NIS 700 million, as of the date of publication of the report - NIS 850 million).

2.4.2 Unencumbered assets

As of June 30, 2026, all of the Company's assets (expanded solo) are not encumbered. Their balance (not including cash) as of June 30, 2026 is NIS 11 billion (a market value of NIS 17 billion).

2.4.3 Financial debt

As of June 30, 2026, the Group's net financial debt amounted to NIS 26.6 billion, constituting 58.8% of the Group's total assets, compared to a net financial debt of NIS 25.7 billion, which constituted 56.9% of the Group's assets as of December 31, 2025.

As of June 30, 2026, the net financial debt of the Company (expanded solo) amounted to NIS 5.8 billion, constituting 52.4% of the total assets of the Company (expanded solo), compared to net financial debt of NIS 5.7 billion, constituting 49.8% of the assets of the Company (expanded solo), as of December 31, 2025.

[23] As part of the Company's choice to participate in Carr's DRIP program, the dividend amount to which the Company is entitled in Carr will remain after its receipt and reinvestment.

2.4.3.1 The Company (expanded solo)

- As of June 30, 2026, the Company has credit facilities in the total amount of NIS 700 million, which are unutilized (as of the date of publication of the report - NIS 850 million).
  For information regarding the Company's credit facilities, please see Note 12b to the Annual Financial Statements and Note 8 to the financial statements.
- In April 2026, the Company issued NIS 334,950 thousand PV of bonds (Series Q) by way of a series expansion through a shelf offering report, for a total net consideration of NIS 353 million. The effective interest of the bonds (Series Q) is 5.39%. For information regarding the bonds (Series Q), please see Note 11i to the annual financial statements and Note 9 to the financial statements.

2.4.3.2 Consolidated companies

Amot

- In June 2026, through an expansion of existing series, Amot issued NIS 505 million PV of bonds (Series I) and NIS 236 million PV of bonds (Series J) for a total net consideration of NIS 777 million (including accrued interest classified under "Short-term credit"). For additional information, please see Note 8 to the financial statements.

Energix

- For information regarding the completion of project financing and tax partner investment for an additional project with a capacity of 152 MWp E5 battery in the United States in the amount of up to USD 236 million, please see Note 8c.4 to the financial statements.

- For information regarding the signing of a non-binding memorandum of understanding with MUFG Bank for financing of up to USD 465 million for the construction of projects with a capacity of 238 MWp from the E6 portfolio, please see Note 8c.5 to the financial statements.

BE:

- For information regarding the engagement in a loan revolving agreement in the amount of GBP 50 million, please see Note 8b to the financial statements.

As of the date of the report, the Group is in compliance with all financial covenants in respect of its loans and bonds.

2.4.4 Working capital deficit

The working capital deficit as of June 30, 2026 amounted to a total of NIS 2.3 billion in the consolidated statements (NIS 0.2 billion in the Company's expanded solo statements). As of June 30, 2026, the Group has a high balance of unutilized long-term credit facilities, unutilized credit agreements, including with tax partners, and a high balance of unencumbered assets. In view of this, the Company's Board of Directors believes that the existence of a working capital deficit does not indicate a liquidity problem.

2.5 Operating results

In the reporting period, the Group recorded a profit of NIS 91 million, compared to a profit of NIS 457 million in the corresponding period last year. The share attributed to Company shareholders in the reporting period amounted to a loss of approx. NIS 102 million, compared to a profit of NIS 201 million attributed to Company shareholders in the corresponding period last year.

In the reporting period, the Group recorded a comprehensive loss of NIS 387 million, compared to comprehensive income of NIS 270 million in the corresponding period last year. The share attributed to Company shareholders in the reporting period amounted to a loss of approx. NIS 423 million, compared to comprehensive income of NIS 61 million attributed to Company shareholders in the corresponding period last year. For an explanation of the operating results in the reporting period, please see Sections 2.5.1 and 2.5.2 below.

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

	H1 2026	H1 2025	Q2 2026	Q2 2025	For the year 2025
Revenues and profits	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenue from rental fees and management of investment property	979,444	702,295	485,886	353,161	1,668,831
Fair value adjustments of investment property	(6,671)	295,090	9,675	287,865	385,136
Group share in the profits (losses) of associates, net	33,280	52,576	17,290	(550)	(40,461)
Net profits (losses) from investments in securities measured at fair value through profit and loss	(1,149)	(7,583)	150	2,591	(10,376)
Gain from acquisition of control in Carr	-	-	-	-	116,502
Revenues from sale of electricity and green certificates	378,674	365,152	193,302	195,859	755,665
Revenue from sale of tax benefits	161,766	112,647	77,420	53,720	407,768
Other revenues (expenses), net	3,130	324	1,921	(182)	4,466
	1,548,474	1,520,501	785,644	892,464	3,287,531
Costs and expenses					
Cost of investment property rental and operation	193,384	97,960	93,378	49,171	280,555
Initiation, maintenance and operation costs of electricity-generating facilities	94,149	78,310	40,918	37,111	167,944
Depreciation and amortizations	143,186	133,132	75,154	72,825	270,674
Impairment loss	185,019	35,943	185,019	35,943	35,943
Administrative and general	160,977	130,424	86,558	69,407	298,628
Realization of translation difference reserve and other reserves due to the acquisition of control in Carr	-	-	-	-	396,451
Financing expenses, net	535,075	478,706	339,045	283,300	1,041,864
	1,311,790	954,475	820,072	547,757	2,492,059
Profit (loss) before taxes on income	236,684	566,026	(34,428)	344,707	795,472
Income tax expenses	145,881	109,440	73,397	53,077	250,320
Net loss for the period	**90,803**	**456,586**	**(107,825)**	**291,630**	**545,152**
Allocation of net profit (loss) for the period:					
Share of Company shareholders	**(102,238)**	**201,306**	**(178,774)**	**134,332**	**7,439**
Share of non-controlling interests	193,041	255,280	70,949	157,298	537,713
	90,803	**456,586**	**(107,825)**	**291,630**	**545,152**

Comparison between the results of operations in the reporting period and in the corresponding period last year:

Revenues from rental fees and management of investment property - amounted to NIS 979 million in the reporting period, compared to NIS 702 million in the corresponding period last year, an increase of NIS 277 million (approx. 39%). Most of the increase is due to the first-time consolidation of Carr starting in the third quarter of 2025.

Fair value adjustment of investment property - In the reporting period, an impairment loss of NIS 7 million was recorded - a NIS 289 million profit from Amot, a NIS 265 million loss from BE and a NIS 31 million loss from Carr. In the corresponding period last year, revaluation gains of NIS 295 million were recorded, which were from Amot and BE. Carr was consolidated starting from the third quarter of 2025, and therefore the value adjustments in this regard were recorded last year as part of the Company's share in associates.

Group share in the profits (losses) of associates, net

In 2025, this item included the equity income of Amot's associates and of Carr, until the date of Carr's first-time consolidation during the third quarter of 2025, and from that date, the operating results of Carr's associates were included.

Net profits (losses) 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 investments measured at fair value through profit and loss (the Brockton Fund).

Revenues from sale of electricity and green certificates – Revenues from the sale of electricity and green certificates in the reporting period amounted to NIS 379 million compared to NIS 365 million in the corresponding period last year, an increase of NIS 14 million, approx. 4%. The increase stems from an increase of NIS 40 million due to project connections in the United States and Israel. These increases were offset by a decrease in revenues in Poland due to approx. 14% lower yields and the strengthening of the NIS against the PLN, offsetting a high effective price.

Net financing expenses - Net financing expenses in the reporting period amounted to NIS 535 million compared to NIS 479 million in the corresponding period last year, an increase of NIS 57 million (approx. 12%). The consolidation of Carr starting in the third quarter of 2025 resulted in an increase of NIS 95 million during the reporting period, which was mainly offset by the impact of the CPI.

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

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

	H1 2026 NIS thousands	H1 2025 NIS thousands	Q2 2026 NIS thousands	Q2 2025 NIS thousands	For the year 2025 NIS thousands
Net profit (loss) for the period	**90,803**	**456,586**	**(107,825)**	**291,630**	**545,152**
Profit (loss) from investment in Carr (1) (2)	(111,347)	(77,368)	(98,574)	(88,883)	215,873
Loss from investment in AH Boston properties (1)	(10,841)	(19,094)	(9,699)	(21,873)	(29,507)
Profit (loss) from investment in BE (1) (3)	(212,145)	3,822	(171,906)	(121,426)	(198,473)
Loss from investment in Energix and others (4)	(140,967)	(97,192)	(129,735)	(156,570)	(193,295)
Tax effects	(2,351)	3,572	1,539	3,372	3,895
Other comprehensive loss for the period	(477,652)	(186,260)	(408,375)	(385,380)	(201,507)
Total comprehensive income (loss) for the period	**(386,849)**	**270,326**	**(516,200)**	**(93,750)**	**343,645**
Allocation of comprehensive income (loss) for the period:					
Company shareholders' share	**(422,958)**	**60,641**	**(449,599)**	**(148,834)**	**(22,136)**
Share of non-controlling interests	36,109	209,685	(66,601)	55,084	365,781
	(386,849)	270,326	(516,200)	(93,750)	343,645

(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 derivative transactions designated as hedges for investments. In the first half of 2026, the NIS appreciated by 6.6% and 8.2% against the USD and the GBP, respectively. In the corresponding half last year, there was an appreciation of the NIS by 7.5% against the USD and a devaluation of 1.1% against the GBP.

(2) In addition to the description in Section 1 above, the total profit in Carr in the first quarter of 2026 also includes other comprehensive income in the amount of NIS 8 million resulting from changes in the fair value of interest rate fixing transactions carried out by Carr (in the corresponding period last year - an other comprehensive loss in the amount of NIS 4.5 million in respect of the Company's share in changes in the fair value of Carr's interest rate fixing transactions).

(3) In addition to the description in Section 1 above, the other comprehensive income from the investment in BE also includes other comprehensive income in the amount of approx. NIS 10 million stemming from the changes in the fair value of interest rate fixing transactions carried out by BE (in the corresponding period, an other comprehensive loss of approx. NIS 15 million).

(4) The loss in the reporting period is mainly due to the effect of exchange rates (net of hedging) at Energix due to the appreciation of the NIS against the USD, which was offset by a loss from electricity price fixing transactions in the United States. In the corresponding period last year, the loss is mainly due to the effect of exchange rates on Energix (net of hedging) due to the appreciation of the NIS against the USD and the PLN.

2.6 Cash Flows

	H1	H1	For the year
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
Total cash provided by operating activities	**356**	**375**	**948**
Cash flows used in investing activities			
Investment in investment property and fixed assets (including property in development)	(461)	(544)	(1,240)
Proceeds from the realization of investment property	13	25	187
Investment in electricity-generating systems	(1,255)	(1,071)	(2,434)
Acquisition of Carr	-	-	(186)
Investment in associates	(34)	(15)	(77)
Repaid hedging transactions	155	(74)	6
Repayment (provision) of loans, net	-	(3)	(3)
Net increase in deposits (including encumbered deposits) and realization of tradable securities	(333)	(124)	(43)
Other	9	(31)	(27)
Total cash used in investing activities	**(1,906)**	**(1,834)**	**(3,814)**
Cash flows provided by financing activities			
Receipt of loans (long-term loans and utilization of short-term bank credit)	862	1,314	3,840
Proceeds from the issuance of bonds	1,128	1,629	1,924
Repayment of liabilities (long-term loans, bonds and repayment of short-term credit)	(1,029)	(953)	(2,464)
Capital raised by the Company	5	-	351
Proceeds from the issue of shares and options to non-controlling interests	33	39	696
Acquisition of shares from non-controlling interests	(111)	-	-
Payment of dividends to Company shareholders and to non-controlling interests in consolidated companies	(375)	(336)	(645)
Total cash provided by financing activities	**513**	**1,693**	**3,702**
Total increase (decrease) in cash balances in the period	**(1,037)**	**234**	**836**
Other influences	**(65)**	**(20)**	**(97)**
Cash and cash equivalents and designated deposit balance at end of period	1,189	1,766	2,291
Less designated deposit	(20)	(25)	(202)
Cash and cash equivalents at end of period	**1,169**	**1,741**	**2,089**

2.7 Equity

2.7.1 Equity per share

	As of June 30 2026	As of December 31 2025
	NIS millions	NIS millions
Equity	12,265	13,089
Less non-controlling interests	(7,167)	(7,480)
Equity attributed to Company shareholders	5,098	5,609
Equity per Share (NAV per share)	**22.53**	**24.81**
Equity per share, not including tax reserves (NNAV per share)	**27.28**	**29.02**

2.7.2 Explanation of changes in equity

During the reporting period, the capital attributed to the Company's shareholders decreased by NIS 511 million.

The main changes are as follows:

- A loss attributed to the Company shareholders in the amount of NIS 102 million - please see additional information in Section 2.5.1 above.
- Other comprehensive loss attributed to the Company shareholders in the amount of NIS 321 million - please see additional details in Section 2.5.2 above.
- A reduction in capital following dividends paid in the amount of NIS 113 million.
- Exercise of options in the amount of NIS 5 million.
- Profit from capital reserve for changes in holding in the amount of NIS 18 million.

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

The following is the composition of the surplus of assets over liabilities on the basis of the Company's statements (expanded solo) by currency, as of June 30, 2026 (in NIS millions)[24]:

	Assets	Liabilities	Net assets	%
USD	1,874	(865)	1,009	20%
GBP	2,913	(1,444)	1,469	29%
Excess assets over liabilities in foreign currency	4,787	(2,309)	2,478	49%
Excess assets over liabilities in NIS	6,464	(3,844)	2,620	51%
Equity as of June 30, 2026	11,251	(6,153)	5,098	100%

During the reporting period, there was an appreciation of the NIS by a rate of 6.6% and 8.2% against the USD and the GBP, respectively. In view of the aforementioned appreciations and their effect on the book value of the Company's foreign currency investments in Carr and BE (net of the effect of hedging transactions in derivatives), there was a depreciation of the Company's equity in the reporting period in the amount of approx. NIS 260 million.

2.7.4 Dividends distributed by the Company in 2026

For information regarding dividends distributed by the Company in 2026, please see Note 10(a) to the financial statements.

2.8 Remuneration of senior officers and directors

For information regarding options granted to the Company's senior officers and directors, please see Note 17e to the Annual Financial Statements and Note 10b to the financial statements.

For information regarding the new terms of service of the Company CEO and the Chairman of the Board of Directors for the years, please see Notes 19a and 19b to the Annual Financial Statements, respectively.

3. Market risk exposure and management

3.1 Over the course of the reporting period, no material changes have occurred in the types of market risks as reported in the Board of Directors Report for 2025 and in Company policy regarding the management of these risks.

3.2 Regarding the linkage base report for monetary balances (expanded solo) as of June 30, 2026, please see Section 2.7.3 above and Appendix B.

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

4. Corporate governance aspects

4.1. The Company’s Board of Directors

As of the date of publication of this report, the Company's Board of Directors has 9 directors, of which:

5 directors meet the definition of an independent director (Prof. Zvi Eckstein - External Director, CPA Shlomi Shuv - External Director, Dr. Samer Haj-Yehia - External Director, Ms. Rony Patishi-Chillim and Ms. Batsheva Moshe) and 8 directors have accounting and financial expertise (Mr. Natan Hetz, Mr. Aviram Wertheim, Prof. Zvi Eckstein, CPA Shlomi Shuv, Ms. Rony Patishi-Chillim, Dr. Samer Haj-Yehia, Mr. Ilan Gifman and Ms. Batsheva Moshe).

For years, the composition of the Company's Board of Directors has included a majority of Board members who are independent directors, even though the Company did not include a provision on this matter in its Articles of Association.

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

4.2 The Company’s Internal Auditor

On November 16, 2022, the Audit and Remuneration Committee approved a multi-year work plan for the years 2023-2026, subject to a new risk survey (which was carried out). At its meeting on November 23, 2025, the Audit and Remuneration Committee approved the work plan for 2026 (within the framework of the three-year work plan), which includes the following topics: (a) Making further investments in investees in 2024-2025; (b) Financing and cash flow; (c) Bank accounts and current investments; (d) Information systems - backups, restorations, disaster recovery and business continuity.

In its August 17, 2026 meeting, the Audit Committee discussed the Internal Auditor’s report on bank account management and the Internal Auditor's report on cash flow.

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

Nathan Hetz	Aviram Wertheim
Director and CEO	Chairman of the Board of Directors

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

Appendix A - Financial Information, Expanded Solo

Appendix B - Balance of Linkage Bases for Monetary Balances

Special Disclosure for Bondholders

Appendix D - Rating Reports

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

Appendix A - Financial Information, Expanded Solo

1. Financial Statements – Expanded Solo

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

1.1 Condensed expanded solo balance sheet (NIS thousands):

	As of June 30 2026	As of December 31 2025
	NIS thousands	NIS thousands
Current assets		
Cash and cash equivalents	102,651	374,672
Other accounts receivable	109,311	89,232
Total current assets	**211,962**	**463,904**
Non-current assets		
Securities measured at fair value through profit and loss	181,117	195,843
Investments in investees	10,766,593	11,138,807
Miscellaneous	91,811	46,447
Total non-current assets	**11,039,521**	**11,381,097**
Total assets	**11,251,483**	**11,845,001**
Current liabilities		
Short-term credit and current maturities of long-term liabilities	359,687	363,689
Other accounts payable	87,126	187,311
Total current liabilities	**446,813**	**551,000**
Non-current liabilities		
Bonds and long-term loans	5,688,555	5,660,513
Deferred taxes	3,782	-
Miscellaneous	14,622	24,635
Total non-current liabilities	**5,706,959**	**5,685,148**
Equity	5,097,711	5,608,853
Total liabilities and equity	**11,251,483**	**11,845,001**

Financial Data - Expanded Solo

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

	H1 2026 NIS thousands	H1 2025 NIS thousands	Q2 2026 NIS thousands	Q2 2025 NIS thousands	For the year 2025 NIS thousands
Revenue					
Group share in the profits (losses) of investees, net	51,373	352,258	(90,338)	205,776	588,958
Profit from decrease in rate of holding, from purchase and realization of investees	-	-	-	-	116,595
Net profit (loss), relating to investments in long-term securities held for sale	(1,149)	(11,623)	150	(1,449)	(14,299)
Other revenues, net	12,104	10,661	6,762	5,433	22,382
	62,328	351,296	(83,426)	209,760	713,636
Expenses					
Administrative and general	19,185	18,431	9,495	10,358	39,068
Financing expenses, net	143,405	122,650	84,934	61,288	254,467
	162,590	141,081	94,429	71,646	293,535
Profit (loss) before the effect of the realization of reserves due to the first-time consolidation of Carr	(100,262)	210,215	(177,855)	138,114	420,101
Income tax expenses	1,976	8,909	919	3,782	16,211
Profit (loss) for the period	(102,238)	201,306	(178,774)	134,332	403,890
Realization of translation difference reserve and other reserves due to the first-time consolidation of Carr	-	-	-	-	(396,451)
Net profit (loss) for the period	**(102,238)**	**201,306**	**(178,774)**	**134,332**	**7,439**

	H1 2026 NIS thousands	H1 2025 NIS thousands	Q2 2026 NIS thousands	Q2 2025 NIS thousands	For the year 2025 NIS thousands
Group share in the profits (losses) of investees, net					
Group share in Amot's equity income	246,497	232,957	164,927	151,745	394,708
Group share in Energix's equity profits (losses)	(35,135)	21,954	(63,588)	859	125,340
Group share in Carr's equity income	33,134	79,440	15,082	33,167	44,002
Group share in Brockton's equity profits (losses)	(191,762)	56,454	(206,358)	60,830	93,425
Group share in AH Boston and others' equity profits (losses)	(1,361)	(38,547)	(401)	(40,825)	(68,517)
Total profits (losses) of associates, net	**51,373**	**352,258**	**(90,338)**	**205,776**	**588,958**
Less adjustments and impairment losses	(202,888)	140,665	(188,245)	119,823	81,945
Company share in investees, net of property revaluations and impairment losses	**254,261**	**211,593**	**97,907**	**85,953**	**507,013**

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

Starting from the financial statements as of the end of 2024, the Company began presenting a Statement of Cash Flows from Operating Activities (despite the fact that such presentation is not required under generally accepted accounting principles, including securities regulations regarding the publication of Annual Financial Statements).

In view of the variation between quarters in all matters relating to interest payment dates and the dates for the receipt of dividends from investees (dates that vary from year to year), the Company will publish the aforementioned Statement in an annual format as part of the periodic reports.

2. The Company's liabilities (expanded solo) maturing after June 30, 2026:

	Bonds	Bank loans	Total	%
	NIS thousands	NIS thousands	NIS thousands	
Current maturities	355,919	2,406	358,325	6
Second year	995,418	-	995,418	16
Third year	995,418	-	995,418	16
Fourth year	718,457	-	718,457	12
Fifth year	718,457	-	718,457	12
Sixth year onward	2,452,150	-	2,452,150	39
Total repayments	6,235,819	2,406	6,238,225	100
Miscellaneous			(131,399)	
Balance of liabilities related to financial derivative transactions			(159,222)	
Total financial debt (taking into account the value of financial derivative transactions)			5,947,604	

Appendix B - Balance of Linkage Bases for Monetary Balances (Expanded Solo)

As of June 30, 2026 in NIS thousands	**In unlinked NIS**	**In linked NIS**	**In USD**	**In GBP**	**Other**	**Total**	**Adjustments - non-monetary items**	**Total**
Current assets								
Cash and cash equivalents	94,640	-	7,655	248	108	102,651	-	102,651
Other accounts receivable	91,918	-	35	-	-	91,953	17,358	109,311
Total current assets	186,558	-	7,690	248	108	194,604	17,358	211,962
Non-current assets								
Securities measured at fair value through profit and loss	6	-	-	181,111	-	181,117	-	181,117
Investments in associates	-	-	-	-	-	-	10,766,593	10,766,593
Miscellaneous	89,410	-	-	-	-	89,410	2,401	91,811
Total non-current assets	89,416	-	-	181,111	-	270,527	10,768,994	11,039,521
Total assets	**275,974**	**-**	**7,690**	**181,359**	**108**	**465,131**	**10,786,352**	**11,251,483**
Current liabilities						-		
Short-term credit and current maturities of long-term liabilities	359,687	-	-	-	-	359,687	-	359,687
Other payables	63,903	17,628	-	-	-	81,531	5,595	87,126
Total current liabilities	423,590	17,628	-	-	-	441,218	5,595	446,813
Non-current liabilities						-		
Bonds and long-term loans	4,480,595	1,207,960	-	-	-	5,688,555	-	5,688,555
Deferred tax liabilities	-	-	-	-	-	-	3,782	3,782
Miscellaneous	13,714	-	745	-	-	14,459	163	14,622
Total non-current liabilities	4,494,309	1,207,960	745	-	-	5,703,014	3,945	5,706,959
Total liabilities	**4,917,899**	**1,225,588**	**745**	**-**	**-**	**6,144,232**	**9,540**	**6,153,772**
Excess assets over liabilities (liabilities over assets)	**(4,641,925)**	**(1,225,588)**	**6,945**	**181,359**	**108**	**(5,679,101)**	**10,776,812**	**5,097,711**
Financial derivatives	2,559,214	(250,000)	(863,992)	(1,445,222)	-	-	-	-
Excess financial assets over financial liabilities (financial liabilities over financial assets)	**(2,082,711)**	**(1,475,588)**	**(857,047)**	**(1,263,863)**	**108**	**(5,679,101)**	**10,776,812**	**5,097,711**
Distribution of non-monetary assets (liabilities), net - by linkage basis	1,095,961	5,083,728	1,866,398	2,732,762	(2,037)	10,776,812	(10,776,812)	-
Excess assets over liabilities (liabilities over assets)	**(986,750)**	**3,608,140**	**1,009,351**	**1,468,899**	**(1,929)**	**5,097,711**	**-**	**5,097,711**

Appendix C – Special Disclosure for Bondholders

1.) FFO adjusted for the Company's liabilities

The Company has committed, in the trust deeds of its bond series and in credit agreements with financing entities, to financial covenants based on the calculation of FFO as stipulated in the trust deeds and in the aforementioned credit facility agreements. The following is the calculation of the FFO for the purpose of examining compliance with the criteria to which the Company has committed in the trust deeds for the Company's bonds (Series I, J, K, L, M, 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 in the 2025 Periodic Report). It should be emphasized that the FFO presented below is not according to the Securities Authority approach to calculating FFO, as published by the Authority on January 16, 2025.

The following is the FFO calculation according to the Management's approach (in NIS thousands):

	1-6/2026	1-6/2025	1-12/2025
	NIS thousands	NIS thousands	NIS thousands
Share of Company shareholders in the loss for the period	**(102,238)**	**201,306**	**7,439**
Adjustments to profit and loss:			
Fair value adjustments of investment property	6,671	(295,090)	(385,136)
Company share in property revaluations and other non-FFO items in investees	16,829	22,517	161,864
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
Revenue from sale of tax benefits	(161,766)	(112,647)	(407,768)
Profit from decrease in rate of holding, from purchase and realization of investees	(631)	78	-
Net losses (profits) from investments in securities measured at fair value through profit or loss	1,149	7,583	10,376
Others (mainly depreciation and amortizations) (*)	372,222	190,087	379,008
Non-FFO financing expenses (mainly linkage differences and exchange rate differences)	136,578	179,414	331,642
Non-FFO deferred taxes and current taxes, net	115,779	78,139	148,859
Share of non-controlling interests in the above adjustments to FFO	(128,323)	(17,903)	(29,576)
Real FFO - according to the Management's approach	**256,270**	**253,484 (*)**	**496,657**
The sources of the FFO are as follows:			
Revenue			
Investment property NOI	786,060	604,335	1,388,272
NOI from the sale of electricity (**)	303,135	295,404	628,369
Group's share in FFO of associates	50,117	75,093	121,403
Other revenue	8,213	402	4,464
Total revenue	**1,147,525**	**975,234**	**2,142,508**
Expenses			
Real financing, net	(398,561)	(299,291)	(710,222)
Administrative and general	(141,270)	(117,973)	(266,879)
Current taxes	(30,060)	(31,301)	(101,461)
Share of non-controlling interests attributed to operating activities	(321,364)	(273,185)	(567,289)
Total expenses	**(891,255)**	**(721,750)**	**(1,645,851)**
Real FFO - according to the Management's approach	**256,270**	**253,484 (*)**	**496,657**

(*) The FFO published in the first half of 2025 was NIS 219 million, which was updated to NIS 253 million due to a change in the calculation method implemented starting in the third quarter of 2025, which resulted from the Authority's publications.

2.) Special Disclosure for Bondholders

The following is current data as of June 30, 2026 regarding bonds issued by the Company:

(in thousands)	Bonds (Series I)	Bonds (Series J)	Bonds (Series K)	Bonds (Series L)	Bonds (Series M)	Bonds (Series O)	Bonds (Series Q)	Bonds (Series P)	Total
Par value	155,864	200,055	160,746	2,054,943	1,861,029	1,050,480	531,120	102,352	6,116,589
Linked par value	155,864	200,055	160,746	2,054,943	1,861,029	1,169,121	531,120	102,941	6,235,819
Value in the financial statements (at amortized cost)	156,748	200,533	159,722	1,976,174	1,788,201	1,106,026	544,323	101,934	6,033,661
Stock market value	157,797	202,575	155,521	1,986,924	1,967,108	1,170,655	587,897	111,339	6,339,816
Accrued interest	2,006	1,060	1,429	16,553	30,729	10,004	1,259	10,119	73,159

The following are the main financial covenants of the Company's bonds (Series I, J, K, L, M, O, P and Q):

Financial ratio		Criterion	Value as of June 30, 2026
Net financial debt to value of holdings[25]	%	Less than 80%	51.9%
Minimum equity (Series I, J, K, L, M, O, P and Q)[26]	NIS billions	More than 2.2	5.1

For additional information, please see Section 5.2.2 of Chapter G to the Description of the Corporation's Business in the 2025 Periodic Report.

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

[26] In order for there to be grounds for early repayment, the breach of the above provision must exist for four consecutive quarters. For Series I and J - the minimum equity is NIS 1.8 billion, for Series K and L - the minimum equity is NIS 2.1 billion and for Series M, O, P and Q - the minimum equity is NIS 2.2 billion. The figure presented in the table is the strictest of the series due to the cross-violation clause that exists in the series.

Appendix D - Rating Reports[27]

As of the date of publication of this report:

- The Company’s bonds (Series I, J, K, L, M, O, P and Q) are rated ilAA- with a stable rating outlook by Maalot. The issuer’s rating is the same. For a current rating report by Maalot, the Israeli Securities Rating Company Ltd. in which the Company's rating was ratified, please see Maalot’s immediate report dated April 20, 2026 (Ref: 2026-15-036659).

- The Company’s bonds (Series I, J, L, M, O, P and Q) are rated Aa3 with a stable outlook by Midroog. The issuer’s rating is the same. For a rating report by Midroog, in which the Company's rating was ratified, please see Midroog’s immediate report dated May 18, 2026 (Ref: 2026-15-045699).

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

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

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

Appendix F – Material Assets[28]

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 June 30, 2026 is 75%:

Parameters	June 30, 2026
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 appraiser	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 entities. 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.
Valuation date Error! Bookmark not defined.	30/6/2026
Valuation model	Income approach (DCF)
Fair value shortly before the valuation date (fair value as of June 30, 2025) (100% of the asset) (USD millions)	1,020.6
Fair value as of the valuation date (March 31, 2026) (100% of the asset) (USD millions)	1,020.4
Revaluation losses in the second quarter of 2026 (100% of the asset) (USD millions)	(2.9)
Revaluation losses in 2026 (100% of the asset) (USD millions)	(4.8)
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)

[28] In accordance with the proposed amendment to the Securities Regulations to establish "Disclosure Guidance regarding Investment Real Estate Activities" from December 2023.

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

CONSOLIDATED FINANCIAL STATEMENTS

ALONY HETZ PROPERTIES & INVESTMENTS LTD

AlonyHetz Properties & Investments Ltd

Deloitte.

A Review Report of the Independent Auditor to the shareholders of

Alony Hetz Properties & Investments Ltd.

Introduction

We have reviewed the accompanying financial information of **Alony Hetz Properties & Investments Ltd.** and consolidated companies (hereafter- "the Company") which includes the condensed consolidated statement of financial position as of June 30, 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six and three months ended on that date. The Board of Directors and management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting" and they are also responsible for the preparation of this interim financial information in accordance with Chapter D of Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the interim condensed financial information of consolidated companies, whose assets included in consolidation constitute approximately 20% of total consolidated assets as of June 30, 2026, and whose revenues included in consolidation constitute approximately 29% and 32% respectively, of total consolidated revenues from rental fees, management of investment property and sale of electricity, green certificates and revenue from sale of tax benefits, for the periods of six and three-months ended on that date. Furthermore, we did not review the interim condensed financial information of companies accounted for under the equity method basis, the investment in which amounted to approximately 367 million NIS as of June 30, 2026 and the share of whose results for the periods of six and three months ended on that date, amounted to profit of approximately 26 and 14 million NIS, respectively. The interim condensed financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the financial information included for those companies, is based on the review reports of the other auditors.

Scope of Review

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

Conclusion

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

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

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

Tel Aviv, August 17, 2026

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Beit Shemesh, 9906201

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

	As of June 30		As of December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	1,169,341	1,740,729	2,089,050
Deposits and designated deposit	534,631	156,135	414,970
Trade receivables	189,034	142,368	122,523
Current tax assets, net	87,046	33,589	89,268
Other receivables	503,428	417,784	526,004
Assets designated for sale	140,500	212,860	-
Total current assets	2,623,980	2,703,465	3,241,815
Non-current assets			
Investment property	24,435,275	20,089,119	24,988,174
Investment property in development and land rights	6,016,774	5,591,196	6,016,638
Long-term investments:			
Securities measured at fair value through profit and loss	181,117	211,074	195,843
Investment in companies accounted for according to the equity method	1,054,509	1,998,879	1,010,517
Deferred tax assets	302,666	311,993	276,150
Electricity-generating facilities:			
Connected electricity-generating facilities	6,214,871	5,794,654	6,578,233
Right-of-use asset	621,618	667,525	637,507
Electricity-generating facilities in development	4,913,188	3,804,846	3,816,543
Restricted deposits	27,249	24,097	20,821
Fixed assets, net	133,121	119,190	133,641
Other assets	485,271	439,671	411,574
Total non-current assets	44,385,659	39,052,244	44,085,641
Total assets	47,009,639	41,755,709	47,327,456

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

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

	As of June 30		As of December 31
	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Audited)
Liabilities and equity			
Current liabilities			
Short term credit and current maturities of long term loans	2,116,458	1,567,647	1,363,250
Current maturities of bonds	974,120	1,157,586	1,129,704
Current maturities of lease liabilities	41,713	40,182	41,215
Current tax liabilities, net	57,417	101,410	126,881
Other payables	1,442,697	1,210,045	1,450,663
Deferred revenue in respect of agreement with the tax partner	288,165	190,533	321,040
Financial liability in respect of agreement with the tax partner	31,324	42,442	35,213
Total current liabilities	4,951,894	4,309,845	4,467,966
Non-current liabilities			
Bonds	16,123,550	15,359,807	15,287,203
Loans from banking corporations and financial institutions	9,210,729	6,153,872	10,020,434
Lease liability	693,385	729,341	706,958
Deferred tax liabilities	2,328,262	2,166,231	2,153,270
Provisions	16,483	16,483	16,483
Other liabilities	756,446	800,324	812,132
Deferred revenue in respect of agreement with the tax partner	581,458	509,348	659,326
Financial liability in respect of agreement with the tax partner	82,293	91,553	114,497
Total non-current liabilities	29,792,606	25,826,959	29,770,303
Equity			
Equity attributed to Company shareholders	5,097,711	5,388,254	5,608,853
Non-controlling interests	7,167,428	6,230,651	7,480,334
Total equity	12,265,139	11,618,905	13,089,187
Total liabilities and equity	47,009,639	41,755,709	47,327,456

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

On behalf of the Board of Directors:

Aviram Wertheim ____________ Chairman of the Board of Directors

Nathan Hetz ____________ Member of the Board of Directors and CEO

Oren Frenkel ____________ CFO

August 17, 2026

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

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2026	2025	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from rental fees and management of investment property	979,444	702,295	485,886	353,161	1,668,831
Fair value adjustments of investment property	(6,671)	295,090	9,675	287,865	385,136
Group share in the profits (losses) of associates, net	33,280	52,576	17,290	(550)	(40,461)
Net profits (losses) from investments in securities measured at fair value through profit and loss	(1,149)	(7,583)	150	2,591	(10,376)
Gain from acquisition of control in Carr and from decrease in holding rate	-	-	-	-	116,502
Revenues from sale of electricity and green certificates	378,674	365,152	193,302	195,859	755,665
Revenues from sale of tax benefits (*)	161,766	112,647	77,420	53,720	407,768
Other revenues (expenses), net	3,130	324	1,921	(182)	4,466
	1,548,474	1,520,501	785,644	892,464	3,287,531
Costs and expenses					
Cost of investment property rental and operation	193,384	97,960	93,378	49,171	280,555
Initiation, maintenance and operation costs of electricity-generating facilities	94,149	78,310	40,918	37,111	167,944
Depreciation and amortizations	143,186	133,132	75,154	72,825	270,674
Impairment loss	185,019	35,943	185,019	35,943	35,943
Administrative and general	160,977	130,424	86,558	69,407	298,628
Realization of translation difference reserve and other reserves due to the acquisition of control in Carr	-	-	-	-	396,451
Financing income	(25,293)	(24,725)	(12,163)	(10,937)	(79,219)
Financing expenses	560,368	503,431	351,208	294,237	1,121,083
	1,311,790	954,475	820,072	547,757	2,492,059
Profit (loss) before taxes on income	236,684	566,026	(34,428)	344,707	795,472
Income tax expenses	145,881	109,440	73,397	53,077	250,320
Net profit (loss) for the period	90,803	456,586	(107,825)	291,630	545,152
Distribution of net income (loss) for the period:					
Company shareholders	**(102,238)**	**201,306**	**(178,774)**	**134,332**	**7,439**
Non-controlling interests	193,041	255,280	70,949	157,298	537,713
	90,803	456,586	(107,825)	291,630	545,152

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2026	2025	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net earnings (loss) per share attributed to Company shareholders (in NIS)					
Basic	(0.45)	0.94	(0.79)	0.63	0.03
Fully diluted	(0.45)	0.94	(0.79)	0.62	0.03
Weighted average share capital used in calculation of earnings per share (thousands of shares)					
Basic	226,230	215,033	226,251	215,033	215,593
Fully diluted	226,230	215,104	226,251	215,082	215,773

(*) Reclassified - see Note 2a.2.

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

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

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2026	2025	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net profit (loss) for the period	90,803	456,586	(107,825)	291,630	545,152
Other comprehensive income					
Amounts to be classified in the future to profit and loss, net of tax					
Loss from the translation of financial statements for foreign activities	(685,667)	(306,566)	(554,826)	(596,111)	(872,859)
Profit 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	232,485	126,201	199,730	231,913	321,205
Loss from exchange rate differences and changes in fair value of instruments used for cash flow hedging, net of tax	(24,470)	(540)	(53,279)	(18,731)	(41,103)
Company's share in other comprehensive loss of associates, net of tax	-	(5,355)	-	(2,451)	(5,201)
Realization of capital reserves due to acquisition of Carr	-	-	-	-	396,451
Other comprehensive loss for the period, net of tax	(477,652)	(186,260)	(408,375)	(385,380)	(201,507)
Total comprehensive income (loss) for the period	(386,849)	270,326	(516,200)	(93,750)	343,645
Allocation of comprehensive income (loss) for the period					
Company shareholders	**(422,958)**	**60,641**	**(449,599)**	**(148,834)**	**(22,136)**
Non-controlling interests	36,109	209,685	(66,601)	55,084	365,781
	(386,849)	270,326	(516,200)	(93,750)	343,645

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

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Six-Month Period ended June 30, 2026 (Unaudited) (NIS thousands)

	Share capital	Share premium	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 2026	244,172	4,126,984	(680,349)	467,216	(589)	1,451,419	5,608,853	7,480,334	13,089,187
Total comprehensive income for the period	-	-	(313,770)	(6,950)	-	(102,238)	(422,958)	36,109	(386,849)
Dividend paid to Company shareholders	-	-	-	-	-	(113,149)	(113,149)	-	(113,149)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	(261,570)	(261,570)
Exercise of employee options	168	5,909	-	(727)	-	-	5,350		5,350
Exercise of employee options in consolidated companies	-	-	-	10,426	-	-	10,426	17,277	27,703
Expiry of employee options in the Company and in consolidated companies	-		-	1,462	-	-	1,462	(1,462)	-
Acquisition of shares from non-controlling interests in a consolidated company	-	-	-	5,649	-	-	5,649	(116,188)	(110,539)
Allocation of benefit in respect of options to employees and officers	-	-	-	2,078	-	-	2,078	12,928	15,006
Balance as of June 30, 2026	244,340	4,132,893	(994,119)	479,154	(589)	1,236,032	5,097,711	7,167,428	12,265,139

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

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Three-Month Period ended June 30, 2026 (Unaudited) (NIS thousands)

	Share capital	Share premium	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of April 1, 2026	244,314	4,132,008	(750,979)	491,151	(589)	1,471,369	5,587,274	7,438,760	13,026,034
Total comprehensive income (loss) for the period	-	-	(243,140)	(27,685)	-	(178,774)	(449,599)	(66,601)	(516,200)
Dividends declared and paid to Company shareholders	-	-	-	-	-	(56,563)	(56,563)	-	(56,563)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	(102,157)	(102,157)
Exercise of employee options	26	885	-	(111)	-	-	800	-	800
Exercise of employee options in consolidated companies	-	-	-	7,607	-	-	7,607	8,152	15,759
Expiry of employee options in the Company and in consolidated companies	-	-	-	1,462	-	-	1,462	(1,462)	-
Acquisition of shares from non-controlling interests in a consolidated company	-	-	-	5,649	-	-	5,649	(116,188)	(110,539)
Allocation of benefit in respect of options to employees and officers	-	-	-	1,081	-	-	1,081	6,924	8,005
Balance as of June 30, 2026	244,340	4,132,893	(994,119)	479,154	(589)	1,236,032	5,097,711	7,167,428	12,265,139

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

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Six-Month Period ended June 30, 2025 (Unaudited) (NIS thousands)

	Share capital	Share premium	Receipts on account of options	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 2025	233,107	3,751,981	27,626	(636,807)	387,117	(589)	1,651,141	5,413,576	6,218,950	11,632,526
Total comprehensive income for the period	-	-	-	(130,531)	(10,134)	-	201,306	60,641	209,685	270,326
Dividend paid to Company shareholders	-	-	-	-	-	-	(103,216)	(103,216)	-	(103,216)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	-	(232,547)	(232,547)
Issuance of capital in consolidated companies	-	-	-	-	7	-	-	7	16,148	16,155
Exercise of employee options in subsidiaries	-	-	-	-	7,312	-	-	7,312	14,886	22,198
Expiry of employee options in the Company and in consolidated companies	-	3,687	-	-	4,296	-	-	7,983	(7,983)	-
Allocation of benefit in respect of options to employees and officers	-	-	-	-	1,951	-	-	1,951	11,512	13,463
Balance as of June 30, 2025	233,107	3,755,668	27,626	(767,338)	390,549	(589)	1,749,231	5,388,254	6,230,651	11,618,905

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

Alony-Hetz Properties and Investments Ltd. | Condensed Consolidated Statements of Changes in Equity for the Three-Month Period ended June 30, 2025 (Unaudited) (NIS thousands)

	Share capital	Share premium	Receipts on account of options	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of April 1, 2025	233,107	3,751,981	27,626	(499,229)	392,982	(589)	1,666,507	5,572,385	6,244,959	11,817,344
Total comprehensive income (loss) for the period	-	-	-	(268,109)	(15,057)	-	134,332	(148,834)	55,084	(93,750)
Dividend paid to Company shareholders	-	-	-	-	-	-	(51,608)	(51,608)	-	(51,608)
Dividends paid to non-controlling interests in consolidated companies	-	-	-	-	-	-	-	-	(89,798)	(89,798)
Issuance of capital in consolidated companies	-	-	-	-	46	-	-	46	7,530	7,576
Exercise of employee options in subsidiaries	-	-	-	-	7,312	-	-	7,312	14,886	22,198
Expiry of employee options in the Company and in consolidated companies	-	3,687	-	-	4,296	-	-	7,983	(7,983)	-
Allocation of benefit in respect of options to employees and officers	-	-	-	-	970	-	-	970	5,973	6,943
Balance as of June 30, 2025	233,107	3,755,668	27,626	(767,338)	390,549	(589)	1,749,231	5,388,254	6,230,651	11,618,905

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

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

	Share capital	Share premium	Receipts on account of options	Capital reserve from translation of financial statements for foreign activity	Capital reserve for employee options and other capital reserves	Company shares held by the Group	Retained earnings	Total attributed to Company shareholders	Non-controlling interests	Total equity
Balance as of January 1, 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
Acquisition of shares from non-controlling interests in a consolidated company	-	-	-	-	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 Condensed Consolidated Financial Statements.

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

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2026	2025	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Cash flows - Operating activities					
Net profit for the period	90,803	456,586	(107,825)	291,630	545,152
Net expenses (revenues) not entailing cash flows (Appendix A)	449,651	(71,141)	419,378	(39,740)	489,956
	540,454	385,445	311,553	251,890	1,035,108
Changes in working capital (Appendix B)	(184,238)	(10,235)	39,519	59,218	(87,074)
Net cash provided by operating activities	356,216	375,210	351,072	311,108	948,034
Cash flows - Investing activities					
Investment in fixed assets and investment property (including investment property in development)	(460,792)	(544,326)	(218,083)	(190,838)	(1,240,312)
Proceeds from the realization of investment property, net of tax	13,095	25,185	1,000	10,878	186,669
Investment in electricity-generating systems	(1,254,774)	(1,070,825)	(612,317)	(628,355)	(2,434,335)
Investment in associates	(33,721)	(14,630)	(3,005)	(9,085)	(76,630)
Increase in pledged deposit and restricted cash	(32,042)	(123,984)	(115,434)	(107,195)	(42,843)
Cash from forward transactions and options designated for hedging	155,266	(74,414)	43,202	(8,112)	6,018
Investment in short-term deposits	(300,999)	-	(300,999)	-	-
Acquisition of consolidated companies (Appendix E)	-	-	-	-	(185,664)
Miscellaneous	7,530	(31,011)	2,605	(2,707)	(27,033)
Net cash used in investing activities	(1,906,437)	(1,834,005)	(1,203,031)	(935,414)	(3,814,130)
Cash flows - Financing activities					
Proceeds from the Group's issuance of bonds, net	1,127,502	1,628,753	1,127,502	1,125,248	1,924,353
Repayment of bonds	(637,849)	(583,384)	-	-	(1,107,956)
Receipt of long-term loans, net of capital raising expenses paid	364,515	957,605	365,572	423,459	3,352,203
Repayment of long-term loans	(391,314)	(370,336)	(93,580)	(124,904)	(1,356,270)
Proceeds from the issuance of shares and options	5,350	-	800	-	351,256
Proceeds from the issuance of shares and options to non-controlling interests in consolidated companies	32,782	39,888	16,301	19,088	696,344
Acquisition of shares and options from non-controlling interests in consolidated companies, net	(110,539)	-	(110,539)	-	-
Increase in short-term credit and in utilized credit facilities	497,900	355,663	234,573	345,140	488,323
Dividend paid to Company shareholders	(113,149)	(103,216)	(113,149)	(103,216)	(207,161)
Dividends paid to non-controlling interests in consolidated companies	(261,570)	(232,547)	(102,157)	(117,141)	(438,296)
Net cash provided by financing activities	513,628	1,692,426	1,325,323	1,567,674	3,702,796

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

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2026	2025	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Increase (decrease) in cash and cash equivalents	(1,036,593)	233,631	473,364	943,368	836,700
Cash and cash equivalents at beginning of period	2,089,050	1,524,326	733,160	832,016	1,524,326
Designated deposit at beginning of period	202,162	27,931	21,364	30,709	27,931
Effect of exchange rates on foreign currency cash balances	(65,176)	(19,935)	(38,445)	(40,140)	(97,745)
Cash and cash equivalents and designated deposit at end of period	1,189,443	1,765,953	1,189,443	1,765,953	2,291,212
Less - Designated deposit at end of period	20,102	25,224	20,102	25,224	202,162
Total cash and cash equivalents	1,169,341	1,740,729	1,169,341	1,740,729	2,089,050

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

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2026	2025	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Adjustments required to present cash flows from operating activities					
a. Expenses (income) not entailing cash flows					
Fair value adjustment of investment property and profit from its sale	6,571	(295,090)	(9,775)	(287,865)	(385,138)
Loss from acquisition of control in Carr and from changes in rate of holding	-	-	-	-	280,031
Differences from adjustments, interest and discounting in respect of long-term liabilities and cash balances	132,964	169,825	155,911	195,213	441,078
Loss from fair value adjustment of securities measured at fair value through profit and loss	14,726	9,853	13,739	13,189	33,645
Company's share in results of associates, net of dividends and capital reductions received	(22,265)	(35,463)	(14,025)	9,977	94,854
Deferred taxes, net	121,229	11,134	79,030	(32,129)	81,878
Depreciation, amortizations and impairment loss	339,043	176,937	257,343	116,429	308,403
Allocation of benefit in respect of share-based payment	20,607	12,821	13,213	7,452	34,994
Revenue from the tax partner (*)	(161,766)	(112,647)	(77,168)	(53,720)	(407,768)
Miscellaneous, net	(1,458)	(8,511)	1,110	(8,286)	7,979
	449,651	(71,141)	419,378	(39,740)	489,956
b. Changes in asset and liability items (changes in working capital)					
Increase in customers and in accounts receivable and debit balances	(78,528)	(35,076)	(44,973)	(19,791)	(37,926)
Decrease (increase) in current tax assets	(4,898)	(550)	(2,473)	2,240	(319)
Increase (decrease) in payables and credit balances	(22,586)	31,299	105,063	58,836	20,544
Increase (decrease) in current tax liabilities (*)	(78,226)	(2,968)	(18,098)	18,006	(60,043)
Purchase of CAP options	-	(2,940)	-	(73)	(9,330)
	(184,238)	(10,235)	39,519	59,218	(87,074)

	For the six-month period ended June 30	For the six-month period ended June 30	For the three-month period ended June 30	For the three-month period ended June 30	For the year ended December 31
	2026	2025	2026	2025	2025
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
c. Non-cash activity:					
Investment in electricity-generating systems against supplier credit and payables	530,848	491,449	250,301	209,350	379,399
Increase in provision for evacuation and rehabilitation against systems in development	25,857	-	24,954	-	15,130
Exercise of employee options against receivables	29	11,115	29	11,115	5,189
Realization of investment property against receivables	-	-	-	-	1,000
Increase in right-of-use asset against lease liabilities resulting from new lease agreements	47,544	99,183	16,350	87,976	105,626
Investment in property and fixed assets against other payables and credit balances	23,415	13,708	23,415	13,708	35,232
Accounts payable in respect of capital issuance	-	-	-	-	1,253

(*) Reclassified - see Note 2a.2.

d. Additional information:					
Interest paid	523,939	413,953	109,149	119,676	764,543
Interest received	27,145	31,147	12,336	22,611	67,941
Taxes paid (*)	98,485	135,029	19,783	78,329	279,232
Taxes received	14,404	13,603	2,573	7,446	17,736
Dividends and capital reductions received	14,437	17,392	6,629	9,956	54,451

(*) The taxes paid in the reporting period include taxes paid in respect of an assessment agreement in a subsidiary. The taxes paid and received in 2025 include appreciation tax due to the realization of properties.

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