

MARCH 2022

PERIODIC FINANCIAL STATEMENTS 2021



BOARD OF DIRECTORS

Natan Hetz	Chairman of the Board
Aviram Wertheim	
Gad Pnini	
Dorit Kadosh	
Yael Andorn	
Yarom Ariav	
Moti Barzilai	
Nira Dror	
keren Turner	

Chief Executive Officer	Shimon Abudraham
Independent Auditors	Deloitte Brightman Almagor Zohar & Co.
Registered Office	Amot Atrium Tower 2 Jabotinsky Street, Ramat Gan 5252007



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DESCRIPTION OF THE CORPORATION'S BUSINESS

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

DESCRIPTION OF THE CORPORATION'S BUSINESS



CHAPTER 1

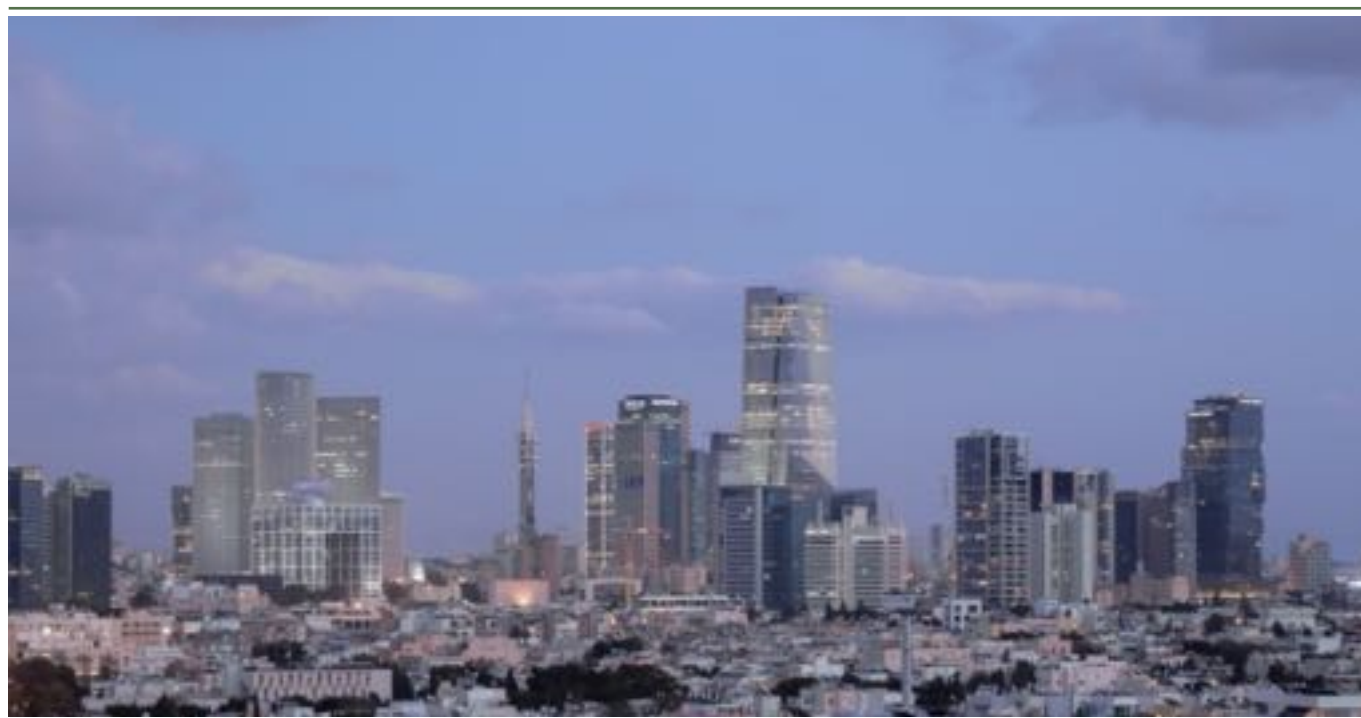
THE COMPANY, ITS ACTIVITIES AND ASSETS

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

DESCRIPTION OF THE GENERAL DEVELOPMENT OF THE COMPANY'S BUSINESS

Amot Investments Ltd. (hereafter – the “Company”) hereby submits the description of the corporation’s business as of December 31, 2021 (hereafter – the “Report Date”), which reviews the description of the Company and the development of its business during the year ended December 31, 2021. The Company and its investees shall be named hereafter in this report - the “Company”.

Regarding The Effects of the coronavirus on the Company’s business activities - see chapter 2.



1. Pursuant to Section 32A of the Securities Law, 1968, reduced liability applies to a Company which includes forward-looking information in its reports provided that it complies with the conditions set out in the aforesaid section, which include, among other things, expressly stating alongside such information, that the information is forward-looking information. Therefore, it should be clarified that the aforesaid Section 321A applies to this report only where it is specifically noted that the section includes forward-looking information. Pursuant to Section 32A, forward-looking information is a forecast, assessment, estimate, or other information relating to a future event or matter, whose realization is uncertain and which is not controlled solely by the Company.

1.1

THE COMPANY'S ACTIVITIES AND DESCRIPTION OF ITS BUSINESS

Amot Investments is a public company which is engaged, both directly and indirectly through corporations under its control, in renting out, management and maintenance of income-generating real estate in Israel as well as in the development of real estate for renting out purposes.

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

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

In May 2006 Amot listed its shares on the Stock Exchange for the first time. The Company's share is included in the Tel Aviv 35 Index and in the Tel Aviv – Real Estate Index. As of the Report Date, Alony Hetz – the Company's controlling shareholder – holds 56% of the Company's share capital.

1.2

AREA OF ACTIVITY

The Company (Including through invested corporations, hereinafter, jointly: the “Company”) is engaged, directly and indirectly through corporations under its control, in the leasing, management and maintenance of revenue-generating properties in Israel, and in the initiation, development and construction of real estate for leasing purposes.

As of December 31, 2021, the Company's revenue-generating properties in Israel (owned or leased) included 175 properties ⁽¹⁾ covering a total area of 1.8 million square meters (the Company's share), of which 1.1 million square meters are aboveground leasing areas, and 0.7 million square meters are open storage and parking areas. The Company also has 8 projects in advanced stages of planning and construction, at a scope of 276 thousand square meters of aboveground areas, and 3 projects in planning and development stages at a scope of 64 thousand square meters of aboveground areas (the Company's share).

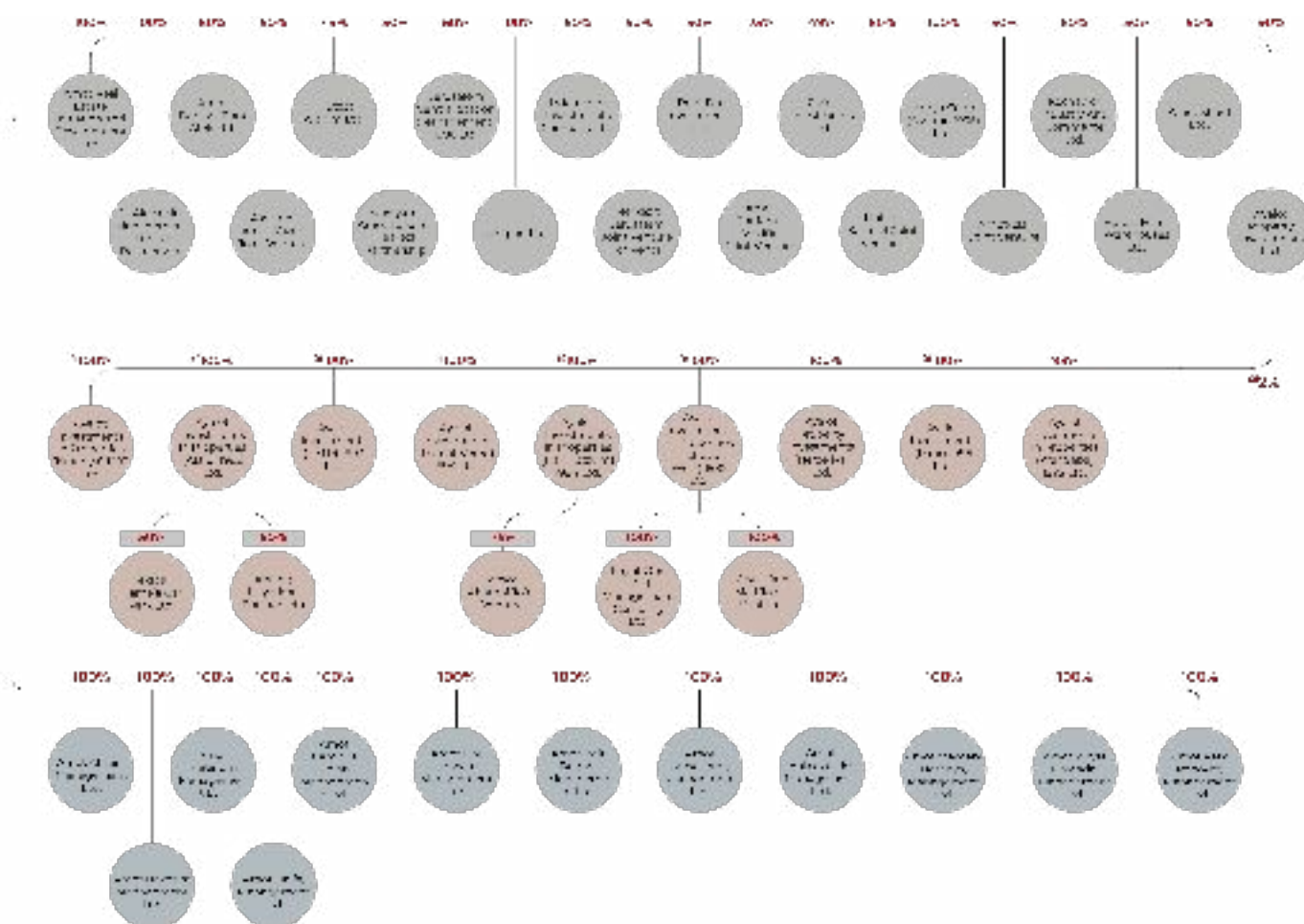
The fair value of the Company's properties as of December 31, 2021 amounted to over NIS 17 billion. The fair value of revenue-generating properties as of December 31, 2021 amounted to NIS 14.7 billion.

The Company also holds investment property under construction and rights to land designated for development with a fair value of NIS 2.4 billion. The occupancy rate at the Company's properties as of December 31, 2021 is 98.0%.

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

1. Beginning with this financial report, the Company's properties are presented as individual properties, and not as complexes.

SET FORTH BELOW IS A CHART OF THE STRUCTURE OF THE COMPANY'S HOLDINGS IN INVESTEES (EXCLUDING INACTIVE COMPANIES)



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

1.3 TRANSACTIONS INVOLVING COMPANY'S SHARES

Investments in corporation's capital carried out during the reported periods:

Date	Details	Par value in thousands	Consideration in thousands of NIS	Share price in NIS
Number of shares as of 31.12.2018		347,450		
January 2019	Exercise of options by CEO	383	3,936	10.28 ⁽¹⁾
April 2019	Private offering	7,300	149,665	20.50
September 2019	Exercise of options by CEO	584	8,519	14.59 ⁽¹⁾
2019	Exercise of options into shares (series 9)	21,727	426,869	19.65 ⁽²⁾
2019	Exercise of employee options	3,530	47,422	13.43 ⁽²⁾
October 2020	Public offering	27,500	397,404	14.45
November 2020	Exercise of options by CEO	531	8,837	16.63 ⁽¹⁾
2020	Exercise of employee options	610	8,963	14.68 ⁽²⁾
April 2021	Exercise of options by CEO	311	5,016	16.13 ⁽¹⁾
September 2021	Public offering	29,900	702,484 ⁽³⁾	23.49
2021	Exercise of employee options	2,773	46,487	16.68 ⁽¹⁾
Total par value issued in the reported periods		95,149		
Number of shares as of 31.12.2021		442,599		

1. Exercise price in accordance with the Company CEO's compensation plan.
2. Exercise price in accordance with the option plan.
3. Without consideration with respect to the options Series 11.

1.4

DIVIDEND DISTRIBUTION POLICY AND DISTRIBUTION OF DIVIDENDS

In March 2020, the Company's Board of Directors also determined that, in 2020, the Company intends to distribute minimum annual dividends in the amount of 98 agorot per share, to be paid in 4 quarterly payments, whereby a total of 24 agorot per share were paid in the first and second quarters, and a total of 25 agorot per share were paid in the third and fourth quarters. In accordance with the foregoing policy, in 2020 the Company announced a dividend distribution in the amount of 98 agorot per share (NIS 381 million). Additionally, in March 2020, the Company announced another dividend with respect to 2019, in the amount of 31 agorot per share (NIS 118 million).

In March 2021, the Company's Board of Directors determined that, in 2021, the Company intends to distribute minimum annual dividends in the amount of 100 agorot per share, to be paid in 4 payments in the amount of 25 agorot per share. In accordance with the foregoing policy, during the reporting period the Company announced a dividend distribution in the amount of 100 agorot per share (NIS 419 million).

Since its IPO in May 2006, The Company has distributed dividends to its shareholders in a cumulative total of NIS 4 billion.

The Company's retained earnings as of December 31, 2021 amounted to NIS 2,761,728 thousand (prior to the dividend distribution which the Company announced on March 7, 2022).

In March 2022, the Company's Board of Directors determined that the Company intends, in 2022, to distribute minimum annual dividends in the amount of 106 agorot per share, to be paid in 4 quarterly payments, in the first and second quarters in the amount of 26 agorot per share, and in the third and fourth quarters in the amount of 27 agorot per share, subject to a specific resolution of the Board of Directors at the end of each quarter. In accordance with this policy, in March 2022, the Company announced a dividend distribution for the first quarter of 2022, in the amount of 25 agorot per share (NIS 118 million). Additionally, in March 2022, the Company announced another dividend with respect to 2021, in the amount of 34 agorot per share (NIS 155 million).

SET FORTH BELOW ARE DIVIDENDS PAID BY THE COMPANY OUT OF ITS DISTRIBUTABLE PROFITS DURING THE LAST FIVE YEARS:

The year in respect of which the dividend was paid	Current dividend NIS per share	Additional dividend NIS per share	Total dividend per share (NIS)	Total dividend paid in respect of that year (NIS)
2017	0.84	0.36	1.20	380 million
2018	0.90	0.30	1.20	407 million
2019	0.94	0.31	1.25	460 million
2020	0.98	-	0.98	381 million
2021	1.00	0.34	1.34	574 million

DESCRIPTION OF THE CORPORATION'S BUSINESS



CHAPTER 2

OTHER INFORMATION

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

EFFECTS OF THE CORONAVIRUS ON THE COMPANY'S BUSINESS ACTIVITIES

The novel coronavirus has been spreading around the world since early 2020, and has been declared a pandemic by the World Health Organization.

As part of the national effort to deal with the pandemic, the Government of Israel enacted the State of Emergency Regulations, which led to the imposition of severe restrictions on movement in the first quarter of 2021. The lockdown which was imposed at the end of December 2020 lasted for around one and a half months, and included the closure of cultural, recreational and leisure centers. Severe restrictions were also imposed on activity in the business, public and private sectors, excluding the activity of essential businesses (such as supermarkets, drugstores, clinics and banks).

Beginning in March 2021, a gradual resumption of routine activity began in nearly all sectors. Along with a gradual cancellation of the various restrictions on activity, and the Israeli economy recovered quickly thanks to the effectiveness of the vaccines, which resulted in a sharp decline in infection rates, and allowed extensive lessening of the restrictions through the presentation, by the vaccinated and those who have recovered from covid, of the "green badge" issued by the Ministry of Health. Although infections again rose significantly in July 2021 in Israel and around the world, due to the spread of the delta variant of the virus, after which a decision was reached to administer a third dose of the vaccine to the population. The requirement to present an updated "green badge" upon entry to cultural, entertainment and leisure centers, as well as restaurants, was re-imposed, which damaged the business activity in those sectors, and caused a certain decline in commercial activity; however, no additional restrictions were imposed on business activity. During the fourth quarter of the year, due to the vaccination of a significant part of the population with the booster shot, there was a very significant decline in infections due to the delta variant, while at the same time the even more transmissible omicron variant began spreading, leading to high infection rates. The omicron variant is considered less dangerous and less likely to cause severe illness. In parallel with the spread of the omicron variant, routine business activities continued as usual in the economy, and the requirement to present the green badge was also recently canceled. Prior to the publication date of this report there was a significant decline in infection rates due to the omicron variant.

A new spike in infections, if one occurs, and re-imposition of restrictions on business activity, could be reflected in a deceleration and/or decrease in demand, and damage to various lessees.

The total sum of concessions which were given by the Company with respect to the reporting period (mostly for lessees of commercial center during the lockdown months of January and February 2021) amounted to a total of NIS 20 million.

The Company's estimates regarding the possible implications of the coronavirus event, and of the directives which are issued to the public in respect thereof, on the Company's activities, including and without derogating from the generality of the foregoing, on the materialization of the forecasts which are given by the Company in its reports, with respect to its operating results in 2022, constitute forward looking information, as defined in the Securities Law, 5728-1968, which is based, inter alia, on the Company's estimates as of the publication date of this report, regarding factors which are outside of its control. The Company's estimates are based on the information which is currently available to the Company, on publications on the subject, and on the directives which are issued by the relevant authorities, which are uncertain to materialize, and which may materialize in a significantly different manner, due to factors which are not under the Company's control, including, inter alia, the possibility of another wave of covid infections. In light of the effectiveness of the vaccines, and the continuing increase in the vaccination rate among the population, additional significant waves of infection which would lead to lockdowns of economic activity are not expected.

ECONOMIC ENVIRONMENT AND THE IMPACT OF EXTERNAL PARAMETERS ON THE COMPANY'S ACTIVITIES - ISRAEL ⁽¹⁾

Any reference included in this section with respect to the Company's estimates in connection with the future developments in Amot's economic environment, and in the external factors which affect its activity, constitutes forward looking information, as defined in section 32A of the Securities Law, which is not under the Company's control, and which is uncertain and is based on the information sources which were specified by the Company.

Economic activity in 2021 was characterized by a rapid rate of recovery. Despite the fourth wave of infections, the severity of the restrictions was relatively limited, thanks to the vaccination of the population.

GDP grew in 2021 by around 6.5%, as compared with contraction of around 2.2% in 2020. The growth was due to significant growth in most areas, including private consumption, investment in fixed assets exports (goods and services) and imports. Tourism was the main sector that did not see a recovery. According to the Bank of Israel's forecasts, GDP is expected to grow by around 5.5% in 2022, and by around 5.0% in 2023.

Since the deconfinement after the third lockdown in February 2021, the adjusted employment rate (in which coronavirus absentees are not considered employed) increased accordingly, and the overall unemployment rate decreased. An improvement was recorded due to the reduction of support for coronavirus patients. However, since August, the improvement in employment indicators has decelerated. The number of available jobs continued to increase in 2021. This phenomenon is characteristic of other developed countries in which the number of unemployed grew rapidly, due to the government policy regarding furloughing employees. In light of the easing of restrictions, and the rapid growth of GDP, new available jobs were created, which are being staffed at a relatively slow pace. The workforce shortage is continuing to impede the expansion of activity, particularly in the hotel, industry and services sectors. The unemployment rate decreased at the end of 2021 to around 4.3%, as compared with around 5.0% at the end of 2020.

2021 had a high inflationary environment relative to recent years, amounting to an annual rate of around 2.8%. The rising inflation was due to global processes. The recovery of the global economy, the lifting of restrictions and the increase in disposable income led to significant waves of demand. However, the supply side is recovering more slowly. This resulted in disruptions to economic activity around the world, accompanied by increasing energy prices and delays in various production and supply chains. These two processes - the sharp increase in demand and difficulties on the supply side, are causing inflationary pressures around the world, and to a lesser extent, in Israel as well. According to the assessment of the Bank of Israel, although the inflationary environment in Israel did increase, it is significantly lower than in many other countries and is within the target range, and an inflationary outbreak is therefore not expected. The rise of the NIS vs. other currencies also contributed to that assessment. The average of inflation forecasts from various sources are all within the target range (1%-3%). The Bank of Israel's inflation forecast for 2022 is an annual rate of around 1.6%.

1. Sources of information in this section:

- Bank of Israel - Macro-economic forecast of the research division, January 2022.
- Bank of Israel - Monetary policy report for the second half of 2021, January 2022.
- CBS - Data from the Labor Force Survey for December, the fourth quarter and 2021.
- CBRE market survey Q4-2020, February 2022.

ECONOMIC ENVIRONMENT AND THE IMPACT OF EXTERNAL PARAMETERS ON THE COMPANY'S ACTIVITIES - ISRAEL ⁽¹⁾ (CONT.)

The expansionary monetary policy which characterized most of the central banks around the world in 2020 was maintained in 2021; however, towards the end of the year the central banks began signaling a certain reduction of that policy. In December the Fed announced that 3 interest rate increases are expected in 2022, and also announced the limiting of bond purchases. In England, in light of the significant rise of inflation, the central bank raised interest rates in December. In Israel, the Central Bank left the interest rate unchanged, at 0.1%. The average of interest rate forecasts for 2022 is around 0.25%.

The cumulative deficit out of GDP continued to decrease in 2021, and amounted to around 4.6% only, as compared with around 11.4% at the end of 2020, thanks to the continued significant increase in tax collection (even relative to the long term trend), along with the decrease in government expenses. The decrease in government expenses was due to the reduction of coronavirus expenses, along with the under-performance of the continuous budget quota, and the relatively slow increase of expenses, even after the budget's approval. The target deficit for 2022 is around 3.9%.

In the field of foreign currency, the NIS remained stable until the end of the first half of the year, both relative to the nominal effective exchange rate and relative to the USD and the EUR, in light of the purchases made by the Bank of Israel. The increase of the NIS in the second half was due to significant foreign currency conversions performed by institutional investors and foreign investors, and by the slower rate of purchases made by the Bank of Israel. In summary, during the second half of 2021 the NIS rose vs. the USD by 4.6%, and vs. the EUR and the nominal effective exchange rate by 9.2% and 7.9%, respectively.

		ISRAEL		
For the year ended	Units	31.12.2021	31.12.2020	31.12.2019
Macro-economic parameters				
GDP (PPP)	Billions of USD	422	380	384
GDP (PPP) per capita	USD	44,966	41,271	42,429
GDP (PPP) growth rate	%	10.92%	(0.97%)	5.63%
GDP (PPP) per capita growth rate	%	8.95%	(2.73%)	6.10%
Inflation rate	%	2.80%	(0.69%)	0.60%
Long term local government bond yield	%	1.44%	0.89%	2.14%
Rating of long term government debt		AA-/A1	AA-/A1	AA-/A1
Unemployment rate (*)	%	4.3%	5%	3.7%

(*) Unemployment rate defined as unemployed, total population - persons aged 15 or older, after deducting seasonality, percentages, as a percent of the total.

1. Sources of information in this section:

- Bank of Israel - Macro-economic forecast of the research division, January 2022.
- Bank of Israel - Monetary policy report for the second half of 2021, January 2022.
- CBS - Data from the Labor Force Survey for December, the fourth quarter and 2021.
- CBRE market survey Q4-2020, February 2022.

ECONOMIC ENVIRONMENT AND THE IMPACT OF EXTERNAL PARAMETERS ON THE COMPANY'S ACTIVITIES - ISRAEL ⁽¹⁾ (CONT.)

The office market presented impressive recovery in 2021, mostly in the Tel Aviv, Ramat Gan and Herzliya regions. The recovery was mostly due to the expansion of the hi-tech sector, which grew significantly during the period due to capital raisings which were performed, both by public hi-tech companies, and by venture capital raised by private companies. The raising of capital facilitated the recruitment of employees, which led to an increase in demand for offices, which led to higher occupancy rates and higher rental prices. However, there are differences between the performance of the office market in major cities, such as Tel Aviv, Ramat Gan and Herzliya, which feature a high concentration of hi-tech companies, relative to the performance in other cities (Ra'anana, Petach Tikva, Netanya, Rehovot, Haifa, Jerusalem). The occupancy rate in Tel Aviv at the end of 2021 increased to around 97%; in Herzliya to around 94%; and in Ramat Gan to 93%. However, in other cities the occupancy rates as of the end of 2021 were in the range of 85%-89%. Rental prices in most cities increased in 2021, after several quarters of decline. In major cities, a double digit increase was seen in rental prices. Tel Aviv saw an increase of 28%, Herzliya - 13%, and Ramat Gan - 10%. More moderate price increases were seen in the other abovementioned cities (around 6% in Jerusalem, around 4% in Netanya and Rehovot, and 3% in Haifa). A moderate decrease in rental prices of around 2% was seen in Petach Tikva. Based on the trend of new and concluded construction projects, there seems to be optimism for continuation. 2021 was characterized by a decline in new construction, along with a significant increase in concluded construction projects, mostly in the third quarter of the year. Capitalization rates decreased this year by 50 base points, such that the office capitalization rate decreased to approximately 6.0%.

The logistics sector remained attractive for investment by real estate companies. The significant growth in demand for online purchases continued boosting the logistics sector during the last year. Prices of land for logistics purposes continue rising consistently, while rental prices increased at a lower pace, which led to a decrease in the rates of return of logistics properties. The capitalization rates of logistics centers decreased to approximately 5.75%. Another trend is diverting demand for logistical areas to periphery areas, due to the increase in land prices. The expected population growth in Israel, in combination with the growth in e-commerce, are expected to contribute to continued strong demand for logistics areas.

The commercial sector and mostly the shopping malls segment, suffered the most severe harm among all sectors, due to the lockdowns and restrictions. On the other hand, the decrease in Israelis traveling abroad contributed to an increase in purchases in all types of stores in Israel. It should be noted that despite the increased demand for online purchases, the rate of online purchases in Israel is lower than it is abroad, and stands at around 15%, as compared with an average of around 29% in European countries. New construction of commercial areas, which were relatively high before the pandemic, decreased significantly in 2020. The decrease in new construction stopped in the second and third quarters of 2021, and growth of around 50% in new construction was recorded relative to the corresponding quarters in 2020. The capitalization rate of commercial areas remained unchanged in 2021, at around 7.0%.

1. Sources of information in this section:

- Bank of Israel - Macro-economic forecast of the research division, January 2022.
- Bank of Israel - Monetary policy report for the second half of 2021, January 2022.
- CBS - Data from the Labor Force Survey for December, the fourth quarter and 2021.
- CBRE market survey Q4-2020, February 2022.

CLARIFICATION

CHANGES IN FINANCIAL REPORTING STANDARDS THAT IMPACT THE MANNER OF PRESENTATION OF FINANCIAL REPORTS

In view of the application of IFRS11 - "Joint Arrangements" - which was applied retroactively to annual reporting periods starting on January 1 2013, some of the jointly controlled companies that were accounted for and presented by the proportionate consolidation method prior to the application of the standard are presented at Book Value (equity) in the current reporting period. The change to presentation stemming from the application of IFRS11 originates from an indirect holding in 5 income-generating assets and assets under construction through direct holding of property companies' shares.

In order to increase transparency for analysts, investors, shareholders and bond holders, the Company presents **the extended consolidated financial statements** that may clarify and improve the quality of the Company's reporting (**see Appendix to the Directors' Report**); therefore, the Company bases the analysis of its activities on the extended consolidated financial statements while making adjustments to the consolidated financial statements which are audited by the Company's independent auditors.

Starting with Section 2.1 of this report, all data presented in the tables are based on extended consolidated financial statements data according to the Company's proportionate share in its assets, obligations and activity.



2.1

FINANCIAL INFORMATION REGARDING THE COMPANY'S ACTIVITY

(based on extended consolidated financial statements)

2.1.1

PRINCIPAL BALANCE SHEET DATA FROM THE BALANCE SHEET AS OF DECEMBER 31 OF EACH OF THE YEARS

	2021	2020
Cash and cash equivalents	442,177	619,750
Investments in securities at fair value through p&l	-	50,160
Balance of current assets	81,712	61,016
Investment property	14,678,447	12,718,390
Investment property under construction and additional building rights	2,447,443	1,222,883
Balance of non-current assets	139,339	158,267
Total assets	17,789,118	14,830,466
Short-term credit and current maturities	578,299	661,575
Bonds	6,694,298	5,998,148
Loans from banks and others	617,880	90,097
Deferred taxes	1,531,385	1,356,761
Balance of other liabilities	766,717	407,838
Total liabilities	10,188,579	8,514,419
Total equity	7,600,539	6,316,047
Total liabilities and equity	17,789,118	14,830,466

2.1.2

COMPANY'S PRINCIPAL OPERATING RESULTS DATA (IN THOUSANDS OF NIS)

	2021	2020	2019
Total revenue from management fees and rent	873,827	798,356	793,123
Total cost of renting out and operating the properties	94,009	64,152	65,571
Net operating income from renting out and operating of properties	779,818	734,204	727,552
Adjustment of fair value of investment property	868,597	(150,498)	951,308
Amortization of transaction costs with respect to property purchases	(120,583)	(12,417)	(60,540)
General, administrative and other expenses	56,518	56,627	52,695
Other expenses (income)	1,860	2,081	1,252
Operating income	1,469,454	512,581	1,564,373
Financing expenses – real interest	136,054	125,065	130,120
Financing expenses (income) – linkage	112,327	(13,652)	16,497
One-off financing expenses due to refinancing	-	-	23,801
Income tax expenses	288,887	111,713	323,532
Net income for the year	932,186	289,455	1,070,423
NOI – Gain from renting out and operating of properties, net of depreciation	779,818	734,204	727,552
Same property NOI	695,406 (1)	670,070 (1)	704,529
NOI from new/sold assets and assets whose construction was completed	84,412	64,134	23,023
EBITDA – operating income net of revaluations and amortization	724,040	677,806	675,741

1. The results for 2021 and 2020 are presented after applying the coronavirus concessions which were given by the Company.

2.1.3

ADJUSTMENT TO FFO (FUNDS FROM OPERATIONS) (IN THOUSANDS OF NIS) IN ACCORDANCE WITH THE DISCLOSURE DIRECTIVE OF THE ISRAEL SECURITIES AUTHORITY

	FFO for the year ended		
	31.12.2021	31.12.2020	31.12.2019
Net income for the period	932,186	289,455	1,070,423
Adjustment of fair value of investment property and properties under construction	(748,014)	162,915	(890,768)
Deferred taxes, betterment tax and other	258,168	60,944	296,302
Amortization of warrants	4,826	7,288	6,101
Depreciation and sundry	4,474	4,668	3,388
Nominal FFO	451,640	525,270	485,446
Add (deduct) - linkage expenses (income) in respect of principal of debt and exchange differences	112,327	(13,652)	16,497
Real FFO	563,967	511,618	501,943
Weighted number of shares	419,750	389,183	362,016
Real FFO per share	1.343	1.315	1.387
Real FFO net of one-off financing expenses	582,965	511,618	520,270
Weighted number of shares	419,750	389,183	362,016
Real FFO per share	1.389	1.315	1.437

FFO

Funds From Operations

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

2.2

SET FORTH BELOW ARE DATA REGARDING THE COMPANY'S PROPERTIES IN ISRAEL, BY USE

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

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

PRIME PROPERTIES

The Company has several income-generating real estate assets, which are located in prime areas and therefore have a competitive advantage over other assets. The main criteria for defining a property as a prime property are:

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

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

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

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



01. SET FORTH BELOW ARE DATA REGARDING THE COMPANY'S ABOVE-GROUND INCOME-GENERATING SPACES IN SQUARE METERS

	2021	% of total area	2020	% of total area
Offices	381,905	35%	382,398	40%
Logistics and industrial parks	503,034	47%	380,811	40%
Retail centers	131,918	12%	131,918	14%
Supermarkets	37,694	3%	37,694	4%
Other	23,553	2%	23,553	2%
Total above ground area	1,078,104	100%	956,374	100%
Open storage	96,870		-	
Parking lot	581,400		553,000	
Total	1,756,374	100%	1,509,374	100%

1. The areas specified above include 44 thousand square meters in 2021 and 35 thousand square meters in 2020, and of companies under joint control which are presented according to the equity method in the financial statements.
2. On July 15, 2020, the Modiin logistics center was reclassified from property under construction to investment property, with an area of 32 thousand square meters

02. SET FORTH BELOW ARE DATA ABOUT THE FAIR VALUE OF THE COMPANY'S INCOME-GENERATING PROPERTIES IN ISRAEL IN THOUSANDS OF NIS

	2021	of total area %	2020	of total area %
Offices	6,754,843	46%	6,507,342	51%
Logistics and industrial parks	4,255,707	29%	2,577,256	20%
Retail centers	2,692,644	18%	2,612,321	21%
Supermarkets	737,006	5%	718,377	6%
Other	238,247	2%	235,934	2%
Total	14,678,447	100%	12,651,230	100%

1. In 2020, not including land for development and betterment in the amount of NIS 70 million, respectively
2. Out of the above, during the years 2021 and 2020, properties with a value of NIS 542 million and NIS 467 million, respectively, belong to companies under joint control which are presented according to the equity method in the financial statements.
3. On July 15, 2020, the Modiin logistics center was reclassified from property under construction to investment property.

03. SET FORTH BELOW ARE DATA REGARDING THE COMPANY'S NOI IN THOUSANDS OF NIS

	2021	% of NOI	2020	% of NOI	2019	% of NOI
Offices	389,666	50%	407,249	55%	391,451	54%
Logistics and industrial parks	185,244	24%	156,594	21%	127,488	18%
Retail centers	149,174	19%	113,480	15%	148,311	20%
Supermarkets	45,189	6%	45,970	6%	44,010	6%
Other	13,440	2%	12,754	2%	16,569	2%
Total	782,713	100%	736,047	100%	727,829	100%

1. Not including unattributable expenses in the amount of NIS 5 million in 2021, NIS 4 million in 2020, and NIS 3 million in 2019.
2. Out of the above, NOI in the amount of NIS 29 million and NIS 28 million in the years 2021 and 2020, respectively, belong to companies under joint control which are presented according to the equity method in the financial statements.

04. SET FORTH BELOW ARE DATA REGARDING THE BREAKDOWN OF REVALUATION GAINS/LOSSES GENERATED FROM THE COMPANY'S INCOME-GENERATING PROPERTIES IN THOUSANDS OF NIS

	2021	2020	2019
Offices	245,573	(72,799)	576,618
Logistics and industrial parks	364,373	22,079	222,905
Retail centers	72,894	(119,838)	73,213
Supermarkets	21,019	1,596	79,925
Other	2,477	(2,368)	8,202
Transaction costs in respect of purchase of new properties	(97,463)	-	(59,375)
Total (***)	608,873	(171,330)	901,488
Reconciliation of asset value in construction - Offices	139,141	8,415	(10,720)
Total	748,014	(162,915)	890,768

1. Out of the above, revaluation gains in the amount of NIS 5 million in 2021, revaluation loss in the amount of NIS 21 million in 2020, and revaluation gains in the amount of NIS 40 million in 2019, belong to companies under joint control which are presented according to the equity method in the financial statements.
2. Most of the fair value amortization in 2020 was due to the impact of the decrease of the CPI, and due to the impact of the coronavirus crisis, mostly on commercial properties.

05. SET FORTH BELOW IS A BREAKDOWN OF THE COMPANY'S MONTHLY RENT FROM ITS INCOME-GENERATING PROPERTIES (IN NIS PER SQUARE METER)

	2021 Excl. Covid	2021	2020 Excl. Covid	2020
Offices	86	86	83	83
Logistics and industrial parks	39	39	39	39
Retail centers	114	102	117	79
Supermarkets	100	100	99	99
Other	58	48	57	45

1. Calculated based on leasing revenue only, excluding parking and management fees.
2. Calculated based on the entire area of the properties, net of average vacant areas.
3. Calculated by standardizing average rent from properties acquired during the year.
4. Standardized for the coronavirus pandemic - After neutralizing concessions, mostly to the lessees of commercial centers.

06. SET FORTH BELOW IS AN ANALYSIS OF DATA REGARDING AVERAGE OCCUPANCY RATES IN THE COMPANY'S INCOME-GENERATING REAL ESTATE ASSETS (IN PERCENTAGES)

	2021	2020
Offices	95.8	94.3
Logistics and industrial parks	100	99.7
Retail centers	96.1	96.8
Supermarkets	100	100
Other	100	100
Total	98.0	97.2

1. The Company had no significant change between the average occupancy rate as of the reporting date, and the period of the reporting year.

07. SET FORTH BELOW ARE DATA REGARDING THE NUMBER OF THE COMPANY'S INCOME-GENERATING PROPERTIES

	2021	2020 New Count ⁽²⁾	2020
Offices	47	47	31
Logistics and industrial parks	56	37	17
Retail centers	34	34	19
Supermarkets	35	35	35
Other	3	3	2
Total	175	156	104

- 6 of these are revenue-generating properties which belong to companies under joint control, and which are accounted for using the equity method in the financial statements.
- In this periodic report, the Company's properties are counted according to individual properties, and not complexes. According to the current counting method, there were 156 total properties in 2020.

08. SET FORTH BELOW ARE DATA REGARDING THE AVERAGE RETURN RATES (BASED ON VALUE AT YEAR-END) FROM THE COMPANY'S INCOME-GENERATING PROPERTIES IN PERCENTAGES

	2021 Excl. Covid	2021	2020 Excl. Covid	2020
Offices	5.9	5.9	6.1	6.1
Logistics and industrial parks	5.4	5.4	6.4	6.4
Retail centers	6.3	5.5	6.6	4.4
Supermarkets	6.1	6.1	6.2	6.2
Other	6.9	5.6	7	5.4
Total	5.8	5.6	6.3	5.8

- Rates of return derived from actual NOI are biased downwards, due to vacant areas which are not currently generating actual revenue, actual cash flows which do not necessarily reflect the updated lease agreements, and NOI in respect of properties which partially generated revenue during the reporting period.
- The capitalization rate used to capitalize the Company's properties was the "net" capitalization rate - in other words, in order to compare the capitalization rate of transactions involving real estate properties with similar characteristics, an additional 0.25% - 0.5% should be added to the aforementioned capitalization rate in respect of transaction costs, depending on the type of transaction and the amount of capitalization fees.

The specific capitalization rate for each property in each sector depends on several factors:

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

2.2.1

INFORMATION REGARDING THE COMPANY'S PROJECTED REVENUES FROM RENT IN RESPECT OF SIGNED RENTAL AGREEMENTS OF COMPANY'S PROPERTIES AS OF 31.12.21; BREAKDOWN IS PROVIDED BY THE END DATE OF THE AGREEMENTS

Revenue recognition period	Assuming the renters will not exercise option periods		
	Revenues (rent) fixed components	Number of contracts ending	Total areas of properties whose contract ends
	In millions of NIS		In thousands of Sq. m
First quarter 2021	193	86	12
Second quarter 2021	189	93	24
Third quarter 2021	184	104	37
Fourth quarter 2021	179	80	25
2022	745	363	98
2023	565	536	241
2024	432	316	161
2025	322	176	111
2026 and thereafter	977	274	438
Total	3,041	1,665	1,049

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

- A. The amounts include the Company's share in properties accounted for using the proportionate consolidation method.
- B. The table does not include projected revenues in respect of signed contracts in projects under construction.

The information presented in the above tables is forward-looking information (see note above at the beginning of this report). The data relates to data existing and known to the Company on the date of publication of this report with regard to the expiry dates of the current rental agreements. The information may change due to reasons that are not under the control of the Company, such as termination of the rental agreements due to breach or due to financial difficulties of renters, which may cause breach or termination of the rental agreements.

2.2.2

INFORMATION ABOUT PRINCIPAL RENTERS OF THE COMPANY

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

2.2.3

DATA REGARDING THE COMPANY'S PRINCIPAL PROPERTIES

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

Management of the office building is carried out by self-management or by condominium committees.

Name of property	Location of property	Description of property
ToHa1 (Totseret Haaretz Complex) Company's share – 50%	Crossroad of Totseret Haaretz St, Yigal Allon St and Dereh Hashalom St.	A prestigious and unique tower, built to the highest quality standards in Israel, and bearing the LEED Platinum standard. In 2021 the tower was chosen as the best office tower in the world in a competition of the Council on Tall Buildings and Urban Habitat (CTBUH).
Amot Atrium Tower	Ramat Gan's City complex, Jabotinsky St.	A prestigious and unique tower built in accordance with the highest building standard in Israel. The tower has Platinum Certification - the highest LEED® certification.
Amot Investments Tower, Europe House Amot Mishpat Complex (Beit Amot Mishpat, Amot Hakiryah and Dubnov 10)	Shaul HaMelech St, center of Tel Aviv, at the heart of the city's courts' complex	Due to their proximity to the courts' complex, the buildings constitute prime properties due to excess demand by professionals and government entities wishing to rent spaces within the complex.
Amot Bituach Complex (Buildings A, B and C)	Menachem Begin Road, Tel Aviv	A complex composed of 3 office buildings, one of which is rented out in full to the Fattal Hotels chain. The complex benefits from excellent transport links being since it is located in Menachem Begin Road, Tel Aviv.

2.2.3

DATA REGARDING THE COMPANY'S PRINCIPAL PROPERTIES

The Company owns and / or co-owns with others in a number of industrial and logistics parks.

The parks are managed by management companies under Company ownership or under ownership of external management companies or by the renters.

Name of property	Location of property	Description of property
Park Amot - Tzrifin	On the eastern side of Highway 44 (Ramle - Beit Dagan), near the moshav Nir Tzvi, and near Assaf Harofeh Hospital and Tzrifin Junction	The complex covers around 274 dunams, on which 18 logistics buildings are built, with a total built area of around 113 thousand square meters. The complex has significant unused building rights.
Si'im Park Netanya Poleg Park Netanya	Poleg South Industrial Estate	The properties underwent comprehensive upgrading process and meet the increasing demand to combined uses, both for the high-tech and pharm industries and for purposes of logistics and warehousing.
Logistics center - Shoham	Hevel Modiin Industrial Area in Shoham	The entire property is leased to S.L.E. - Salomon Levin Elstein Ltd. (a subsidiary of Teva), and serves as a sophisticated logistics center for automatic storage of raw materials for the pharmaceutical industry, and for storage and distribution of drugs.
Logistics center - Kargal	Lod north Industrial Estate	A complex with an area of about 106 dunams and a built-up area of about 47,000 square meters, rented to 35 tenants. The complex has unused building rights to a significant extent.
Rehovot Park	Rehovot Industrial Estate	Industrial park comprising a 3-wing building spread over 33 square meters, used by high-tech companies, logistic centers.
Logistic Centers Modi'in	Modi'in Industrial Estate	Properties renter out to high-quality renters for example to Shufersal Ltd.

2.2.3

DATA REGARDING THE COMPANY'S PRINCIPAL PROPERTIES

The Company has rights in several malls and retail centers.

The malls and retail centers are managed by management companies under Company ownership or under joint ownership of the Company and its partners. The Company's share in the jointly controlled companies is identical to its share in the malls.

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

The Company has rights in a real estate asset, which serves as a central bus station:

Name of property	Location of property	Description of property
Central Bus Station	Jerusalem	Company's share – 50%

THE COMPANY IS THE OWNER OF 35 PROPERTIES USED AS SUPERMARKETS

The Company owns 35 properties across the country which are used as supermarkets; those properties are rented out to the "Shufersal Ltd." Company, to "Mega Retail Ltd.", to "Co-op Jerusalem" and to others. As of 31.12.2021, the occupancy rate is 100%.

The Company operates in the development and acquisition of land for the purpose of initiation, development, and construction of income-generating properties for renting out purposes (for more details on this matter, see page 73 of Directors' report on the state of the corporation's affairs).

2.2.4

MATERIAL PROPERTIES

Set forth below are details relating to the Company's principal assets, whose fair value in the Company's consolidated financial statements as of 31.12.2021 constitutes at least 5% of total corporation's assets as of that date or that total corporation revenues attributed to the asset constitute at least 5% of the consolidated revenues of the corporation in the reported year.

	ToHa1 (Company's share - 50%)			Atrium Tower		
Region	Tel Aviv			Ramat Gan		
Main use	Offices			Offices		
Square meters (Company's share)	28,500			55,677		
Parking lot	16,000			22,600		
Fair value evaluator	Rafael Conforti			Rafael Conforti		
Evaluation technique	Discounted cash flows - (DCF)			Discounted cash flows - (DCF)		
Liens on property	none			none		
	2021	2020	2019	2021	2020	2019
Fair value as at year end (NIS thousands)	907,265	770,775	776,060	1,496,482	1,442,933	1,472,562
Rent income for the period (NIS thousands)	46,263	45,005	29,786	78,396	79,344	81,365
Actual NOI for the period (NIS thousands)	45,839	45,032	28,145	78,402	79,519	82,533
Actual rate of return %	5.05%	5.84%	3.62%	5.24%	5.51%	5.60%
Adjusted rate of return %	5.75%	6.30%	6.30%	6%	6.1%	6.1%
Revaluation profits	114,698	(9,285)	155,946	56,470	(29,642)	149,716
Occupancy rate for the end of the period %	96.5%	96.5%	96.5%	100%	95%	99.5%
Actual average monthly rent income per sqm (NIS)	129	126	126	122	120	122

1. The ToHa1 tower began generating revenue in 2019.
2. Adjusted rate of return - Includes taking into account representative NOI, and therefore constitutes a reliable estimate of the discount rate which was used to estimate the property's value.
3. Actual rent / NOI per square meter / per value, after neutralizing revenue with respect to parking spaces, and after neutralizing vacant areas / value of vacant areas, as of December 31st, 2021.

2.2.4

MATERIAL PROPERTIES

Set forth below are details relating to the Company's principal assets, whose fair value in the Company's consolidated financial statements as of 31.12.2021 constitutes at least 5% of total corporation's assets as of that date or that total corporation revenues attributed to the asset constitute at least 5% of the consolidated revenues of the corporation in the reported year.

	Park Amot - Tzrifin			Kiryat Ono mall		
Region	Tzrifin Industrial Estate			Kiryat Ono		
Main use	logistics and industrial			Retail \ Offices		
Square meters (Company's share)	113,000			41,505		
Parking lot	14,000			70,000		
Fair value evaluator	ENG. Joseph Sarnitzky			Oded Houshner and co'		
Evaluati on technique	Discount ed cash flows - (DCF) + optimal use at the end of a lease term			Discount ed cash flows - (DCF)		
Liens on property	none			none		
	2021	2020	2019	2021	2020	2019
Fair value as at year end (NIS thousands) ⁽¹⁾	1,518,181	-	-	1,056,400	1,040,000	1,070,000
Rent income for the period (NIS thousands)	14,508	-	-	59,782	44,086	35,280
Actual NOI for the period (NIS thousands) ⁽¹⁾	12,697	-	-	59,653	41,984	34,916
Average proceedi ngs per Sqm (NIS) ⁽²⁾	-	-	-	2,270	1,858	2,013
Actual rate of return %	5.05%	-	-	5.62%	4.04%	3.26%
Adjusted rate of return % ⁽³⁾	5.00%	-	-	0.0625	0.0625	0.0625
Revaluation profits ⁽⁴⁾	-	-	-	14,814	(33,853)	30,297
Occupa ncy rate for the end of the period %	100%	-	-	99.2%	96.5%	97.3%
Actual average monthly rent income per sqm (NIS) ⁽⁵⁾	43	-	-	123	110	133

- On November 28, 2019, the transaction involving the acquisition of all interests in Kiryat Ono shopping mall was completed. The property is a complex which includes a shopping mall, two office towers and an underground parking lot.
On September 30, 2021, the transaction involving the acquisition of Tzrifin logistics park, and it began generating revenue on October 1, 2021. The property's value includes construction volume and unused building rights which were classified under the item for property under construction in the amount of NIS 250 million.
- The figure pertains to commercial centers, to the best of the Company's knowledge, and was given based on information which was received from lessees, and the Company is unable to verify that the information is indeed correct.
This figure refers to the period when the commercial centers were open.
- Adjusted rate of return - Includes taking into account representative NOI, and therefore constitutes a reliable estimate of the discount rate which was used to estimate the property's value.
- Revaluation gains with respect to the Kiryat Ono shopping mall and Tzrifin logistics park, not including amortization for transaction costs.
- Actual rent / NOI per square meter / per value, after neutralizing revenue with respect to parking spaces, and after neutralizing vacant areas / value of vacant areas, as of December 31, 2021. Including management fees in Tzrifin logistics park.

2.2.5

INVESTMENT PROPERTY UNDER CONSTRUCTION

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

Region and use	Parameters	For the year ended		
		31.12.2021	31.12.2020	31.12.2019
Offices	Number of properties under construction at end of period	7	4	4
Holon Campus / Toha2 / Lehi	Total upper areas under construction (planned) at end of period	248,930	94,550	100,068
Complex Bnei Brak / Amot Shufersal	Total area of underground parking lot	101,282	70,803	73,923
Modiin / Amot	Total costs invested in current period	418,131	386,631	138,095
Givatayim / Compound K	Amount of assets as per financial statements (including portions considered as income-generating)	1,522,910	613,967	270,280
Jerusalem/ Park (Afek)	Construction budget in the subsequent period (estimate)	377,219	201,912	414,172
	Total construction budget (estimate)	3,652,000	1,403,000	1,475,000
	Percentage of built area for which rental contracts were signed as of 31.12	11%	4%	2.67%
	Percentage of built area for which rental contracts were signed as of the date of signing the financial statements	-	-	-
	Projected average annual revenue from projects to be completed in the subsequent period and for 50% or more of their area contracts were signed (in millions of NIS)	26	-	-
Logistics, Beit Shemesh / Amot	Number of properties under construction as of end of period	1	1	1
Shufersal Modiin ⁽¹⁾ (during years 2019-2020)	Total upper areas under construction (planned) as of end of period	27,000	-	39,000
	Total costs invested in current period	56,898	-	43,928
	Amount of assets as per financial statements	53,690	-	111,259
	Construction budget in the subsequent period (estimate)	58,991	-	189,000
	Total construction budget (estimate)	180,000	-	300,000
	Percentage of built area for which rental contracts were signed and/or in the final signing phases	-	-	100%(3)
	Projected average annual revenue from projects to be completed in the subsequent period and for 50% or more of their area contracts were signed (in millions of NIS)	-	-	24

1. The logistics center began generating revenue in mid-July 2020, and the Company classified the logistics center part from property under construction to investment property, in the amount of NIS 187 million (the Company's share).
2. The rental agreement relates to the area of the logistic center only.

2.2.5.1

MATERIAL PROPERTIES UNDER CONSTRUCTION

Presented below are details regarding a significant property under construction of the Company, whose fair value in the Company's consolidated financial statements as of December 31, 2021 constitutes 5% or more of the corporation's total properties as of the present date.

	ToHa 2 (Company's share - 50%)
Region	Tel Aviv
Primary use	Offices
Land purchase date	The land was purchased between the years 2010 and 2015, and the building rights were purchased in 2021
Construction works commencement date	Excavation and foundation works for the parking lot began in 2019
The Company's share in the area (square meters)	80,000
The Company's share in parking lot area	22,500
Valuer	Rafael Conforti
Valuation model	Comparison method
Charges on the property	None.
	2021
Cumulative cost at year-end	331,800
Fair value at year-end	449,125
Carrying value at year-end	449,125
Revaluation gains	117,325
Projected completion date	2026
Total projected investment cost	1,500,000
Investment cost which has not yet been invested	1,168,200

2.2.5.2 INVESTMENT PROPERTY UNDER CONSTRUCTION

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

	2021			2020	2019
	Amount presented in financial statements (in thousands of NIS)	Potential of building rights (in square meters)	Area (in square meters)	Amount presented in financial statements (in thousands of NIS)	Amount presented in financial statements (in thousands of NIS)
Additional building rights					
Offices	263,443	101,959	14,484	62,394	62,394
Industrial and logistics	266,000	140,000	-	67,401	67,835
Retail	9,539	2,753	-	9,739	7,601
Others	2,624	29,443	-		
Land (no building rights)					
Offices	107,211	54,000	13,223	281,339	137,750
Industrial and logistics	80,970	-	97,000		
Retail	10,000	-	8,650	9,900	9,900
Others	115,500	-	18,062		
Total	855,287	328,155	151,419	430,773	285,480

2.2.6

PURCHASE AND SALE OF RIGHTS IN INCOME-GENERATING PROPERTIES BY MAIN USES (IN MILLIONS OF NIS)

Area	Parameters	For the year ended		
		31.12.2021	31.12.2020	31.12.2019
Offices	Number of properties purchased in the period	-	-	(2)
	Cost of properties purchased in the period ⁽¹⁾	-	-	134
	Projected NOI of properties purchased in the period	-	-	8.5
	Area of properties purchased in the period (thousands of square meters)	-	-	9
Logistics	Number of properties purchased in the period	2	-	1
	Cost of properties purchased in the period ⁽¹⁾	1,589	-	452
	Projected NOI of properties purchased in the period	58	-	22
	Area of properties purchased in the period (thousands of square meters)	122	-	50
Retail	Number of properties purchased in the period	-	-	(2)
	Cost of properties purchased in the period ⁽¹⁾	-	-	404
	Projected NOI of properties purchased in the period	-	-	25.5
	Area of properties purchased in the period (thousands of square meters)	-	-	12

1. Excluding transaction costs.

2. On November 28th, 2019, the transaction involving the acquisition of all interests in Kiryat Ono shopping mall was completed. The property is a complex which includes a shopping mall, two office towers and an underground parking lot.

2.2.7 CORPORATION-LEVEL ADJUSTMENTS

		Consolidated (in thousands of NIS) as of	
		31.12.2021	31.12.2020
Adjustment of fair value of investment property to values as per the statement of financial position – table 2			
Presentation in directors' report on the state of the corporation's affairs	Total investment property from income-generating properties in Israel	14,678,447	12,651,230
Adjustments	Land for development and betterment classified as investment property	-	67,160
	Classification of income-generating properties owned by jointly controlled companies to investment on equity basis	(541,969)	(466,221)
Presentation in the statement of financial position	"Investment property" item in the statement of financial position	14,136,478	12,252,169
Adjustment of NOI from income-generating properties to values as per the statement of comprehensive income – table 3			
Presentation in directors' report on the state of the corporation's affairs	Total NOI from income-generating properties	782,713	736,047
Adjustments	Operating expenses that cannot be directly allocated to a specific asset	(5,154)	(3,934)
	NOI in respect of properties classified to assets under construction and still generate income	2,392	2,255
	Classification of NOI in respect of income-generating properties owned by jointly controlled companies presented by the equity method (before equity earnings)	(29,099)	(27,733)
Presentation in the statement of comprehensive income	The "Income from renting out and operating of properties" in the statement of comprehensive income	750,852	706,635
Adjustment of revaluation gains from income-generating properties to values as per statement of comprehensive income – table 4			
Presentation in directors' report on the state of the corporation's affairs	Total revaluation income from income-generating properties	748,014	(165,565)
	Classification of revaluation losses (gains) in respect of income-generating properties owned by jointly controlled companies presented by the equity method (before equity earnings)	(5,373)	21,925
Presentation in the statement of financial position	The "Adjustment of fair value of investment property and gain from disposal thereof" item in the statement of comprehensive income	742,641	(143,640)

2.2.8 EVENTS AFTER THE BALANCE SHEET DATE

In January 2022, after the balance sheet date, the Company issued 11.6 million shares by way of a private allocation. The gross consideration which was received with respect to the issuance amounted to a total of approximately NIS 302 million.

In February 2022, after the balance sheet date, the Company's Board of Directors approved, and recommended that the Company's general meeting approve, an extension of the agreement for the receipt of management services from Alony Hetz Properties and Investments Ltd., for an additional 3 year period, from January 1, 2022 to December 31, 2024, in consideration of management fees in the amount of NIS 10.3 million per year (linked to the CPI for December 2021), to be paid in four quarterly payments. The resolution will be presented to the Company's general meeting for approval in April 2022. As of the signing date of the report, the annual management fees amount to NIS 9.2 million.

2.2.9

MANAGEMENT AND OPERATING OF PROPERTIES

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

2.2.10

ASSETS WITH DEVELOPMENT POTENTIAL

The Company has several assets with development potential – for more information on this subject, see page 75 of the directors' report on the state of the corporation's affairs.

The TA/5000 plan

The TA/5000 plan, a valid comprehensive local outline plan applicable to the entire municipal area of the city of Tel Aviv-Jaffa is designed to outline a long-term urban planning policy. A comprehensive plan determines how the city is developed, divided into zones with different land zoning, maximum building volumes, building height limits, conservation areas and areas for increased development. The plan recommends future levels of development matching the expected growth in population and the increase in the employment market by 2025. A comprehensive plan cannot be used as the basis of a permit application. A comprehensive plan establishes guidelines for preparing a local outline plan (specific urban zoning plan with local authority), by virtue of which building permit applications may be submitted. A comprehensive plan does not confer rights and does not create a liability for betterment surcharges. In some of the Company's properties which are located within the plan area the Company promotes a local urban zoning plan compatible with TA/5000.

2.2.11

LEASED ASSETS IN A NON-CAPITALIZED LEASE

The Company leases some of its properties from the Israel Land Administration (hereafter – "ILA"). Regarding two of the properties, the lease agreement with the ILA is not capitalized. These non-capitalized agreements include a provision whereby the transfer of Company's rights in accordance with the agreement or the transfer of Company shares and/or the allocation of Company's shares at a rate exceeding 10%, requires the consent of the ILA and payment of consent fees.

DESCRIPTION OF THE CORPORATION'S BUSINESS



CHAPTER 3

COMPANY'S BUSINESS

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

3.1

GENERAL INFORMATION ABOUT THE AREA OF ACTIVITY

3.1.1

AREA OF ACTIVITY'S STRUCTURE AND CHANGES THEREIN

See section 2 above.

3.1.2

LEGAL AND REGULATORY RESTRICTIONS AND SPECIAL CONSTRAINS APPLICABLE TO THE AREA OF ACTIVITY

The Company's activity in the field of real estate is subject to real estate laws and to laws dealing with planning and building, licensing, accessibility and environmental protection (see also Section 3.11 of the report).

3.1.3

CHANGES AND DEVELOPMENTS IN THE SCOPE OF ACTIVITY AND PROFITABILITY THEREOF

See section 2 above.

3.1.4

CRITICAL SUCCESS FACTORS IN THE OPERATING SEGMENT

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

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

3.1.4

CRITICAL SUCCESS FACTORS IN THE OPERATING SEGMENT (CONT.)

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

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

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

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

3.1.5

BARRIERS TO ENTRY AND EXIT

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

3.1.6

STRUCTURE OF COMPETITION IN THE AREA OF ACTIVITY AND CHANGES THEREIN

See Section 3.3 below.

3.2

MARKETING

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

3.3

COMPETITION

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

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

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

3.3

COMPETITION (CONT.)

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

1. The Company has an asset portfolio in a variety of uses, comprising: offices (51%), commerce (21%), industry and logistics (20%), 35 supermarkets (6%). The variety of uses limits the Company's exposure to fluctuations in the different markets.
2. Most of the Company's principal properties are located in the central region of Israel.
3. Most of the Company's properties are relatively large, allowing it to meet the needs of large renters, while adapting the property to their needs.
4. The Company has a good reputation in the market as a reliable company in terms of meeting timetables for handing over rental properties to tenants and in terms of adapting the units and/or buildings to their needs and specifications, at any level required by the tenant.
5. The Company's principal renters have a good reputation and are financially stable; normally, those renters rent properties for long periods.
6. The maintenance and management level of Company's office buildings is high and meets the tenants' needs, which include, among other things, repairs, renovations and cleaning of internal spaces.
7. Good reputation, financial stability and the ability to secure bank funding.
8. Its abilities in the fields of initiation and development give the Company an advantage in identifying properties for development and construction and in locating properties requiring improvement that have rental potential and allow it to meet market demand.
9. The real estate properties under construction are located in developing and high-demand areas that feature additional office and retail buildings.
10. Taken together, the above advantages help the Company to deal with the intense competition in the Israeli cash-generating real estate market.

3.4

FIXED ASSETS

The Company's fixed assets include the area of Company's offices, furniture, office equipment, computers, vehicles and leasehold improvements, whose depreciated costs as of 31.12.2021 was NIS 45 million.

3.5 HUMAN CAPITAL

3.5.1 ORGANIZATIONAL STRUCTURE AND WORKFORCE

As of the date of this report, the Company employs 60 employees in its HQ, last year 54 employees, as follows:

Department	CEO's office	Finance	Legal	Marketing and operation	Engineering and initiation
Number of employees	2	24	3	11	20

In addition, the Company receives management services from Alony Hetz according to a management agreement (for details regarding this matter see Note 25c (1) of the financial statements).

As of the date of this report, the Company also employs, mainly through fully-owned subsidiaries (excluding properties held jointly), 52 employees at various sites outside its headquarters, as listed below:

Department	Property managers	Finance and administration	Maintenance	Marketing
Number of employees	12	15	19	6

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

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

3.5.2 OPTIONS TO OFFICE HOLDERS

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

3.6

ADAPTATION OF RENTAL PROPERTIES

In its properties, the Company performs maintenance, renovation and adaption works for lessees, beyond the routine operation of the properties. The scope of capital expenditures (capex) required to maintain the status quo amounted to a total of NIS 46 million in 2021 (including upgrading the facing of public areas, and adaptations for lessees in properties which were occupied); a total of NIS 43 million in 2020; and a total of NIS 69 million in 2019.

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

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

3.7

WORKING CAPITAL

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

As per the extended financial statements as of December 31 2021, working capital deficit amounted to NIS 543 million. The Company has unutilized long-term credit facilities from banks and institutions, which can be withdrawn immediately. Those unutilized credit facilities amount to NIS 1,180 million. The Company also has unpledged assets amounting to NIS 16.8 billion. Therefore, the Company's Board of Directors determined that the Company's working capital deficiency does not indicate a liquidity problem.

3.8 FUNDING

The Company finances its activity using cash flows from operating activities, capital issuances and bonds which the Company has raised from the public within the framework of prospectuses and shelf offering reports, and bank credit. In 2021, the Company raised a total of NIS 762 million in capital issuances, and an additional total of NIS 1,194 million from net raising of bonds, bank loans and credit facilities.

3.8.1 SET FORTH BELOW IS A BREAKDOWN OF THE COMPANY'S LOANS BALANCE AS OF 31.12.21

	Balance as of 31.12.21	Nominal interest as of 31.12.21	Effective interest 31.12.21
	In thousands of NIS	%	%
Banking sources			
Index-linked	625,555	0.82	No change
Linked to the dollar	17,707	Libor + 2.25	No change
Total banking sources	643,262	0.86	No change
Index-linked non-banking sources	7,061,743	2.12	1.62
Non-banking sources – unlinked to the index – bonds bearing NIS interest	246,253	3.33	2.68
	7,951,258		
Balance of bonds premium and other	(60,781)		
Total	7,890,477	2.02	1.56
Less – cash and cash equivalents	(442,177)		
Net financial debt	7,448,300		

SET FORTH BELOW ARE EXPECTED REPAYMENTS BY YEARS

Repayment year	2022	2023	2024	2025	2026 and thereafter	Total
Balance of repayable principal	567,024	565,378	565,378	689,832	5,563,646	7,951,258

3.8.2

CREDIT RATING

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

3.8.3

CREDIT FACILITIES AND BANK FUNDING

For information about this issue, see Note 15 C(1) of the financial statements.

3.8.4

PLEDGES

For information about this issue, see Note 18 B of the financial statements.

3.8.5

THE EXTERNAL APPRAISAL (DETAILS PURSUANT TO SECTION 2 OF THE THIRD ADDENDUM TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

The real estate appraisal firm Engineer Yosef Zarnitzky was established by Engineer Yosef Zarnitzky, who has 45 years' experience in the field of real estate appraisal and valuations. The firm comprises 10 appraisers. The decision to enter into an agreement with Mr. Zarnitzky was made by Company's management over the course of the year.

The rate of properties appraised by Mr. Zarnitzky constitutes, as of December 31 2021, 63% of the value of the investment property in the Company's statement of financial position and therefore he meets the definition of a very material appraiser in accordance with Legal Staff Position 105-30 of the Securities Authority of July 22 2015.

Mr. Zarnitzky's fees were not dependent on the results of the appraisals or on Company's performance.

The appraiser was given an indemnification commitment which is limited to the data provided to him by the Company.

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

Mr. Zarnitzky was certified as a real estate appraiser in January 1970. Since 15/09/1970 he has been the owner of a real estate appraisal and civil engineering firm. In 1983-1990 he served as the Head of the Real Estate Appraisers' Association. Since 2003 he has served as Chairman and founder of the Israeli Real Estate Appraisal Research and Implementation Academy.



3.8.6

REPORTABLE CREDIT

As of December 31, 2021, the Company did not have any material loan agreement or material credit which constitutes reportable credit, as defined in legal position 104-15, dated March 13, 2014, of the Israel Securities Authority ("Reportable Credit Position"). The Company's bonds which constitute reportable credit in accordance with the reportable credit position are bonds, Traded on the stock exchange. for details regarding the bonds see Note 14 to the financial statements.

3.8.7

REGULATORY CONSEQUENCES

None.

3.7

TAXATION

3.9.1

SUMMARY OF TAX LAWS APPLICABLE TO THE COMPANY

For information about this issue, see Note 17 H of the financial statements.

3.9.2

TAX ASSESSMENT

For details regarding the tax assessment agreement of the Company's for the years 2016-2019, and of consolidated companies for the years 2015-2019, see Note 17H to the financial statements.

3.9.3

MATERIAL ASSESSMENTS DISCUSSIONS

None.

3.8

ENVIRONMENTAL RISKS AND MANAGEMENT THEREOF

3.10.1

- A. The Company, as owner and/or lessee of real estate assets, may be liable in accordance with the law, including planning and construction laws, environmental laws and tort law, for violations of the law in the event that a violation took place on the premises of real estate assets it owns or leases.
- B. Environmental laws enacted in recent years, and the increasingly strict environmental enforcement, were designed to ensure that entities causing damage to the environment bear the full financial cost of the damage, so that the environmental damage becomes a tangible financial risk for polluting companies and the entities funding them. Alongside the increase in environmental legislation, enforcement in this field is also increasing, and the number of indictments filed against polluting companies has also increased. Increased enforcement may expose the Company to a number of risks, including legal risks – the risk of criminal action being taken against the Company, and the filing of personal indictments against the Company's executives due to non-compliance with environmental laws, among other things due to the increasing scope of knowledge available to the public – the risk of harming the Company's activity due to delays or refusal to issue or renew permits and/or other licenses and subjecting them to compliance with standards or other activity; reputational risk. Recognizing the need to enhance the environmental risk management in Company's activity and as part of a distinct Company policy in this regard, Amot has decided to formulate an internal environmental enforcement plan through its legal counsels, who specialize in environmental law, with the support by environmental advisors. The plan is designed to ensure that Company's activity is carried out in accordance with environmental regulations and to reduce exposure to environmental risks.

3.10.2

The Company rents out spaces to mobile phone companies for the installation and operation of cellular antennas and/or micro-transmitters.

Pursuant to the agreements signed between the Company and the mobile companies, the latter bear the liability for obtaining the permits required by law for the erection and operation of the antennas and/or micro-transmitters. The mobile phone companies also undertake to meet the safety provisions set in law, to bear any liability imposed on them by law and to indemnify the Company for any damage caused from those companies' activity in the rental property, except if such damage was caused due to an act or omission of the Company. Furthermore, the mobile phone companies undertake to take out insurance, among other things, in respect of their liability for harm and/or damage that may be caused to third parties due to those companies' activities in the rental property, with the insurance being expanded to indemnify the Company and the management companies.

As to Company's legal liability as the owner or lessee of real estate properties in which the antennas and/or micro-transmitters are installed, see Section 3.10.1 (a) above.

3.10.3

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

3.10.4

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

3.10.5

As of the date of this report, no amounts were ruled and no provisions were recognized in the financial statements and there were no other environmental costs applicable to the Company.

For additional information, see page 62 in the report of the corporation's board of directors, Sustainability and Environment - ESG.



3.11

RESTRICTIONS AND SUPERVISION OF THE COMPANY'S ACTIVITIES

3.11.1

Applicability of different laws:

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

3.11.2

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

3.11.3

the Promotion of Competition and Reduction of Concentration Law

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

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

3.12

MATERIAL AGREEMENTS

For information on this matter, see Note 9 of the financial statements.

3.13

LEGAL PROCEEDINGS

For information on this matter, see Note 18 of the financial statements. For purposes of this Section 3.13, a legal proceeding is considered to be material, regardless of whether it was filed by the Company or against the Company, if the amount claimed, excluding interest and expenses, exceeds 10% of the Company's current assets on a consolidated basis, i.e., app. NIS 53 million as of December 31 2021. As of the date of this report, there are no substantive legal proceedings in the company.

3.14

TARGETS AND BUSINESS STRATEGY

The Company's business strategy is to expand its activity in the field of income-generating real estate in Israel through purchases and/or development and building of assets and/or through merger with other corporations that operate in this sector.

In 2016, the Company carried out a comprehensive assessment of its business strategy for the next decade. As part of the conclusions of the said assessment, the Company works to expand the geographic distribution of its business and to diversify the different uses of properties it invests in. It was also decided to develop the field of logistics as another channel for driving growth and development in the Company.

For more information on this issue, see Section 2 above in connection with the description of the economic environment and the impact of external factors on the Company's activities.

The above information constitutes forward-looking information (see comment at the beginning of this report above). It should be clarified that the disposal of assets in Israel from time to time is carried out under market conditions and in accordance with a cost-benefit analysis and that these external factors are not controlled by the Company. Furthermore, the targets are set based on Company's assessment of the condition of the market in which it operates. Therefore, there is no certainty that the aforesaid will indeed materialize and actual results may differ from the above estimates.

3.15

PROJECTED DEVELOPMENT IN THE FORTHCOMING YEAR

The Company will continue developing its business, identifying opportunities for the acquisition of revenue-generating properties for leasing purposes, with an emphasis on the logistics sector, and will continue its initiation, development and construction activities in Israel in the field of revenue-generating properties in Israel.

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

3.16

INFORMATION REGARDING MATERIAL EVENTS IN THE COMPANY

SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS AS OF 31.12.2021

See chapter 2.2.8 on this report.

3.17

GEOGRAPHICAL SEGMENTS

None.

3.18

RISK FACTORS

The Company is exposed to risk factors stemming from the economic environment, the unique characteristics of its field of activities and risk factors which are unique to the Company.

3.18.1

MACRO-ECONOMIC RISK FACTORS

A. Risks relating to the Israeli economy

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

B. Interest risks

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

C. Changes in inflation rates

1. The Company has loans and bonds which are linked to the Israeli consumer price index and which were used to fund the purchase of the Company's income-generating real estate assets. The Company has a material exposure to changes in inflation rates in Israel.
2. Company's revenues from rent and management fees are linked to the consumer price index.

D. Cybersecurity risks

The company has various databases that contain both confidential and personal information in relation to its customers. Failure and / or incident of information security in relation to the systems used by the Company and in which such information is stored, may affect the Company's ongoing activities, its customers, the provision of the services provided by it and its reputation. However, the company estimates that the extent of the damage that could be caused to it by a cyber attack is not high. Nevertheless, the company works to secure the information accumulated in its systems and, to that end, is assisted by information security consultants, including the appointment of an information security trustee. The company works to implement technological and organizational measures, including work procedures for the purpose of securing information from unauthorized discovery and / or use and / or loss of information, including dealing with cyber attacks and recovery in the event of an attack. These measures include, among other things, protection systems that include firewalls, antivirus and damage prevention, employee training and procedures regarding the use of information systems, early inspection of its suppliers who are involved in information processing and their signing of appropriate confidentiality and information security appendices, and the like.

3.18.2 SECTORAL MARKET RISKS

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

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

Risk factors	The extent of the risk factor's impact on the Company's activity	
	Large	Medium
Macroeconomic risk factors		
Interest risks	X	
Changes in inflation rates	X	
Sectoral risk factors:		
Changes in demand to rental properties	X	
Changes in rental prices	X	
Increase in debt raising costs	X	
Financial stability of principal renters		X
Increase in construction inputs		X

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



THE STATE OF THE CORPORATION'S AFFAIRS

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

EXTENDED CONSOLIDATED FINANCIAL STATEMENTS 2021

Total Investment Property (million of NIS)	17,126
Real Estate Under Construction (out of total investment property)	2,447
NOI (million NIS)	780
FFO (million NIS)	583
FFO per share (agorot)	138.9
Unpledged Assets	98%
Index-Linked Weighted Debt Interest	1.56%
Average Duration	5.8 Years
Million NIS in Credit Facilities Which Is Unutilized as of the Publication Date of the Report	1,180
Projects Under Construction and Development (at a Scope of 340 Thousand Square Meters - the Company's Share)	11
Estimated Construction Cost of Projects Under Construction and Development (the Company's Share - Million NIS)	4,500

DIRECTORS' REPORT ON THE STATE OF THE CORPORATION'S AFFAIRS

FOR THE PERIOD ENDED DECEMBER 31, 2021

Amot Investments Ltd.'s Board of Directors is pleased to submit the financial statements of the Company and its consolidated companies (hereafter – the “Company”) for the year ended December 31 2021 (hereafter – the “Reported Period”).

DESCRIPTION OF THE COMPANY AND ITS BUSINESS ENVIRONMENT

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

EFFECTS OF THE CORONAVIRUS ON THE COMPANY'S BUSINESS ACTIVITIES

The novel coronavirus has been spreading around the world since early 2020, and has been declared a pandemic by the World Health Organization.

As part of the national effort to deal with the pandemic, the Government of Israel enacted the State of Emergency Regulations, which led to the imposition of severe restrictions on movement in the first quarter of 2021. The lockdown which was imposed at the end of December 2020 lasted for around one and a half months, and included the closure of cultural, recreational and leisure centers. Severe restrictions were also imposed on activity in the business, public and private sectors, excluding the activity of essential businesses (such as supermarkets, drugstores, clinics and banks).

Beginning in March 2021, a gradual resumption of routine activity began in nearly all sectors. Along with a gradual cancellation of the various restrictions on activity, and the Israeli economy recovered quickly thanks to the effectiveness of the vaccines, which resulted in a sharp decline in infection rates, and allowed extensive lessening of the restrictions through the presentation, by the vaccinated and those who have recovered from covid, of the "green badge" issued by the Ministry of Health. Although infections again rose significantly in July 2021 in Israel and around the world, due to the spread of the delta variant of the virus, after which a decision was reached to administer a third dose of the vaccine to the population. The requirement to present an updated "green badge" upon entry to cultural, entertainment and leisure centers, as well as restaurants, was re-imposed, which damaged the business activity in those sectors, and caused a certain decline in commercial activity; however, no additional restrictions were imposed on business activity. During the fourth quarter of the year, due to the vaccination of a significant part of the population with the booster shot, there was a very significant decline in infections due to the delta variant, while at the same time the even more transmissible omicron variant began spreading, leading to high infection rates. The omicron variant is considered less dangerous and less likely to cause severe illness. In parallel with the spread of the omicron variant, routine business activities continued as usual in the economy, and the requirement to present the green badge was also recently canceled. Prior to the publication date of this report there was a significant decline in infection rates due to the omicron variant.

A new spike in infections, if one occurs, and re-imposition of restrictions on business activity, could be reflected in a deceleration and/or decrease in demand, and damage to various lessees.

The total sum of concessions which were given by the Company with respect to the reporting period (mostly for lessees of commercial center during the lockdown months of January and February 2021) amounted to a total of NIS 20 million.

The Company's estimates regarding the possible implications of the coronavirus event, and of the directives which are issued to the public in respect thereof, on the Company's activities, including and without derogating from the generality of the foregoing, on the materialization of the forecasts which are given by the Company in its reports, with respect to its operating results in 2022, constitute forward looking information, as defined in the Securities Law, 5728-1968, which is based, inter alia, on the Company's estimates as of the publication date of this report, regarding factors which are outside of its control. The Company's estimates are based on the information which is currently available to the Company, on publications on the subject, and on the directives which are issued by the relevant authorities, which are uncertain to materialize, and which may materialize in a significantly different manner, due to factors which are not under the Company's control, including, inter alia, the possibility of another wave of covid infections. In light of the effectiveness of the vaccines, and the continuing increase in the vaccination rate among the population, additional significant waves of infection which would lead to lockdowns of economic activity are not expected.

INFORMATION REGARDING LEASE AGREEMENTS THAT HAVE BEEN LEASED IN THE COURSE OF THE REPORTING PERIOD

During august 2021, the Company signed on an agreement with a hi-tech company (hereinafter: "The tenant") in connection with the rental of a building "Amot Givatayim", which is owned by Amot, (the former Telephone building) in its entirety, with an overall area of approximately 17,500 square meters. The transaction was signed for a period of ten years with an option for an additional 5 years. The building is currently undergoing a significant upgrade, at an estimated costs of approximately NIS 100 million (including adaptations for the tenant), which includes the replacement/ upgrading of all of the electro-mechanical systems in the building, including the elevators, air, conditioning and parking facilities, as well as the upgrading of the facade of the building to smart glass, which prevents the loss of cooling energy and improves the acoustic conditions, the instillation of advanced systems, which include, inter alia, the cladding of the façade with electricity generating solar panels, and additional measures, in order to adapt the building to the U.S. Green Building Council's requirements and to meet the ground-breaking target of the property being a "zero energy building". The building will be handed over in two tranches. In 2022, in the first tranche, floorspace will be handed over with an area of approximately 12,500 square meters and the second tranche, comprising the balance of approximately 5,000 square meters, will be handed over five years later. The building was fully marketed at an annual rent of about \$26.5 million a year.

During the course of the **4th quarter of 2021**, 127 new contracts have been signed, including the exercise of an option on an area of approximately 54 thousand square meters, which will generate annual rental fees of approximately NIS 46 million.

Usage	New areas leased - For the period 10-12.2021				Change in new rent per sqm
	Number of contracts	Floor space above ground Square meters	Average rent per sqm prior NIS	Average rent per sqm new NIS	%
Offices	67	19,783	90	95	5%
Logistics and industrial	9	25,832	41	43	6%
Retail	50	7,911	105	105	-
Supermarkets	1	520	31	45	45%
Total	127	54,046			

During the year **2021**, 474 new contracts have been signed, including the exercise of an option on an area of approximately 188 thousand square meters, which will generate annual rental fees of approximately NIS 184 million.

Usage	New areas leased - For the period 1-12.2021				Change in new rent per sqm
	Number of contracts	Floor space above ground Square meters	Average rent per sqm prior NIS	Average rent per sqm new NIS	%
Offices	238	97,651	85	90	5%
Logistics and industrial	44	52,375	41	43	6%
Retail	188	33,511	115	115	-
Supermarkets	4	4,405	97	102	6%
Total	474	187,942			

1. The above table includes rental contracts that have been signed/renewed/options that have been exercised during the reporting period.
2. The company signs on contracts with various levels of finishing.
3. The chart does not include new areas.

INFORMATION REGARDING EVENTS DURING THE REPORTING PERIOD

BONDS RAISING

In February 2021, the Company first issued to the public bonds (Series H) at a scope of NIS 450 million par value. The total net consideration which was received by the Company with respect to the issuance amounted to a net total of approximately NIS 446 million. The bonds (Series H) reflect a CPI-linked effective interest rate of around 1%, and have an average lifetime of 9 years.

In October 2021 the Company issued, through a private issuance by way of a series extension, additional bonds (Series H) at a scope of NIS 800 million par value, in consideration of a net total of NIS 863 million. The bonds bear interest at a CPI-linked effective interest rate of 0.4%, and have an average lifetime of 8.4 years.

ACQUISITION OF HALF OF A LOGISTICS COMPLEX NEAR KIBBUTZ HAFETZ HAIM

In March 2021, the Company signed an agreement for the acquisition of half of the rights to a logistics center near Kibbutz Hafetz Haim, in consideration of a total of NIS 71 million (not including transaction costs). The entire property is leased for a period of 10 years, and is expected to generate NOI of NIS 8.1 million per year (the Company's share - 50%). The transaction was completed in June 2021.

PURCHASE OF LAND IN BEIT SHEMESH INDUSTRIAL ZONE

In June 2021, the Company signed an agreement for the acquisition of 60% of the rights to land in Beit Shemesh industrial zone, in consideration of a total of NIS 53 million (not including transaction costs). On the lot, which has an area of 40.5 dunams, the partners intend to plan and build a two-story logistics center with a total gross area of approximately 45 thousand square meters.

ACQUISITION OF THE COMPLEX KNOWN AS TZRIFIN LOGISTICS PARK

In September 2021, the Company signed an agreement for the acquisition of the rights to the complex which is known as Tzrifin Logistics Park, for a total consideration of NIS 1,518 million (excluding transaction costs). The complex covers around 274 dunams, including approximately 224 dunams designated for storage, industry and office purposes, and around 50 designated for roads, privately owned public space and open public space, on which 18 logistics buildings are built, with a total built area of around 113 thousand. The complex is located in the area of Sdot Dan Regional Council, on the eastern side of Highway 44 (Ramle - Beit Dagan highway), near Moshav Nir Tzvi, and near Assaf Harofeh hospital and Tzrifin junction. The logistics buildings which are currently built on the land are leased, with full occupancy, through various lease agreements, to 28 lessees, whereby the aggregate rent received with respect to the lease agreements amounts to an annual total of around NIS 58 million (amount including management fees). The transaction was closed on September 30, and the consideration for the transaction was paid in full on the transaction closing date. The property's value includes construction volume and unused building rights which were classified under the item for property under construction in the amount of NIS 250 million. The transaction was financed through a capital issuance and the use of credit facilities. The credit facilities were repaid in full in October 2021, and in their place, a loan was received from a banking institution, debt was raised through an issuance of bonds (Series H).

ISSUE OF SHARE CAPITAL

In September 2021, the Company issued 29.9 million shares and 7.2 million share warrants (Series 11). The exercise price of the warrants (adjusted for dividends, benefits and rights) is NIS 27, and they are exercisable until December 22, 2022. The gross consideration which was received with respect to the issuance amounted to a total of approximately NIS 718 million. The future consideration which will be received by the Company, given the exercise of all of the warrants (Series 11) into ordinary shares, amounted to a total of approximately NIS 194 million (subject to adjustments). In January 2022, after the balance sheet date, the Company issued 11.6 million shares by way of a private allocation. The gross consideration which was received with respect to the issuance amounted to a total of approximately NIS 302 million.

LOAN AGREEMENT WITH BANKING INSTITUTION

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

TOHA2 (TOTZERET HA'ARETZ)

In August 2021, the partners acquired the rights to build the ToHa2 project from Tel Aviv Municipality, and leased the land until 2108 (including extension of the lease period with respect to the land for the ToHa1 project until that date).

In October 2021, after the balance sheet date, the Company's Board of Directors passed a resolution to build and market the ToHa2 project in Tel Aviv. The project will be built by the Company and Gav-Yam Bayside Land Corporation Ltd., which jointly own the rights, in equal parts, to Adar land at the intersection of Totzeret Ha'aretz, Yigal Alon and Derech HaShalom streets in Tel Aviv, as a continuation of, and located adjacent to, the ToHa1 project, which is also held by the partners. ToHa2 includes around 160 thousand square meters of aboveground areas for marketing, and approximately 45 thousand square meters of underground parking lot areas. The partners estimate that the total construction cost (including with respect to adjustment works for the tenant TI) will amount to a total of approximately NIS 3 billion (the Company's share - NIS 1.5 billion), of which a total of approximately NIS 660 million has been paid to date (the Company's share - NIS 330 million).

The construction of ToHa2 will begin in the coming months, further to the completion of the construction of the partial underground parking lot, and is expected to be completed in 2026. The expected revenue from ToHa2, once it has been completed and fully occupied, based on the current rent prices, is around NIS 280 million (the Company's share - NIS 140 million).

MANAGEMENT AGREEMENT WITH THE PARENT COMPANY

In February 2022, after the balance sheet date, the Company's Board of Directors approved, and recommended that the general meeting approve, an extension of the agreement for the receipt of management services from Alony Hetz Properties and Investments Ltd., for an additional 3 year period, from January 1, 2022 to December 31, 2024, in consideration of management fees in the amount of NIS 10.3 million per year (linked to the CPI for December 2021), to be paid in four quarterly payments. The resolution will be presented to the Company's general meeting for approval in April 2022. As of the signing date of the report, the annual management fees amount to NIS 9.2 million.

LOGISTICS PARK - KARGAL

On March 3, 2022, after the date of the financial statements, the Company engaged (through a wholly owned subsidiary) in an agreement with Cargal Ltd. (hereinafter: "Cargal") which involved the conclusion, on March 3, 2022, of the lease agreement between the parties (which was originally scheduled to conclude only on May 31, 2032) by virtue of which Cargal leased from the Company land with a total area of approximately 106 dunams in Lod, on which several logistics buildings are built, which are leased to several sublessees for extended periods (hereinafter: the "Complex" and the "Sublessees"). Following the engagement in the agreement, the Company received all of the rights to the complex, including the legal possession thereof, and all of the rights and obligations in accordance with the lease agreements vis-à-vis the sublessees were assigned to it, in consideration of payment of NIS 51.3 million (plus duly calculated VAT).

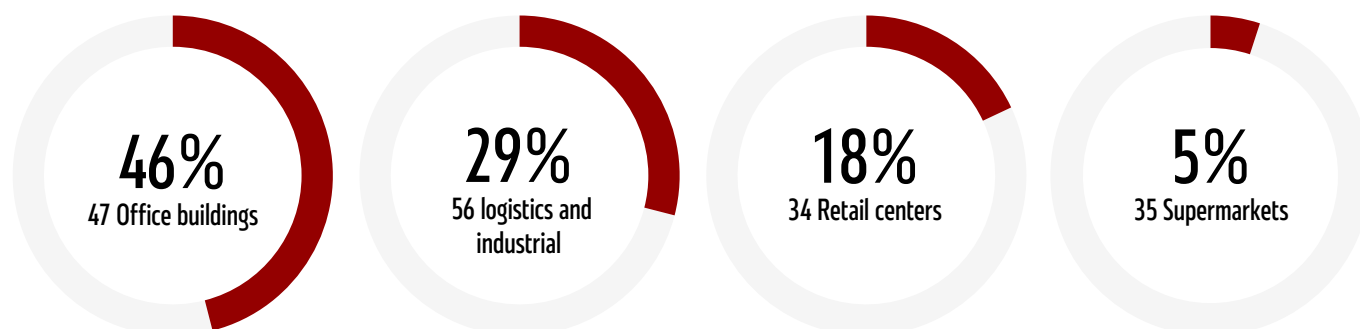
Due to its designation, size and strategic location, the complex represents additional significant potential development for the Company in the logistics segment.

COMPANY'S ACTIVITY

As of December 31, 2021, the Company's owned and leased properties include 175 revenue-generating properties ⁽¹⁾ throughout Israel, with a total area of 1.8 million square meters - the Company's share, 1.1 million square meters of rental areas and 0.7 million square meters of open storage and parking areas (16,600 parking spaces). These properties are distributed throughout the country, with most (90%) of the Company's properties being located in the major cities of Central Israel and in high demand areas. The properties are leased to approximately 1,750 lessees, through contracts of varying periods. The Company also has 7 projects under construction at a scope of 270 thousand square meters of aboveground areas (the Company's share), and 3 projects in planning and development at a scope of 64 thousand square meters of aboveground areas (the Company's share). Presented below is the segmentation of uses of the Company's revenue-generating properties.

The overall occupancy rate of the Company's assets as of 31.12.2021 is 98% (97.2% as of 31.12.20). The occupancy rate represents areas in respect of which there are signed contracts; some of these areas have not yet been occupied.

AMOT COMPANY'S INCOME-GENERATING PROPERTIES



1. Beginning from this periodic report, the Company's properties are presented according to individual properties, and not complexes.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

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

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

GREEN CONSTRUCTION

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

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

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

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

SUSTAINABILITY AND SOCIAL RESPONSIBILITY (CONT.)

ZERO ENERGY CONSTRUCTION

As part of its role as a pioneer in the field of green construction, and in order to maintain its leadership in the area, the Company decided to build the Beit HaVered project in Givatayim.

The project includes renovating an old building and turning it into an innovative, green and zero-energy structure. The Company is also currently building another zero energy office building, located near a logistics center which it built in partnership with Shufersal, located in Modiin Industrial Zone. The building was chosen by the Ministry of Energy as a case study for zero energy buildings.

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

REDUCING THE COMPANY'S ENVIRONMENTAL IMPACT

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

"Double Skin Façade" type walls – this is a technology for the external cladding of buildings using a double glass wall with an overall thickness of more than 25 cm (which provides thermal and acoustic insulation) and an automatic shading system which tracks the sun's position and enables the maximal entry of natural light into a building without direct radiation (the system is controlled by an automatic controller). Walls with DSF technology have been installed by the Company in the "Amot Atrium" project (which was the first in Israel to install the technology in a project that is intended for rental), in the "ToHa1" project and in the "Amot Campus" project in Holon and at the present time the system is being manufactured for an office building that is located in Modi'in.

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

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

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

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

SUSTAINABILITY AND SOCIAL RESPONSIBILITY (CONT.)

PROMOTING ELECTRIC AND ALTERNATIVE TRANSPORT INFRASTRUCTURE

As a pioneer in everything related to green construction, Amot emphasizes sustainable transportation. This was reflected already in the development stage, both in terms of the selection of locations near heavy and light rail stations and bus stations, and in terms of the planning aspect of the various projects. For example, Amot dedicates thought and resources to creating bicycle rooms in each new or renovated building, as well as equipped shower facilities, convenient access routes for bicycles and scooters, as well as allocating parking spaces for electric vehicles. All of the above is intended to create a relevant mix of services to create an optimal, high-quality and healthy work environment.

Encouraging the use of sustainable transport is a significant and integral part of Amot's activity, and is a top priority among the series of considerations which are taken into account when in project development and planning.

PUBLIC TRANSPORTATION

Amot recently announced the creation of a network of charging stations for electric vehicles at its properties throughout the country. From Amot's perspective, this constitutes an important extension of the array of services which it provides to its thousands of customers and their employees, who will now enjoy the significant availability of charging stations and attractive charging costs. Furthermore, in recognition of the matter's importance, the charging stations will be available for the general public's use at reduced rates, and not only for the tower's residents. As of the end of 2021, there are 127 charging stations at Amot's various properties. Amot has committed to meet 100% of future demand for electric vehicle charging stations.

INCREASING ENERGY EFFICIENCY

Amot produces electricity through photovoltaic systems, and uses them to provide for the needs of its customers. Amot also buys electricity from companies which produce electricity through wind turbines and solar energy. Amot has set the goal of improving the performance of electro-mechanical systems in its properties - from upgrading and replacing air conditioning systems, which are the main consumer of the electricity in its properties, through shading the rooftops of properties to improve thermal insulation, to installing photovoltaic systems on the rooftops of its properties. All of these measures are implemented with the intention of increasing the use of renewable energy and allowing energy efficiency.

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

SUSTAINABILITY AND SOCIAL RESPONSIBILITY (CONT.)

CONTRIBUTING TO THE COMMUNITY

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

SOCIAL RESPONSIBILITY AND CORE VALUES

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

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

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

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

AMOT COMPANY'S INCOME-GENERATING PROPERTIES

Company Management believes that real estate is a long term business and makes its decisions accordingly.

The Company's business strategy is to expand its activity in the revenue-generating real estate sector in Israel through the initiation, development, construction and acquisition of properties, while maintaining its financial strength through equity of over 50% and long term average debt, and maintaining credit facilities (which are generally left unused) and unpledged assets. All of these measures allow the Company maximum financial flexibility, including in times of crisis, and the ability to leverage significant opportunities.

In accordance with the Company's business strategy of growing and developing the logistics sector in the Company's portfolio of properties, during the last six years the Company acquired 8 logistics properties and lands which will be used for Establishment logistics buildings, and invested in the construction of a logistics center in Modiin, in the total amount of NIS 2.8 billion. The total value of revenue-generating logistical and industrial properties as of December 31, 2021 was NIS 4.3 billion, as compared with NIS 1.2 billion in 2016.

At the same time, the Company is continuing its initiation and betterment efforts in the office sector, such that, as of December 31, 2021, the value of revenue-generating office buildings amounted to NIS 6.8 billion, as compared with NIS 4.7 billion in 2016. The Company also has 10 additional properties for office uses which are under construction and development, at a scope of approximately 250 thousand square meters (the Company's share), for a total construction cost of approximately NIS 3.7 billion.

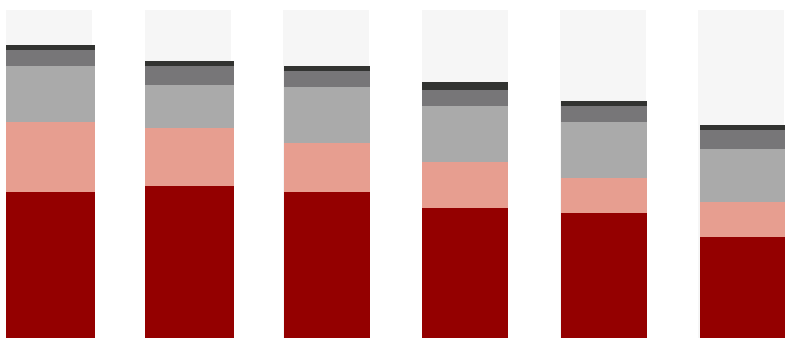
In order to realize its business strategy, Company management operates according to the following guidelines:

- Management of an asset portfolio featuring diversified uses - offices, logistics and industry, commerce and supermarkets.
- Construction and development of initiated properties which constitute the Company's growth engine (up to 15% of total real estate value). Especially in prime locations in Greater Tel Aviv.
- Presence in major business centers and along main transport routes.
- Strong and varied mix of lessees.
- Managerial ability to optimize the portfolio of existing properties.
- Placing an emphasis on high-quality green construction, thereby contributing to lessees' quality of life while increasing the Company's environmental responsibility.

As part of the need to provide a comprehensive solution to the Company's customers, the Company has begun independently managing its wholly owned properties.



BREAKDOWN OF NOI BY USES ⁽¹⁾ IN MILLIONS OF NIS

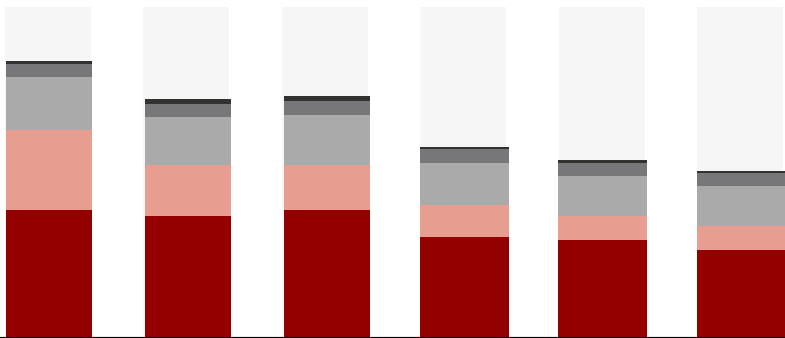


	2021	2020	2019	2018	2017	2016
● Offices ⁽¹⁾	390	407	391	355	336	276
● Logistics and industry	185	157	127	114	91	90
● Commerce	149	113	148	152	150	144
● Supermarkets	45	46	44	43	42	43
● Other	13	13	16	15	14	14
Total	782	736	726	679	633	567

1. The NOI figures do not include unattributable expenses

2. In December 2020, a property in Givatayim was reclassified from revenue-generating property to property under construction.

BREAKDOWN OF VALUE OF PROPERTIES BY USES ⁽¹⁾ IN MILLIONS OF NIS



	2021	2020	2019	2018	2017	2016
● Offices	6,754	6,508	6,753	5,403	5,186	4,695
● Logistics and industry ⁽²⁾	4,256	2,577	2,347	1,691	1,227	1,206
● Commerce	2,693	2,612	2,719	2,228	2,215	2,143
● Supermarkets	737	718	723	639	628	625
● Other	238	236	238	208	204	198
Total income-generating properties	14,678	12,651	12,780	10,169	9,460	8,867
Total investment properties under construction	2,332	1,223	621	871	584	413
Total investment properties	17,010	13,874	13,401	11,040	10,044	9,280

1. The value figures do not include the value of real estate for betterment

2. The value of Zrifin logistics park, the purchase of which was completed on September 30, 2021, includes construction volume and unused building rights in the financial scope of NIS 250 million, which are presented under the item for construction and initiation.

A SNAPSHOT OF COMPANY'S DATA

EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

	% Change 2020/21	2021	2020	2019
NOI	6%	780	734	728
Net income		932	289	1,070
Real FFO	14%	583 ⁽¹⁾	512	520 ⁽¹⁾
FFO per share (NIS)	6%	138.9 ⁽¹⁾	131.5	143.7 ⁽¹⁾
Weighted shares quantity	8%	419,750	389,183	362,016
Change in index		2.4%	(0.6%)	0.3%

1. Net of one-off finance expenses involving cash flows due to refinancing.

NOI - The increase relative to 2020 was due to new properties which were acquired, the decrease in the scope of concessions given to lessees of commercial centers relative to the corresponding period last year, the increase in revenue with respect to completed areas, and after deducting revenue from a property which was classified to property under construction due to a significant upgrade.

Net profit - The increase in net profit relative to 2020 was mostly due to an increase in fair value in the amount of NIS 748 million in 2021 (after deducting transaction costs with respect to purchasing the properties in the amount of approximately NIS 121 million during the reporting period), as compared with fair value amortization in the amount of NIS 163 million in 2020 (most of the fair value amortization in 2020 was partly due to the effect of the CPI's decrease, and partly due to the impact of the coronavirus crisis, mostly on commercial properties).

Real FFO and FFO per share - The increase relative to 2020 was mostly due to the increase in NOI, the decrease in real financing expenses and the decrease in current taxes (the decrease in current taxes was partly due to the increase of the CPI during the reporting period, as compared with the decrease in 2020). FFO per share during the reporting period increased by 6%, along with an 8% increase in the weighted number of Company shares.

SET FORTH BELOW ARE PRINCIPAL DATA ABOUT THE COMPANY'S PROPERTIES, BY USES AND(1)

Uses	Above-ground area as of 31.12.21	NOI for the period 1-12/21	Fair value of income-generating real estate as of 31.12.21	Occupancy rate as of 31.12.21	Fair value of real estate under construction Including building rights as of 31.12.21
	Sqm	NIS in thousands	NIS in thousands	%	NIS in thousands
Office (1)	381,905	389,666	6,754,359	95.8%	1,911,744
Retail centers	503,034	185,244	4,255,707	100%	400,660
Logistics and industrial (3) (2)	131,918	149,174	2,692,644	96.1%	9,539
Supermarkets	37,694	45,189	737,006	100%	-
Other	23,553	13,440	238,731	100%	125,500
Total Above-ground	1,078,104 (2)	779,818 (3)	14,678,447	98.0%	2,447,443
Total open storage space	96,870				
Total parking spaces	581,400				
Total spaces	1,756,374				

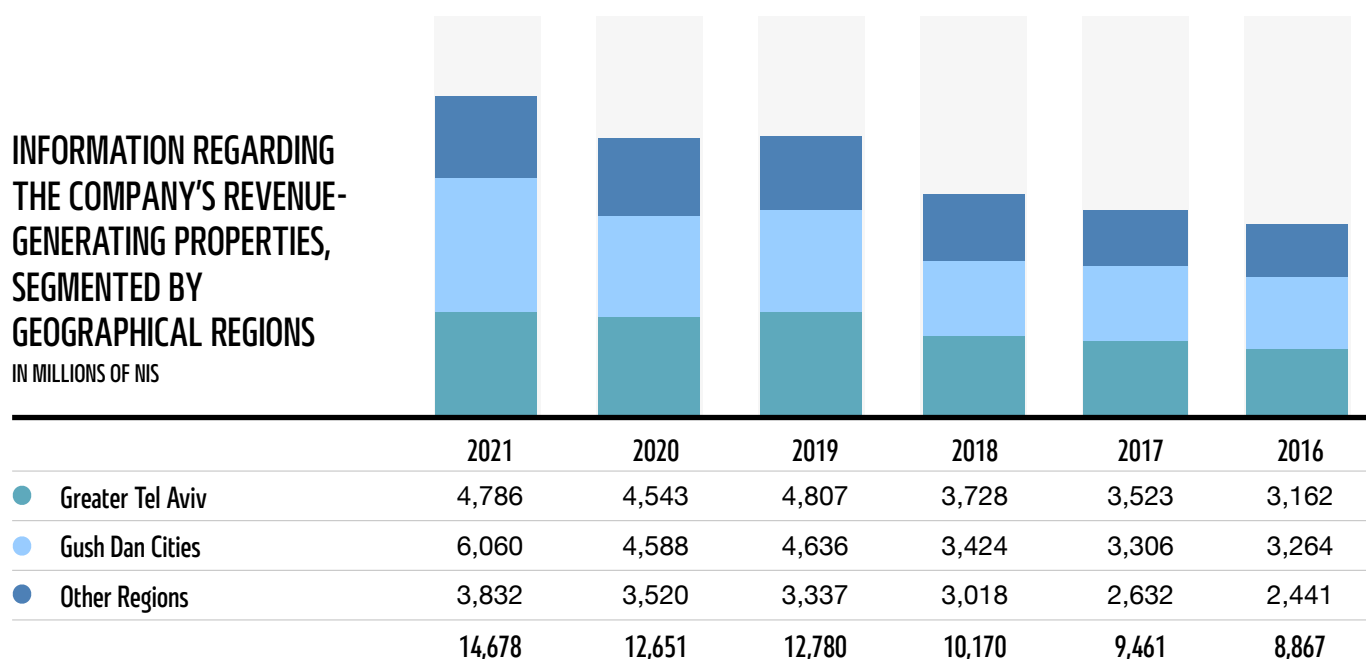
1. In December 2020, a property in Givatayim was reclassified from revenue-generating property to property under construction. The property has an area of 17.5 thousand square meters.
2. In July 2020, the property of the Amot Shufersal logistics center in Modiin was reclassified from property under construction to revenue-generating property, with an area of 32 thousand square meters (the Company's share).
3. The value of Zrifin logistics park, the purchase of which was completed on September 30, 2021, includes construction volume and unused building rights in the financial scope of NIS 250 million, which are presented under the item for fair value of property under construction.

Uses	Fair value of income-generating real estate as of 31.12.21	Fair value of real estate under construction Including building rights as of 31.12.21	Total value of income-generating and under construction real estate Including building rights as of 31.12.21	Fair value of income-generating and under construction real estate Including building rights per uses as of 31.12.21
	Sqm	NIS in thousands	NIS in thousands	%
Office (1)	6,754,359	1,911,744	8,666,103	51%
Retail centers	4,255,707	400,660	4,656,367	27%
Logistics and industrial (3) (2)	2,692,644	9,539	2,702,183	16%
Supermarkets	737,006	-	737,006	4%
Other	238,731	125,500	364,231	2%
Total Above-ground	14,678,447	2,447,443	17,125,890	100%

1. Includes properties under joint control which are accounted for using the equity method in the financial statements.
2. The area does not include 17,500 parking spaces (around 65% of them covered), with an area of approximately 580 thousand square meters.
3. Including non-attributable expenses.

INFORMATION REGARDING THE COMPANY'S REVENUE- GENERATING PROPERTIES, SEGMENTED BY GEOGRAPHICAL REGIONS

IN MILLIONS OF NIS



1. In December 2020, a property in Givatayim was reclassified from revenue-generating property to property under construction. The property has an area of 17.5 thousand square meters.

ADDITIONAL INFORMATION ABOUT THE COMPANY'S PROPERTIES PORTFOLIO

As of December 31 2021, the Company's properties portfolio comprises 175 income-generating properties, 8 projects in advanced planning and construction stages and 3 projects under planning and development stages, at an overall value of NIS 17 billion. 46% of the value of the properties relates to offices, 29% logistics and industrial, 18% retail, 5% supermarkets and 2% others. These properties are located across the country, with most of the Company's properties (90%) being located in large cities at the central region of the country and in demand areas.

GREATER TEL AVIV

This region is the core of Israel's business environment, and as such enjoys both a population featuring a high socio-economic level, maximum accessibility, well developed transportation, cultural and entertainment centers, and the core of business activity in Israel, all in a very populated city with the highest population density in the country. We consider Greater Tel Aviv (Tel Aviv, Ramat Gan and Givatayim) as cities having characteristics of the first circle of demand. The Company has many properties in this circle, including ToHa Tower in Tel Aviv, Atrium Tower in City Complex of Ramat Gan, Amot Investments Tower, Europe Tower, Amot Tower, Beit Amot Mishpat Complex, Amot Insurance House, Century Tower, Beit HaVered in Givatayim, HaBarzel 30 and Ziviel House in Ramat HaHayal, and several other properties.

CITIES IN WHICH THE COMPANY HAS PROPERTIES BY DEMAND RINGS

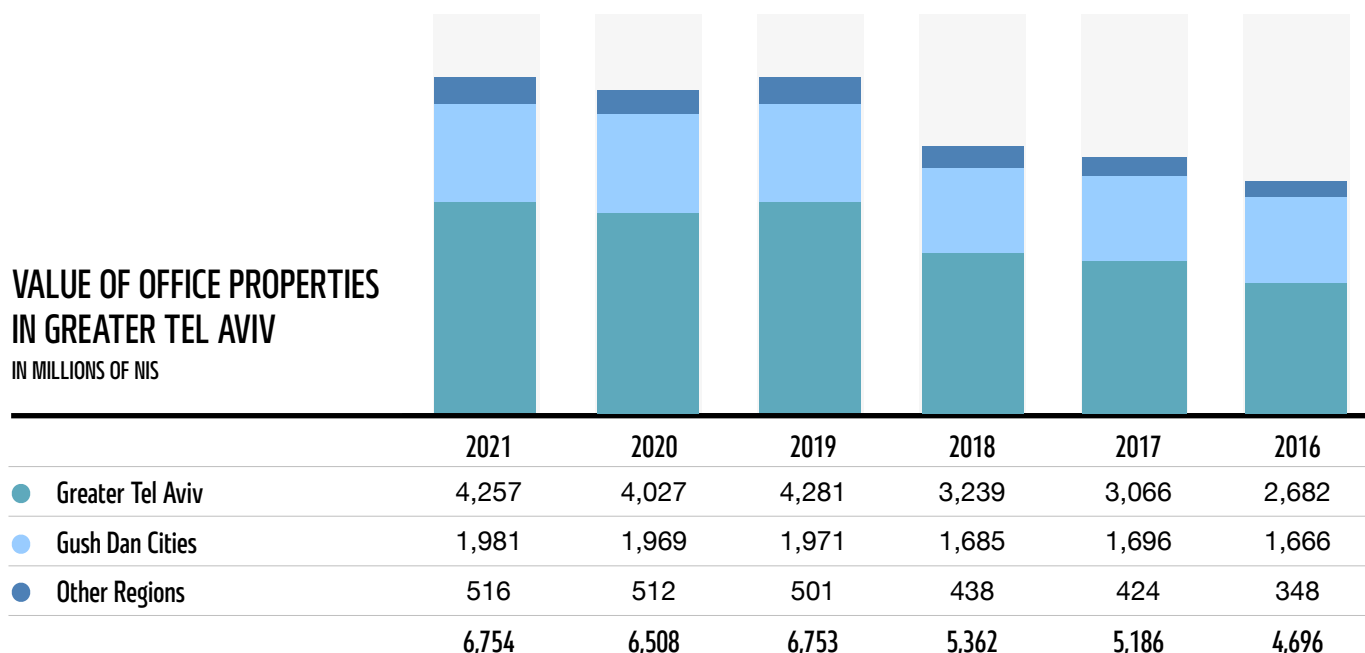
The company deals directly and indirectly through corporations under its control in the management, rental, maintenance, initiation and development of income-producing properties in Israel. The company owns 123 properties, with a total area of 1.8 million square meters, approximately 1.1 million square meters of rental space and approximately 0.7 million square meters of open storage and parking space. The properties include office and high-tech buildings, logistics parks and industrial centers, shopping malls, shopping centers, supermarkets and major bus stations. In total, the company owns assets with a total value of approximately NIS 16 billion. The properties are rented to 1,750 tenants, with an occupancy rate of about 98%. Most of the company's assets are located in the centers of major cities in the center of the Israel and in areas of demand.

Tel Aviv Metropolis	Gush Dan Cities	Other Regions
Tel Aviv	Netanya	Hadera
Ramat Gan	Herzliya	Caesarea
Givatayim	Kfar Saba	Or Akiva
	Ra'anana	Rehovot
	Rosh Ha'Ayin	Jerusalem
	Petah Tikva	Modi'in
	Kiryat Ono	Shoham
	Holon	Ashdod
	Rishon LeZiyon	Rosh Pina
	Bat Yam	Zefat
	Lod	Kibbutz Alonym
	Beit Dagan	Maalot
	Tzrifin	Nahariya
		Karmiel
		Akko
		Krayot
		Haifa
		Ashkelon
		Dimona
		Beer Sheva
		Hafetz Haim

TA/5000

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

The Company's real estate properties in the office sector constitute 45% of the value of the Company's properties. The share of value of office properties grew from NIS 4.7 billion in 2016 to NIS 6.8 billion as of December 31, 2021. The share in office value in Greater Tel Aviv grew from NIS 2.7 billion in 2016 to NIS 4.3 billion as of December 31, 2021. The Company's properties in the segment of offices in Greater Tel Aviv are prime properties which benefit from rising demand, transport accessibility, and proximity to anchor entities, such as courts / medical centers. The Company therefore chose to present an additional segment of office properties in Greater Tel Aviv.



1. In December 2020, a property in Givatayim was reclassified from revenue-generating property to property under construction. The property has an area of 17.5 thousand square meters.

PRINCIPAL INFORMATION REGARDING THE COMPANY'S OFFICE PROPERTIES, SEGMENTED BY USES AND GEOGRAPHICAL REGIONS

Geographical region	Aboveground area as of December 31, 2021	NOI for 1-12.21	Fair value of revenue-generating properties as of December 31, 2021	Proportion of total properties	Average monthly rent during 1-12.21
	Square meters	In thousands of NIS	In thousands of NIS	In percent	In NIS per square meter
Greater Tel Aviv	183,095	225,982	4,256,969	63%	108
Gush Dan Cities	151,595	130,226	1,981,481	29%	68
Other Regions	47,215	33,458	515,909	8%	61
Total	381,905	389,666	6,754,359	100%	86

Geographic area	Above-ground area as of 31.12.20	NOI in 2020	Fair value of income-generating real estate as of 31.12.20	Rate out of total real estate	Average monthly renta 1-12.20
	Square meters	NIS in thousands		Percentage	NIS per square meter
Tel Aviv metropolis	183,587	246,926	4,026,868	62%	104
Gush Dan cities	151,595	128,612	1,968,557	30%	65
Other areas	47,216	31,648	511,917	8%	61
Total	382,398	407,186	6,507,342	100%	83



DATA REGARDING PROJECTS UNDER CONSTRUCTION, DEVELOPMENT AND PLANNING

31.12.21

Property name	Location	Primary use	Holding rate	Estimated completion date	Square meter for marketing above-ground 100%	Square meter for marketing above-ground	Project's book value	Estimated construction cost	Projected NOI upon occupation of the project
Projects under construction ⁽¹⁾									
						Company's share in million of NIS			
Amot Holon	Holon	Offices	77.8%	2021	60,000	46,680	470	560-580	46-50
Amot Modi'in ⁽³⁾	Modi'in	Offices	75%	2022	9,000	6,750	47	60-70	5
Halehi complex	Bnei Brak	Offices	50%	2025	82,000	41,000	187	610-630	48-52
K complex Jerusalem ⁽⁴⁾	Jerusalem	Offices	50%	2026	103,000	51,500	109	540-570	46-50
Beit H'vered, Givatayim	Givatayim	Offices	100%	2022	17,500	17,500	257	305-315	25-26
Logistic center Beit Shemesh	Beit Shemesh	Logistics	60%	2024	45,000	27,000	54	175-185	12-14
Park Afek	Rosh HaAyin	Offices	50%	2023	11,000	5,500	3	30-35	3
ToHa2	Tel Aviv	Offices	50%	2026	160,000	80,000	449	1,450-1,550	130-150
Total					487,500	275,930	1,576	3,730-3,935	315-350
Projects in Planning and development Stages ⁽²⁾									
1000 Complex in Rishon Letzion	Rishon Letzion	Offices	100%	TBD	19,000	19,000		260-280	
Platinum Stage B ⁽⁵⁾	Petah Tikva	Offices	100%	TBD	27,000	27,000		210-230	
Amot Shaul	kfar Saba	Offices	50%	TBD	35,000	17,500		160-180	
Total					81,000	63,500		630-690	
Total					568,500	339,430		4,360-4,625	

- The cost of construction includes the land component and parking garages, tenants improvements and capitalizations.
- The cost of construction includes the land component and parking garages and does not include tenants improvements and capitalizations.
- Over the course of 2020, the Company reclassified the logistics centers section from real estate under construction to investment property, to the sum of 187 million NIS (Company's share).
- Subject to the completion of additional rights in the K Compound in Jerusalem.
- completion of additional construction rights in order to build a tower matching Platinum Stage A.

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

AMOT HOLON

The project includes a 22-story office tower with a total aboveground area of around 60 thousand square meters, and a 5-level underground parking garage (the Company's share: 77.8%). The tower will be built and operated as a cash-generating leasing property, managed by a joint management company of the Company and the municipality. As of the reporting date, the project has received a certificate of occupancy ["Form 4"] with respect to the public areas, and is in the final stages of completion of the aboveground structure, and of the parking basements. The Company estimates the scope of its investment in the project at a total of 570 million NIS. Until the date of the statement of financial position, NIS 470 million have been invested in the property.

AMOT MODI'IN

The project includes a logistics center with an area of approximately 42.7 thousand square meters, and an office building with an area of approximately 9 thousand square meters. The entire logistics center will be rented to Shufersal over a period of 15 years with an option to extend the period, in annual rents calculated according to 8% return on the total investment cost. Furthermore, in accordance with the agreement between the parties, the logistics center began producing income beginning in mid-July 2020, and was reclassified from real estate under construction to revenue-generating real estate. The partnership's total investment in the construction of the project is estimated at approximately NIS 420 million (the Company's share in the investment is 75%, and is estimated at approximately NIS 320 million, Shufersal's share is 25%). The Company's expected income is estimated in the amount of approximately NIS 25 million per year. As of the reporting date, the project is in the finishing works stage at the logistics center, with an emphasis on works of the automation contractor, and is approaching the beginning of finishing works in the office building. Until the date of the statement of financial position, approximately NIS 361 million has been invested in the property (the Company's share - 75%).

HALEHI COMPLEX

The lot is located in North Bnei Brak Business Complex, next to Park HaYarkon and Ramat HaHayal complex, and close to Ayalon shopping mall. The parties are working together on the planning, development and construction of an office and retail project on the lot, which will include approximately 82 thousand square meters of aboveground area, including 42 office stories, above 3 retail stories. The investment in the construction of the project (including the land component and the parking basements) is estimated by the parties at a total of approximately NIS 1,200 million (the Company's share - 50%). As of the reporting date, the project is in the completion stages of excavation and foundation.

K COMPLEX

On June 14th, 2020, the Company, together with Allied Real Estate Ltd., won a tender for the lease of a lot with an area of approximately 4.5 dunams (constituting the K complex) in the "Sha'ar Ha'ir" complex, which is expected for construction at the entrance to Jerusalem. The project at a scope of approximately 79 thousand square meters of aboveground areas according to the current zoning plan, and approximately 103 thousand square meters according to the zoning plan that was deposited, as well as the right to attach 200 built parking spaces in an underground public parking lot adjacent to the complex (the Company's share - 50%). The investment in the construction of the project, including the land component, is estimated by the parties at a total of approximately NIS 1,100 million (the Company's share - approximately NIS 550 million). As of the reporting date, the project is during the quarrying work.

BEIT SHEMESH LOGISTICS CENTER

In June 2021 the Company acquired from Y.D.E. Menivim Ltd. 60% of a lot with an area of 40 dunams in Beit Shemesh, for the construction of a logistics center, for a total consideration of NIS 53 million. The Company is currently promoting a zoning plan which would increase the construction area in the lot, to a total of approximately 50 thousand square meters. As part of the engagement between the parties, it was agreed that the companies would jointly build an advanced logistics center, to include two tall stories, each with a height of 15 meters, for a total cost of approximately NIS 300 million, with the Company's share being NIS 180 million. As of the reporting date, the project is in the commencement of excavation and quarrying works.

AMOT DENISRA - PARK AFEK

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

The building will include 6 floors above the ground floor, with a total area of 11,000 square meters. The building rights for the construction of the building were received within the framework of a zoning plan which the parties promoted, and which entered into effect in 2020.

The total investment in the construction of the project is estimated at a total of NIS 65 million (the Company's share: 50%).

TOHA2 (TOTZERET HA'ARETZ)

In August 2021, the partners acquired the rights to build the ToHa 2 project from Tel Aviv Municipality, and leased the land until 2108 (including extension of the lease period with respect to the land for the ToHa 1 project until that date).

In October 2021, the Company's Board of Directors passed a resolution to build and market the ToHa 2 project in Tel Aviv. The project will be built by the Company and Gav-Yam Bayside Land Corporation Ltd., which jointly own the rights, in equal parts, to Adar land at the intersection of Totzeret Ha'aretz, Yigal Alon and Derech HaShalom streets in Tel Aviv (the "Partners"). The project is being executed subsequent and adjacent to ToHa1, which is also held by the partners. The ToHa 2 project includes around 160 thousand square meters of aboveground areas for marketing, and approximately 45 thousand square meters of underground parking lot areas. The partners estimate that the total construction cost (including with respect to adjustment works for the lessees - TI) will amount to a total of approximately NIS 3 billion (the Company's share - NIS 1.5 billion), of which a total of approximately NIS 660 million has been paid to date (the Company's share - NIS 330 million).

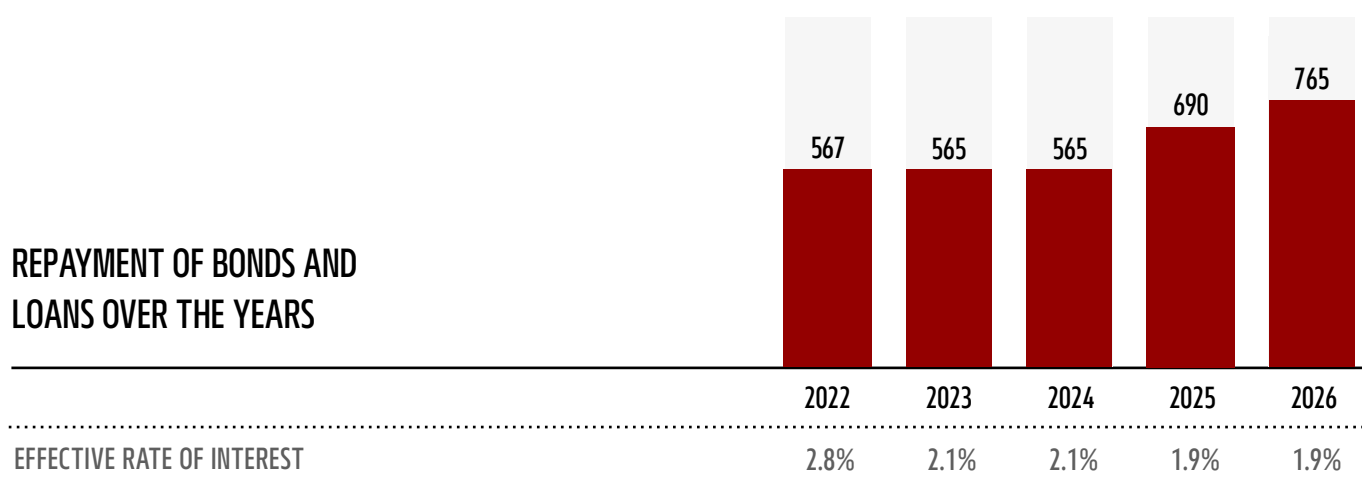
The construction of ToHa 2 will begin in the coming months, further to the completion of the construction of the partial underground parking lot, and is expected to be completed in 2026. The expected revenue from ToHa 2, once it has been completed and fully occupied, based on the current rent prices, is around NIS 280 million (the Company's share - NIS 140 million).

MANAGEMENT OF DEBT STRUCTURE

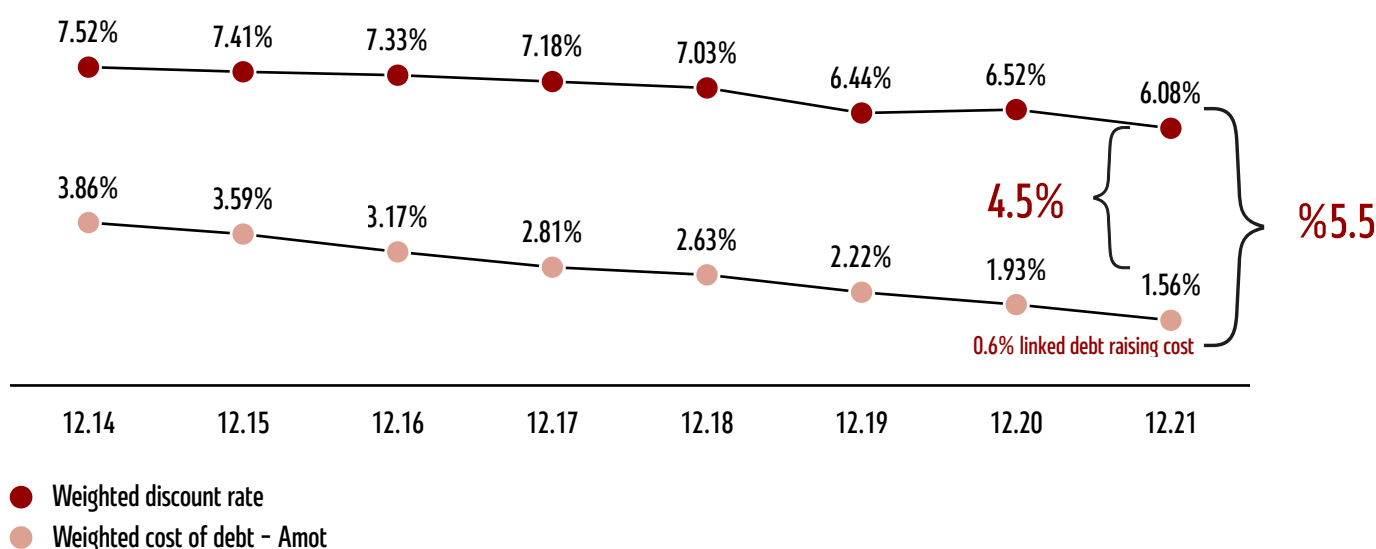
The Company's policy is to maintain an effective leverage ratio by raising debt with long lifetimes, and without giving pledges. The Company's gross total debt as of December 31, 2021 amounted to NIS 7.9 billion. The average lifetime of the debt is 5.8 years, and the weighted effective interest rate is 1.56%, CPI-linked.

As of the publication date of the report, the Company has cash balances at a scope of approximately NIS 500 million, and unused credit facilities in the amount of NIS 1,180 million.

All of the Company's assets (98%) are unpledged, giving the Company flexibility in times of crisis, and the ability to leverage significant opportunities.



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



The cost of raising debt is based on Amot bonds (series H), 8 years maturity, according to the market price for March 7, 2022.

NOI

NET OPERATING INCOME

Set forth below is data regarding the Company's NOI in Israel (income from renting out and operation of properties, net of depreciation and amortization):

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

In addition, NOI is used to measure the free and available cash flow for the service of financial debt undertaken for the purpose of funding the purchase of the property, after offsetting from the NOI the investments in improvements and maintaining the existing condition of the property (Capex). It is hereby emphasized that the NOI:

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

DEVELOPMENT OF NOI (IN THOUSANDS OF NIS)

In thousands of NIS	Fourth quarter 2021	Third quarter 2021	Second quarter 2021	First quarter 2021	Fourth quarter 2020
Same Property NOI	199,148	195,932	192,391	177,186	171,384
Assets purchased/sold/ classified to real estate under construction	13,703	1,303	155	-	2,667
NOI - Total	212,851	197,235	192,546	177,186	174,051

NOI in the fourth quarter of 2021 amounted to approximately NIS 213 million, as compared with approximately NIS 174 million in the corresponding quarter last year, representing an increase of 22%. The increase was due to concessions which were given in the corresponding period last year to The decrease was due to a provision due to the lockdown to lessees of commercial centers, in the amount of approximately NIS 25 million. The decrease was offset by the addition of revenue from new properties, and from properties whose construction concluded and which began to generate revenue. For additional details, see the chapter "Effects of the coronavirus on the Company's business activities" on page 57 of this report.

Same property NOI in the current quarter amounted to approximately NIS 199 million, as compared with approximately NIS 171 million in the corresponding quarter last year, representing growth of 16%. The increase was due to concessions which were given, due to the lockdown, to the lessees of commercial centers in the corresponding quarter last year.

WEIGHTED RATE OF RETURN

Set forth below is a calculation of the weighted rate of return (cap rate) derived out of all of the Company's income-generating real estate as of December 31, 2021

	Millions of NIS
Investment property as per extended consolidated financial statements as of December 31, 2021	14,678
Less – value of land classified as investment property	(9)
Income-generating investment property as of December 31, 2021	14,669
Less – value attributed to unoccupied spaces	(266)
Projected investments	27
Investment property attributed to rented spaces as of December 31, 2021	14,430
NOI – fourth quarter 2021	213
Annual NOI based on the NOI for the fourth quarter of 2021	850
The expected NOI in respect of cash flows from rental fees in accordance with signed rental contracts and accumulated linkage differentials	28
Total expected annual NOI standardised ⁽¹⁾	878
Weighted rate of return derived from income-generating investment property (Cap Rate)	6.08%

1. The above mentioned NOI does not reflect the Company's projection; for information about the Company's projection, see page 25.

SENSITIVITY ANALYSIS FOR INVESTMENT PROPERTY

The following is a sensitivity analysis for the investment property at a discount rate (Cap Rate) based on the amended NOI (including companies in joint arrangements): based on an NOI of 878 million (amended NOI), the impact of any change of 0.25% in the discount rate (Cap Rate) on the adjustment of the fair value is **NIS 594 million** (approximately NIS 458 million after deducting deferred taxes at a rate of 23%).

FFO

FUNDS FROM OPERATIONS

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

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

- A. Does not present cash flows from current operations in accordance with generally accepted accounting principles.
- B. Does not reflect cash held by the Company and its ability to distribute it.
- C. Is not supposed to replace reported net income for purposes of evaluating the Company's results of operations.

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

	Change %	2021	2020	2019
Net profit for the period		932,154	289,455	1,070,423
Fair value adjustment		(868,597)	150,498	(950,108)
Amortization of transaction costs with respect to property purchases		120,583	12,417	59,340
Deferred taxes, land appreciation tax and others		258,168	60,944	296,302
Amortization of options		4,826	7,288	6,101
Depreciation and miscellaneous		4,506	4,668	3,388
Nominal FFO		451,640	525,270	485,446
linkage differences on principal of debt and exchange differences		112,327	-13,652	16,497
Real FFO	10%	563,967	511,618	501,943
Weighted number of shares	8%	419,750	389,183	362,016
Per share FFO (in Agorot)	2%	134.4	131.5	138.7
Real FFO exc. of one-off financing expenses ⁽¹⁾	14%	582,965	511,618	520,270
Weighted number of shares	8%	419,750	389,183	362,016
FFO per share (in Agorot) exc. of one-off financing expenses	6%	138.9	131.5	143.7
Change in index in the period ⁽²⁾		2.4%	(0.6%)	0.3%

1. After neutralizing one-time financing expenses

2. Changes in the consumer price index affect the amount of current tax expenses.
Increases / decreases in the consumer price index lead to increases / decreases in financing expenses due to CPI-linked debt, leading to a decrease / increase in current tax provisions.

The change in real FFO in 2021 relative to 2020 was mostly due to the increase in NOI, the decrease in real financing expenses, and the decrease in current taxes due to the impact of the CPI.

FFO per share in 2021 amounted to 138.9 agorot, as compared with 131.5 agorot in 2020, representing an increase of 6%, along with an increase of 8% in the weighted total of shares.

EPRA

EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

The EPRA index is an index that includes European public companies engaged in income-generating real estate. The company is included in the EPRA index as of 23 March 2020. The Company decided to adopt the position paper published by EPRA, whose objective is to increase transparency, uniformity and comparability of financial information reported by the real estate companies included in the index. Set forth below is a report about two financial metrics that were calculated in accordance with this position paper. It should be emphasized that the metrics set out below do not include the component relating to the projected profit from projects under construction, which has not yet been recorded in the financial statements. These data do not constitute an appraisal of the Company's value; they are not audited by the Company's independent auditors and do not substitute the financial statement data.

EPRA NRV INDICATOR (IN THOUSANDS OF NIS)

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

	31/12/2021	31/12/2020
Equity attributed to Company's shareholders in the financial statements	7,600,588	6,316,093
Plus – deferred tax in respect of revaluation of investment property to its fair value	1,531,385	1,356,761
EPRA NRV	9,131,973	7,672,854
EPRA NRV per share (Agorot)	2,063	1,873
Number of shares at end of period (in thousands of NIS par value)	442,599	409,615

EPRA NTA INDICATOR (IN THOUSANDS OF NIS)

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

	31/12/2021	31/12/2020
Shareholders equity according to the company Financial statements	7,600,588	6,316,093
Plus – 50% of the deferred tax in respect of revaluation of investment property to its fair value	765,693	678,381
EPRA NTA	8,366,281	6,994,474
EPRA NTA per share (Agorot)	1,890	1,708
Number of shares at end of period (in thousands of NIS par value)	442,599	409,615

EPRA NDV INDICATOR (IN THOUSANDS OF NIS)

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

	31/12/2021	31/12/2020
Shareholders equity according to the company Financial statements	7,600,588	6,316,093
Adjustment of the value of financial liabilities to fair value	(788,681)	(285,040)
EPRA NDV	6,811,907	6,031,053
EPRA NDV per share (Agorot)	1,539	1,472
Number of shares at end of period (in thousands of NIS par value)	442,599	409,615

FORECAST 2022

As part of the Company's 2022 business plan, including properties purchased during the Reported Period, renters and rental agreements, the operating expenses of all properties, while striving to achieve optimal utilization of the resources available to us. The business plan was drawn up bearing in mind the macroeconomic data of 2021. The plan sets challenging targets to Company's management and employees.

Set forth below is the Company's projection as to its principal operating results in 2022, based on the following work assumptions:

- Consumer price index - Increase in CPI by 2.5%.
- No material changes will take place in the business environment in which the Company operates in Israel.
- The rental agreements are signed and Company's management expectations as to renewal of current rental agreements in 2022.

	Forecast 2022	Actual 2021	Updated forecast 2021
NOI (in millions of NIS)	860-890	780	765-775
Real FFO (in millions of NIS)	675-695	583	565-575
FFO per share (in NIS)	149-153	138.9	135-137

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

OPERATING RESULTS ACCORDING TO IFRS 11

THE BUSINESS RESULTS (IN MILLIONS OF NIS)

	For the period		Comments and explanations
	1-12.2021	1-12.2020	
Revenue from leasing and management of properties, net of property leasing costs (NOI)	751	707	The increase was mostly due to the decrease in concessions given to lessees of commercial centers relative to last year, the addition of income from new property purchases, and from properties whose construction concluded
Fair value adjustment of investment property	863	(132)	During the reporting period, after fair value adjustments, mostly due to the increase of the .CPI and changes in property capitalization rates In the corresponding period last year there was a fair value amortization due to the impact of the coronavirus crisis on commercial properties, and .the decrease of the CPI
Amortization of transaction costs with respect to property purchases	(121)	(12)	Amortization of transaction costs with respect to .property purchases
General and administrative expenses	51	50	
Net financing expenses after neutralizing one-time financing expenses	216	108	The increase was due to changes in linkage differentials, an increase of 2.4% in 2021, as compared with a decrease in the rate of 0.6% in .2020
Tax on income expenses	285	111	The increase was mostly due to deferred taxes with respect to fair value adjustment of .investment property
Net profit	932	289	

THE BUSINESS FINANCIAL SUMMARY, LIQUIDITY AND SOURCES OF FUNDING (IN MILLION OF NIS)

	For the period		Comments and explanations
	31.12.2021	31.12.2020	
Total revenue-generating investment property	14,136	12,252	The increase was mostly due to the acquisition .of new properties
Working capital	(526)	(222)	As of the publication date of the report, the Company has unused credit facilities in the .amount of NIS 1,180 million
Financial debt, net	7,321	6,028	
Shareholders' equity	7,600	6,316	The increase was due to comprehensive income for the period, and the issue of capital and .options, after offsetting dividend distributions

CASH AND CREDIT FACILITIES

CASH FLOWS

The positive cash flows arising to the Company from operating activities in 2021 amount to NIS 595 million compared with NIS 496 million in 2020.

APPROVED CREDIT FACILITIES:

As of the publication date of the report, the Company has six approved credit facilities, in the amount of NIS 1,230 million.

1. A credit facility from a banking institution in the total amount NIS 400 million, until October 31, 2022.
2. A credit facility from a banking institution in the total amount NIS 150 million, until June 30, 2022.
3. A credit facility from a banking institution in the total amount NIS 200 million, until December 31, 2023.
4. A credit facility from a banking institution in the total amount NIS 100 million, until December 28, 2022.
5. A credit facility from an institutional entity in Israel, in the total amount of NIS 200 million, until May 31, 2024.
6. A credit facility from an institutional entity in Israel, in the total amount of NIS 180 million, until March 7, 2023.

As of the reporting date, the unused credit facilities amounted to a total of NIS 1,180 million.

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

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

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

WORKING CAPITAL DEFICIENCY

The working capital deficit as of December 31, 2021 amounted in NIS 526 million in the consolidated statements. As of the publication date of the report, the company has unutilized credit limits from banks and financial institutions, which can be withdrawn immediately at a scope of approximately NIS 1,180 million. Furthermore, all the company's assets are not charged. The company's policy is to hold unutilized credit limits for the long term in lieu of cash and deposits.

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

LINKAGE BASES

The Company has financial liabilities amounting to app. NIS 8 billion, of which NIS 7.6 billion are linked to the CPI. The Company's income-generating real estate amounting to app. NIS 14.7 billion is mostly rented out under CPI-linked rental agreements and the Company views this linkage as a long-term inflation hedge.

EQUITY

As of 31.12.21, Company's equity amounted to NIS 7.60 billion (per share equity of NIS 17.17).

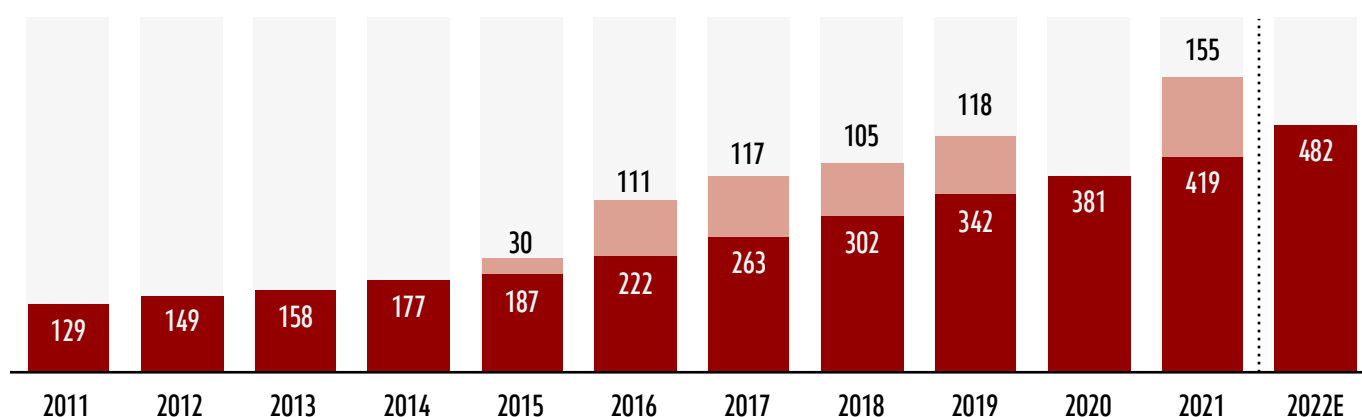
As of 31.12.20, Company's equity amounted to NIS 6.32 billion (per share equity of NIS 15.42)

DIVIDEND DISTRIBUTION POLICY

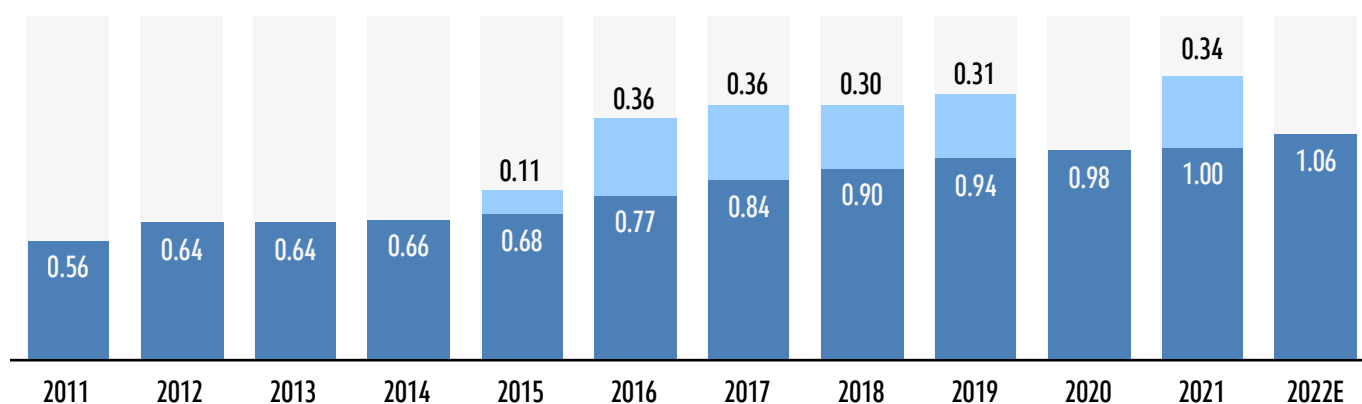
In March 2021, the Company's Board of Directors determined that the Company intends, in 2021, to distribute minimum annual dividends in the amount of 100 agorot per share, to be paid in 4 quarterly payments in the amount of 25 agorot per share, subject to a specific resolution of the Board of Directors at the end of each quarter.

Further to this policy, in March, May, August and November the Company announced dividend distributions for the first, second, third and fourth quarters of 2021, in the amount of NIS 25 per share, per quarter. Total dividends paid in 2021 amounted to NIS 419 million.

In March 2022, the Company's Board of Directors determined that the Company intends, in 2022, to distribute minimum annual dividends in the amount of 106 agorot per share, to be paid in 4 quarterly payments, in the first and second quarters in the amount of 26 agorot per share, and in the third and fourth quarters in the amount of 27 agorot per share, subject to a specific resolution of the Board of Directors at the end of each quarter. In accordance with this policy, in March 2022, the Company announced a dividend distribution for the first quarter of 2022, in the amount of 26 agorot per share (NIS 118 million). Additionally, in March 2022, the Company announced another dividend with respect to 2021, in the amount of 34 agorot per share (NIS 155 million).



- Current dividend
- Additional dividend



- Current dividend per share
- Additional dividend per share

LOOKING FORWARD

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

The Company is continuing to evaluate the effects of the coronavirus pandemic on the economy in general, and on the labor market in particular, in relation to its business strategy, including on all matters associated with changes to the needs and preferences of its customers.

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

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

Nathan Hetz
Chairman of the Board
of Directors

Shimon Abudraham
CEO

Date:
March 7, 2021

APPENDIXES

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APPENDIXES



APPENDIX A

EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

FINANCIAL DATA REGARDING EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

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



1.1

EXTENDED CONSOLIDATED FINANCIAL STATEMENTS

	As of December 31,	
	2021	2020
	NIS in thousands	
Current assets		
Cash and cash equivalents	442,177	619,750
Investments in securities measured at fair value through profit and loss	-	50,160
Trade receivable	23,831	34,551
Current tax assets, net	8,979	379
Other receivables	48,902	26,086
	523,889	730,926
Non-current assets		
Investment property	14,678,447	12,718,390
Investment property under construction	2,447,443	1,222,883
	17,125,890	13,941,273
Long-term receivables	93,926	121,569
Fixed assets, net	45,413	36,698
Total non-current assets	17,265,229	14,099,540
Total assets	17,789,118	14,830,466
Current liabilities		
Credit from banks and current maturities	578,299	661,575
Trade payable	22,464	16,816
Current tax liabilities, net	209,417	89,749
Other payables	157,049	148,139
Payables in respect of investment property	100,042	57,805
Total current liabilities	1,067,271	974,084
Non-current liabilities		
Bonds	6,694,298	5,998,148
Loans from banks and others	617,880	90,097
Provisions	16,483	16,483
Other	261,262	78,846
Deferred taxes, net	1,531,385	1,356,761
Total non-current liabilities	9,121,308	7,540,335
Equity		
Equity attributed to Company's shareholders	7,600,588	6,316,093
Non-controlling interest	(49)	(46)
Total equity	7,600,539	6,316,047
Total liabilities and equity	17,789,118	14,830,466

1.2

EXTENDED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

For the year ended December 31

	2021	2020	2019
	NIS in thousands		
Revenue from rent and management of investment property	873,827	798,356	793,123
Cost or renting out and operating the properties	94,009	64,152	65,571
Gain from renting out and operating the properties	779,818	734,204	727,552
Adjustment of fair value of investment property, net	868,597	(150,498)	951,308
Transaction cost reduction due to properties purchase	(120,583)	(12,417)	(60,540)
	1,527,832	571,289	1,618,320
General and administrative expenses	56,518	56,627	52,695
Other expenses (income), net	1,860	2,081	1,252
Profit from ordinary activities	1,469,454	512,581	1,564,373
One-off financing expenses in respect of refinancing	-	-	(23,801)
Financing expenses, net	(248,381)	(111,413)	(146,617)
Income before taxes on income	1,221,073	401,168	1,393,955
Taxes on income	(288,887)	(111,713)	(323,532)
Net income for the period	932,186	289,455	1,070,423
Attributed to:			
Parent company shareholders	932,189	289,457	1,070,425
Non-controlling interest	(3)	(2)	(2)
	932,186	289,455	1,070,423

EXTENDED ADDITIONAL INFORMATION

THE COMPANY'S LIABILITIES (EXTENDED CONSOLIDATED) REPAYABLE AFTER
DECEMBER 31 2021: STATEMENTS OF PROFIT OR LOSS (NIS IN THOUSANDS)

	Bonds	Bank loans	Other	Bank loans – consolidated companies	Total
Current maturities	537,511	-	6,633	22,880	567,024
Second year	560,205	-	-	5,173	565,378
Third year	560,205	-	-	5,173	565,378
Fourth year	684,659	-	-	5,173	689,832
Fifth year and thereafter	4,958,782	499,978	-	104,886	5,563,646
Total repayments	7,301,362	499,978	6,633	143,285	7,951,258
Balance of bond premium and other					(60,781)
Total extended consolidated financial debt					7,890,477

APPENDIXES



APPENDIX B

CORPORATE GOVERNANCE ASPECTS

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

THE COMPANY'S BOARD OF DIRECTORS;

DIRECTORS POSSESSING ACCOUNTING AND FINANCIAL EXPERTISE AND INDEPENDENT DIRECTORS

As of the day of this statement's publication, the company's board of directors comprises 9 (nine) directors, all of whom have accounting and financial expertise. 6 (six) of the board's members are Independent Directors within the meaning of the Companies Law, 5759-1999 (hereinafter: the "Companies Law") ⁽¹⁾. Over the course of August 2021, three directors resigned their office on the company's board – Messrs. Amir Amar, Eyal Gabai and Yehiel Gutman – and three directors took office: Messrs. Yarom Ariav (external director), Ms. Dorit Kadosh (independent director) and Ms. Keren Turner ⁽²⁾ (independent director).

Pursuant to the provisions of Section 92A(12) of the Companies Law, the Company's Board of Directors determined that the minimum number of directors possessing accounting and financial expertise which is appropriate to the Company is two. This number was determined bearing in mind the nature of the financial and accounting issues arising during the course of preparing the Company's financial statements, the type of the Company, its size, the scope and complexity of its activities, its areas of activity, the composition of the Company's Board of Directors, which includes people with business, managerial and accounting experience, which enables them to deal with the task of running the Company and with the close accounting support provided by its independent auditors.

Following an evaluation of the board members' education, experience and qualifications, as of the date of the statement all members of the board have been approved by the company's board as having accounting and financial expertise. For information regarding the incumbent directors' education and experience, see Article 26 in the chapter providing additional information on the corporation, Chapter D of the 2021 periodic statement and the immediate reports on the appointment of the new directors as published on August 18, 2021.

1. In regards of "Independent Director" means a director who meets the terms of eligibility to appoint an external director as prescribed by Section 240(B) to (F) of the Companies Law, and the Audit Committee has so approved, and who has not served as a director of the company for over nine consecutive years, and in this regard, termination of a term of office not exceeding two years will not be deemed to terminate the consecutive term of office.
2. Ms. Keren Turner began her term of office as a director of the company on November 1, 2021.

2.1

THE COMPANY'S BOARD OF DIRECTORS

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

THE AUDIT PLAN

The audit plan is an annual plan, derived from a multi-annual audit plan. The multi-annual and annual planning of the audit tasks, the determination of the priorities and the frequency of the audit are impacted from the following factors:

The exposure to risks of operations and actions, which is determined, among other things, based on a risk survey conducted by the internal auditor in 2017, the probability of existence of administrative and executive faults, findings of previous audits, cases in which audits are required by the executive bodies, subjects required by law, in accordance with internal or external procedural directives and the need to maintain the required level of audit's frequency.

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

In 2021 and until the publication date of the report, 3 internal audit reports were submitted to the Company and to the Audit Committee:

Name and subject of report	Date of the Audit Committee's discussion regarding the report
Audit report regarding the series of insurance policies	April 8, 2021
Audit report regarding marketing-management of engagements with tenants	July 13, 2021
Audit report regarding phishing	December 28, 2021

PROFESSIONAL STANDARDS

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

CORPORATION OFFICER TO WHOM THE INTERNAL AUDITOR REPORTS

The Company's CEO.

SCOPE, NATURE AND CONTINUITY OF THE INTERNAL AUDITOR ACTIVITY AND WORK PLAN

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

FREE ACCESS TO THE INTERNAL AUDITOR

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

INTERNAL AUDITOR'S REPORTS

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

INTERNAL AUDITOR'S FEES

The Internal Auditor's fees in respect of the internal auditing have been set at an amount in shekels that is equivalent to NIS 220 per hour of work (index-linked), with the addition of VAT. The remuneration for the audit work is in accordance with the budgeted number of hours for the Internal Auditor's work.

In 2020, an amount of approximately NIS 136 thousand was paid to the Internal Auditor for the internal audit work. There is no concern that this remuneration, which is a product of the actual budgeted hours of the Internal Auditor's work, may influence the exercise of the Auditor's professional judgment.

2.2

THE BOARD OF DIRECTORS

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

2.3

DISCLOSURE REGARDING THE CORPORATION'S INTERNAL AUDITOR

On May 17th, 2012, the Company adopted an internal enforcement plan in the field of paper securities for the Company ("The Enforcement Plan") in accordance with the criteria for an effective enforcement plan, published by the Securities Authority on August 15th, 2011, which aims to verify and enforce company compliance, compliance on the part of its office bearers and its employees to the legal requirements in the field of paper securities. On May 9th, 2021, the Company readopted an up-to-date enforcement plan that is in line with the latest standards and changes that have occurred in the law in all the relevant issues which the enforcement plan covers. The plan establishes procedures aimed at, inter alia, regulating key issues such as the manner of publishing immediate reports, locating, approving and reporting transactions that raise concerns about the personal interest of office bearers or controlling shareholders, prohibiting the use of insider information, prevention of fraud and manipulation, upholding monitoring, reporting and control mechanisms, as well as establishing rules of activity and behavior in conjunction with work processes that aim to create controls on key processes on issues regulated within the framework thereof, ways of handling and learning lessons.

The Company's Board of Directors appointed the Company's Legal Counsel and Secretary - Adv. Osnat Hochman-Gerhard – as the officer in charge of internal control in the field of securities. Her role includes, among other things, ensuring the implementation of the plan among Company's employees, ensuring the efficient and effective application of the plan, including by way of holding training sessions and monitoring and updating the plan from time to time.

2.4

INDEPENDENT AUDITOR'S FEES

It should be noted that Ziv Haft Consulting and Management Ltd., which provides professional services as the independent auditor of subsidiaries of the Company, leases a real estate asset owned by the Company and uses it as its head office. The parties have in place a long-term and long-standing rental agreement, which is renewed from time to time. This engagement between the parties was entered into in accordance with all the provisions and conditions set out in the resolution published by the Securities Authority – “Resolution on Pre-Ruling Application regarding the Auditor’s Independence” (see Securities Authority’s Resolution no. 105-7), and it complies therewith.

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

Company's name	Auditor's name	2021 ⁽¹⁾		2020 ⁽¹⁾	
		Audit services	Other services	Audit services	Other services
Amot Investments Ltd.	Brightman Almagor .Zohar & Co	790	450	646	181
Ayalot Companies Group	Ziv Haft CPAs	470	100	331	-

2.5

CHARITABLE DONATIONS

The Company views donating and supporting the community in Israel as an important component that should be integrated into its activities. In 2021, the Company donated NIS 2 million to different charities and organizations that aim to work for the community, promote educational causes and support disadvantaged populations.

APPENDIXES



APPENDIX C

DISCLOSURE PROVISIONS IN CONNECTION WITH THE CORPORATION'S FINANCIAL REPORTING

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

CRITICAL ACCOUNTING ESTIMATES

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

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



CHANGES IN THE FAIR VALUE OF INCOME-GENERATING REAL ESTATE

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

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

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

LEGAL PROCEEDINGS

As described in Note 18a of the 2021 annual financial statements, as of the date of approval of this report 18 legal claims are pending against the Company and other related parties, with an overall amount of app. NIS 65 million; the Company's share in those legal claims as a defendant is app. NIS 60 million; the Company recorded a provision totalling app. NIS 17 million in respect of those claims. In the opinion of legal and professional advisors, those provisions are appropriate under the circumstances of each of the claims.

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

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

APPENDIXES



APPENDIX D

SPECIAL DISCLOSURE TO BOND HOLDERS: BONDS HELD BY THE PUBLIC

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

4.1

SET FORTH BELOW ARE DATA AS OF 31.12.2021 REGARDING BONDS ISSUED BY THE COMPANY

(In thousands)	Bonds (Series B)	Bonds (Series D)	Bonds (Series E)	Bonds (Series F)	Bonds (Series G)	Bonds (Series H)	Total
Issuance date	2.7.12	31.7.14	31.3.16	30.6.19	6.2.20	18.2.21	
Par value at issuance date	343,950	241,941	276,047	423,287	465,000	450,000	
Par value as of 31.12.21	407,864	1,649,616	976,692	2,068,983	799,555	1,250,000	7,152,710
Linked par value as of 31.12.21	425,987	1,685,783	976,692	2,087,432	799,555	1,282,597	7,258,046
Value in financial statements as of 31.12.21	429,683	1,751,800	985,890	2,048,218	791,905	1,314,574	7,322,070
Value on the stock exchange as of 31.12.21	451,016	2,010,717	1,041,544	2,310,640	815,066	1,395,000	8,023,983
Interest accrued as of 31.12.21	10,132	26,834	32,741	5,832	19,242	5,188	99,969
Rate of fixed interest for the year	4.80%	3.20%	3.39%	1.14%	2.44%	0.92%	

4.1

SET FORTH BELOW ARE DATA AS OF 31.12.2021 REGARDING BONDS ISSUED BY THE COMPANY

To view an up-to-date rating report by Midroog Ltd., see the Company's immediate report of 30.12.2020 reference no. 2020-01-135409. To view an up-to-date rating report by Midroog Ltd. regarding bond (series H), see the Company's immediate report of 19.10.2021 reference no. 2021-01-157689.

To view an up-to-date rating report by Maalot the Israel Securities Rating Co Ltd., see the Company's immediate report of 09.01.2022 reference no. 2022-01-004723. To view an up-to-date rating report by Maalot the Israel Securities Rating Co Ltd. regarding bond (series H), see the Company's immediate report of 19.10.2021 reference no. 2021-01-157680.

SERIES B

The Series B bonds include conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	The ratio as of date of financial statements	Status of compliance as of date of report
Change of control;	Alony Hetz - controlling shareholder of the Company	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.4	Compliant
The rating of the Series B bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred taxes liability shall not be less than 22.5% of total balance sheet, net of cash and cash equivalents and net of marketable collaterals for two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series B bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 16.8 billion – higher than the outstanding balance	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

4.1

SET FORTH BELOW ARE DATA AS OF 31.12.2021 REGARDING BONDS ISSUED BY THE COMPANY

SERIES D

The Series D bonds include conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	The ratio as of date of financial statements	Status of compliance as of date of report
The Company's equity is higher than NIS 1.2 billion;	7.6	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.3	Compliant
The rating of the Series D bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series D bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 16.5 billion – higher than the outstanding balance	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

4.1

SET FORTH BELOW ARE DATA AS OF 31.12.2021 REGARDING BONDS ISSUED BY THE COMPANY

SERIES E

The Series E bonds includes conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	The ratio as of date of financial statements	Status of compliance as of date of report
The Company's equity is higher than NIS 1.2 billion;	7.6	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.3	Compliant
The rating of the Series E bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series E bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 16.5 billion – higher than the outstanding balance	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

4.1

SET FORTH BELOW ARE DATA AS OF 31.12.2021 REGARDING BONDS ISSUED BY THE COMPANY

SERIES F

The Series F bonds includes conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	The ratio as of date of financial statements	Status of compliance as of date of report
The Company's equity is higher than NIS 2 billion;	7.6	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.3	Compliant
The rating of the Series F bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series F bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 16.5 billion – higher than the outstanding balance	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

4.1

SET FORTH BELOW ARE DATA AS OF 31.12.2021 REGARDING BONDS ISSUED BY THE COMPANY

SERIES G

The Series G bonds includes conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	The ratio as of date of financial statements	Status of compliance as of date of report
The Company's equity is higher than NIS 2.2 billion;	7.6	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.3	Compliant
The rating of the Series G bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series G bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 16.5 billion – higher than the outstanding balance	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

4.1

SET FORTH BELOW ARE DATA AS OF 31.12.2021 REGARDING BONDS ISSUED BY THE COMPANY

SERIES H

The Series H bonds includes conditions for immediate repayment thereof upon the occurrence of certain events, including, among other things, the following events:		
The covenant	The ratio as of date of financial statements	Status of compliance as of date of report
The Company's equity is higher than NIS 2.2 billion;	7.6	Compliant
Net financial debt (net of value of investment property under construction) to annual normalized NOI ratio exceeds 14 during two consecutive quarters; (net financial debt: The Company's aggregate debt to banks, other financial institutions and bond holders, net of cash and cash equivalents, monetary reserves, marketable collaterals as recorded in the Company's consolidated balance sheet).	6.3	Compliant
The rating of the Series H bonds is BBB- (BBB minus) for two consecutive quarters;	Aa2/Stable	Compliant
Equity plus net deferred tax liability shall not be less than 22.5% of total balance sheet net of cash and cash equivalents and net of marketable collaterals during two consecutive quarters;	53%	Compliant
The value of the Company's unpledged assets shall not be less than the higher of NIS 1 billion or 125% of the outstanding balance of Series H bonds during two consecutive quarters.	The value of Company's unpledged assets is app. NIS 16.5 billion – higher than the outstanding balance	Compliant
Unremoved demand for immediate repayment of material loan or a bond listed on the Tel Aviv Stock Exchange.	There is no such demand	Compliant
Instructions pertaining to dividend distribution limit under certain circumstances;	There are no such circumstances	Complaint

APPENDIXES



APPENDIX E

LINKAGE BASES REPORT

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

LINKAGE BASES REPORT AS PER IFRS 11 CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021 (IN THOUSANDS OF NIS)

	Linked to the CPI	Unlinked	Non-financial assets (liabilities)	Total
	NIS in thousands	NIS in thousands	NIS in thousands	NIS in thousands
Current assets				
Cash and cash equivalents	-	426,398	-	426,398
Trade receivable	-	22,386	-	22,386
Current tax assets, net	-	-	8,276	8,276
Other receivables	5,387	18,947	29,701	54,035
	5,387	467,731	37,977	511,095
Investments in companies accounted for by the equity method	106,579	20,304	359,683	486,566
Long-term receivables	-	3,470	19,225	22,695
Total financial assets	111,966	491,505	416,885	1,020,356
Investment property	-	-	16,509,528	16,509,528
Fixed assets, net	-	-	45,365	45,365
Total non-financial assets	-	-	16,554,893	16,554,893
Total assets	111,966	491,505	16,971,778	17,575,249
Current liabilities				
Credit from banks and current maturities	544,176	5,028	-	549,204
Trade payable	-	21,354	-	21,354
Current tax liabilities	-	-	208,695	208,695
Other payables	83,264	39,189	31,394	153,847
Payables in respect of investment property	-	100,042	-	100,042
Total current liabilities	627,440	165,613	240,089	1,033,142
Non-current liabilities				
Bonds	6,469,539	228,455	-	6,697,994
Loans from bank corporations	499,978	-	-	499,978
	6,969,517	228,455	-	7,197,972
Total financial liabilities	7,596,957	394,068	240,089	8,231,114
Deferred taxes	-	-	1,472,470	1,472,470
Provisions	-	-	16,483	16,483
Other	131,916	93,305	29,416	254,637
Total non-financial liabilities	131,916	93,305	1,518,369	1,743,590
Total liabilities	7,728,873	487,373	1,758,458	9,974,704
Excess of financial liabilities over financial assets	(7,484,991)	97,437	176,796	(7,210,758)

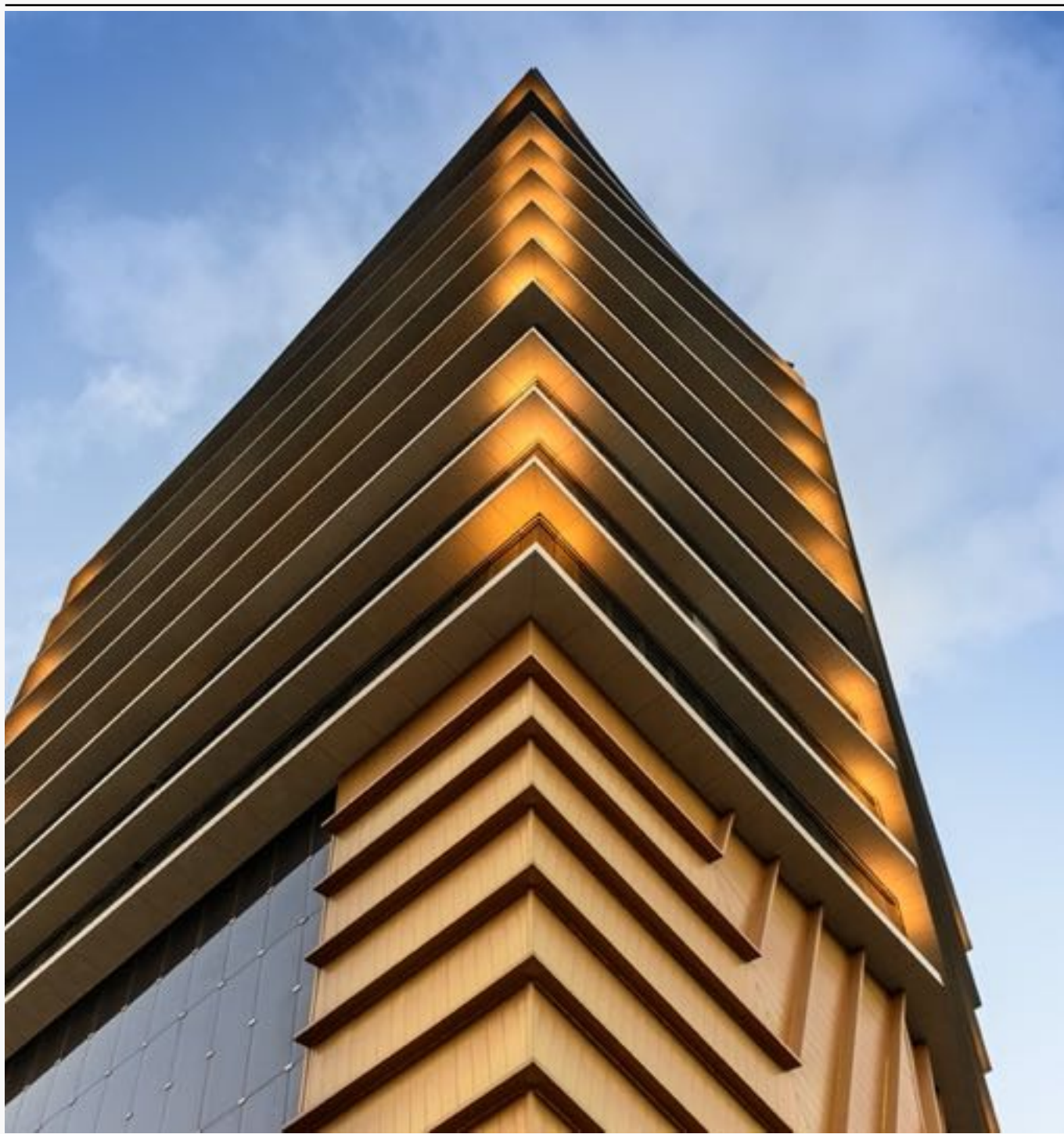
APPENDIXES



APPENDIX F

SEPARATE FINANCIAL INFORMATION

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.



CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31.12.2021

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

AMOT INVESTMENTS LTD.

Consolidated Financial Statements

For the Year 2021

AMOT INVESTMENTS LTD.

Consolidated Financial Statements

As of December 31, 2021

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

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

We have audited components of internal control over financial reporting of **Amot Investments Ltd.** and subsidiaries (hereafter together - "the Company") as of December 31, 2021. Those components of control were determined as explained in the following paragraph. The Board of directors and management of the Company are responsible for maintaining effective internal control over financial reporting and for their evaluation of the effectiveness of the components of internal control over financial reporting attached to the periodic report as of the above date. Our responsibility is to express an opinion on the Company's components of internal control over financial reporting, based on our audit.

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

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

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

In our opinion, based on our audit, the Company effectively maintained the Audited Components of Control in all material respects, as of December 31, 2021.

We also have audited, in accordance with generally accepted auditing standards in Israel, the consolidated financial statements of the Company as of December 31, 2021 and 2020, and for each of the three years in the period ending on December 31, 2021, and our report as of March 7, 2022, expressed an unqualified opinion on those financial statements based on our audit.

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

Tel Aviv March 7, 2022.

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

Auditors' Report to the shareholders of Amot Investments Ltd.

We have audited the accompanying consolidated statements of financial position of **Amot Investments Ltd.** (hereafter – "the Company") as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2021. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of subsidiary companies and joint ventures whose assets included in the consolidation comprise approximately 24% and approximately 27% of total consolidated assets as of December 31, 2021 and 2020, respectively, and whose revenues included in the consolidation comprise approximately 31%, approximately 33% and approximately 36% of the total consolidated revenues for the years ended December 31, 2021, 2020 and 2019, respectively. Furthermore, we did not audit the financial statements of some of the companies that included under the equity method the investment in which As of December 31, 2021 and 2020 amounted to NIS 212,007 thousand and NIS 204,801 thousand respectively, and the share of whose profits (losses) for the years ended December 31, 2021, 2020 and 2019 amounted to NIS 9,471 thousand, NIS 4,126 thousand and NIS 35,064 thousand, respectively. The financial statements of these companies were audited by other auditors, whose reports were furnished to us, and our opinion, to the extent that it relates to the amounts included for those subsidiaries, is based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated companies as of December 31, 2021 and 2020, and the results of their operations, changes in equity and their cash flows for each of the three years in the period ended in December 31, 2021, in conformity with International Financial Reporting Standards (IFRS) and with the provisions of the Securities Regulations (Annual Financial Statements) – 2010.

We have also audited, in accordance with Auditing Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel, "An Audit of Components of Internal Control over Financial Reporting", the Company's components of internal control over financial reporting as of December 31, 2021 and our report dated March 7, 2022, included an unqualified opinion on the effective maintenance of those components.

Brightman Almagor Zohar & Co.

Certified Public Accountants

A Firm in the Deloitte Global Network

Tel Aviv March 7, 2022.

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Amot Investments Ltd.

Consolidated Statements of Financial Position

		As of December 31,	
		2021	2020
	Note	NIS thousands	
<u>Current assets</u>			
Cash and cash equivalents	4	426,398	601,764
Investments in securities measured at fair value through profit and loss	5	-	50,160
Trade receivables	6	22,386	31,970
Current tax assets, net	17	8,276	52
Other receivables	7	54,035	33,852
Total current assets		511,095	717,798
<u>Non-current assets</u>			
Investment property	9	14,136,478	12,252,169
Investment property under construction and building rights	9	2,373,050	1,149,644
		16,509,528	13,401,813
Investment in companies treated at equity	10	486,566	437,401
Long-term receivables	8	22,695	50,005
Fixed assets, net		45,365	36,725
Total non-current assets		17,064,154	13,925,944
Total assets		17,575,249	14,643,742
<u>Current liabilities</u>			
Credit from banking corporations and other providers of credit and current maturities	11	552,900	631,603
Trade payables	12	21,354	15,952
Current tax liabilities, net	17	208,695	88,894
Other payables	13	153,853	145,779
Payables for investment property	13	100,042	57,805
Total current liabilities		1,036,844	940,033
<u>Non-current liabilities</u>			
Bonds	14	6,694,298	5,998,148
Loans from banking corporations	15	499,978	-
Provisions	18	16,483	16,483
Others	16	254,637	72,732
Deferred tax liabilities	17	1,472,470	1,300,299
Total non-current liabilities		8,937,866	7,387,662
<u>Equity</u>			
Equity attributed to shareholders in the Company	19	7,600,588	6,316,093
Non-controlling interests		(49)	(46)
Total equity		7,600,539	6,316,047
Total liabilities and equity		17,575,249	14,643,742

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

March 7, 2022

**Approval Date of the
Financial Statements**

**Nathan Hetz
Chairman of the Board**

**Shimon Abudraham
Chief Executive Officer**

**Judith Zynger
Deputy CEO and CFO**

Amot Investments Ltd.

Consolidated Statements of Profit or Loss

		For the year ended December 31		
		2021	2020	2019
		NIS thousands		
	Note			
Revenues from rental fees and investment property management	20	841,602	768,533	759,064
Costs of the rental and operation of properties	21	90,750	61,898	62,882
Profit from the rental and operation of properties		750,852	706,635	696,182
Adjustment of the fair value - investment property		863,224	(131,223)	907,799
Adjustment of the fair value - reducing transaction costs		(120,583)	* (12,417)	* (60,540)
		1,493,493	562,995	1,543,441
Administrative and general expenses	22	50,943	49,562	45,150
Donations		2,019	2,019	2,015
Other expenses (income), net		1,847	1,768	962
Operating income		1,438,684	509,646	1,495,314
Financing income	23	8,812	4,751	6,314
Financing expenses	23	(248,686)	(112,698)	(148,827)
Non-recurring financing expenses – early repayment commission	23	-	-	(23,801)
Financing expenses, net		(239,874)	(107,947)	(166,314)
The Company's share of the profits (losses) of investee companies, net of tax	10	18,112	(992)	50,030
Income before taxes on income		1,216,922	400,707	1,379,030
Tax expenses on income	17	(284,736)	(111,252)	(308,607)
Net income for the year		932,186	289,455	1,070,423
Attributed to:				
Shareholders in the parent company		932,189	289,457	1,070,425
Non-controlling interests		(3)	(2)	(2)
		932,186	289,455	1,070,423
Earnings per share attributed to the shareholders in the Company (in NIS):				
Basic				
Total		2.22	0.74	2.96
At full dilution				
Total		2.22	0.74	2.95
Weighted average share capital used in the calculation of the earnings per share (in thousands of shares)				
Basic		419,750	389,183	362,016
At full dilution		420,375	389,494	363,219

* Reclassified from the adjustment of the fair value.

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

Amot Investments Ltd.
Consolidated Statements of Comprehensive Income

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Net income for the year	932,186	289,455	1,070,423
Amounts that will be reclassified to profit and loss in the future, net of tax			
Adjustments deriving from the translation of the financial statements of foreign operations	-	-	(37)
Total comprehensive income for the year	932,186	289,455	1,070,386
Attributed to:			
Shareholders in the parent company	932,189	289,457	1,070,388
Non-controlling interests	(3)	(2)	(2)
	<u>932,186</u>	<u>289,455</u>	<u>1,070,386</u>

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

Amot Investments Ltd.
Consolidated Statements of Changes in Equity

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

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

Amot Investments Ltd.
Consolidated Statements of Changes in Equity

	Share capital	Share premium	Capital reserve on share-based payments and others	Retained earnings	Total attributed shareholders in the Company	Non- controlling interests	Total shareholders' equity
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
Balance As of January 1, 2020	421,487	3,216,379	7,143	2,458,289	6,103,298	(44)	6,103,254
Net income for the year	-	-	-	289,457	289,457	(2)	289,455
Total comprehensive income for the year	-	-	-	289,457	289,457	(2)	289,455
Issuance of share capital warrants	27,500	369,904	-	-	397,404	-	397,404
Exercise of warrants for employees and officer	1,141	18,859	(2,200)	-	17,800	-	17,800
Reflection of benefit on warrants for employees and officer	-	-	6,959	-	6,959	-	6,959
Reflection of benefit on share-based payments to directors	-	-	329	-	329	-	329
Dividend declared	-	-	-	(499,154)	(499,154)	-	(499,154)
Balance As of December 31, 2020	450,128	3,605,142	12,231	2,248,592	6,316,093	(46)	6,316,047

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

Amot Investments Ltd.
Consolidated Statements of Changes in Equity

	Share capital	Share premium	Receipts on account of warrants	Capital reserve on share- based payments and others	Retained earnings	Adjustmen ts deriving from the translation differences on foreign operations	Total attributed shareholders in the Company	Non- controlling interests	Total shareholders' equity
	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS	Thousands of NIS
Balance As of January 1, 2019	387,962	2,590,924	15,466	8,144	1,834,332	37	4,836,865	(42)	4,836,823
Net income for the year	-	-	-	-	1,070,425	-	1,070,425	(2)	1,070,423
Total other comprehensive income	-	-	-	-	-	(37)	(37)	-	(37)
Total comprehensive income for the year	-	-	-	-	1,070,425	(37)	1,070,388	(2)	1,070,386
Issuance of share capital warrants	29,027	562,974	(15,466)	-	-	-	576,535	-	576,535
Exercise of warrants for employees and officer	4,498	62,481	-	(7,102)	-	-	59,877	-	59,877
Reflection of benefit on warrants for employees and officer	-	-	-	5,767	-	-	5,767	-	5,767
Reflection of benefit on share-based payments to directors	-	-	-	334	-	-	334	-	334
Dividend declared	-	-	-	-	(446,468)	-	(446,468)	-	(446,468)
Balance As of December 31, 2019	421,487	3,216,379	-	7,143	2,458,289	-	6,103,298	(44)	6,103,254

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

Amot Investments Ltd.
Consolidated Statements of Cash Flows

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
<u>Cash flows from operating activities</u>			
Net income for the year	932,186	289,455	1,070,423
Adjustments required to present cash flows from operating activities (Appendix A)	(337,131)	206,407	(609,109)
Net cash generated by operating activities	595,055	495,862	461,314
<u>Cash flows from investment activities</u>			
Investments in investment property (including investment property under construction and building rights), net	(2,299,020)	(692,149)	(1,375,472)
Investments in equity-accounted company (See note 9D)	(41,768)	-	-
Repayment of loans from companies treated at equity	6,981	5,232	5,952
Proceeds from the realization of a company treated at equity	-	-	6,701
Return from exercise (investment) Securities measured at fair value through profit or loss	50,547	(49,908)	-
Others, net	(2,347)	(1,559)	(2,439)
Net cash absorbed by investment activities	(2,285,607)	(738,384)	(1,365,258)
<u>Cash flows from financing activities</u>			
Receiving long term loans from banking corporations	1,029,000	-	-
Repayment of long-term loans from banking corporations	(530,000)	(242,613)	(38,349)
Dividend paid	(419,053)	(499,154)	(446,468)
Issuance of shares and exercise of warrants into shares less issuance expenses	714,813	397,404	576,535
Issuance of bonds, net	1,304,931	1,804,876	1,003,480
Exercise of warrants for employees, directors and officers	47,289	17,800	59,146
Repayment of long-term bonds	(535,085)	(527,233)	(408,588)
Short-term credit from banking corporations, net, and others	(96,709)	(164,154)	(82,155)
Net cash generated by financing activities	1,515,186	786,926	663,601
Increase (decrease) in cash and cash equivalents	(175,366)	544,404	(240,343)
Balance of cash and cash equivalents at the beginning of the year	601,764	57,360	297,703
Balance of cash and cash equivalents at the end of the year	426,398	601,764	57,360

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

Amot Investment Ltd.

Appendices to the Consolidated Statements of Cash Flows

For the year ended December 31

2021 2020 2019

NIS thousands

A Adjustments required to present cash flows from operating activities

Expenses (income) not involving cash flows:

Fair value adjustment of investment property, net	(863,224)	131,223	(907,799)
Fair value adjustment - Reducing transaction costs	120,583	12,417	60,540
Company's share in earnings (losses) of equity-accounted investees, net	(18,112)	992	(50,030)
Revaluation of loans from equity-accounted companies	(3,131)	381	(873)
Dividends received from equity-accounted companies	5,250	34,850	2,500
Revaluation of bonds and amortization of premium	94,688	(52,553)	(29,086)
Crediting of benefit regarding share-based payments	5,043	7,288	6,101
Deferred taxes and taxes in previous years, net	255,341	48,151	284,533
Others, net	7,721	5,108	5,013
	<u>(395,841)</u>	<u>187,857</u>	<u>(629,101)</u>

Changes in assets and liabilities:

Decrease (increase) in trade receivables	9,584	(12,124)	(1,106)
Decrease (increase) in other receivables and debit balances	(8,778)	2,244	(3,495)
Decrease (increase) in long term other receivables and debit balances	9,188	1,569	(10,667)
Increase (decrease) in trade payables	3,001	201	(4,549)
Decrease in liabilities in respect of the termination of employee-employer relationships	(582)	(514)	(22)
Increase in other payables	46,297	27,174	39,831
	<u>58,710</u>	<u>18,550</u>	<u>19,992</u>
	<u>(337,131)</u>	<u>206,407</u>	<u>(609,109)</u>

Amot Investments Ltd.
Consolidated Statements of Cash Flows

<u>For the year ended December 31</u>		
<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>NIS thousands</u>		

B Activities not involving cash flows

Investments in investment property against other payables and credit balances	50,202	9,334	99,473
Exercise of options for employees against receivables	4,214	-	731
Dividends have not yet been received from companies treated according to the equity accounted.	1,750	-	-

C Additional information

Interest paid (**)	158,203	198,306	183,663
Interest received	8,284	16,401	5,640
Taxes paid (*)	40,394	11,217	14,596
Taxes received	19,258	57	3,448
Dividend received	5,250	34,850	2,500

(*) Taxes paid in the nine months period of 2021 include taxes paid in respect of an assessment agreement in subsidiaries (for more details See Note 17H).

(**) Interest paid for 2020 includes an early repayment fee; for further details, see Note 23C.

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 1: General

A. The Company's business:

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

The Company is held by Alony-Hetz Properties and Investments Ltd. at a rate of approx. 56%. The Company's securities are listed for trading on the Tel Aviv Stock Exchange.

B. Definitions:

The Company	Amot Investments Ltd.
The parent company	- Alony-Hetz Properties and Investments Ltd., a public company, whose securities are listed for trading on the Tel-Aviv Stock Exchange
The Group	- The Company and its consolidated companies, as defined below. A list of the group companies is presented in an appendix to the financial statements.
Consolidated companies	- Companies in which the Company has control (as defined in IFRS 10), directly or indirectly, whose financial statements are fully consolidated, with the Company's financial statements.
Joint arrangements	- Companies that are held by a number of parties, between which a contractual arrangement exists for the exercise of joint control.
Investee companies	- Consolidated companies and proportionately consolidated companies. See Notes 10 and 30 for a list of the consolidated companies and proportionately consolidated companies.
Company or corporation	- For the purposes of the above definitions – including a partnership.
Related parties	- As defined in IAS 24
Interested party	- As defined in the Securities Law – 1968, and the regulations promulgated thereunder.
Controlling interest	- As defined in the Securities Regulations (Annual Financial Statements) – 2010.
Index	- The Consumer Prices Index, as published by the Central Bureau of Statistics.
Dollar	- The US Dollar

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 1: General (Continued)

C. Effects of the Coronavirus Crisis on the Group's Business Activities:

The novel coronavirus has been spreading around the world since early 2020 and has been declared a pandemic by the World Health Organization.

As part of the national effort to deal with the pandemic, the Government of Israel enacted the State of Emergency Regulations, which led to the imposition of severe restrictions on movement in the first quarter of 2021. The lockdown which was imposed at the end of December 2020 lasted for around one and a half months, and included the closure of cultural, recreational and leisure centers. Severe restrictions were also imposed on activity in the business, public and private sectors, excluding the activity of essential businesses (such as supermarkets, drugstores, clinics and banks). Beginning in March 2021, a gradual resumption of routine activity began in nearly all sectors of activity, along with a gradual cancellation of the various restrictions on activity, and the Israeli economy recovered quickly thanks to the effectiveness of the vaccines, which resulted in a sharp decline in infection rates, and allowed extensive lessening of the restrictions through the presentation, by the vaccinated and those who have recovered from covid, of the "green badge" issued by the Ministry of Health. Although infections again rose significantly in July 2021 in Israel and around the world, due to the spread of the delta variant of the virus, after which a decision was reached to administer a third (booster) dose of the vaccine to the population. The requirement to present an updated "green badge" upon entry to cultural, entertainment and leisure centers, as well as restaurants, was re-imposed, which damaged the business activity in those sectors, and caused a certain decline in commercial activity; however, no additional restrictions were imposed on business activity. During the fourth quarter of the year, due to the vaccination of a significant part of the population with the booster shot, there was a very significant decline in infections due to the delta variant, while at the same time the even more transmissible omicron variant began spreading, leading to high infection rates. The omicron variant is considered less dangerous and less likely to cause severe illness. In parallel with the spread of the omicron variant, routine business activities continued as usual in the economy, and the requirement to present the green badge was also recently canceled. Prior to the publication date of this report there was a significant decline in infection rates due to the omicron variant.

A new spike in infections, if one occurs, and re-imposition of restrictions on business activity, could be reflected in a deceleration and/or decrease in demand, and damage to various lessees (Mainly due to the quarantine months, January and February 2021). The total sum of concessions which were given by the Company with respect to the reporting period amounted to a total of NIS 20 million (For the year 2020 the total concessions were NIS 64 million)

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 1: General (Continued)

C. Effects of the Coronavirus Crisis on the Group's Business Activities (Continued):

As of the publication date of this report, according to the estimates of Company management, the mix of the Company's portfolio of revenue-generating properties, which is balanced between different uses: offices (46%), logistics and industry (29%), supermarkets (5%) and commerce (18%), as well as their extensive geographical distribution, may help / are helping it respond well to the possible effects of the crisis on its operating results.

The Company estimates that its financial strength, leverage ratio and the condition of its revenue-generating properties will allow it to continue dealing effectively with the results of the crisis, including future effects, insofar as they occur. The Company has strong and stable cash flows, over one hundred and twenty-five revenue-generating properties, and properties in initiation and construction with a total value of approximately NIS 17 billion. All of the Company's properties are unpledged (except for 2% which are owned together with partners). The properties include various uses and sectoral diversification among tenants (around 1,750 tenants), which occupy the properties at high occupancy rates. The Company also has significant cash balances, significant available credit facilities and strong accessibility to bank credit and to the capital market, a long average lifetime of debt, which will allow it to finance its activities and service its liabilities.

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

- The Company accounts for concessions which were given to tenants in operating lease arrangements with respect to lease payments whose contractual payment dates were past due, which constitute lease amendments, as derecognition of financial assets, in accordance with IFRS 9 and Israel Securities Authority Staff Accounting Bulletin number 19-3. Accordingly, and after considering expected credit losses, if any, the Company derecognizes the balance of operating lease receivables in the statement of income on the date when the contractual rights to the cash flows expired. With respect to the derecognition of the balance of receivables, the Company recorded a decrease in income in the amount of approximately NIS 20 million for the year 2021 (for the year 2020 the company recorded a decrease in income in the amount of approximately NIS 47 million).

Operating lease arrangements combining fixed lease fees and variable lease fees

- In operating lease arrangements combining fixed lease fees and variable lease fees, the Company recognizes the fixed lease payments in a straight line throughout the lease period. In lease arrangements of this kind, in which concessions were given to tenants in respect of the coronavirus (COVID-19) crisis, involving a reduction of the fixed component to a lower amount for a set period, while leaving the variable component unchanged, the Company considered the updated lower limit of the fixed component as a different systematic method which better represents the framework by which the benefit from the use of the underlying asset decreases, instead of distributing the reduction of the fixed component over the remaining lease period in a straight line. Accordingly, in each period, the Company recognizes the difference between the total sum of actual lease payments, and the amount which is obtained on a straight-line basis, as positive or negative variable lease payments. This accounting policy was in accordance with the IFRS 16 and Staff Accounting Bulletin 19-3 of the Israel Securities Authority. With respect to the reduction of the fixed component to the lower limit, the Company recorded a decrease of income in the amount of approximately NIS 17 million for the year 2020, for the year 2021 there is no influence.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2: Principal accounting policies

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

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

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

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – "The IFRS Standards") and the clarifications thereto, which have been published by the International Accounting Standards Board (IASB). The principle accounting policies, which are detailed below, have been implemented consistently for all reporting periods that are presented in these financial statements. For new financial reporting standards and interpretations that have been published see note 3A.

The basis for the presentation of the financial statements:

The Company's financial statements have been prepared on the cost basis, except for investment property, derivatives that are measured at their fair value, share based payment and certain financial instruments, deferred tax assets, deferred tax liabilities and provisions, which are measured in accordance with estimates and assumptions.

Statement of cash flows:

The statements of cash flows from operating activities is presented pursuant to the indirect method: interest that has been paid and received by the Group is classified under operating activities in the statement of cash flows, as compared with credit costs that are capitalized to a qualifying asset, the investment in the establishment of which is classified under investment activities, cash flows deriving from taxes on income and indirect taxes are classified under operating activities, unless they can be identified specifically with investment activity or financing activity, a dividend that has been recorded under financing activities and dividends that have been received from investee and other companies have been recorded under operating activities.

The implementation of the Securities Regulations:

The Financial Statements have been prepared in accordance with provisions of the Securities Regulations (Annual Financial Statements), 2010 (hereinafter - "The Financial Statement Regulations").

B. Period of the operating cycle:

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

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

Estimates and assumptions

When preparing the financial statements, the management is required to make use of estimates, assessments and assumptions, which affect the implementation of the accounting policy and the reported amounts of assets, liabilities, revenues and expenses. The estimates and the assumptions on which they are based are reviewed routinely. Changes in the accounting estimates are reflected in the period in which the change is made in the estimate.

The following are the main assumptions that have been made in the financial statements in connection with uncertainties as of the date of the statement of financial position and the critical estimates that have been calculated by the Group and where a significant change in the estimates and the assumptions might change the values of assets and liabilities in these financial statements or in the coming reporting year:

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2: Principal accounting policies (Continued)

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

Estimates and assumptions (Continued)

- **Investment property**

The Group's investment property is presented in accordance with its fair value, with changes in the fair value being reflected in profit or loss as income or expenses.

For the purpose of the determination of the fair value of the investment property, the Company's management bases itself on appraisals that are performed by independent external appraisers of real estate, having the know-how, the experience and the expertise that are required. The Company's management is in the habit of determining the fair value pursuant to generally accepted evaluation methods for real estate assets, primarily discounted cash flows and a comparison to selling prices of similar properties and the Group's properties in the near vicinity. Where the discounted cash flows method is employed, the interest rate used to discount the net cash flows that are expected from the assets has a significant impact on the fair value.

In the determination of the fair value, inter alia and insofar as is relevant, the location and the physical condition of the property, the quality and stability of the tenants, the rental periods, the rental prices for similar properties, the adjustments that are required to the existing rental prices and the actual and forecast occupancy levels for the property and operating costs are taken into account in the determination of the fair value. A change in the value of any of these components, or in all of them, may have a significant impact on the fair value of the property, as estimated by the Company's management.

Pursuant to International Financial Reporting Standard 13 (IFRS 13), the Company has reflected transaction costs that have been incurred when acquiring new assets in the statement of profit or loss.

The Group strives to determine as objective a fair price as is possible, however, the process of estimating the fair value of investment property also includes subjective elements, which are sourced, inter alia, in the Company's management's past experience and in its understanding of what is expected to occur in the investment property market at the time at which the estimate of the fair value is determined.

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

The fair value of investment property under construction is assessed by estimating the fair value of the investment property after the completion of its construction and deducting the present value of the estimated construction costs that are expected to be incurred for the purpose of its completion and less an entrepreneurial margin, where relevant, whilst taking a yield rate that has been adjusted for the risks that are relevant and which typify the investment property under construction into account.

In this light, and in light of what is stated in the previous paragraph, the determination of the fair value of the Group's investment property requires the exercise of judgment. Changes in the assumptions that are used in the determination of the fair value may have a significant impact on the Group's financial position and its operating results. See additional information in Section K.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2: Principal accounting policies (Continued)

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

Estimates and assumptions (Continued)

- Investment property under construction and building rights (Continued)

The Group strives to determine as objective a fair price as is possible, however, the process of estimating the fair value of investment property under construction also includes subjective elements, which are sourced, inter alia, in the Company's management's past experience and in its understanding of what is expected to occur in the investment property market at the time at which the estimate of the fair value is determined. In this light, the determination of the fair value of the Group's investment property under construction requires the exercise of judgment. Changes in the assumptions that are used in the determination of the fair value may have a significant impact on the Group's financial position and its operating results.

- Classification of joint arrangements as joint operations or as joint transactions:

The Company maintains joint control of several entities. To determine the type of the joint arrangement, the Company examined its rights and liabilities arising from the arrangement, taking heed of the arrangement's structure and legal form, the terms concluded between the Company and the third party maintaining joint control of the entities with it and the array of agreements between the Company and the entities (see Note 10).

D. Foreign currency:

(1) The functional currency and the presentation currency

The financial statements of each of the Group companies have been prepared in the currency of the major economic environment in which it operates (hereinafter - "The functional currency"). For the purpose of the consolidation of the financial statements, the results and the financial position of each of the Group companies are presented in New Israeli Shekels (NIS), which is the Company's functional currency. The Group's consolidated financial statements are presented in NIS.

(2) The manner of the recording of exchange differences

Exchange rate differentials are recognized in profit and loss in the period in which they arise.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2: Principal accounting policies (Continued)

E. Consolidated financial statements:

General:

The Group's consolidated financial statements include the financial statements of the Company and of entities that are controlled by the Company, directly or indirectly. An investor company controls an investee company where it has an exposure or where it has rights, to the variable yields deriving from its holding in the investee entity, and where it has the ability to influence those yields by means of the exercise of power over the investee. This principle applies to all of the investees, including structured entities.

The operating results of consolidated companies that have been acquired or sold during the course of the reporting period are recorded in the Company's consolidated statements of profit and loss as from the time at which control is achieved or up to the time that control is discontinued, as the case may be.

All inter-company transactions, balances, revenues and expenses are eliminated for the purpose of consolidation.

Acquisitions of subsidiary companies other than business acquisitions

At the time of the acquisition of consolidated companies and operations that do not constitute a business, the consideration for the transaction is allocated between the identified assets and liabilities alone of the acquiree company proportionately to their fair values at the time of the acquisition and without attributing any amount whatsoever to goodwill or deferred taxes, with attribution to non-controlling interests, if any, according to their share of the fair value of the said identified assets at the time of the acquisition.

F. Joint arrangements

A "joint arrangement" is a contractual agreement, in accordance with which the Group and other parties carry out economic activity that is subject to joint control. Joint control exists where the contractual arrangement includes a requirement that decisions relating to the business's financial and operational strategy are to be made by unanimous decisions by the parties that jointly control the business.

There are two types of joint arrangements. The type of the arrangement is dependent upon the rights and the commitments of the parties to the arrangement.

"A joint venture" is a joint arrangement in which the parties have rights to the net assets that are attributed to the arrangement. In joint arrangements, which constitute a joint venture, the Group recognizes the joint venture as an investment and treats it under the equity method of accounting. See Section G below regarding the equity method of accounting.

"A joint operation" is a joint arrangement where the parties to the arrangement have rights in the assets and commitments in respect of the liabilities, which are attributed to the arrangement.

In Joint arrangements that constitute a joint operation, the Group recognizes its proportionate share of the assets of the joint activity and its liabilities, including assets that are held and commitments, which have been incurred jointly in the Group's statement of financial position. The statement of income includes the Group's relative share of the revenues and the expenses of the joint operation, including revenues that have been produced and expenses that have been incurred jointly. Transactions between companies in the Group and joint operations that are held by the Company are only recognized at the level of the other parties' share in the joint operations.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2: Principal accounting policies (Continued)

G. Investments in joint ventures

The results, the assets and the liabilities of joint ventures are recorded in these financial statements using the equity method of accounting. In accordance with the equity method of accounting, investments in joint ventures are recorded in the consolidated statement of financial position at cost, as adjusted for changes that have occurred after the acquisition of the Group's share of the net assets, including capital reserves.

Gains or losses arising from transactions that are executed between the Company and a joint venture belonging to the Group are eliminated in accordance with the Group's share of the rights in the relevant affiliated company or joint venture.

H. Cash and cash equivalents

Cash and cash equivalents include deposits that can be withdrawn immediately as well as fixed-term deposits the use of which is unrestricted and whose repayment time, at the time of the investment in them, does not exceed three months.

I. Provision for credit losses

The provision for doubtful debts is determined specifically for debts the collection of which is doubtful in the Company's management's assessment. The debts of customers, in which impairment has occurred in their value, are de-recognized at the time at which it is determined that these debts are not collectable. The Company has not made an additional collection assessment since in its opinion, this would not have an impact on the financial statements and is immaterial.

J. Non-derivative financial assets

(1) General

Financial assets are recognized in the statement of financial position, where the Group becomes a party to the contractual terms of the instrument. Investments in financial assets are recognized initially in accordance with their fair value, with the addition of transaction costs, except for financial assets that are classified at fair value through profit or loss, which are recognized initially in accordance with their fair value. Transaction costs for financial assets at fair value through profit or loss are reflected immediately as an expense in profit or loss. After the initial recognition, financial assets will be measured at amortized cost or at fair value in accordance with their classification.

Debt instruments are measured at amortized cost where the two following conditions are met:

- The Group's business model is to hold the assets with the objective of collecting the contractual cash flows, and
- The contractual terms of the asset determine the exact dates on which the contractual cash flows, which constitute payments of principal and interest alone, will be received.

Financial assets measured at amortized cost and the effective interest method:

The amortized cost of a financial asset is the amount at which the financial asset was measured on first being recognized, deducting payments of principal, plus or deducting the accumulated depreciation, using the effective interest method, of any difference between the initial amount and the repayment amount, adjusted for any provision to loss.

The effective interest method is a method used to calculate the amortized cost of a debt instrument and to allocate and recognize the interest income at a profit or at a loss over the relevant period.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

J. Non-derivative financial assets (Continued)

(1) General (Continued)

Trade and other short-term receivables and some of the loans to companies that are treated at equity meet the conditions for measurement at amortized cost under the effective interest method. Some of the loans to companies that are treated at equity, where the conditions are not met, are measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss:

The Company's financial assets which are measured at fair value through the statement of income include marketable securities which are held for trading purposes, and which are presented under current assets. Financial assets at fair value through the statement of income are presented according to their fair value as of the date of the statement of financial position. Profit or loss due to changes in fair value are carried to the statement of income in the period when the change occurred. Interest and dividend income arising from these assets are classified under the same item in the statement of income. For details regarding the method used to determine fair value, see section 26.

K. Investment property

Investment property is real estate (land or a building or both of these), which is held by the Group for the purpose of the production of rental income or for an increase in capital value, or both of these together, and not for the purpose of use for administrative purposes, or for sale in the regular course of business (hereinafter – Investment property).

Investment property is initially measured at the cost of its acquisition, which includes direct transaction costs, such as purchase tax and fees for professional consultants for legal and economic services.

In addition, pursuant to International Financial Reporting Standard (IFRS) 13, the Company reflects the transaction costs that have been incurred at the time of the acquisition of new properties in the statement of profit or loss.

In periods following the time of the initial recognition, the investment property is measured at fair value. Gains or losses deriving from changes in the fair value of investment property are recorded in the statement of profit or loss in the period in which they arise.

For the purpose of determining the fair value of investment property, the Company's management bases itself on appraisals, which are performed by independent external appraisers having the know-how, experience and expertise that are required. See also Section C above regarding the manner of the determination of the fair value of investment property.

The costs of the disposal of investment property are reflected in the statement of profit or loss at the time at which the property is sold. The difference between the consideration that is received from the disposal of investment property and the fair value as recorded in the latest financial statements (including interim financial statements), is reflected in the statement of profit or loss at the time of the closing of the disposal transaction and is presented as a gain or a loss on the disposal of investment property as part of the adjustment of the fair value of investment property. Direct costs for the disposal of the asset are offset against this gain or loss, as aforesaid.

L. Investment property under construction and building rights

Investment property under construction, which is designated for future use as investment property is also measured at fair value as aforesaid.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

M. Credit costs

Credit costs, which can be attributed to the construction of investment property, the preparation of which for their intended use requires a significant period of time, are capitalized to the cost of those assets until the time at which those assets are mainly ready for their intended use as investment property.

The credit costs have been calculated as the product of the multiplication of the Company's average interest rate by the cost of the asset, which has actually been invested. All of the other credit costs are recognized in profit or loss as incurred.

N. Non-current assets held for sale:

Non-current assets are classified as held for sale of their carrying value in the accounting records will be recovered primarily by means of their sale and not by means of their continued use. Non-current assets are classified as held for sale where the sale is highly probable, and the asset is available for sale immediately in its current state. The Group classified non-current assets and/or disposal groups as held for sale where the management is committed to executing the sale and the sale is expected to qualify for recognition as a sale that has been completed within one year from the time of the classification of the non-current assets and/or disposal group as held for sale.

As from the period in which an asset is defined as designated for disposal it is presented under "assets held for sale" in the statement of financial position.

O. Financial liabilities and capital instruments that have been issued by the Group:

Financial liabilities are classified as financial liabilities at fair value against profit and loss or as other financial liabilities.

(1) Other financial liabilities

Other financial liabilities in the Group include primarily short-term credit, trade payables, other payables, bonds, loans from financial institutions and others.

Other financial liabilities are recognized initially at fair value after the deduction of transactions costs. In periods subsequent to the initial measurement, other financial liabilities are measured on an amortized cost basis, insofar as the results of such measurement are significant, with the financing being reflected, generally, under the effective interest method in the statement of profit or loss.

(2) Financial liabilities that are linked to the Consumer Prices Index

The Group has financial liabilities that are linked to the Consumer Prices Index (hereinafter: "The index"), which are not measured at fair value through profit or loss, which include primarily bonds and loans from banking corporations and others. The Group determined the effective interest rate for these liabilities with the addition of linkage differentials in accordance with the actual changes in the index up to the end of the reporting period.

(3) The de-recognition of financial liabilities

A financial liability is de-recognized where, and only where it is cleared – in other words, where the commitment that was defined in a contract is settled, cancelled or expires.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

P. The recognition of revenues:

Revenues are measured at the fair value of the consideration that has been received and/or the consideration that the Group is entitled to receive in respect of revenues from the provision of services in the regular course of business. The revenues are presented after deducting discounts.

(1) Revenues from rental and management fees

Revenues from rental and management fees from investment property are reflected in the statement of profit or loss as they accrue over the rental period. In the rental contracts in which the rental fees rise at a fixed rate over the length of the rental period, the impact of the fixed increase in the rental fees is reflected equally over the length of the entire rental period in the statement of profit or loss, so long as it is significant.

The revenues are reflected in the financial statements so long as their collection is assessed to be expected at the time of their recognition and where the amount of the revenues can be measured reliably.

(2) The recognition of revenues on a gross basis or on a net basis

Transactions in which the Group operates as an agent or as a broker, where the substance of its promise to the customer is to organize that the goods or the services will be provided by another party, the Group's revenues from the transactions are presented on a net basis. The revenues for transactions in which the Group is the main supplier, are presented on a gross basis.

(3) Interest income

Income from interest is accumulated on a timing basis, taking into account the principal that is repayable, using the effective interest method.

Q. Provisions:

Provisions are recognized where the Group has a legal or implied commitment, as the result of a past event, in respect of which it is expected that economic resources, which can be measured reliably will be expended in order to clear the commitment.

The amount that is recognized as a provision reflects management's best estimate of the amount that will be required to settle the commitment at the time of the statement of financial position, taking the risks and uncertainties that are inherent in the commitment into account. Where the provision is measured using forecasts of the cash flows for the purpose of settling the commitment, the carrying value of the provision is the present value of the forecast cash flows. Changes in respect of the value of time will be reflected in profit and loss.

Where any amount or part thereof, which is needed in order to settle the commitment in the present is expected to be reimbursed by a third party, the Group only recognizes an asset, in respect of the reimbursement, up to the level of the provision that has been recognized, when it is virtually certain that the indemnification will be received, and where it can also be measured reliably.

R. Share-based payments:

Share based payments for employees and for others, who provide similar services, which are cleared using capital instruments of the Group, are measured at the fair value at the time of the grant, using a generally accepted pricing method.

See Note 19 F regarding the measurement of the fair value of share-based payments.

The cost of transactions that are cleared with capital instruments is recognized in profit and loss together with a parallel increase in equity over the period in which the performance and/or service terms are met and ending at the time at which the relevant employees are entitled to the

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

R. Share-based payments (Continued):

Remuneration (hereinafter – the vesting period). The cumulative expense that is recognized for transactions that are cleared with capital instruments at every reporting date until the time of the vesting, reflects the degree of the passage of the vesting period and the Group's best estimate of the number of capital instruments that will vest at the end of the day. The expense or the income in the statement of profit or loss reflects the change in the cumulative expense up to the end of the reporting period.

S. Receipts on account of warrants:

Receipts on account of the issuance of warrants for the purchase of shares in the Company, which afford their holders the right to purchase a fixed number of regular shares in consideration for a fixed amount of cash, are presented under equity. For this purpose, the exercise price of a warrant that is linked to the index is not deemed to be a fixed amount of cash.

T. Leases:

The Group as a lessee

The Group assesses whether a contract is a lease (or includes a lease) on the date of entering into the contract. The Group recognizes a right of use asset on the one hand and a lease liability on the other hand for all the lease contracts wherein it is the lessee, other than short-term leases (for a period of up to 12 months) and leases of low-value assets. In such leases, the Group recognizes the lease payments as an operational expense on a straight-line basis over the term of the lease.

The term of the lease is the irrevocable term regarding which the lessee has the right to use the leased property, along with:

- Periods covered by an option to extend the lease if it is reasonably certain that the lessee will implement this option, and
- Periods covered by an option to revoke the lease if it is reasonably certain that the lessee will not implement this option.

The lease liability is first measured according to the current value of the lease payments not paid on the starting date, capitalized using the interest rate grossed up in the lease.

The lease payments included in the measuring of the lease liability are comprised on the following payments:

- Fixed payments (including materially fixed payments), deducting any lease incentives;
- Variable lease payments dependent on the index or rate, which are first measured by using the existing index or existing rate on the starting date;

The lease liability is presented under a separate section of other financial liabilities in the statement of financial position. A lease liability is then measured by increasing the value in the books to reflect interest on the lease liability in the effective interest method and by decreasing the value in the books to reflect the lease payments made.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

T. Leases (Continued):

The Group remeasures the lease liability (against adjustment to the right of use asset) when:

- A lease amendment was made and is not treated as a separate lease. In this case, the lease liability is remeasured by the recapitalization of the updated lease payments using an updated capitalization rate.
- The Group remeasures lease liabilities using the original interest rate (against an adjustment of the right-of-use asset) when changes have occurred in future lease payments due to changes in the index which is used to determine those payments.

A right of use asset which meets the definition of investment property is presented in the statement of financial position under the investment property section.

The Group as a lessor

The Group enters into operational lease agreements as a lessor of investment properties.

Revenues from rent for operational leasing are recognized on the straight-line basis over

The Term of the Lease. Initial direct costs which materialized when obtaining an operating lease are added to the carrying amount of the underlying asset, and recognized as an expense in a straight line throughout the lease period.

U. Taxes on income:

(1) General

Taxes on income (tax benefits) include the total of the current taxes and also the total change in the deferred tax balances, except for deferred taxes that derive from transactions that are reflected directly under equity.

(2) Current taxes

Current tax expenses are calculated based on the income of the Company and the investee companies that is chargeable to tax during the course of the reporting period.

The chargeable income is different from the income before taxes on income, because of the inclusion or exclusion of revenues and expenses that are chargeable to taxation or which can be deducted in different reporting periods, or which are chargeable to taxation or which are deductible in different reporting periods, or which are not chargeable to tax or which cannot be deducted. Assets and liabilities in respect of current taxes have been calculated on the basis of the tax rates and the tax laws that have been enacted or whose enactment has been effectively completed up to the date of the statement of financial position.

(3) Deferred taxes

The Group companies record deferred taxes in respect of timing differences between the value of assets and liabilities for tax purposes and their values in the financial statements. The deferred tax balances (asset or liability) are calculated in accordance with the tax rates that are expected at the time that they are realized, based on the tax rates and the tax laws that have been enacted or whose enactment has been effectively completed up to the date of the statement of financial position. Deferred tax liabilities are generally recognized in respect of all of the timing differences between the values of assets and liabilities for tax purposes and their values in the financial statements. Deferred tax assets are recognized in respect of all of the timing differences that can be deducted up to the amount at which it is expected that there will be chargeable income against which it will be possible to exploit the timing difference that is deductible.

The taxes that would apply in the event of the disposal of the investments in investee companies are not taken into account in the calculation of the deferred taxes, since the Group

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

U. Taxes on income (Continued):

Intends to hold the investments and to develop them. Furthermore, deferred taxes are not taken into account in respect of the distribution of taxes in those companies, since the

Dividends are not chargeable to taxation and/or where there is a decision in force not to distribute dividends that would be chargeable to taxation in the foreseeable future.

Deferred tax assets and liabilities are presented after having been offset where the entity has a legally enforceable right to set off current tax assets against current tax liabilities, and where they relate to taxes on income that is levied by the same tax authority and the Group intends to clear the current tax assets and liabilities on a net basis.

V. Derivative financial instruments and hedge accounting

The Group makes use of derivative financial instruments in order to manage the exposures to changes in the Consumer Prices Index. Additional details on the derivatives that the Group uses are provided in Note 14.

Derivative financial instruments are recognized initially at the time of the commitment and at the end of every subsequent reporting period in accordance with their fair values. Changes in the fair value. Generally, changes in the fair value of derivative financial instruments are reflected in profit or loss. The timing of the recognition in profit or loss of changes in the fair value of derivative financial instruments, which are designated for hedging purposes, where this hedging is effective, and meets all of the conditions for the determination of a hedging relationship is dependent on the nature and type of the hedging, as detailed in the following sections.

The classification of derivative financial instruments, which are used for hedging, in the statement of financial position, is determined in accordance with the contractual time period of the derivative financial instrument. If the balance of the contractual time period of the instrument exceed 12 months, the derivative will be presented as a non-current item in the statement of financial position, and if the balance of the time period does not exceed 12 months, the derivative will be classified as a current item.

Hedge accounting:

The Group designates derivative financial instruments for hedging. The hedging items are designated as fair value hedging.

The hedging relationships are documented by the Group at the time of the commitment under the hedging transaction. Within the framework of the documentation, the hedging instrument, the hedged item, the hedged risk, the hedging strategy that is implemented are documented and the degree to which the strategy correlates with the Group's overall policy in every type of hedging. In addition, from the beginning of the hedging relationship and throughout its period, the Group documents the degree to which the hedging instrument is effective in offsetting the exposure to changes in fair value in respect of risk that is hedged on the hedged item.

The classification of hedging instruments in the statement of financial position is determined in accordance with the balance of the period of the hedging relationship at the end of the reporting period. If the balance of the period of the hedging relationship exceeds 12 months at the end of the reporting period, the hedging instrument is classified as a non-current asset or liability in the statement of financial position. If the balance of the period of the hedging relationship does not exceed 12 months at the end of the reporting period, the hedging instrument is classified as a current asset or liability in the statement of financial position.

The Group's hedging activity includes the following hedging relationships:

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

V. Derivative financial instruments and hedge accounting (Continued):

Hedging of fair value:

The Group implements fair value hedge accounting in respect of the exposure to changes in the fair value that may derive from changes in the forward rate of the Consumer Prices Index in respect of payments and principal on bonds (Series E) and bonds (Series G) (see Note 14F).

The changes in the values of financial instruments, which are designated for hedging fair value risk are recognized immediately in profit or loss in parallel to changes in the fair value of the hedged items, which are attributed to the hedged risk. Fair value hedge accounting is discontinued where the hedging instrument expires, is sold or exercised or where the hedging relationship no longer meets the hedging threshold. For this purpose, the replacement of a counter party to a hedging instrument as a result of legal or regulatory requirement, in a manner in which there are no additional changes to the terms of the hedging instrument beyond the changes that are necessary as a result of the replacement of the counter party, does not constitute expiry or exercise. Adjustments to the carrying value of the hedging item in the accounting records are reflected in profit or loss as from the time of the discontinuation of the hedging and thereafter.

The Group continues to implement the IAS39 hedge accounting model as its accounting policy.

W. Earnings per share:

The Company calculates the amounts of the basic earnings per share in respect of the profit or loss that is attributed to the shareholders in the Company by dividing the profit or loss that is attributed to the holders of the regular shares in the Company by the weighted average of the number of regular shares in circulation during the course of the reporting period. For the purposes of the calculation of the diluted earnings per share, the Company adjusts the profit or loss that is attributed to the holders of the regular shares and the weighted average of the number of shares in circulation in respect of the impact of all of the potential dilutionary shares.

X. Exchange rates and the linkage basis:

Balances that are denoted in foreign currency or which are linked thereto, are recorded in the financial statements in accordance with the representative exchange rates as published by the Bank of Israel and which were in force As of end of the reporting period.

Balances that are linked to the Consumer Prices Index are presented in accordance with the last known index at the end of the reporting period (the index for the month preceding the month in which the reporting date falls) or in accordance with the index for the last month of the reporting period (the index for the month in which the reporting date falls), in accordance with the terms of the transaction.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 2 – Principal accounting policies (Continued)

X. Exchange rates and the linkage basis (Continued):

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

		<u>The index in Israel</u>	
	<u>Representative exchange rate of the dollar</u>	<u>The known index in points</u>	<u>The index for the month in points</u>
As of the date of the financial statements:			
As of December 31, 2021	3.110	135.956	136.354
As of December 31, 2020	3.215	132.766	132.634
Rates of change:			
	<u>%</u>	<u>%</u>	<u>%</u>
For the year ended December 31, 2021	(3.27)	2.40	2.81
For the year ended December 31, 2020	(6.97)	(0.60)	(0.69)
For the year ended December 31, 2019	(7.79)	0.30	0.60

Note 3 – New financial reporting standards and interpretations that have been published and revisions to standards

New standards, new interpretations and amendments to standards, which affect the current period:

Amendment to IAS 1, “Presentation of Financial Statements” (regarding the classification of liabilities as current or non-current)

The amendment clarifies that the classification of liabilities as current or non-current is based on the rights which are available as of the end of the reporting period, and is not affected by the entity’s expectation regarding whether or not the right will be exercised.

The amendment removed the reference to the existence of an unconditional right, and clarified that if the right to postpone settlement is conditional on the fulfillment of financial covenants, the right exists if the entity fulfills the covenants which were determined as of the end of the reporting period, even if the evaluation regarding the fulfillment of the covenants is done by the lender at a later date.

The amendment also added a definition of the term “settlement”, clarifying that settlement may be a transfer of cash, goods and services, or equity instruments of the entity itself, to the counterparty. In this regard, it was clarified that if, in accordance with the terms of the liability, the counterparty has the option to demand settlement through the entity’s equity instruments, that condition will not affect the classification of the liability as current or non-current, if the option is classified as a separate equity component in accordance with IAS 32, “Financial Instruments: Presentation”.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 3 – New financial reporting standards and interpretations that have been published and revisions to standards (Continued)

The amendment only affects the classification of liabilities as current or non-current in the statement of financial position, and not the amount or timing of the recognition of those liabilities, or of related income or expenses.

The standard will be adopted retrospectively in respect of annual periods commencing on January 1, 2023 or thereafter. Early adoption is permitted.

Amendment to IFRS 9, “Financial Instruments”

The amendment clarifies which fees are included in the 10% test for the purpose of derecognizing financial liabilities. Only fees which have been paid or received between the borrower (the entity) and the entity are to be included, including fees which were paid or received by one of them, towards the other. The amendment will apply to financial liabilities which were amended or exchanged at the beginning of the annual reporting period during which the amendment is initially adopted, or thereafter. The standard will be adopted retrospectively in respect of annual periods beginning on or after January 1, 2022. Early adoption is permitted.

Note 4: Cash and cash equivalents

Composition:

	<u>Interest rate</u>	<u>As of December 31,</u>	
	<u>As of</u>	<u>2021</u>	<u>2020</u>
	<u>December 31</u>	<u>NIS thousands</u>	
	<u>2021</u>		
	%		
In Israeli currency:			
Cash in hand and balances in banks		51,540	131,541
Short-term deposits in banking corporations (unlinked)	0.01-0.08	374,858	470,223
		<u>426,398</u>	<u>601,764</u>

Note 5: Investments in securities measured at fair value through profit and loss

In October 2020, the Company invested in the bonds of an Israeli bank. The investment in the bonds was measured at fair value through profit and loss. In March 2021, the company realized its investment.

Note 6: Trade receivables

A. Composition:

	<u>As of December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS thousands</u>	
Open debts	18,218	26,525
Checks for collection	6,926	8,298
Revenues receivables	7,333	5,522
	<u>32,477</u>	<u>40,345</u>
Less provision for doubtful debts	<u>(10,091)</u>	<u>(8,375)</u>
	<u>22,386</u>	<u>31,970</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 6: Trade receivables (Continued)

B. Movements in the provision for doubtful debts:

	As of December 31	
	2021	2020
	NIS thousands	
Balance at the beginning of the year	8,375	6,450
Amounts of doubtful debts written off	(929)	(30)
Amounts provided in the year	2,645	1,955
Balance at the end of the year	<u>10,091</u>	<u>8,375</u>

In the determination of the probability of the repayment of the customers' debts, the Group examines changes in the quality of the customer's credit from the time of the extension of the credit and up to the reporting date. The concentration of the credit risks is limited, in light of the large size of the customers base, where the transaction with each of the customers being immaterial. The Company has not performed an additional collective examination since in its opinion this does not have any impact on the financial statements and is immaterial.

The management of credit risk by the Group

Credit risk relates to the risk that the counter-party will not meet its contractual commitments and will cause a financial loss to the Group. The Group does not have a significant exposure to credit risk relating to a particular customer or group of customers with similar characteristic. The Group defines customers as having similar characteristics if they are related entities. The concentration of credit risk is limited because of the fact that the customer base is large and unrelated. No change has occurred in the estimation technique or in the significant assumptions made in the current reporting period. The Group writes off customers' debts where information exists indicating that the customer is in serious financial difficulty and there is no real chance of collecting the debt, for example where the customer is in liquidation or bankruptcy proceedings.

Note 7: Other receivables

Composition:

	As of December 31	
	2021	2020
	NIS thousands	
Government institutions	17,577	8,200
Prepaid expenses	5,059	1,605
Revenues receivable	4,859	1,865
Joint arrangements	5,955	8,055
Advances to suppliers	7,065	1,280
Current maturities of long-term loans	5,387	5,262
Others	8,133	7,585
	<u>54,035</u>	<u>33,852</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 8: Long-term receivables

Composition:

	As of December 31	
	2021	2020
	NIS thousands	
Long term revenues receivable	19,225	28,413
Derivative financial instruments, which are designated As hedging items (see note 14)	-	18,663
Others	3,470	2,929
	<u>22,695</u>	<u>50,005</u>

Note 9: Investment property; investment property under construction and building rights

A. Composition and movement:

	Investment property	Investment property under construction and building rights	Total
	NIS thousands		
Balance As of January 1, 2020	12,359,772	550,354	12,910,126
Additions deriving from acquisitions	2,273	232,352	234,625
Transfer from investment property under construction to investment property	187,537	(187,537)	-
Transfer from investment property to Investment Property under construction	(207,099)	207,099	-
Investments and others	59,091	332,474	391,565
Capitalized credit costs		9,137	9,137
Gain on the adjustment of fair value, net	(149,405)	5,765	(143,640)
Balance As of December 31, 2020	<u>12,252,169</u>	<u>1,149,644</u>	<u>13,401,813</u>
Additions deriving from acquisitions	1,385,895	656,049	2,041,944
Transfer from investment property to fixed assets, net	(8,550)	-	(8,550)
Transfer from investment property to Investment Property under construction	(243,637)	243,637	-
Investments and others	141,904	160,358	302,262
Capitalized credit costs	-	29,418	29,418
Gain on the adjustment of fair value, net	608,697	133,944	742,641
Balance As of December 31, 2021	<u>14,136,478</u>	<u>2,373,050</u>	<u>16,509,528</u>

A. See Note 20 for information regarding revenues from rental fees that are sourced in investment property.

See Note 21B for information regarding direct expenses for the operation of the investment property, both that which produces rental income and also that which does not produce such income.

C. Discount rate:

The main discount rate that has been used in the calculation of the fair value is between 5.00% and 7.00%, (In the previous year between 6.1% and 7.25%).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 9: Investment property; investment property under construction and building rights (Continued)

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

Purchase of logistic complex at Kibbutz Hefetz Haim

On March 3, 2021, the company signed an agreement to purchase half of the rights in a logistics center near Kibbutz Hefetz Haim for NIS 71 million. The property is fully leased for a period of 10 years and is expected to yield NOI in the amount of NIS 8.1 million per year (50% company's share). The transaction was completed during June 2021, the property is in a jointly controlled company which is presented in the financial statements according to the equity method. The company has a loan in the amount of NIS 30 million (company's share).

Purchase of land in the Beit Shemesh industrial zone

In June 2021, the Company signed an agreement to purchase 60% of the land rights in the Beit Shemesh Middle East in exchange for NIS 53 million (excluding transaction costs).

On the 40.5-dunam lot, the partnership intends to plan and build a two-story merlot, with a total area of about 45,000 square meters gross. See below for information about the construction of the project.

Purchase of a complex known as the Tzrifin Logistics Park

In September 2021, the Company signed an agreement for the acquisition of the rights to the complex which is known as Tzrifin Logistics Park, for a total consideration of NIS 1,518 million (excluding transaction costs). The complex covers around 274 dunams, including approximately 224 dunams designated for storage, industry and office purposes, and around 50 designated for roads, privately owned public space and open public space, on which 18 logistics buildings are built, with a total built area of around 113 thousand. The complex is located in the area of Sdot Dan Regional Council, on the eastern side of Highway 44 (Ramle - Beit Dagan highway), near Moshav Nir Tzvi, and near Assaf Harofeh hospital and Tzrifin junction. The logistics buildings which are currently built on the land are leased, with full occupancy, through various lease agreements, to 28 lessees, whereby the aggregate rent received with respect to the lease agreements amounts to an annual total of around NIS 58 million (amount including management fees). The transaction was closed on September 30, and the consideration for the transaction was paid in full on the transaction closing date. The property's value includes construction volume and unused building rights which were classified under the item for property under construction in the amount of NIS 250 million. The transaction was financed through a capital issuance and the use of credit facilities. The credit facilities were repaid in full in October 2021, and in their place, a loan was received from a banking institution, and bonds (Series H) were issued.

Kargal Logistic Center

On March 3, 2022, after the date of the financial statements, the Company engaged (through a wholly owned subsidiary) in an agreement with Cargal Ltd. (hereinafter: "Cargal") which involved the conclusion, on March 3, 2022, of the lease agreement between the parties (which was originally scheduled to conclude only on May 31, 2032) by virtue of which Cargal leased from the Company land with a total area of approximately 106 dunams in Lod, on which several logistics buildings are built, which are leased to several sublessees for extended periods (hereinafter: the "Complex" and the "Sublessees").

Following the engagement in the agreement, the Company received all of the rights to the complex, including the legal possession thereof, and all of the rights and obligations in accordance with the lease agreements vis-à-vis the sublessees were assigned to it, in consideration of payment of NIS 51.3 million (plus duly calculated VAT).

Due to its designation, size and strategic location, the complex represents additional significant potential development for the Company in the logistics segment.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 9: Investment property; investment property under construction and building rights (Continued)

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

Projects under construction, planning, and initiating:

Amot Holon

The project includes a 22-story office tower with a total aboveground area of around 60 thousand square meters, and a 5-level underground parking garage (the Company's share: 77.8%). The tower will be built and operated as a cash-generating leasing property, managed by a joint management company of the Company and the municipality. As of the reporting date, the project has received a certificate of occupancy ["Form 4"] with respect to the public areas, and is in the final stages of completion of the aboveground structure, and of the parking basements. The Company estimates the scope of its investment in the project at a total of 570 million NIS. Until the date of the statement of financial position, NIS 470 million have been invested in the property.

Amot Modiin

The project includes a logistics center with an area of approximately 42.7 thousand square meters, and an office building with an area of approximately 9 thousand square meters. The entire logistics center will be rented to Shufersal over a period of 15 years with an option to extend the period, In annual rents calculated according to 8% return on the total investment cost. Furthermore, in accordance with the agreement between the parties, the logistics center began producing income beginning in mid-July 2020, and was reclassified from real estate under construction to revenue-generating real estate. The partnership's total investment in the construction of the project is estimated at approximately NIS 420 million (the Company's share in the investment is 75%, and is estimated at approximately NIS 320 million, Shufersal's share is 25%). The Company's expected income is estimated in the amount of approximately NIS 25 million per year. As of the reporting date, the project is in the finishing works stage at the logistics center, with an emphasis on works of the automation contractor, and is approaching the beginning of finishing works in the office building. Until the date of the statement of financial position, approximately NIS 361 million has been invested in the property (the Company's share - 75%).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 9: Investment property; investment property under construction and building rights (Continued)

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

HaLechi Complex

The lot is located in North Bnei Brak Business Complex, next to Park HaYarkon and Ramat HaHayal complex, and close to Ayalon shopping mall. The parties are working together on the planning, development and construction of an office and retail project on the lot, which will include approximately 82 thousand square meters of aboveground area, including 42 office stories, above 3 retail stories. The investment in the construction of the project (including the land component and the parking basements) is estimated by the parties at a total of approximately NIS 1,200 million (the Company's share - 50%). As of the reporting date, the project is in the completion stages of excavation and foundation.

ToHa2 (Tozeret Haaretz)

In August 2021, the partners acquired the rights to build the ToHa 2 project from Tel Aviv Municipality, and leased the land until 2108 (including extension of the lease period with respect to the land for the ToHa 1 project until that date).

In October 2021, the Company's Board of Directors passed a resolution to build and market the ToHa 2 project in Tel Aviv. The project will be built by the Company and Gav-Yam Bayside Land Corporation Ltd., which jointly own the rights, in equal parts, to Adar land at the intersection of Totzeret Ha'aretz, Yigal Alon and Derech HaShalom streets in Tel Aviv (the "Partners"). The project is being executed subsequent and adjacent to ToHa1, which is also held by the partners. The ToHa 2 project includes around 160 thousand square meters of aboveground areas for marketing, and approximately 45 thousand square meters of underground parking lot areas. The partners estimate that the total construction cost (including with respect to adjustment works for the lessees - TI) will amount to a total of approximately NIS 3 billion (the Company's share - NIS 1.5 billion), of which a total of approximately NIS 660 million has been paid to date (the Company's share - NIS 330 million).

The construction of ToHa 2 will begin in the coming months, further to the completion of the construction of the partial underground parking lot, and is expected to be completed in 2026. The expected revenue from ToHa 2, once it has been completed and fully occupied, based on the current rent prices, is around NIS 280 million (the Company's share - NIS 140 million).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 9: Investment property; investment property under construction and building rights (Continued)

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

K Complex in Jerusalem

On June 14th, 2020, the Company, together with Allied Real Estate Ltd., won a tender for the lease of a lot with an area of approximately 4.5 dunams (constituting the K complex) in the "Sha'ar Ha'ir" complex, which is expected for construction at the entrance to Jerusalem. The project at a scope of approximately 79 thousand square meters of aboveground areas according to the current zoning plan, and approximately 103 thousand square meters according to the zoning plan that was deposited, as well as the right to attach 200 built parking spaces in an underground public parking lot adjacent to the complex (the Company's share - 50%). The investment in the construction of the project, including the land component, is estimated by the parties at a total of approximately NIS 1,100 million (the Company's share - approximately NIS 550 million). As of the reporting date, The project is in the phase of quarrying.

Beit Shemesh logistics center

In June 2021 the Company acquired from Y.D.E. Menivim Ltd. 60% of a lot with an area of 40.5 dunams in Beit Shemesh, for the construction of a logistics center, for a total consideration of NIS 53 million. The Company is currently promoting a zoning plan which would increase the construction area in the lot, to a total of approximately 50 thousand square meters. As part of the engagement between the parties, it was agreed that the companies would jointly build an advanced logistics center, to include two tall stories, each with a height of 15 meters, for a total cost of approximately NIS 300 million, with the Company's share being NIS 180 million. As of the reporting date, The project is in the phase of excavation and quarrying.

E. Additional information:

See Note 18B for information regarding liens.

F. Sensitivity analysis:

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

Based on an NOI of approximately NIS 878 million the impact of any change of 0.25% in the discount rate (Cap Rate) will lead to a change in the fair value of approximately NIS 584 million (less deferred taxes at a rate of 23% - approximately NIS 450 million).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 10: Investment in investee companies and an asset available for sale, which is held for distribution to shareholders

(1) Details of the Group's investee companies

	<u>Country of incorp- oration</u>	<u>Holding rate in capital rights in the consolidated company</u>		<u>Extent of the investment in the investee company (*)</u>	
		<u>As of December 31</u>			
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>%</u>	<u>%</u>	<u>NIS thousands</u>	
<u>Fully consolidated</u>					
Ayalot Investments in Properties Ltd.	Israel	90%	90%	(442)	(414)
Ayalot Investments in Properties (Kfar Saba) 1992 Ltd.	Israel	100%	100%	96,111	109,257
Ayalot Investments (T.M.R.) 1994 Ltd.	Israel	100%	100%	142,775	130,687
Ayalot Investments in Properties (Netanya) 1993 Ltd.	Israel	100%	100%	525,234	436,051
Ayalot Investments in Properties (Herzliya) Ltd.	Israel	100%	100%	78,644	90,258
Ayalot Investments in Properties (AB"G) 1992 Ltd.	Israel	100%	100%	100,104	90,734
Ayalot Investments (Patir) 1996 Ltd.	Israel	100%	100%	92,837	91,311
Ayalot Investments in Properties (Rehovot West) 1992 Ltd.	Israel	100%	100%	261,840	232,964
Ayalot Investments (Ramat Vered) 1994 Ltd.	Israel	100%	100%	450,719	332,913
Ayalot Investments in Properties (Har Hotzvim) 1994 Ltd.	Israel	100%	100%	117,663	112,596
Hakirya Center (Ashdod 1995) Ltd.	Israel	100%	100%	(1,798)	(1,132)
Nes-Pan Ltd.	Israel	100%	100%	516,113	499,712
Amot Real Estate initiation and Development Ltd.	Israel	100%	-	(510)	-
<u>Joint Operations</u>					
The Central Station in Jerusalem (Management) 1996 Ltd.	Israel	50%	50%	(3,795)	(3,795)
Kochav Or Industry and Commerce Ltd.	Israel	50%	50%	8,437	5,298
<u>Joint Ventures</u>					
Izdrechet Investments Company Ltd.	Israel	50%	50%	27,776	28,190
Hotzot Alonym Ltd. (**)	Israel	49%	49%	24,970	24,279
Amot Shaul Ltd. (***)	Israel	50%	50%	36,545	36,787
Amot Danisra Park Afek Ltd.	Israel	50%	50%	62,354	60,694
Ziviel Investments Ltd. (**)	Israel	49%	49%	70,244	66,723
Roni Dan Investments Ltd.	Israel	50%	50%	68,777	64,359
Hefetz Haim Warehouses AGSH Ltd.	Israel	50%	-	30,696	-

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

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

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 10: Investment in investee companies and an asset available for sale, which is held for distribution to shareholders (Continued)

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

<u>Details of the company to which the loan has been Fully consolidated</u>	<u>Linkage terms</u>	<u>Interest rate</u>	<u>Balance of the loan</u>	
			<u>As of December 31,</u>	
			<u>2020</u>	<u>2020</u>
		<u>%</u>	<u>NIS thousands</u>	
Ayalot Investments in Properties (Herzliya) Ltd.	Unlinked (see 1)	-	-	75,000
Ayalot Investments in Properties (Herzliya) Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	71,000	-
Ayalot Investments in Properties (AB"G) Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	48,000	56,000
Ayalot Investments in Properties (Kfar Saba) Ltd.	Unlinked (see 1)	-	-	93,600
Ayalot Investments in Properties (Kfar Saba) Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	125,500	-
Ayalot Investments in Properties (Rehovot West) Ltd.	Unlinked (see 1)	-	-	500,000
Ayalot Investments in Properties (Rehovot West) Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	833,000	359,500
Ayalot Investments in Properties (Netanya) Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	-	1,500
Ayalot Investments in Properties (Har Hotzvim) Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	355,000	222,000
Ayalot Investments in Properties (Har Hotzvim) Ltd.	Unlinked (see 1)	-	-	135,500
Ayalot Investments (T.M.R.) 1994 Ltd.	Unlinked (see 1)	-	-	100,000
Ayalot Investments (T.M.R.) 1994 Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	89,000	-
Ayalot Investments (Ramat Vered) 1994 Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	334,500	50,100
Ayalot Investments (Ramat Vered) 1994 Ltd.	Unlinked (see 1)	-	-	239,000
Ayalot Investments (Patir) 1996 Ltd.	Unlinked (see 1)	-	-	24,000
Ayalot Investments (Patir) 1996 Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	24,000	-
Nes-Pan Ltd.	Linked to the Consumer Prices Index (see 2)	1.00	191,000	222,200
<u>Joint Ventures</u>				
Hotzot Alonym Ltd.	Unlinked	2.45	10,123	9,863
Amot Shaul Ltd.	Unlinked	4.00	24,860	23,904
Amot Shaul Ltd.	Linked to the Consumer Prices Index	-	18,849	18,407
Amot Danisra Park Afek Ltd.	Unlinked	-	2,389	2,332
Amot Danisra Park Afek Ltd.	Linked to the Consumer Prices Index	2.62	104,190	107,124
Hefetz Haim Warehouses AGSH Ltd.	Unlinked (see 1)	-	9,256	-
Hefetz Haim Warehouses AGSH Ltd.	Unlinked	2.45	925	-
			<u>2,241,591</u>	<u>2,240,029</u>

- (1) Capital note.
- (2) Starting from January 1, 2021, the principal of the debt bears index-linked, annual interest at a rate of 1% (in lieu of 2.5% in 2020). In any event, the interest rate, including linkage differentials on the principal part, will not fall below the interest rate prescribed regarding Section 3J of the Income Tax Ordinance.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 10: Investment in investee companies and an asset available for sale, which is held for distribution to shareholders (Continued)

B. Investment in investee companies (Continued)

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

	As of December 31	
	2021	2020
	NIS thousands	
Ziviel Ltd.	92,262	95,848

(4) Dividends received from joint transactions

In 2021, dividends in the amount of NIS 7,000 thousand were obtained from joint transactions.

Note 11: Credit from banking corporations and other providers of credit

A. Composition:

	Interest rate	As of December 31	
	As of	2021	2019
	December 31	NIS thousands	
	2021		
	%		
Credit from banking corporations and other providers of credit			
Interest accrued on the issuance of bonds		5,028	6,453
Short-term credit (see B)		-	95,084
		5,028	101,537
Current maturities			
Index-linked bonds	0.92-6.5	547,872	530,066
		547,872	530,066
		552,900	631,603

B. In February of 2021, the Company repaid the short-term credit in the amount of NIS 95 million. The loan bears interest in 2.3% (P+0.7%)

C. Liens – See Note 18B.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 12: Trade payables

Composition:

	As of December 31	
	2021	2020
	NIS thousands	
Open debts	16,566	11,943
Checks and notes payable	4,788	4,009
	<u>21,354</u>	<u>15,952</u>

Note 13: Other payables, payables for investment property

A. Other payables:

	As of December 31	
	2021	2020
	NIS thousands	
Interest payable for long-term liabilities	83,264	84,057
Liabilities to partners	602	1,265
Revenues in advance	27,580	19,348
Institutions	3,814	3,888
Employees and institutions for salaries	14,078	11,811
Liabilities payable	22,991	21,589
Others	1,524	3,821
	<u>153,853</u>	<u>145,779</u>

B. Payables for investment property:

	As of December 31	
	2021	2020
	NIS thousands	
Liabilities payable to sellers of investment property	10,554	10,554
Liabilities to authorities and payables for investment property transactions	89,488	47,251
	<u>100,042</u>	<u>57,805</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds

A. Composition:

	Interest rate	As of December 31	
	As of December 31	2021	2020
	2021	NIS thousands	
	%		
Bonds (Series B) – B below	4.80	429,683	846,334
Less – current maturities		429,683	415,995
		<u>0</u>	<u>430,339</u>
Bonds (Series D) – C below	3.20	1,751,800	1,730,681
Less – current maturities		-	-
		<u>1,751,800</u>	<u>1,730,681</u>
Bonds (Series E) – D below	3.39	964,916	1,113,358
Less – current maturities		111,556	109,457
		<u>853,360</u>	<u>1,003,901</u>
Bonds (Series F) – E below	1.14	2,048,218	2,024,339
Less – current maturities		-	-
		<u>2,048,218</u>	<u>2,024,339</u>
Bonds (Series G) – F below	2.44	726,346	804,011
Less – current maturities		-	-
		<u>726,346</u>	<u>804,011</u>
Bonds (Series H) – G below			
Less – current maturities	0.92	1,314,575	-
		-	-
		<u>1,314,575</u>	<u>-</u>
Bonds to others – H below	5.50 – 6.50	6,633	9,491
Less – current maturities		6,633	4,614
		<u>-</u>	<u>4,877</u>
		<u>6,694,298</u>	<u>5,998,148</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds (Continued)

B. Bonds (Series B):

As from July 2012 and up to October 2016, the Company issued NIS 1,360 million par value of bonds (Series B), which are index-linked (the index for June 2012) and which bear interest at a rate of 4.8% a year. The bonds are repayable in 4 annual payments, where the first repayment, at a rate of 10% is repayable on July 2, 2019 with a further three payments each of which is at a rate of 30% payable from July 2, 2020 to July 2, 2022. The interest payments are payable on July 2, in each of the years 2013 to 2022 (inclusive). The weighted effective interest rate on the bonds is 2.97%.

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

- A change in control;
- A net financial debt (less the value of investment property under construction) to amended annual NOI ratio exceeding 14 throughout two consecutive quarters; (net financial debt: the Company's cumulative debt to banking corporations, to other financial institutions and holders of all types of bonds less cash and cash equivalents, deposits, monetary funds, marketable securities, all of which in accordance with their values in the Company's consolidated expanded statement of financial position);
- The rating for the bonds (Series B) – is BBB- (BBB Minus) for two consecutive quarters;
- The shareholders equity, with the addition of deferred tax liabilities, net, will be less than 22.5% of the total of the statement of financial position less cash and cash equivalents and less marketable securities throughout two consecutive quarters;
- The value of the uncharged assets may not be less than the higher of an amount of NIS 1 billion or an amount equal to 125% of the balance of the bonds (Series B) throughout two consecutive quarters;
- A demand for immediate repayment, which has not been removed, for a significant loan or bond that is traded on the Tel-Aviv Stock Exchange.
- Provisions for restricting the distribution of a dividend if certain conditions are met.

In addition, the bonds include additional, generally accepted conditions for making the loans repayable immediately, in relation to the following events: (1) a structural change and merger; (2) liquidation, receivership and proceedings for the realization of assets and debt collection proceedings; (3) a cessation in trading; (4) cross default and etcetera.

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds (Continued)

C. Bonds (Series D):

As from July 2014 and up to December 2018, the Company issued NIS 1,650 million par value of bonds (Series D), which are index-linked (the index for July 2014) and which bear interest at a rate of 3.2% a year, which are repayable in six (6) unequal annual payments, which are payables on July 2 in each of the years 2023 – 2038, as follows: (a) two payments at a rate of 20% of the par value of the bonds, each, which are payable on July 2 in each of the years 2023 and 2024, inclusive; (b) four payments at a rate of 15% of the par value of the bonds, each, which are payable on July 2 in each of the years 2025 - 2028, inclusive. The interest payments are payable on July 2, in each of the years 2015 to 2028 (inclusive). The effective interest rate on the bonds is 2.09%.

The bonds include a commitment not to create floating liens on the Company's property (a negative pledge) in support of any third party whatsoever as collateral for any debt or liability whatsoever, except subject to the creation of such a floating lien ranking pari passu in support of

The holders of the bonds. This commitment will not apply if certain conditions are met, as detailed in the trust deed for the bonds. Furthermore, the bonds include conditions for making them repayable immediately upon the occurrence of certain events, which include, inter alia, the following events:

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

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds (Continued)

D. Bonds (Series E):

As from March 2016 and up to December 2018, the Company issued NIS 1,085 million par value of bonds (Series E). The bonds (Series E) are repayable in six (6) annual payments: two payments at a rate of 10% of the principal, each, on January 4 in each of the years 2021 and 2022, inclusive and four payments at a rate of 20% of the principal, each, on January 4 in each of the years in each of the years 2023 – 2026 (inclusive).

The interest on the bonds (Series E) is at a rate of 3.39% a year, which is payable in annual payments on January 4 in each of the years in each of the years 2017 – 2026 (inclusive).

The principal of and the interest on the bonds (Series E) are not linked to any index or currency whatsoever. The bonds (Series E) include conditions for making them repayable immediately upon the occurrence of certain events, which are similar in their substance to the conditions for being made repayable immediately that are determined for the Company's bonds that are traded and are in circulation of Series B and D, which include, inter alia, events that are connected to the transfer of control in special circumstances; compliance with financial covenants including the maintenance of shareholders' equity, which will not be less than an amount equal to NIS 1.2 million (instead of NIS 1 million as determined for the bonds (Series B and D) throughout two consecutive quarters.

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

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

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

E. Bonds (Series F):

As From June 2019 until April 2020, the company issued bonds (Series F) to the public in NIS 2,069 million par value. The total net consideration received by the company in respect of the issue amounts to approximately NIS 2,024 million. Series F bonds embody an index-linked effective interest rate of 1.5%.

The bonds (Series F) are index-linked (as of May 2019) and carry a fixed annual interest rate of 1.14% per year. The bonds are due in 5 annual payments, two payments of 10% each to be paid on October 3, 2025, and October 3, 2026, two payments of 30% each, to be paid on October 3, 2027, and October 3, 2028. Fifth payments And last at a rate of 20%, which will be paid on October 3 of each of the years 2019 to 2029 (inclusive).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds (Continued)

E. Bonds (Series F) (Continued):

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

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

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

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

F. Bonds (Series G):

From February to December 2020, the Company issued to the public, by way of an issuance and by way of exercising bond options (see information below regarding the issuance of options (Series 10), bonds (Series G) at a scope of NIS 800 million par value. The total net consideration which was received by the Company with respect to the issuance amounted to a total of approximately NIS 788 million. The bonds (Series G) bear an effective NIS interest rate of 2.60%.

Further to the issuance of the bonds (Series G), the Company performed hedging transaction vis-à-vis financial institutions in Israel, which converted an annual NIS interest rate of 2.44% to CPI-linked principal and linked interest at a rate of 1.025%-1.365%, with total principal of NIS 784 million.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds (Continued)

F. Bonds (Series G) (Continued):

Additionally, approximately 2.7 million options (Series 10) were issued, each exercisable into NIS 100 par value of bonds (Series G). The immediate consideration which was received by the Company and attributed to the options amounted to approximately NIS 17 million. Additionally, the gross additional consideration which the Company received upon the exercise of all of the options (Series 10) which were issued, as stated above, for the bonds (Series G), amounted to a total of NIS 251.6 million (exercise price of NIS 94 per option). The options were exercisable on each trading day, from their listing date until December 24th, 2020. As of the date of the statement of financial position, all of the options were exercised.

The options were measured at fair value against profit and loss. During the period, finance expenses were recorded in the amount of NIS 3.3 million.

The principal of the bonds (Series G) will be payable in four annual payments at a rate of 25% of the principal, each, on January 5 of each of the years 2029 through 2032 (inclusive).

The interest for the bonds (Series G) is at a rate of 2.44% per annum, will be paid in annual payments on January 5 of each of the years 2021 through 2032 (inclusive).

The principal and interest of the bonds (Series G) are not linked to the index or to any currency.

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

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

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

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds (Continued)

G. Bonds (Series H):

In February 2021, the Company issued to the public bonds (Series H) at a scope of NIS 1,250 million par value. The total net consideration which was received by the Company with respect to the issuance amounted to a total of approximately NIS 1,309 million. The bonds (Series H) reflect a CPI-linked effective interest rate of approximately 0.6% and a duration of 8.4 years.

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

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

- A change in control in certain conditions;
- The Company's equity falls below a total of NIS 2.2 billion, on the dates of the relevant Financial statements, and during two consecutive quarters.
- The ratio of net financial debt (after deducting the value of investment property under construction) to standardized annual NOI exceeds 14 during two consecutive quarters; (Net financial debt: the Company's aggregate debt to banking corporations, other financial institutions and the holders of all types of bonds, net of cash and cash equivalents, deposits, money market funds and marketable securities, according to their values in the Company's consolidated statement of financial position).
- Rating of less than BBB- for the bonds (Series H) during two consecutive quarters;
- Equity plus net deferred tax liabilities falls below 22.5% of the Company's total balance sheet, after deducting cash and cash equivalents and after deducting marketable securities, during two consecutive quarters;
- The value of the unpledged assets, during a period of two consecutive quarters, falls below a total of NIS 1 billion, or below 125% of the balance of the bonds (Series H), whichever is higher.
- A demand (which has not been withdrawn) for the immediate repayment of a material loan or bond which is listed for trading on the Tel Aviv Stock Exchange.
- Provisions regarding restrictions on dividend distributions, upon the fulfillment of certain conditions;

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

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

- H. Index-linked bonds to others, bearing interest at a rate of 5.5% - 6.5% per annum, and payable in semiannual payments up to 2022.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 14: Bonds (Continued)

- K.** The balance (including current maturities) As of December 31, 2021 is repayable in the years after the date of the statement of financial position, as follows:

	<u>NIS thousands</u>
In the first year – 2022	547,872
In the second year – 2023	560,205
In the third year – 2024	560,205
In the fourth year – 2025	684,659
In the fifth year – 2026	684,688
In the six year and thereafter	4,204,540
	<u>7,242,171</u>

- L. Liens** – see Note 18B.

M. Limitation on dividend distribution

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

Negative bondage

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

Note 15: Loans from banking corporations

A. Composition:

	Interest rate	<u>As of December 31</u>	
	As of		
	December 31		
	2021	2021	2020
	%	<u>NIS thousands</u>	
In Shekels – index linked	0.6	499,978	-
		499,978	-
Less – current maturities		-	-
		<u>499,978</u>	<u>-</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 15: Loans from banking corporations (Continued)

B. Loan agreement with a banking institution

In October 2021, the Company signed an agreement with a banking institution, according to which the bank provided to the Company a loan in the amount of approximately NIS 500 million, with an average lifetime of 8.5 years. The loan, which is not secured by any pledges, is CPI-linked and bears annual interest of 0.6%. The loan principal will be repaid by the Company in four equal annual installments, over the years 2029 to 2032. Under the loan agreement, the Company undertook to fulfill financial covenants which are similar to the financial covenants specified in the Company's series of bonds (Series H), which are listed on the Tel Aviv Stock Exchange. The average lifetime and principal repayment dates of the loan correspond to those of the bonds. For additional details regarding the financial covenants, see Note 14G.

C. Long-term and short-term credit facilities

(1) **Credit lines** - The Group has three credit facilities from commercial banks and an institutional body in Israel in an overall amount of NIS 1,230 million.

- a. A credit facility from a bank in an amount of NIS 400 million, effective until October 31, 2022.
- b. A credit facility from a bank in an amount of NIS 150 million, effective until June 30, 2022.
- c. A credit facility from a bank in the amount of NIS 200 million, effective until December 31, 2023
- d. A credit facility from a bank in the amount of NIS 100 million, effective until December 28, 2022

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

- The ratio of the shareholders' equity to the total of the statement of financial position (less cash and cash equivalents and less securities in connection with discontinued operations) on an expanded, consolidated basis may not be less than 25% at any time whatsoever.
 - The ratio between the Company's net financial debt (after deducting investment property under construction) and the NOI may not exceed a ratio of 10 at any time.
 - Alony Hetz is to be the controlling interest in the Company.
- e. A credit facility from an institutional entity in Israel at a total scope of NIS 180 million, valid until March 7 st, 2023. The credit facility is not backed by any collateral, and is withdrawable at any time, in accordance with the Company's fulfilment of various financial covenants and ratios.
 - f. A credit facility from an institutional entity in Israel at a total scope of NIS 200 million, valid until May 31 st, 2024. The credit facility is not backed by any collateral, and is withdrawable at any time, in accordance with the Company's fulfilment of various financial covenants and ratios.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 15: Loans from banking corporations (Continued)

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

Within the framework of the agreements, the Company undertook, inter alia, to maintain financial ratios, of which the main ones are:

- The ratio of the shareholders' equity to the total of the statement of financial position (may not be less than 25% throughout 4 consecutive quarters or than 20% in one quarter;
- The ratio between the Company's net financial debt and the CAP may not exceed 70%;
- The ratio between the Company's net financial debt, after deducting investment property under construction to the Company's amended annual NOI may not exceed 10 throughout two consecutive periods;
- The rating may not be less than A- (A minus) at the time of any draw-down.

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

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

As of December 31, 2021, the Company has unexploited credit facilities of NIS 1,180 million. In addition, the Company is in compliance with all of the financial covenants.

D. Liens – see Note 18B.

Note 16: Other long-term liabilities

Composition:

	As of December 31	
	2021	2020
	NIS thousands	
Liabilities in respect of the termination of employee-employer relationships	1,204	2,420
Less –deposits in severance pay reserves	-	634
	<u>1,204</u>	<u>1,786</u>
Revenues in advance and deposits from tenants in buildings	28,211	26,619
Leasing fees payable	92,228	43,249
Derivative financial instruments, which are designated as hedging items (see Note 14)	131,916	-
Other long-term liabilities	<u>1,078</u>	<u>1,078</u>
	<u><u>254,637</u></u>	<u><u>72,732</u></u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 17: Taxes on income

- A. The following is the composition of the deferred tax balances that are presented in the statement of financial position As of December 31, 2021 and 2020 and the movements therein in the years ended on those dates:**

	Balance As of January 1, 2021	Recognized in profit or loss	Balance As of December 31, 2021
Investment property	1,333,544	227,949	1,561,493
Tax losses carried forward	(31,457)	(55,316)	(86,791)
Social benefits and doubtful debts	(1,770)	(462)	(2,232)
	<u>1,300,299</u>	<u>172,171</u>	<u>1,472,470</u>

	Balance As of January 1, 2020	Recognized in profit or loss	Balance As of December 31, 2020
Investment property	1,281,217	52,327	1,333,544
Tax losses carried forward	(27,713)	(3,762)	(31,457)
Social benefits and doubtful debts	(1,356)	(414)	(1,770)
	<u>1,252,148</u>	<u>48,151</u>	<u>1,300,299</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 17: Taxes on income (continued)

B. The deferred taxes are presented as follows:

	As of December 31	
	2021	2020
	NIS thousands	
Non-current liabilities	<u>1,472,470</u>	<u>1,300,299</u>

C. Deferred taxes – additional information

	As of December 31	
	2021	2020
	NIS thousands	
Losses for tax purposes for which deferred taxed have not been recognized (1)	<u>4,640</u>	<u>4,734</u>

- (1) Tax benefits as of December 31, 2021 and 2020, for which net deferred tax assets receivable were not recorded, due to the assessment of Group management that their realization in the foreseeable future is unexpected. These tax benefits were due to tax losses of consolidated companies.

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

	As of December 31	
	2021	2020
	NIS thousands	
Consolidated companies	517,790	446,140
Entities under joint control	<u>56,514</u>	<u>51,189</u>
	<u>574,303</u>	<u>497,329</u>

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 17: Taxes on income (Continued)

E. Taxes on income – expenses (benefits) that have been recognized in profit or loss:

Comprise:

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Current taxes			
Current tax expenses	29,023	48,866	24,837
Tax expenses (income) for previous years, net	37,961	14,235	(763)
Total current taxes	66,984	63,101	24,074
Total deferred taxes	217,752	48,151	288,533
Total tax expenses recognized in profit or loss	284,736	111,252	308,607

F. The effective tax:

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Income before taxes on income	1,216,922	400,707	1,379,030
Less profits of investee companies	(18,112)	992	(50,030)
	1,198,810	401,699	1,329,000
Statutory tax rate	23.0%	23.0%	23.0%
Tax expenses at the statutory tax rate	275,726	92,391	305,670
Increase (decrease) in taxes on income deriving from the following factors:			
Differences connected to investment property	(37,951)	14,075	1,598
Disallowed expenses (tax exempt income), net	6,470	2,587	1,300
Other differences	40,491	2,199	39
Total taxes on income as presented in profit or loss	284,736	111,252	308,607
The effective tax rate	24%	28%	23%

G. Current tax balances:

	As of December 31	
	2021	2020
	NIS thousands	
Current tax assets	8,276	52
Current tax liabilities	208,695	88,894

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 17: Taxes on income (Continued)

H. Additional information:

1. In December 2021, the Company signed a final tax assessment agreement vis-à-vis the Income Tax Authority in respect of the years 2016-2019, after which the Company paid, in January 2022, taxes in the amount of approximately NIS 134 million (not including interest and linkage. The Company has full provisions, excluding NIS 37 million which were recorded under prior year tax expenses). Under the agreement, carry forward losses were recognized for the Company in the amount of approximately NIS 255 million, usable over the years 2020 and thereafter.
2. In December 2020, 10 consolidated companies signed final tax assessment agreements with the Income Tax Authority, with respect to the years 2015-2018, after which the Company paid tax in the amount of approximately NIS 10 million (for which the Company had full provisions). Under the agreement, carry forward losses were recognized for the Company in the amount of approximately NIS 68 million, usable over the years 2021 to 2029. Additionally, in February 2020, the Company signed a partial assessments agreement with respect to 2019, for which the Company had full provisions.
3. Final tax assessments have been issued for the Company up to and including tax year 2019; final tax assessments have been issued for 10 consolidated companies up to and including tax year 2018 and a partial agreement for the year 2019, final tax assessments have been issued for a consolidated company and an equity-accounted company up to and including tax year 2016; and final tax assessments have been issued for 2 consolidated companies and 6 equity-accounted companies up to and including tax year 2016.
4. Since January 1st, 2018, the corporate tax rate applicable to the Company has been 23%.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 18: Provisions, commitments, contingent liabilities and liens

The following is the composition of the balance of the provisions and the movement therein as of December 31, 2021 and 2020 and for the years ended on such dates:

	As of December 31	
	2021	2020
	NIS thousands	
Balance of the provisions at the end of the year	<u>16,483</u>	<u>16,483</u>

A. Legal and tax proceedings:

As of the date of the report and the date of certification of the financial statements, the Group and other parties have pending against them 18 lawsuits, tax proceedings and demands for municipal rates, fee and levy charges in connection with investment property in a total monetary amount of approximately NIS 65 million, and the Group's part as a defendant therefor amounts to a sum of approximately NIS 60 million.

For the lawsuits being conducted against the Group and for exposures to tax levies, provisions in a total amount of approximately NIS 17 million as of December 31, 2021, and approximately NIS 20 million as of December 31, 2020 (under the section on provisions and accrued expenses). In the opinion of the Group management, which relies on an opinion by legal and professional consultants, such provisions are appropriate under the circumstances of each matter.

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

B. liens:

- (1) To secure long-term bonds issued to others, the balance of which amounts, as of December 31, 2021, to a sum of NIS 7 million, land held by the Company was charged, the value of which amounts, as of December 31, 2021, to a sum of NIS 10 million.

To secure bonds in an amount of NIS 7 million issued to others, the Company created a pledge over half of the revenues for 2 properties regarding which the bonds had been issued.

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 18: Provisions, commitments, contingent liabilities and liens (Continued)

C. Guarantees:

As of December 31, 2021 and 2020, there were contingent liabilities for guarantees, as follows:

	As of December 31	
	2021	2020
	NIS thousands	
Guarantees provided by the Group (1)	<u>32,120</u>	<u>26,606</u>
(1) Primarily, guarantees that have been provided to local authorities in connection with investments in properties and in connections with guarantees for tenders. See Note 10 (3) for details regarding guarantees that have been provided to companies treated at equity.		

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 19: Share capital

A. Composition and developments in the share capital

	<u>Registered</u>	<u>Issued and</u>
	<u>Number of shares</u>	<u>paid-up</u>
Balance As of January 1, 2021	1,000,000,000	409,615,415
Exercise of options for employees (see F below)	-	3,083,779
Issuance of shares to the public (see D below)	-	29,900,000
Balance As of December 31, 2021	<u>1,000,000,000</u>	<u>442,599,195</u>
 Balance As of January 1, 2020	 500,000,000	 380,974,314
Exercise of options for employees (see F below)	-	1,141,102
Increase of registered capital (*)	500,000,000	-
Issuance of shares to the public (see D below)	-	27,500,000
Balance As of December 31, 2020	<u>1,000,000,000</u>	<u>409,615,416</u>
Balance As of December 31, 2019	<u>500,000,000</u>	<u>380,974,314</u>

(*) Increase of registered capital according to the decision of the general committee meeting at December 15, 2020

B. Rights ancillary to the shares:

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

C. 2019 shelf prospectus:

In May of 2019, the Company published a shelf prospectus for the issuance of securities. The offering of securities under which was extended until May 15, 2022. The issuance of securities pursuant to the prospectus is conditional upon, inter alia, the state of the capital market, and are subject to the publication of a shelf offering report.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 19: Share capital (Continued)

D. The issuance of shares and options for shares:

Issuance of share capital

In January 2022, after the balance sheet date, the Company issued 11.6 million shares by way of a private allocation NIS 1 par value each. The gross consideration which was received with respect to the issuance amounted to a total of approximately NIS 302 million to several institutional investors, three of whom belong to the reporting groups Clal Insurance Business Holdings Ltd., Harel Insurance Investments and Financial Services Ltd. and Migdal Insurance Holdings and Finance Ltd. who have an interest in the company by virtue of their holdings in the company's shares are transferred to a private placement.

In September 2021, the Company issued 29.9 million ordinary shares to the public, amounting to NIS 1 par value each, constituting approximately 7.25% of the total share capital before the issue and 7,176,000 warrants (Series 11) that can be exercised for ordinary shares until December 22, 2022 (inclusive) against payment of an exercise price (adjusted for dividends, benefits, and rights) in the amount of NIS 27 (without indexation to any index or currency) for each option. In respect of the issue, the total gross consideration received amounts to approximately NIS 718 million. The future (gross) consideration that will be received by the Company given the exercise of the full options (Series 11) for ordinary shares, amounts to approximately NIS 194 million (subject to adjustments).

In September 2020, the Company issued to the public 27.5 million ordinary shares with a par value of NIS 1 each, constituting approximately 7.2% of the total share capital prior to the issuance. The gross total consideration which was received with respect to the issuance amounted to NIS 400.1 million, gross.

E. Dividend and declared dividend distribution policy:

In January of 2007, the Company's board of directors adopted a dividend policy whereby, during the first quarter of each calendar year, the Company will give notice of the minimal dividend distribution amount for that year. The dividend will be distributed at the end of each quarter (the *pro rata* share) subject to the decision of the Company's board of directors, as long as the dividend's distribution does not impair the Company's cash flow and in taking heed of the Company's future plans for investments, as they will be from time to time and subject to any law. In its aforesaid decision, the Company's board determined that it may at any time, taking into account business considerations and subject to the provisions of any law, modify said dividend policy, and change the amounts to be distributed as a dividend or decide not to distribute them at all. Pursuant to this decision, the Company gives notice every year of the minimal dividend to be paid that year.

Pursuant to the decisions adopted by the Company's board of directors regarding the years 2019-2021, the Company paid to its shareholders in 2019 a current dividend in the amount of 94 agorot per share (approximately NIS 341 million) and for 2020 the Company paid, in the course of 2020, a special dividend in the amount of 31 agorot per share (approximately NIS 118 million), in 2020 a current dividend in the amount of 98 agorot per share (approximately NIS 381 million). In 2021 a current dividend in the amount of 100 agorot per share (approximately NIS 419 million, not including the additional dividend mentioned below).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 19: Share capital (Continued)

E. Dividend and declared dividend distribution policy:

In March 2022, the Company's Board of Directors determined that the Company intends, in 2022, to distribute minimum annual dividends in the amount of 106 agorot per share, to be paid in 4 quarterly payments - in the first and second quarters of 2022 in the amount of 26 agorot per share, and in both the third and fourth quarters of 2022 in the amount of 27 agorot per quarter, subject to a specific resolution of the Board of Directors at the end of each quarter.

Further to this policy, the Company declared, in March of 2022, the distribution of a dividend for the first quarter of 2022 in the amount of 26 agorot per share (NIS 114 million). In addition, in March 2022 the Company declared the distribution of additional dividend of 34 agorot per share in respect of 2021.

F. Options for officers plan:

1. On August 28, 2013, the Company's general meeting approved the remuneration policy for the Company's officers, which includes, inter alia, the possibility of granting warrants to officers in the Company including directors (in accordance with an amendment that was approved in a general meeting on August 18, 2015). On September 28, 2016 and on August 27, 2018, the Company's general meeting approved additional amendments to the remuneration policy, which also relate, inter alia, to the capital remuneration components (hereinafter: the "Remuneration Policy"). On January 20, 2020, the Company's general meeting approved the Remuneration Policy effective for three years beginning on September 28, 2019.

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

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

2. On August 18, 2015, (after the approval of the Remuneration Committee and the Board of Directors), the Company's general meeting approved the granting of capital remuneration for directors who are not interested parties and/or officers of the parent company, by way of an annual grant of options with a value of 50% of the annual remuneration that is paid to each of the directors (not including remuneration for participation in meetings of the Board of Directors and its committees).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 19: Share capital (Continued)

F. Options for officers plan: (Continued)

3. On March 14, 2017, (after the approval of the Remuneration Committee regarding offerees who are officers), the Company's Board of Directors approved the allocation of an annual tranche from the framework plan of up to 3,647,234 warrants, to 57 offerees, of whom 12 are officers in the Company (including the Company's CEO and 6 directors). Approximately 123 thousand warrants were forfeited as a result of the leaving of employees. As of March 15, 2020, all of the above-mentioned warrants have been exercised.
4. On March 11, 2018, (after the approval of the Remuneration Committee regarding offerees who are office holders), the Company's Board of Directors approved the allocation of an annual tranche from the framework plan amounting to 3,014,218 warrants, to 56 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors). 67 thousand warrants have been forfeited as a result of the leaving of employees. As of April 18, 2021, all the above-mentioned warrants have been exercised.
5. On March 10, 2019, (after the approval of the Remuneration Committee regarding offerees who are officers), the Company's Board of Directors approved the allocation of an annual tranche from the framework plan of up to 2,653,383 warrants, to 61 offerees, of whom 12 are officers in the Company (including the Company's CEO and 6 directors). 100 thousand warrants have been forfeited as a result of the leaving of employees. As of January 31, 2022, 1,488 thousand granted warrants have been exercised.
6. On March 8, 2020, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 2,332,64 warrants, to 64 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors).
7. On March 7, 2021, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 1,749,352 warrants, to 75 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors).
8. On August 8, 2021, (after the approval of the Remuneration Committee regarding offerees who are officer) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 46,863 warrants, including the Company's CEO and 6 directors.
9. On March 7, 2022, (after the approval of the Remuneration Committee regarding offerees who are officers) the Company's Board of Directors decided to approve the allocation of an annual tranche from the framework plan of up to 1,450,000 warrants, to 100 offerees, of whom 12 are officers of the Company (including the Company's CEO and 6 directors).

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 19: Share capital (Continued)

F. Options for officers plan (Continued):

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

The cost of the overall benefit grossed up in each of the warrants that were in effect As of December 31, 2021, based on the fair value at the time of their granting, is estimated at an overall amount of approximately NIS 17 million, of which an amount of approximately NIS 10 million has been amortized As of December 31, 2021. This amount is being amortized in the statement of profit or loss over the length of the vesting period.

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

	March 2019 (*)	March 2020 (*)	March 2021 (*)	March 2022 (*)
Share –price (in NIS)	20.80	24.99	17.48	24.95
Exercise Price (in NIS)	21.63	26.13	18.18	25.95
Weighted expected fluctuations (**)	17.04%	17.79%	28.95%	30.05%
Lifetime of the warrants in years (***)	2.75	2.88	2.88	2.83
Risk free interest rate	0.78%	0.22%	0.24%	1.01%
Overall benefit (NIS thousands)	4,719	5,355	5,098	6,160
In 2021	1,604	1,639	1,583	-
In 2020	1,722	1,514	-	-
In 2021	1,592	-	-	-

(*) See Note 25C(2) regarding the grant to the Company's Chief Executive Officer and the amounts of the amortization of options.

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

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

11. This note includes the warrants for directors in the Company and the amounts of the options' amortization. For more information, see Note 25C(3) below.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 20: Revenues from rental fees and investment property management

A. Composition

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Rental fees (see B below)	768,685	719,821	707,900
Property management	72,917	48,712	51,164
	<u>841,602</u>	<u>768,533</u>	<u>759,064</u>

B. Revenues from minimal future rental fees

The cumulative amount of the minimal future rental fees, based on signed rental agreement As of December 31, 2021, which are non-cancellable, are as follows:

	For the year ended December 31	
	2021	2020
	NIS thousands	
In the first year	727,110	643,708
In the second year	550,643	541,204
In the third year	421,417	369,827
In the fourth year	313,337	274,706
In the fifth year	244,779	201,879
In the six year and thereafter	731,015	676,675
	<u>2,988,302</u>	<u>2,707,999</u>

Note 21: Costs of the rental and operation of properties

a. Composition

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Property maintenance and management expenses	69,076	46,034	46,965
Salaries and social benefits	13,669	10,083	8,745
Taxes and levies	5,672	4,113	5,570
Professional services	791	739	847
Others	1,542	929	755
	<u>90,750</u>	<u>61,898</u>	<u>62,882</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 21: Costs of the rental and operation of properties (Continued)

B. Additional information regarding operating expenses for investment property

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Total direct operating expenses for investment property are comprised as follows:			
Investment property that has generated revenues from rental fees	83,602	55,489	57,134
Investment property that has not generated revenues from rental fees	7,148	6,409	5,748
	<u>90,750</u>	<u>61,898</u>	<u>62,882</u>

Note 22: Administrative and general expenses

Composition

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Management fees to the parent company (see Note 25C(1))	9,129	9,000	9,059
Salaries and social benefits	19,205	19,520	20,127
Benefits relating to warrants	4,826	7,288	6,101
Directors fees	1,029	940	962
Professional services	8,412	6,595	5,967
Bad and doubtful debts	2,354	1,925	1,265
Marketing expenses	1,666	1,618	1,080
Depreciation and amortization	2,617	2,276	2,073
Other	1,705	400	(1,484)
	<u>50,943</u>	<u>49,562</u>	<u>45,150</u>

Note 23: Financing expenses and income

A. Financing expenses

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Interest in short-term credit	7,574	8,808	6,562
Interest on long-term loans from banks	649	1,060	11,477
Early repayment commission (see C below)	-	-	23,801
Interest on bonds	122,348	126,001	119,796
Total interest expenses	<u>130,572</u>	<u>135,867</u>	<u>161,635</u>
Linkage differentials on long-term loans from banks	6,439	6,703	3,302
Linkage differentials on bonds	118,556	(20,735)	16,159
Total linkage differentials	<u>124,995</u>	<u>(14,032)</u>	<u>19,461</u>
	<u>255,567</u>	<u>121,835</u>	<u>181,096</u>
Non-recurring financing expenses	22,537	-	-
Less – financing expenses capitalized to investment property under construction	<u>(29,417)</u>	<u>(9,137)</u>	<u>(8,468)</u>
	<u>248,686</u>	<u>112,698</u>	<u>172,628</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 23: Financing expenses and income (Continued)

B. Financing income

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Interest on deposits in banks	556	690	909
Interest on loans to companies treated at equity and others	8,256	4,061	5,405
	<u>8,812</u>	<u>4,751</u>	<u>6,314</u>

C. Early repayment of bank loans at the Company's initiative

In February of 2020, after the date of the statement of financial position, the Company, at its own initiative, made an early repayment of a loan from a banking institution in an financial scope of approximately NIS 268 million (excluding early repayment commissions). Subsequent to the early repayment, the Company recorded, in 2019, non-recurring financing expenses of approximately NIS 24 million, paid in cash on the date of repayment.

Note 24: Earnings per share

Composition

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Profit used for the purpose of the calculation of the basic and diluted earnings per share from continuing operations	<u>932,189</u>	<u>289,457</u>	<u>1,070,425</u>
	Thousand shares		
Weighted average number of regular shares used for the purpose of the calculation of the basic earnings per share from continuing operations	419,750	389,183	362,016
Adjustments for warrants	<u>625</u>	<u>311</u>	<u>1,203</u>
Weighted average number of regular shares used for the purpose of the calculation of the diluted earnings per share from continuing operations	<u>420,375</u>	<u>389,494</u>	<u>363,219</u>
Weighted average number of securities that have not been included in the calculation of the diluted earnings per share because their impact is anti-dilutionary			
Warrants for employees and officers and warrants (Series 11)	<u>9,555</u>	<u>5,118</u>	<u>-</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25: Transactions and balances with interested parties and related parties

A. Transactions

	For the year ended		
	December 31		
	2021	2020	2019
	NIS thousands		
Management fees to the parent company (See C below)	9,129	9,000	9,059
Directors fees (6 recipients)	1,029	940	962
Directors and officers' insurance expenses (see C(4) below)	390	262	149
Fair value of share-based payments	328	329	334
Number of directors	9	9	9
Presented under other receivables	11,342	13,317	12,150

Regarding further Transactions see note 25C below.

B. Benefits for the Company's key management personnel: (See A above regarding directors' fees.

	For the year ended		
	December 31		
	2021	2020	2019
	NIS thousands		
Short-term benefits (1 recipient)	3,425	4,057	4,856
Fair value of share-based payment (1 recipient)	702	2,408	1,085
	4,127	6,465	5,941

C. Engagements with related parties:

(1) Management agreement with the parent company

In its meeting on November 1, 2018, the Company's general meeting approved (after approval was received from the Audit Committee and Board of Directors, in their meetings on August 1, 2018 and August 7, 2018, respectively) an extension of the management agreement between the parent company, Alony Hetz, and the Company, regarding the provision of management services by Alony Hetz (hereinafter: the "Management Agreement"), for an additional period of 3 years, from January 1, 2019 to December 31, 2021, while setting the annual management fees at a fixed amount of NIS 9 (nine) million per year, plus duly calculated VAT (linked to the CPI for June 2018), to be paid in four quarterly payments. The other terms of the management agreement remained unchanged.

Under the management agreement, Alony Hetz provides management services to the Company through officers and employees of Alony Hetz, and through the fulfillment of the role of Amot's Chairman of the Board by Mr. Nathan Hetz, the CEO of Alony Hetz, and other Board members on behalf of Alony Hetz (without directors' compensation).

It is noted that in the years 2019, 2020 and 2021, the Company recorded management fees to the parent company in its financial statements in the amount of approximately NIS 9 million, in each of those years.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties (Cont.):

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

In their meetings on February 17, 2022, the Audit Committee and Board of Directors approved and recommended that the general meeting approve an extension of the management agreement with the parent company for an additional period 3 years, from January 1, 2022 to December 31, 2024, including an update to the annual management fees, setting them at a fixed amount of NIS 10.3 million (linked to the CPI for December 2021), to be paid in four quarterly payments. The other terms of the management agreement will remain unchanged, and it was clarified that the scope of services provided to the Company will be determined in accordance with the Company's changing needs, from time to time, and with no limit on the number of hours (minimum or maximum). In this regard, it is noted that the parent company undertakes to provide the Company with all of the resources which may be required for the purpose of providing the management services, in accordance with the Company's demand (hereinafter: the "Extended Management Agreement").

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

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

The agreement is subject to the approval of the Company's general meeting, which is expected to convene in March 2022.

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

(2) Engagement with the CEO

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

On August 9, 2020, the Company's Board of Directors unanimously approved the appointment of Mr. Shimon Abudraham as the Company's CEO, beginning on September 1, 2020.

Mr. Abudraham has been employed in the Company for over 12 years, as the Company's VP Engineering since January 2008, and as CEO of the subsidiary Amot Real Estate Initiation and Development Ltd. (which coordinated the Company's initiation, development and construction activities) since January 2016.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

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

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

The compensation policy, as approved by the general meeting on December 15, 2020, shall be referred to hereinafter as in this section C(2)(b) as: the "Compensation Policy". All amounts specified in this section below are linked to the consumer price index for December 2020.

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

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

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

B. Annual bonus (medium / short term variable component), calculated cumulatively according to the achievement of four separate performance metrics:

The CEO is entitled to receive an annual bonus which will be determined cumulatively according to the achievement of four performance metrics (the amounts are linked to the CPI for December 2020):

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

D. Engagements with related parties: (Cont.)

(3) Engagement with the CEO (Cont.)

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

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

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

** The calculation method within the ranges is linear)

- ^ The CEO's total annual bonus cap will amount to a total of NIS 2,000,000 (linked to the consumer price index for December 2020).
- ^ If the Company presents net annual accounting loss (after neutralizing non-recurring events due to regulatory and other changes, which the Board of Directors considers unrelated to the Company's performance such as changes to the corporate tax rate due to legislation, etc.), but the result of the calculation of the quantitative component metrics signifies entitlement to the bonus, a 50% deduction will be applied to the annual bonus which has been calculated as above.
- ^ The measurable annual bonus may be paid in cash or as non-cash equity compensation (with immediate vesting of the options which will be granted to the CEO, due to the fact that the bonus was non-cash), as chosen by the CEO.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

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

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

D. Equity compensation (long term variable component) - The CEO is entitled to an annual grant of options, as part of the Company's options plan, as it stands from time to time, in the capital gains track in accordance with section 102 of the Income Tax Ordinance (New Version), 5721-1961, at a value of 50% of the Company's annual employment cost (i.e., options with a fair value of NIS 900 thousand per year). The exercise price of the options will be determined in accordance with the terms of the compensation policy, as they stand from time to time. Alternatively, the Company will be entitled to grant to the CEO equity compensation through similar mechanisms for the allocation of securities, such as phantom units, RSU's, etc. The exercise price will not be linked to any index or currency. The exercise price and/or the number of exercise shares will be adjusted in case of a dividend distribution, distribution of bonus shares, issuance by way of rights or in case of changes to the Company's structure or capital, in accordance with the provisions of the Company's options framework plan, as it stands from time to time.

In case of conclusion of employment, the CEO will be entitled to exercise the options which were granted to him in accordance with the provisions of the options plan by virtue of which the options were allocated to him. However, the Company's Board of Directors will be entitled to, without requiring additional approval from the meeting, to take action in accordance with the authority which is vested in it in the options plan to accelerate the vesting of the options which had been allocated and had not yet vested by his employment conclusion date, which will be exercisable until the end of the exercise period. Notwithstanding the foregoing, insofar as the CEO has served, as of the employment conclusion date, for a period no longer than 4 (four) years, the number of options which the Board of Directors will be entitled to accelerate, as stated above, will not exceed the proportional part of the CEO's employment period out of the total vesting period of each tranche of options which were granted to him, times the number of options in the relevant tranche.

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

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

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

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

H. Additional provisions in the employment terms:

- ^ The Board of Directors will be entitled to deduct from the foregoing compensation, in its full and exclusive discretion, if it has found that the circumstances justify such a deduction, and it will be entitled to determine a cap for the exercise value of equity compensation, as stated above;
- ^ With reference to the CEO's entire compensation, it was determined that the ratio between the variable components which are granted in a certain year, and the fixed component, will not exceed 1.7.

Annual bonus for 2021

On March 7, 2022, the Company's Board of Directors resolved, after receiving approval and recommendation from the Compensation Committee, to approve the payment of a bonus to the CEO in respect of 2021, in the total amount of NIS 1,600 thousand, of which a total of NIS 1,267 thousand constitutes implementation of the formulas specified in the CEO's terms of employment, and as specified in section C2(B) of this chapter above, and the remaining part of the bonus, in the amount of NIS 333 thousand, constituted a discretionary bonus of the Compensation Committee and Board of Directors, which exercised their discretion in accordance with the authority vested in them pursuant to the compensation policy.

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

Implementation of equity compensation

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

On March 7, 2022, the Company's Board of Directors resolved, after receiving approval and recommendation from the Compensation Committee, to approve a grant to the CEO of 184,940 Company options, exercisable into Class B ordinary shares at an exercise price of NIS 25.95 (unlinked, subject to adjustments). The options will be allocated in accordance with the conditions described above.

The total benefit cost represented in the options which have been allocated and will be allocated, as stated above, respectively, at fair value according to the Black-Scholes model on the grant

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(2) Engagement with the CEO (Cont.)

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

date in accordance with the guidelines specified in IFRS 2, Share-Based Payment, amounted to a total of NIS 900 thousand.

(B) Conclusion of Mr. Avshalom Mosler's tenure as the Company's CEO

Mr. Mosler's tenure as the Company's CEO concluded on August 31, 2020, and his employment in the Company concluded on December 31, 2020.

Mr. Mosler's terms of tenure and employment included, inter alia, equity compensation (long term variable component) - An annual grant of options, as part of the capital gains track in accordance with section 102 of the Income Tax Ordinance, at a fair value of NIS 1.1 million per year, which were granted in accordance with the Company's framework options plan for employees and officers.

On March 10, 2019, 488,889 Company options, exercisable into ordinary shares at an exercise price of NIS 21.63 (unlinked, subject to adjustments), were granted to Mr. Mosler. The options were granted in accordance with the conditions described above (hereinafter: the "2019 Options Tranche").

On March 8, 2020, 404,412 Company options, exercisable into ordinary shares at an exercise price of NIS 26.13 (unlinked, subject to adjustments), were granted to Mr. Mosler. The options were granted in accordance with the conditions described above (hereinafter: the "2020 Options Tranche").

The total benefit cost represented in the options which were allocated in each of the foregoing years, at fair value according to the Black-Scholes model on the grant date, in accordance with the guidelines specified in IFRS 2, Share-Based Payment, amounted to a total of NIS 1.1 million in respect of each year.

In its meeting on November 8, 2020, the Company's Board of Directors resolved (after approval was received from the Compensation Committee) to take action in accordance with the authority which was vested in it under the options framework plan, and to accelerate the vesting of the options which had been allocated to Mr. Mosler as equity compensation in the years 2019 and 2020, and which had not yet vested by the date of his retirement, which will be exercisable by him until the end of the exercise period.

As of January 31, 2022, Mr. Mosler exercised all of the options which were included in the 2019 options tranche. The 2020 options tranche is exercisable until April 15, 2023.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(3) Directors' compensation

In accordance with the compensation policy for Company officers (as recently approved by the general meeting on December 15, 2020 (hereinafter: the "Compensation Policy")), directors in the Company are entitled to the following compensation:

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

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

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

B. Equity compensation

The eligible directors, as defined above, are entitled to equity compensation through an annual grant of (non-marketable) options, worth 50% of the annual compensation which is paid to the directors (excluding compensation for participation in meetings of the Board of Directors and Board committees). The options will be granted in accordance with the Company's options framework plan which is in effect on the effective grant date, through the capital gains track pursuant to section 102 of the Income Tax Ordinance (New Version), 5721-1961. The options will be granted in March of each calendar year, on the approval date of the Company's periodic report, to eligible directors who hold office at the time. The options will vest two years after the grant date, and will be exercisable beginning from their vesting date, for a period of one year (until the end of three years after the grant date). The exercise price of the options will be determined in accordance with the terms of the compensation policy, as they stand from time to time. The exercise price will not be linked to any index or currency. The exercise price and/or the number of exercise shares will be adjusted in case of a dividend distribution, distribution of bonus shares, issuance by way of rights or in case of changes to the Company's structure or capital, in accordance with the provisions of the Company's options framework plan, as phrased on the grant date. The ratio between the variable compensation, as defined in section C(3)B, and the fixed component, as defined in section C(3)A above, will not exceed 0.5. The granting of options to outside directors will be done under identical conditions as the terms of the options which will be

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(3) Directors' compensation

granted to the Company's other directors, and in accordance with the provisions of the Compensation Regulations.

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

Implementation of the compensation policy:

Annual compensation and compensation for participation

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

The Company's grade in accordance with the Compensation Regulations, according to its equity in accordance with its financial statements as of December 31, 2020, is grade E. The Company's grade in accordance with the Compensation Regulations, according to its equity in accordance with its financial statements as of December 31, 2021, is grade E.

As of the publication date of this report, the maximum amount of annual compensation, in consideration of the Company's grade, is NIS 111,782, and the compensation for participation in a meeting is around NIS 3,363 (these amounts are updated from time to time, in accordance with the index-linked update mechanism currently prescribed in the Compensation Regulations). The total sum of payments which were received by the eligible directors in 2021 amounted to a total of approximately NIS 1,029 (see Note 25A).

Equity compensation

In accordance with the principles of the compensation policy, as specified in section C(3)B above, and in accordance with the authority vested in the Company's competent organs in accordance with the compensation policy, to approve the provision of equity compensation to eligible directors, by way of an annual grant of options, options were granted to eligible directors during the years 2019-2022 in accordance with the terms of the framework options plan for the Company's officers and employees, which the Company adopted on November 2013, as amended from time to time, in accordance with updates which were made to the Company's compensation policy (hereinafter: the "Framework Plan"), as specified below:

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(3) Directors' compensation: (Cont.)

Date of the Board of Directors' resolution	Offeree directors (Eligible directors holding office on the date of the grant decision)	Number of recipients	Total number of options granted (Represents 50% value of the annual compensation which is paid to each of the foregoing directors) (excluding compensation for participation)	Exercise price per option on the grant date in NIS (unlinked, subject to adjustments)	Total benefit cost represented in the options which were allocated, based on their fair value according to the Black-Scholes model on the grant date, in accordance with the provisions of IFRS 2, Share-Based Payment, in NIS
The Board of Directors' resolution on March 10, 2019	Messrs. Amir Amar, Yechiel Gutman, Eyal Gabai, Nira Dror, Gad Pnini and Yael Endorn	6	151,374	21.63	330,000
Board of Directors' resolution on March 8, 2020	Messrs. Amir Amar, Yechiel Gutman, Eyal Gabai, Nira Dror, Gad Pnini and Yael Endorn	6	128,979	26.13	335,346
Board of Directors' resolution on March 7, 2021	Messrs. Amir Amar, Yechiel Gutman, Eyal Gabai, Nira Dror, Gad Pnini and Yael Endorn	6	108,738	18.18	335,885
Board of Directors' resolution on March 7, 2022	Messrs.: Yarom Ariav, Nira Dror, Gad Pnini, Yael Endorn, Dorit Kadosh and Keren Turner	6	68,994	25.95	336,000

- Following the conclusion of 3 directors' tenure on August 17, 2021 (Messrs. Amir Amar, Eyal Gabai and Yechiel Gutman), and in accordance with the terms of the compensation policy, the vesting of the options which were granted to them during the years 2020 and 2021, and which had not yet vested on the conclusion date of their tenure, will be accelerated, and they will be entitled to exercise those options for one year after the conclusion date of their tenure, i.e., until August 17, 2022.
- The options were granted in accordance with the conditions specified above, and subject to the terms of the framework plan.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(4) Release, indemnity and insurance

Addition to framework arrangement regarding directors and officers insurance

In its meeting on May 2, 2018 (hereinafter: the “May 2018 Meeting”), the Company’s general meeting approved (in respect of officers and directors who are not controlling shareholders or their relatives) (after approval was received from the Company’s Board of Directors, Compensation Committee and Audit Committee), the Company’s purchase of a new insurance arrangement for directors and officers insurance, which was adopted in Alony Hetz Group (which replaced the previous insurance arrangement which was adopted by the Group for the period from July 1, 2013 to June 30, 2018). The new insurance arrangement, like its predecessor, is an umbrella arrangement, which includes the directors and officers of the Company, of Alony Hetz Properties and Investments Ltd. (“Alony Hetz”) and of Energix Renewable Energies Ltd. (“Energix”) (also a company controlled by Alony Hetz) (hereinafter: the “Framework Arrangement”), in accordance with the principles specified below. The meeting also approved the insurance coverage which will be granted by virtue of the foregoing insurance policies to directors and officers who currently hold office in the Company, and who will hold office from time to time. The framework arrangement will also be duly approved by all of the Group’s member companies.

The framework arrangement will be in effect for a period of six years, from July 1, 2018 to June 30, 2024, and like its predecessor, it is an umbrella arrangement, through an umbrella officers’ liability insurance policy which will be acquired by Alony Hetz each year, which provides insurance coverage for directors and officers who are serving in the Company, in Alony Hetz and in Energix (and in any other public subsidiary of Alony Hetz, if any, during the period of the arrangement) (hereinafter: the “Collective Policy” or the “Umbrella Policy”), in accordance with and subject to the following principles:

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

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

Addition to framework arrangement regarding directors and officers insurance

- B. The foregoing policies will be purchased for a number of insurance periods which will not cumulatively exceed six years, beginning on July 1, 2018.
- C. The liability limit for officers' liability insurance will be up to USD 75 (seventy-five) million per claim and cumulatively, plus coverage of legal expenses.
- D. The Board of Directors of each company will have the possibility to decide, in its discretion, to purchase an additional insurance layer for the company's officers, through a separate and independent policy, with an additional liability limit of up to USD 25 (twenty-five) million per claim and cumulatively, independently or jointly with any of the Group's member companies, plus a premium (hereinafter: the "Additional Policy").
- E. The policies will cover the liability of the Company's officers, officers of the Company's subsidiaries, officers of the Company who serve as directors on behalf of the Company in subsidiaries or in companies in which the Company holds a stake, although it does not hold full ownership or control.
- F. The policies which will be purchased will also cover, as much as possible, events which may be insured in accordance with the Streamlining of Enforcement Procedures in the Israel Securities Authority Law (Legislative Amendments), 5771-2011, in accordance with the Economic Competition Law, 5748- 1988 (hereinafter: the "Competition Law") and/or any other law applicable to officers' liability insurance, including and without derogating from the generality of the foregoing, in accordance with the provisions of section 56H of the Securities Law and/or the provisions of section 50P of the Competition Law.
- G. The premiums in respect of each policy will be paid through a division between the Company, Alony Hetz and Energix (and any additional public subsidiary of Alony Hetz, if applicable during the period of the arrangement), according to the ratio of equity attributable to the majority shareholders in those companies, in accordance with the last annual (consolidated) financial statements which were published before the renewal of the engagement in each individual policy.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

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

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

The Compensation Committee and Board of Directors further determined that the transaction involving the engagement with the insurance company is under market conditions, and is not expected to significantly affect the Company's profitability, assets or liabilities, and authorized the Company's current management to evaluate and determine whether the terms of the umbrella insurance policy, which will be purchased each year (as well as the additional insurance policy, insofar as it will be purchased), comply with the conditions of regulations 1A1 (in respect of the CEO) and 1B(A)(5) (in respect of controlling shareholders and their relatives) of the Expedient Regulations.

Update to the terms of the framework arrangement

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

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

- A. To approve the Company's payment of its share in the premiums involving in purchasing umbrella insurance for directors and officers in Alony Hetz Group (including with Alony Hetz and Energix), for the period beginning on July 15, 2020 and ending on July 14, 2021, out of the total sum of USD 298,798 (hereinafter: the "New Premium").
- B. To approve, provided that the premiums for the directors and officers insurance policies which will be purchased in the coming years by Alony Hetz Group within the framework of the Group's umbrella insurance policy (both the collective policy and the additional policy, as defined above) will be determined in negotiations between the Group and the insurance companies and reinsurers (which are not related parties), and that its cost is immaterial for the Company at that time, that the maximum premium amounts which were determined in the resolution of the May 2018 meeting will not apply to those insurance policies.

In consideration of the fact that all of the Group's member companies benefit equally from insurance coverage, since the engagement in the framework transaction leads to savings for each of the Group's member companies, and in consideration of the changes in the companies' market value, and the resulting exposures, and in accordance with the recommendation of the group's insurance advisor, and following negotiations between the management boards of the Group's member companies, the Company's Audit Committee and Board of Directors approved (in their meetings on August 2 and 9, 2020, respectively) that the payment of the new premium, and of any premium which will be paid in the future for the purpose of purchasing a policy by virtue of the framework transaction in accordance with the framework arrangement, will be divided equally between the Group's three member companies (and between any additional public subsidiaries of Alony Hetz, if any exist during the period of the framework transaction), and that an additional competitive process during the period of the framework transaction had become unnecessary.

It was further decided that in case, upon the renewal of the policy at the end of the insurance period, the premiums have increased due to the filing of a claim or a notice to the insurer regarding one of the Group's member companies, then the division of the premium payment liability between the Company and the foregoing companies will be adjusted, in a manner whereby the Company's share in the amount of the submitted claim or notice will be increased accordingly.

In consideration of the fact that the insurance for the Company's CEO was obtained under the policy for the other directors and officers, under the same conditions, the Compensation Committee and the Board of Directors resolved, in the foregoing meetings, to apply the current framework arrangement, as amended, also to the Company's CEO, by virtue of Regulation 1A1 of the Expedient Regulations.

It is noted that the competent organs of Energix and Alony Hetz convened and passed similar resolutions.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

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

Letter of Indemnity

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

The new letter of indemnity has been in effect since the commencement of tenure of the Company's officers, and the general meeting, in its foregoing resolution, approved the replacement of the letters of indemnity which were provided by the Company until now to officers serving in the Company prior to the date of that resolution, including to directors and officers who are controlling shareholders or their relatives, whereby in respect of the latter, the new letter of indemnity will apply for the period from November 14, 2017 to November 30, 2020.

The new letters of indemnity have been adapted to changes in legislation, and particularly to amendments to the Economic Competition Law, 5748-1988, and also include expansion of the list of events which constitute grounds for indemnification. The new letters of indemnity replaced the letters of indemnity which were in effect prior to the date of the resolution, except in respect of officers whose tenure had concluded, and who no longer held office as of the date of approval to grant the new letters of indemnity. In accordance with the new letter of indemnity (similarly to the current letter of indemnity), the maximum indemnification amount will not exceed 25% of the Company's equity in accordance with the last (consolidated) financial statements which were published by the Company before the date of payment in accordance with the letter of indemnity, in addition to amounts which will be received, if any, from the insurance company.

Letter of release

The general meeting also approved, in the foregoing meeting on May 2, 2018 (after approval was received from the Board of Directors in its meeting on March 11, 2018, as well as approval from the Compensation Committee in its meeting on March 5, 2018), the following:

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

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

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

(5) Insignificant transactions:

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

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(5) Insignificant transactions (Cont.)

During 2021 and until the publication date of the report, the Company engaged in the following transactions, which constitute insignificant transactions:

- 1. Leasing of rooftops to Energix** – During the reporting period the Group was party to lease agreements, under which the Group leases to a registered limited partnership which is wholly owned by Energix Renewable Energies Ltd. (“Energix”) rooftops which are owned by the Company, in order to install on those rooftops photovoltaic systems for the production of electricity (the “Rooftop Lease Agreements”). In accordance with the terms of the rooftop lease agreements, the rent paid by Energix to the Company amounts to 10% of the proceeds which Energix receives, in practice, from the electric corporation / essential service provider in respect of the electricity produced by the relevant system.
- 2. Engagement with Energix in agreement for the sale / purchase of electricity (virtual)** - In September 2021 the Company entered into an agreement with Energix, under which, beginning on September 1, 2021, Energix will sell / provide virtual electricity to Orot Shopping Mall in Or Akiva. The electricity will be sold in accordance with the terms of Energix’s provider license, by virtual means (based on the Israel Electric Corporation’s infrastructure as the system manager). Prior to the date of the engagement with Energix, the Company paid to the Electric Corporation a total cost based on two components: the production component tariff, and the fixed cost component tariff (jointly: the “Original Cost”). Within the framework of the transaction, the electricity will be sold by Energix to the Company at a price which reflects a 2% discount relative to the production component tariff, plus the fixed cost. In accordance with the agreement, insofar as the sale of electricity to Amot, on behalf of Energix, exceeds the original cost, the electricity will be sold to Amot at the original cost. The agreement is in effect for 5 years, and each party has the right to terminate the agreement by giving advance notice.
- 3. Addition to the parent company’s crime insurance policy** - The Company is insured under a crime insurance policy which is purchased from time to time by the parent company, whereby the policy is shared by Alony Hetz, the Company and Energix. The premium in respect of the crime insurance policies is paid by the three companies, with each company bearing 33.3% of the premium cost. The Company’s Board of Directors approved (after receiving the Audit Committee’s approval that it constituted an insignificant transaction), the Company’s addition to the new crime insurance policy which was purchased by Alony Hetz, for an additional year from July 1, 2021 to June 30, 2022, shared by Alony Hetz and Energix. The Board of Directors also approved the method for distribution of premiums between the three companies, in a manner whereby each of the companies will bear 33.3% of the premium cost, in light of the fact that, in case of the acquisition of a separate policy by each of the Group’s member companies, each of the companies is expected to pay premiums in an amount which will be no less than the total premium amount which is currently paid. The Company’s Board of Directors also approved the agreement which was reached between the companies, according to which, in case of the occurrence of an insurance event in one of the Group’s member companies, which resulted in a reduction of the insurance coverage for the other member companies in the Group, the company which caused the reduction in insurance coverage for the other the Group’s member companies will independently bear the cost of acquiring additional insurance coverage to match the original scope of insurance coverage. The Company will evaluate the possibility of

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

(5) Insignificant transactions (Cont.)

again participating this year in a new crime insurance policy which may be purchased by Alony Hetz, if purchased, since the current policy is set to expire on June 30, 2022.

4. For details regarding the Company's engagement in agreements with Alony Hetz and Energix, regarding the mechanism for participation in the premiums of the directors and officers insurance policy, see section C(4) of this note above.
5. **Engagement with Value Base Underwriting and Securities Distribution Ltd.** (a company whose parent company is held, inter alia, and to the best of the Company's knowledge, by the Company's Chairman of the Board, Mr. Nathan Hetz, and his spouse (approximately 19.95%)), for the purpose of receiving consulting, management and distribution services in an issuance - within the framework of debt raisings and public capital raisings by virtue of shelf offering reports which the Company published on February 16, 2021, and September 19, 2021, respectively, by virtue of an immaterial private offer of bonds on October 19, 2021, and after the date of the statement of financial position on January 4, 2022, by virtue of a material, non-extraordinary private offer of Company shares, the Company entered into an agreement with Value Base Underwriting and Securities Distribution Ltd. regarding the provision of consulting, management and distribution services for the issuance, under identical conditions in respect of the consulting and management fee for the additional managers of the issuance (Barak Capital Underwriting Ltd. and Rosario Underwriting Services (A.S.) Ltd., and under identical conditions as the other distributors, in respect of the distribution fee.
6. **Engagement with Amar Reiter Jeanne Shochatovitch & Co. Law Office** (led by Adv. Amir Amar, who served as a director in the Company until August 17, 2021), for the purpose of providing legal services to the Company - the engagement follows a merger between the foregoing firm and Igal Doron & Co. Law Office, which had provided legal services to the Company until the merger date, and is under market conditions and in the Company's ordinary course of business.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 25 - Transactions and Balances with Interested Parties and Related Parties (Cont.)

C. Engagements with related parties: (Cont.)

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

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

The Board of Directors' approval for the foregoing engagement was given on August 13, 2015 and May 10, 2020, after the Audit Committee classified the engagement in the foregoing lease agreements as a non-extraordinary transaction, as this term is defined in the Companies Law, 5759-1999. The engagement was also duly approved by the competent organs of Alony Hetz and Energix.

The Company's annual revenue in respect of the foregoing lease agreements amounts to approximately NIS 1,546 thousand from the parent company and approximately NIS 1,846 thousand from Energix.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 26: Fair value

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

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

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

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

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

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

The following are details of the Company's assets, which are measured at their fair values in the Company's statements of financial position As of December 31, 2021 and 2020, in accordance with their measurement levels.

	Level 3		
	Investment property	Assets for enhancement	Property under construction
	NIS thousands		
As of December 31, 2021			
Fair value of items that are measured at Fair value on a timing basis			
Offices	6,427,051	-	1,834,726
Industrial parks and logistics	4,184,671	-	400,660
Commercial centres	2,615,158	-	9,539
Supermarkets	703,769	-	-
Others	205,829	-	128,124
Total investment property in Israel	14,136,478	-	2,373,050

	Level 3		
	Investment property	Assets for enhancement	Property under construction
	NIS thousands		
As of December 31, 2020			
Fair value of items that are measured at Fair value on a timing basis			
Offices	6,181,730	-	1,061,200
Industrial parks and logistics	2,577,256	-	68,805
Commercial centres	2,535,251	-	9,739
Supermarkets	685,466	-	-
Others	205,306	67,160	9,900
Total investment property in Israel	12,185,009	67,160	1,149,644

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 26: Fair value (Continued)

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

Fair value of items that are measured at fair value on a timing basis	Level 2	
	2021	2020
	NIS thousands	
Derivative financial instruments, which are designated as hedging items (see Note 14)	(131,916)	18,663

Fair value of items that are measured at fair value on a timing basis	Level 1	
	2021	2020
	NIS thousands	
Investments in securities measured at fair value through profit and loss (see Note 5)	-	50,160

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

1. Movement in assets that are measured at fair value

	Investment property in Israel						Property under construct ion	Total
	Offices	Commercial centers	Super-markets	Industrial parks	Others	Assets for enhancement		
	NIS thousands							
Balance as of January 1, 2020	6,420,446	2,628,641	690,583	2,346,582	206,370	67,150	550,354	12,910,126
Additions deriving from acquisitions	2,273	-	-	-	-	-	232,352	234,625
Transfer from investment property under construction to investment property	-	-	-	187,537	-	-	(187,537)	-
Transfer from investment property to investment property under construction	(207,099)	-	-	-	-	-	207,099	-
Classification	-	6,754	(6,754)	-	-	-	-	-
Investments and other	31,489	6,402	133	21,057	(2)	10	341,612	400,702
Gain on adjustment to fair value, net	(65,379)	(106,546)	1,503	22,079	(1,062)	-	5,765	(143,640)
Balance as of December 31, 2020	<u>6,181,730</u>	<u>2,535,251</u>	<u>685,466</u>	<u>2,577,256</u>	<u>205,306</u>	<u>67,160</u>	<u>1,149,644</u>	<u>13,401,813</u>
Additions deriving from acquisitions	21,738	-	-	1,364,156	-	-	656,049	2,041,944
Transfer from real estate to investment in fixed assets, net	(8,550)	-	-	-	-	-	-	(8,550)
Transfer from investment property to investment property under construction	(47,167)	-	-	(80,970)	-	(115,500)	243,637	-
Investments and other	80,329	7,393	(2,390)	55,738	818	18	189,776	331,680
Gain on adjustment to fair value, net	198,971	72,514	20,693	268,491	(295)	48,322	133,944	742,641
Balance as of December 31, 2021	6,427,051	2,615,158	703,769	4,184,671	205,829	-	2,373,050	16,509,528

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 26: Fair value (Continued)

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

2. Details of gains recognized in profit or loss

Adjustment of the fair value of investment property

	Level 2	
	2021	2020
	NIS thousands	
Unrealized gains on investment property	<u>742,641</u>	<u>(143,640)</u>

3. Description of the evaluation techniques for investment property measured at fair value to 31.12.2021

Investment property in Israel					
Investments in investment property in Israel	Fair value as of December 31, 2021 (NIS thousands)	Evaluation technique	Description of unobserved data	Weighted average	Area (Sq. m.)
Offices	6,427,051	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	87 5.75%-7.00% 96.2%	358,374
Industrial parks and logistics	4,184,671	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	39 5.75%-7.25% 99.9%	493,811
Retail centres	2,615,158	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	115 6.25%-7.00% 96.6%	125,986
Supermarkets	703,769	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	103 6.25%-6.75% 100%	35,038
Others	205,829	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	57 6.25%-7.00% 100%	20,988
Assets for enhancement	-	Comparison	-	-	-
Real estate and construction	2,373,050	Comparison, costs discounted cash flows – (DCF)	-	-	-

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 26: Fair value (Continued).

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

Description of the evaluation techniques for investment property measured at fair value to 31.12.2020

Investment property in Israel					
Investments in investment property in Israel	Fair value as of December 31, 2020 (NIS thousands)	Evaluation technique	Description of unobserved data	Weighted average	Area (Sq. m.)
Offices	6,181,730	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	84 6.1%-7.25% 94.9%	358,867
Industrial parks and logistics	2,577,256	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	39 6.5%-7.75% 99.7%	380,811
Retail centres	2,535,251	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	118 6.25%-7.00% 97.2%	125,986
Supermarkets	685,466	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	101 6.25%-6.75% 100%	35,038
Others	205,306	Discounted cash flows – (DCF)	Rentals per Sq. m. Discount rate Occupancy rate	60 6.25%-7% 100%	20,988
Assets for enhancement	67,160	Comparison			
Real estate and construction	1,149,644	Comparison, costs discounted cash flows – (DCF)			

4. Sensitivity analysis of investment property measured at fair value

See Note 9G.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 26: Fair value (Continued).

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

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

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

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

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

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 27: Fair value of financial instruments

The Group's financial instruments include primarily cash and cash equivalents, trade and other receivables, shares held as a financial asset available for sale, short-term credit from banking corporations, trade payables, other payables, payables for investment property and long-term financial liabilities.

A. Fair value of financial instruments

The fair value of financial instruments that are traded on an active market (such as bonds (Series A – H) – Level 1.

A derivative financial instrument that is designated as a hedging item is classified at level 3.

- (1) Financial instruments that are recorded under current assets** – (cash and cash equivalents, trade receivables, other receivables and long-term receivables) – the balances in the statements of financial position As of December 31, 2021 and 2020, approximate to their fair values.
- (2) Financial instruments that are recorded under current liabilities** – (credit from banking corporations, trade payables, other payables and payables for investment property) – the balances in the statements of financial position As of December 31, 2021 and 2020, approximate to their fair values.
- (3) Financial instruments that are recorded under non-current liabilities** – the fair value of the marketable liabilities has been determined in accordance with the closing rates As of December 31, 2021 and 2020, as quoted on the Tel-Aviv Stock Exchange, as multiplied by the quantity of the marketable financial instruments (bonds (Series B-H) that had been issued at those times.

The balance in the statements of financial position As of December 31, 2021 and 2020 has been determined in accordance with the present value of the future cash flows, discounted at an interest rate that reflects the management's assessment of the level of risk that is inherent in the financial instrument.

The fair value of non-marketable liabilities bearing fixed rate interest has been determined in accordance with the present value of the future cash flows, discounted at an interest rate that reflects the management's assessment of the level of risk that is inherent in the financial instrument.

As of December 31, 2021, the fair value of a long-term fixed-rate loan is an approximation of its fair value.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 27: Fair value of financial instruments (Continued)

- B.** The following table details the carrying value in the accounting records and the fair value of groups of financial instruments, which are presented other than at fair value in the financial statements:

	Carrying value in the accounting records	Fair value	Carrying value in the accounting records	Fair value
	As of December 31, 2021		As of December 31, 2020	
	NIS thousands			
Financial liabilities				
Long-term loans bearing fixed rate interest (including current maturities)	499,978	499,978	-	-
Bonds (including current maturities)	7,374,086	8,162,767	6,509,551	6,794,591
	<u>7,874,064</u>	<u>8,662,745</u>	<u>6,509,551</u>	<u>6,794,591</u>

C. Analysis of financial instruments by linkage basis and types of currency

	As of December 31, 2021		
	NIS index- linked	NIS – unlinked	Total
	NIS thousands		
Current assets:			
Cash and cash equivalents	-	426,398	426,398
Trade and other receivables and long-term receivables	5,387	44,803	50,190
Non-current assets			
Loans to companies treated at equity	106,579	20,304	126,883
	<u>111,966</u>	<u>491,505</u>	<u>603,471</u>
Current liabilities:			
Other liabilities at amortized cost	631,136	165,613	796,749
Non-current liabilities			
Other liabilities at fair value	131,916	-	131,916
Other liabilities at amortized cost	6,965,821	321,760	7,287,581
	<u>7,728,873</u>	<u>487,373</u>	<u>8,216,246</u>
	As of December 31, 2020		
	NIS index- linked	NIS – unlinked	Total
	NIS thousands		
Current assets:			
Cash and cash equivalents	-	601,764	601,764
Investments in securities measured at fair value through profit and loss	-	50,160	50,160
Trade and other receivables and long-term receivables	23,925	52,299	76,225
Non-current assets			
Other Assets	18,663	-	18,663
Loans to companies treated at equity	119,319	-	119,319
	<u>161,907</u>	<u>704,223</u>	<u>866,131</u>
Current liabilities:			
Other liabilities at amortized cost	614,126	257,026	871,152
Non-current liabilities			
Other liabilities at amortized cost	5,745,098	253,050	5,998,148
	<u>6,359,224</u>	<u>510,076</u>	<u>6,869,300</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 28: The objectives of and policy for the management of financial risks

The management of equity risk

The Group manages its equity in order to ensure that the Companies in the Group will be able to continue to operate as a going concern, while maximizing the yield for the shareholders, with an emphasis on the optimization of the Company's debt and shareholders' equity.

The Company's equity structure includes debt instruments (primarily bonds and loans), financial instruments (primarily cash and cash equivalents) and the shareholders' equity attributed to the majority shareholders in the Company. The Company's CEO monitors the Company's equity structure routinely and at least once every half a year. This monitoring includes, inter alia, the examination of the cost of capital and the examination of the risks that are connected to each of the components of the equity. Based on recommendations by the Company's Board of Directors, the Group manages its equity structure by way of payments of a dividend, the issuance of equity, the recruitment of debt and repayments of debt. The Company's equity management policy, as described above, is consistent with the policy that was implemented in the previous year.

See Note 15C regarding the Company's credit facilities.

The main points of the accounting policy

The main points of the accounting policy and the methods that have been adopted in connection with financial assets and liabilities and the components of the shareholders' equity, including criteria for the recognition thereof, the measurement basis and the basis for reflection in the statement of profit or loss, are presented in Note 2.

Balances of financial instruments by category

	As of December 31	
	2021	2020
	NIS thousands	
Financial assets		
Cash and cash equivalents	426,398	601,764
Investments in securities measured at fair value through profit and loss	-	50,160
Trade receivables, deposits, other long-term receivables	50,190	76,225
Financial Assets at fair value through profit or loss	-	18,663
Loans to companies presented at equity	126,883	119,319
	<u>603,471</u>	<u>866,131</u>
Financial liabilities		
Financial liabilities at amortized cost	8,084,330	6,869,300
Financial liabilities at fair value through profit or loss	131,916	-
	<u>8,216,246</u>	<u>6,869,300</u>

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 28: The objectives of and policy for the management of financial risks (Continued)

The management of financial risks

The Group's operations expose it risks that are connected to various financial instruments, such as market risk (including currency risk, fair value risk in respect of the interest rate and price risk), credit risk, liquidity risk, cash flow risk in respect of the interest rate and risk in respect of changes in the Consumer Prices Index. The Group's risks management program focuses on activity the objective of which is to reduce the possible adverse impacts on the Group's financial performance to a minimum.

The management of the risks is performed primarily by the Company's CEO, who, together with the Chairman of the Board of Directors, routinely monitors developments in the various markets. Where there are exceptional developments in the markets, the Company's management convenes in order to examine the need for the making of appropriate decisions in response to the various events. The Company's Board of Directors reports on the developments in this field once a quarter. The following is information regarding risks that are connected to the financial instruments:

A. Credit risk:

The Group does not have a significant concentration of credit risk. Cash and cash equivalents are held in short-term deposits, which in the Company's management's opinion, have a high level of financial stability.

The Group has policy that insures that the revenues from rental and management fees from properties are received after commitments with customers who have an appropriate payments history, whilst furnishing appropriate collateral for the future payments. In some cases, rental fees are received in advance.

B. Interest rate risk:

- **Cash flows risk** – Loans that bear interest at a variable rate expose the Group to cash flow risk in respect of a change in the interest rates, which are not accompanied by a parallel change in the fair value of the financial instruments. As of December 31, 2021 and 2020, the Company's main long-term liabilities are at a fixed rate of interest. See Note 27B for the impact of the sensitivity analysis for the interest rate on the fair value of the financial liabilities
- **Fair value hedging** – Further to the issuance of the bonds (Series E), the Company has executed hedging transactions opposite financial institutions in Israel, which converted Shekel interest at a rate of 3.39% into index-linked principal and interest linkage at a rate of between 2.125% - 2.49%, for overall principal of NIS 875 million. The hedged bonds are presented as index-linked bonds.

Further to the issuance of the bonds (Series G), the Company executed hedging transactions opposite financial institutions in Israel, which converted an annual NIS interest rate of 2.44% to CPI-linked principal and linked interest at a rate of 1.025% - 1.365%, with total principal of NIS 784 million. The hedged bonds are presented as CPI-linked bonds.

The following table details the interest rate swap transactions that have been designated as hedging instruments, which are extant at the end of the reporting period:

Contract: Pay variable interest Receive fixed interest	Average interest rate – fixed pursuant to a contract		Amount of the principal that is denoted		Carrying value in the accounting records of the hedging instruments assets/ (liabilities)	
	As of December 31		As of December 31		As of December 31	
	2021	2020	2021	2020	2021	2020
	%		NIS thousands		NIS thousands	
Hedging transactions	2.49% - 1.025%		1,571,500	1,659,000	(131,916)	18,663

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 28: The objectives of and policy for the management of financial risks (Continued)

C. Liquidity risk:

The responsibility for the management of liquidity risks rests with the Company's management, which maintains a program for managing short-term, intermediate-term and long-term financing and liquidity risks in accordance with the Company's needs. The Company manages the liquidity risk by maintaining suitable cash surpluses, preparing financial forecasts which kept up to date by comparing the future yields from the financial assets and liabilities.

As of the reporting date and at the time of the approval of the financial statements, the Company has credit facilities from banking corporations and financial institutions amounting to approximately NIS 1,230 million. As of December 31, 2021, NIS 1,180 million in unutilized facilities.

As stated in Note 19E, the Company has a policy of distribution dividends on a quarterly basis. Before the Company's Board of Directors decides on the distribution of a quarterly dividend, the Company examines its ability to settle its liabilities.

The following table presents the flow of financial liabilities as of December 31st, 2021 and 2020, which are exposed to fair value risk and/or cash flow risk in respect of interest rates, in accordance with the contractual repayment dates or interest rate re-establishment dates, whichever is earlier. The table includes cash flows in respect of both interest and principal:

As of December 31, 2021:

	Interest rate (*)	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 years
	%	NIS thousands					
NIS linked fixed-rate shekel loans	0.6	3,000	3,000	3,000	3,000	3,000	511,233
NIS denoted index-linked bonds bearing fixed rate interest	2.13	<u>687,513</u>	<u>685,323</u>	<u>668,925</u>	<u>776,587</u>	<u>760,536</u>	<u>4,456,287</u>
		<u>690,513</u>	<u>688,323</u>	<u>671,927</u>	<u>779,585</u>	<u>763,536</u>	<u>4,967,520</u>

(*) The weighted interest rate As of the date of the statement of financial position.

As of December 31, 2020:

	Interest rate (*)	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 years
	%	NIS thousands					
NIS denoted index-linked bonds bearing fixed rate interest	2.54	<u>679,930</u>	<u>664,833</u>	<u>660,409</u>	<u>644,337</u>	<u>752,292</u>	<u>4,025,698</u>
		<u>679,930</u>	<u>664,833</u>	<u>660,409</u>	<u>644,337</u>	<u>752,292</u>	<u>4,025,698</u>

(*) The weighted interest rate As of the date of the statement of financial position.

Amot Investments Ltd.
Notes to the Consolidated Financial Statements

Note 29: Changes in liabilities deriving from financing activity

	Balance As of January 1, 2021	Cash flows from financing activities	Other change	Change in fair value	Balance As of December 31, 2021
	NIS thousands				
Credit from banking corporations and other providers of credit	101,537	(96,509)	-	-	5,028
Bonds	6,528,214	769,846	94,689	(150,579)	7,242,171
Loans from banking corporations	-	499,000	978	-	499,978
Liabilities for finance leasing	43,249	(200)	49,179	-	92,228
	<u>6,673,000</u>	<u>1,172,137</u>	<u>144,846</u>	<u>(150,579)</u>	<u>7,839,405</u>

	Balance As of January 1, 2020	Cash flows from financing activities	Other change	Change in fair value	Balance As of December 31, 2020
	NIS thousands				
Credit from banking corporations and other providers of credit	265,491	(163,954)	-	-	101,537
Bonds	5,271,544	1,277,643	(52,553)	31,580	6,528,214
Loans from banking corporations	242,613	(242,613)	-	-	-
Liabilities for finance leasing	39,622	(200)	3,827	-	43,249
	<u>5,819,270</u>	<u>870,876</u>	<u>(48,726)</u>	<u>31,580</u>	<u>6,673,000</u>

Note 30: List of Investee Companies

As of December 31, 2021	
Holding rate	Voting and appointment of directors
%	%
<u>Consolidated companies</u>	
Ayalot Investments in Properties (Herzliya) Ltd.	100
Ayalot Investments in Properties (AB"G) 1992 Ltd.	100
Ayalot Investments in Properties (Kfar Saba) 1992 Ltd.	100
Ayalot Investments in Properties (Rehovot West) 1992 Ltd.	100
Ayalot Investments in Properties (Netanya) 1993 Ltd.	100
Ayalot Investments in Properties (Har Hotzvim) 1994 Ltd.	100
Ayalot Investments (T.M.R.) 1994 Ltd.	100
Ayalot Investments (Ramat Vered) 1994 Ltd.	100
Ayalot Investments (Patir) 1996 Ltd.	100
Ayalot Investments in Properties Ltd.	90
Nes-Pan Ltd.	100
Hakirya Center (Ashdod 1995) Ltd.	100
Kiryat Ono Mall Management Company Joint Venture Ltd.	100
Ha'Nasi Mall Or Akiva Management (Limited Partnership)	100
Amot Real Estate initiation and Development Ltd.	100
Amot Atrium Management Ltd.	100
Amot Platinum Management Ltd.	100
Amot Campus Holon Management Ltd.	100
Amot Har Hotzvim, Management Ltd.	100
Amot Beit Dagan, Management Ltd.	100
Amot Mevaseret, Management Ltd.	100
Amot Habarzel 30, Management Ltd.	100
Amot Maccabi Netanya, Management Ltd.	100
Amot Kiryat HaMada, Management Ltd.	100
Amot Park Rehovot, Management Ltd.	100
Amot Hayezira Management Ltd.	100
Amot Haifa, Management Ltd.	100

Note 30: List of Investee Companies (Continued)

	<u>As of December 31, 2021</u>	
	<u>Holding rate</u>	<u>Voting and appointment of directors</u>
	<u>%</u>	<u>%</u>
<u>Joint operations</u>		
The Central Station in Jerusalem (Management) 1996 Ltd.	50	50
Amot – Clal Joint Venture	50	50
Ashtrom Properties Ltd – Amot Investments Ltd. (Joint Venture)	50	50
Ayalot HaYarkon Joint Venture	50	50
Merkazit Jerusalem Joint Venture for Rental	50	50
Amot Investments and Gabriels Hotzot Karmiel	50	50
Merkazim 2001	50	50
Ellied Amot Jerusalem entrance gate Joint Venture	50	50
Ellied Amot Halechi Bnei Brak Joint Venture	50	50
<u>Joint Ventures</u>		
Izdarechet Investments Company Ltd.	50	50
Hotzot Alonim Ltd.	49	50
Amot Danisra Park Afek Ltd.	50	50
Roni Dan Investments Ltd.	50	50
Ziviel Investments Ltd.	49	50
Amot Shaul Ltd.(*)	50	50
Kochav Or Industry and Commerce Ltd.	50	50
Hafetz Haim Warehouses Ltd	50	50

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



SEPARATE FINANCIAL INFORMATION

AS OF 31.12.2021

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

Amot Investments Ltd.
Separate Financial Statements
For the Year 2021

Amot Investments Ltd.

Separate Financial Statements as at December 31, 2021

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

For the attention of
The shareholders of
Amot Investments Ltd.
Jabotinsky Street 2,
Ramat Gan

Ladies and Gentlemen

Re: **Special report by the auditors on separate financial information pursuant to Regulation 9C of the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970**

We have audited the separate financial information, which is presented pursuant to Regulation 9C of the Securities Regulations (Periodic and Immediate Reports) Hatashal-1970 of Amot Investments Ltd. (Hereinafter - the Company) as of December 31, 2021, and 2020 and for each of the three years, the last of which ended on December 31, 2021. The separate financial information is the responsibility of the Company's Board of Directors and Management. Our responsibility is to express an opinion on the separate financial information based on our audit.

We did not audit the separate financial information of investee companies the investment in which amounted to 1,865,927 NIS thousand and NIS 1,627,391 thousand as of December 31, 2021, and 2020, respectively, and the profit from these investee companies amounted to 288,708 NIS thousand, NIS 106,457 thousand and NIS 316,865 thousand for the years ended December 31, 2021, 2020 and 2019, respectively. The financial statements of these companies were audited by other auditors, whose reports have been furnished to us, and our opinion, to the extent that it relates to the amounts recorded for those companies, is based on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards, including those prescribed under the Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the separate financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's Board of Directors and Management as well as evaluating the fairness of the presentation of the separate financial information. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and on the reports of the other auditors, the separate financial information has been prepared, in all material respects, in conformity the provisions of Regulation 9C of the Securities Regulations (Periodic and Immediate Reports) Hatashal-1970.

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

Tel Aviv, March 7, 2022

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Amot Investment Ltd.
Financial Position Data

		As of December 31	
		2021	2020
	Additional information	NIS thousand	
Current assets:			
Cash and cash equivalents	2	383,369	572,004
Investments in securities measured at fair value Through profit and loss		-	50,160
Trade receivables		9,595	18,568
Other receivables		59,872	51,554
Total current assets		452,836	692,286
Non - current assets:			
Investment property		9,485,596	7,826,189
Investment property under construction and building rights		2,026,680	933,141
		11,512,276	8,759,330
Loans, bonds and capital notes to investee companies		2,284,372	2,257,023
Investment in investee companies	4	2,722,947	2,375,007
Long-term receivables		20,570	46,979
Fixed assets		44,374	35,750
Total non-current assets		16,584,539	13,474,089
Total assets		17,037,375	14,166,375
Current liabilities:			
Credit from banking corporations and other providers of credit	3	552,900	631,600
Trade payables		8,295	7,155
Current tax liabilities, net		196,507	46,848
Other payables		172,540	180,394
Payables for investment property		101,874	57,305
Total current liabilities		1,032,116	923,302
Non-current liabilities:			
Bonds	3	6,694,298	5,998,148
Loans from banking corporations and others	3	499,978	-
Provisions		16,483	16,483
Investments in investee companies		6,344	5,140
Others		236,927	55,266
Deferred taxes	5	950,641	851,943
Total non-current liabilities		8,404,671	6,926,980
Equity		7,600,588	6,316,093
Total liabilities and equity		17,037,375	14,166,375

March 7, 2021

Approval Date of the
Financial Statements

Nathan Hetz
Chairman of the Board

Shimon Abudraham
Chief Executive Officer

Judith Zynger
Deputy CEO and CFO

Amot Investment Ltd.

Profit or Loss Data

		For the year ended December 31		
		2 0 2 1	2 0 2 0	2 0 1 9
		NIS thousands		
Additional information				
Revenues from rental fees and the management of investment property		493,948	455,915	451,085
Costs of the rental and operation of properties		28,174	23,350	23,875
Profit from the rental and operation of properties		465,774	432,565	427,210
Adjustment of the fair value - investment property, net		555,389	(74,712)	674,077
Adjustment of the fair value - reducing transaction costs		(120,538)	* (12,417)	* (60,540)
		900,625	345,436	1,040,747
Administrative and general expenses		40,483	37,629	33,069
Donations		2,000	2,000	2,000
Other income, net		(1,264)	(308)	(1,458)
Operating income		859,406	306,115	1,007,136
Financing income		208,589	36,479	39,266
Non-recurring financing expenses – early repayment commission		-	-	(23,801)
Financing expenses		(253,264)	(116,491)	(155,609)
Operating income after financing		814,731	226,103	866,992
The Company's share of the profits of investee companies, net of tax	4	324,253	126,069	403,097
Income before taxes on income	5	1,138,984	352,172	1,270,089
Tax expenses on income		206,795	62,715	199,664
Net income for the year		932,189	289,457	1,070,425

* Reclassified from the adjustment of the fair value.

Amot Investment Ltd.
Comprehensive Income Data

	For the year ended December 31		
	2 0 2 1	2 0 2 0	2 0 1 9
	NIS thousands		
Net income for the year	932,189	289,457	1,070,425
Amounts that will be reclassified to profit and loss in the future, net of tax			
Adjustments deriving from the translation of the financial statements of foreign operations	-	-	(37)
Total comprehensive income	<u>932,189</u>	<u>289,457</u>	<u>1,070,388</u>

Amot Investment Ltd.

Cash Flows Data

	For the year ended December 31		
	2 0 2 1	2 0 2 0	2 0 1 9
	NIS thousands		
<u>Cash flows from operating activities</u>			
Net income for the year	932,189	289,457	1,070,425
Adjustments required to present cash flows from operating activities (Appendix A)	(428,566)	(166)	(839,720)
Net cash generated by operating activities	503,623	289,291	230,705
<u>Cash flows from investment activities</u>			
Investments in investment property and investment property under construction and building rights	(2,249,933)	(638,835)	(788,274)
Collection (extension) of loans to investee companies, net	35,741	152,375	(345,550)
Investments in equity method	(41,768)	-	-
Return from exercise (investment) Securities measured at fair value through profit or loss	50,547	(49,908)	-
Others, net	(2,234)	(2,284)	(2,398)
Net cash absorbed by investment activities	(2,207,647)	(538,652)	(1,136,222)
<u>Cash flows from financing activities</u>			
Dividend paid	(419,053)	(499,154)	(446,468)
Issuance of shares and option warrants into shares less issuance expenses	714,813	397,404	576,535
Issuance of bonds, net	1,304,931	1,804,876	1,003,480
Exercise of option warrants for employees, directors and officers	47,289	17,800	59,146
Receiving long-term loans from banking corporations	1,029,000	-	-
Repayment of long-term loans from banking corporations	(530,000)	(242,613)	(38,349)
Repayment of long-term bonds	(535,085)	(527,233)	(408,588)
Short-term credit from banking corporations, net and others	(96,506)	(163,916)	(82,196)
Net cash generated by financing activities	1,515,389	787,164	663,560
Increase (decrease) in cash and cash equivalents	(188,635)	537,803	(241,957)
Balance of cash and cash equivalents at the beginning of the year	572,004	34,201	276,158
Balance of cash and cash equivalents at the end of the year	383,369	572,004	34,201

Amot Investment Ltd.

Cash Flows Data

		For the year ended December 31		
		2021	2020	2019
		NIS thousands		
A.	Adjustments required to present cash flows from operating activities			
	Expenses (revenues) not involving cash flows			
	Fair value adjustment of investment property, net	(555,389)	74,712	(674,077)
	Fair value adjustment - Reducing transaction costs	120,538	12,417	60,540
	Company's share of the profits of investee companies	(324,253)	(126,069)	(403,097)
	Dividend from investee companies	5,250	34,850	2,500
	Erosion of bonds and loans from subsidiary companies	36,505	(47,957)	(34,344)
	Adjustment differentials on long-term liabilities	-	-	869
	Reflection of benefit on share-based payment transactions	5,043	7,288	6,101
	Deferred taxes and taxes related to previous years, net	191,797	35,042	193,478
	Others, net	8,493	5,557	474
		<u>(512,016)</u>	<u>(4,160)</u>	<u>(847,556)</u>
	Changes in assets and liabilities			
	Decrease (increase) in trade receivables	8,973	(6,761)	(1,135)
	Decrease (increase) in other receivables	4,419	2,723	(1,075)
	Decrease (increase) in long-term receivables	7,537	1,073	(11,194)
	Decrease in trade payables	(1,261)	(1,630)	(4,220)
	Increase (decrease) in liabilities in respect of the termination of employee-employer relationships	(490)	(396)	463
	Increase in other payables	64,272	8,985	24,997
		<u>83,450</u>	<u>3,994</u>	<u>7,836</u>
		<u>(428,566)</u>	<u>(166)</u>	<u>(839,720)</u>
B.	Activities not involving cash flows			
	Investments in investment property against other payables	<u>52,534</u>	<u>9,334</u>	<u>69,542</u>
	Exercise of employees' options against receivables	<u>4,214</u>	<u>-</u>	<u>731</u>
	Dividends have not yet been received from companies treated according to the equity method	<u>1,750</u>	<u>-</u>	<u>-</u>
C.	Additional information			
	Interest paid (*)	<u>158,203</u>	<u>198,306</u>	<u>183,663</u>
	Interest received (see note 5(3))	<u>153,216</u>	<u>49,081</u>	<u>34,435</u>
	Taxes paid	<u>-</u>	<u>2,832</u>	<u>5,807</u>
	Taxes received	<u>19,219</u>	<u>-</u>	<u>3,448</u>
	Dividend received	<u>5,250</u>	<u>34,850</u>	<u>2,500</u>

(*) Interest paid for 2020 includes an early repayment fee (for further details, see Note 23C to the Company's consolidated annual reports).

Amot Investment Ltd.
Additional information regarding the financial statements

1. General:

(1) General:

The Company's separate financial statements have been prepared pursuant to the provisions of Regulation 9C and the Tenth Addition to the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970.

(2) Definitions:

The Company - Amot Investments Ltd.

Investee Company - As defined in Note 1B to the Company's consolidated financial statements as at December 31, 2021.

(3) Accounting policies:

The Company's separate financial information has been prepared in accordance with the accounting policies that are detailed in Note 2 to the Company's consolidated financial statements, except for the amounts of the liabilities, the assets, the revenues, the expenses and the cash flows in respect of investee companies, as detailed below:

- A.** The assets and the liabilities are presented in accordance with their values in the consolidated financial statements, which are attributed to the Company itself as parent company, except for investments in investee companies.
- B.** Investments in investee companies are presented as the net amount of the total of the assets less the total of the liabilities that represent financial information regarding the investee companies in the Company's consolidated financial statements,
- C.** The amounts of the revenues and the expenses reflect the revenues and the expenses that are included in the consolidated financial statements, which are attributed to the Company itself as parent company, with a break down between profit or loss and other comprehensive income, except for the amounts of the revenues and expenses in respect of investee companies.
- D.** The Company's share of the results of investee companies is presented as the net amount of the total of the assets less the total of the liabilities that represent the operating results in respect of investee companies in the Company's consolidated financial statements.
- E.** The amounts of the cash flows reflect the amounts that are included in the consolidated statements, which are attributed to the Company itself as parent company, except for the amounts of the cash flows in respect of investee companies.
- F.** Loans that have been extended and/or received from investee companies are presented at the amount that is attributed to the Company itself as a parent company.
- G.** Balances, revenues and expenses in respect of transactions with investee companies, which have been eliminated within the framework of the consolidated financial statements are measured and presented under the relevant items in the financial position and profit or loss data, in the manner in which those transactions would have been presented, where they to have been executed opposite third parties. Gain (losses), net are presented as a deduction from (as an addition to) the Company's share of the profits (losses) of investee companies and investments in investee companies.

Amot Investment Ltd.
Additional information regarding the financial statements

2. Cash and cash equivalents:

	<u>Interest rate</u>		
	<u>As of</u>	<u>As of December 31,</u>	
	<u>December 31,</u>	<u>2021</u>	<u>2020</u>
	<u>2021</u>		
	<u>%</u>	<u>NIS thousands</u>	
In Israeli currency:			
Cash and balances in banks		27,917	120,463
Short-term deposits in banking corporations (unlinked)	0.01-0.08	355,452	451,541
		383,369	572,004

3. Financial assets and liabilities:

(1) Analysis of the groups of financial assets and liabilities by indexation basis and type of currency:

	<u>As of December 31, 2021</u>		<u>As of December 31, 2020</u>	
	<u>In NIS - Index-linked</u>	<u>In NIS - Unlinked</u>	<u>In NIS - Index-linked</u>	<u>In NIS - Unlinked</u>
	<u>NIS thousands</u>		<u>NIS thousands</u>	
Current assets:				
Cash and cash equivalents	-	383,369	-	572,004
Investments in securities measured at fair value Through profit and loss	-	-	-	50,160
Trade and other receivables	5,387	40,082	5,262	54,247
Non-current assets:				
Long-term receivables	-	3,572	18,663	3,072
Bonds, capital notes and loans extended	2,181,761	102,611	1,217,857	1,039,165
	<u>2,187,148</u>	<u>529,634</u>	<u>1,241,783</u>	<u>1,718,648</u>
Current liabilities:				
Other liabilities at amortized cost	631,136	187,168	614,123	245,461
Non-current liabilities:				
Other liabilities at amortized cost	6,965,821	318,878	5,745,098	294,745
Other liabilities at fair value	131,916	-	-	-
	<u>7,728,873</u>	<u>506,046</u>	<u>6,359,221</u>	<u>539,936</u>

Amot Investment Ltd.
Additional information regarding the financial statements

3. Financial assets and liabilities: (Cont.)

(2) The management of liquidity risks:

The responsibility for the management of the liquidity risk is placed upon the Company's management, which maintains a management program for the financing risks and the short-term, medium-term and long-term liquidity risks, in accordance with the Company's needs. The Company manages the liquidity risk by maintaining appropriate cash surpluses, the preparation of financial forecasts that are perpetually updated and by comparing the future yields on the financial assets and liabilities. As at the reporting date and at the time of the approval of the financial statements, the Company has credit facilities from banking corporations and financial institutions amounting to approximately NIS 1,230 million. As of December 31, 2021, NIS 1,180 million in unutilized facilities. As stated in Note 19E, the Company has a policy of distribution dividends on a quarterly basis. Before the Company's Board of Directors decides on the distribution of a quarterly dividend, the Company examines its ability to settle its liabilities.

Financial liabilities that do not constitute derivative financial instruments:

The following tables details the Company's remaining contractual repayment times for financial liabilities, which do not constitute derive financial instruments. The tables have been prepared based on the undiscounted cash flows of the financial liabilities based on the earliest times at which the Company may be required to repay them, the tables include cash flows for both interest and for principal.

Effective average interest rate	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 Years
%	NIS thousands					

2021

NIS linked fixed-rate shekel loans	0.6	3,000	3,000	3,000	3,000	3,000	511,233
NIS denoted index-linked bonds bearing fixed rate interest	2.13	687,513	685,323	668,925	776,587	760,536	4,456,287
		690,513	688,323	671,925	779,587	763,536	4,967,520

2020

Shekel bonds at fixed interest - index-linked	2.54	679,930	664,833	660,409	644,337	752,292	4,025,698
		679,930	664,833	660,409	644,337	752,292	4,025,698

4. Details regarding investments in other companies:

See Note 10 to the consolidated financial statements for information regarding investments in investee companies

Amot Investment Ltd.
Additional information regarding the financial statements

5. Taxes on income:

(1) Deferred tax balances:

The composition of the deferred tax assets (liabilities) is detailed below:

	As of December 31, 2021			As of December 31, 2020		
	Balance as of January 1, 2021	Recognize d in other comprehe nsive income	Balance as of December 31, 2021	Balance as of January 1, 2020	Recognize d in other comprehe nsive income	Balance as of December 31, 2020
	NIS thousands			NIS thousands		
Investment property	866,304	141,694	1,007,998	837,748	28,556	866,304
On tax losses carried forward	(12,591)	(42,534)	(55,125)	(19,491)	6,900	(12,591)
Provisions for employee's rights	(1,770)	(462)	(2,232)	(1,356)	(414)	(1,770)
	<u>851,943</u>	<u>98,698</u>	<u>950,641</u>	<u>816,901</u>	<u>35,042</u>	<u>851,943</u>

The deferred taxes are presented in the statement of financial position, as follows:

	As of December 31,	
	2021	2020
	NIS thousands	
Non-current liabilities	<u>950,641</u>	<u>851,943</u>

(2) Taxes on income - expenses (benefits) that have been recognized in profit or loss:

Composition of the item:

	For the year ended December 31		
	2021	2020	2019
	NIS thousands		
Current taxes	14,998	27,781	7,727
Betterment tax expenses (income) on the sale of properties	-	-	(499)
Deferred taxes on timing differences created and the reversal thereof	131,950	35,042	193,478
Taxes in respect of prior years	59,847	(108)	(1,042)
	<u>206,795</u>	<u>62,715</u>	<u>199,664</u>

	As of December 31,	
	2021	2020
	NIS thousands	
Current tax liabilities	<u>196,507</u>	<u>46,848</u>

Amot Investment Ltd.
Additional information regarding the financial statements

5. Taxes on income: (Continued)

(3) Additional information:

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

As part of the understandings reached in the assessment agreement, capital notes from subsidiaries were converted into interest-bearing and linkage-bearing bonds (see Note 6(1)), and in 2021 the Company recognized financing income for the years 2016-2020. In the subsidiaries, expense in the same amount was recognized.

2. The Company has been issued final tax assessments up to and including the 2019 tax year.
3. Since January 1st, 2018, the corporate tax rate applicable to the Company has been 23%.

6. Additional information:

(1) Bonds issued to the Company by subsidiaries:

In December 2011, the Company reached a new financing arrangement with its subsidiary companies in connection with the bonds. As part of the arrangement, all the loans and the bonds were repaid in January 2012 and new bonds that are renewable every year were issued. The bonds are CPI-linked, and they bear interest at a rate of 2.5% (will not fall below the interest rate prescribed regarding Section 3J of the Income Tax Ordinance). As of January 2021, the terms of the bonds have been changed and will carry index-linked interest of 1% (will not fall below the interest rate prescribed regarding Section 3J of the Income Tax Ordinance).

In 2014, capital notes were issued to the Company by the subsidiary companies in connection with the balance of the bonds that were made available in January 2012. The terms of the capital notes replace the terms of the bonds agreement of December 31, 2013 between the parties. The capital notes are non-interest bearing, they are not linked to the CPI and are not repayable before January 2020. Pursuant to the amendment to the agreement of 2019, some of the capital notes were repaid. As of January 2021, all capital notes have been converted into CPI-linked bonds at a rate of 1% (will not fall below the interest rate prescribed regarding Section 3J of the Income Tax Ordinance).

(2) Management fees:

In January 2011, the Company made a commitment under a management agreement with its subsidiary companies. The level of the management fees was set after a thorough examination of the nature of the subsidiary companies' assets, the inputs of time that are invested by Amot's head office in providing services to the subsidiary companies and other parameters. In January 2014, further to the agreement for the provision of services, the management fees that are charged by the Company were updated. In February 2015, the Company signed on an agreement with the Income Tax Authority regarding the issue of the management fees.

(3) Management agreement with the parent company:

See Note 25C (1) to the consolidated financial statements for information regarding the management agreement with the parent company.

Amot Investment Ltd.
Additional information regarding the financial statements

6. Additional information: (Continued)

(4) Early repayment of banking loan, at the Company's initiative:

In February 2020, the Company executed, at its own initiative, early repayment of a bank loan at the total amount of app. NIS 243 million (excluding early repayment fees). Due to the early repayment, the Company recorded in 2019 app. NIS 24 million in non-recurring financing expenses, which were paid in cash upon repayment.

(5) Loan agreement with a banking institution:

In October 2021, the Company signed an agreement with a banking institution, according to which the bank provided to the Company a loan in the amount of approximately NIS 500 million, with an average lifetime of 8.5 years. The loan, which is not secured by any pledges, is CPI-linked and bears annual interest of 0.6%. The loan principal will be repaid by the Company in four equal annual installments, over the years 2029 to 2032. Under the loan agreement, the Company undertook to fulfill financial covenants which are similar to the financial covenants specified in the Company's series of bonds (Series H), which are listed on the Tel Aviv Stock Exchange. The average lifetime and principal repayment dates of the loan correspond to those of the bonds. For additional details regarding the financial covenants, See Note 14G to the consolidated financial statements.

(6) Issuance of share capital:

As to issuance of the Company's share capital in September 2021 and regarding the Company's share capital issuance in January 2022, after the balance sheet date, see Note 19D to the Company's consolidated financial statements.

(7) Issuance of bonds subsequent to the date of the financial statement:

As to issuance of the Company's bonds, see Note 14G to the Company's consolidated financial statements.

(8) Transactions during the reporting date and after regarding investment property, investment property under construction and investment property under development:

Regarding transactions in the reporting year and after that relates to investment investment property, investment property under construction and investment property under development, see Note 9D to the Company's consolidated financial statements.



ADDITIONAL DETAILS REGARDING THE CORPORATION

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.

Chapter D: Additional Details Regarding the Corporation for 2021

Company name:	Amot Investments Ltd.
Company No. at the Registrar of Companies:	52-002668-3
Address:	2 Jabotinsky St., Ramat Gan (Amot Atrium Tower)
Telephone:	03-5760500
Fax:	03-5760501
Email:	amot@amot.co.il
Balance sheet date:	December 31, 2021
Report date:	March 7, 2022
Reporting period:	Year ended December 31, 2021

All of the figures in this report are presented in NIS, as stated in Note 2 to the financial statements, unless stated otherwise.

Regulation 9D - Report regarding liabilities by repayment dates

See report T-126, which was published concurrently with the financial statements.

Regulation 10A - Quarterly condensed statements of income for 2021

Attached to the board of directors' report regarding the state of the Company's affairs.

Regulation 10C - Use of securities consideration with reference to the consideration targets in accordance with the prospectus

The consideration which the Company received with respect to the initial offering of the bonds (Series H) and of the bonds (Series G), by way of a series extension, in February 2021, in accordance with the shelf offering report dated February 16, 2021; with respect to an issuance of bonds (Series H) by way of extension of a listed series, in accordance with a private offering report dated October 19, 2021; and with respect to an issuance of shares and share options in September 2021, in accordance with the shelf offering report dated September 19, 2021, is used by the Company to finance its business activities, or in accordance with resolutions passed by the Company's Board of Directors from time to time.

Regulation 11 - List of investments in subsidiaries and in material related companies as of the balance sheet date ¹

A.

Name of company	Par value per share in NIS	Class and number of shares at par value	Cost as of 31.12.21 in thousands of NIS	Carrying value as of 31.12.21 in thousands of NIS	Ownership and control as of the balance sheet date	Right to appoint directors
Eilot Property Investments Ltd.	1	51,000 ordinary Class A 39,200 ordinary Class B	1	(442)	100% ²	100%
Eilot Property Investments (Herzliya) Ltd.	1	1,000,000 ordinary	1	78,644	100% ³	100%
Eilot Property Investments Ltd. (ABG) 1992 Ltd.	1	1,000,000 ordinary	1	100,104	100% ³	100%
Eilot Property Investments Ltd. (Kfar Sabba) 1992 Ltd.	1	100,000 ordinary	1	96,111	100% ⁴	100%
Eilot Property Investments (Rehovot West) 1992 Ltd.	1	1,000,000 ordinary	1	261,840	100% ³	100%
Eilot Property Investments Ltd. (Netanya) 1993 Ltd.	1	1,000,000 ordinary	1	525,234	100% ³	100%
Eilot Property Investments Ltd. (Har Hotzvim) 1994 Ltd.	0.1	1,000,000 ordinary	1	117,663	100% ³	100%
Eilot Investments (T.M.R.) 1994 Ltd.	1	1,000,000 ordinary	1	142,775	100% ³	100%
Eilot Property Investments Ltd. (Ramat Vered) 1994 Ltd.	0.1	1,000,000 ordinary	1	450,749	100% ³	100%
Eilot Property Investments Ltd. (Patir) 1996 Ltd.	1	1,000,000 ordinary	1	92,837	100% ³	100%
Nes-Pan Ltd.	1	200 ordinary	1	516,113	100%	100%
Ezedarecht Investment Co. Ltd.	1	4 management 7,281 ordinary	-	27,776	50%	50%
Merkaz HaKiryat (Ashdod 1995) Ltd.	1	2,000 ordinary	200	(1,798)	100%	100%
Jerusalem Central Bus Station (Management) 1966 Ltd.	1	1 management 1 ordinary	-	(3,795)	50%	50%
Hutzot Alonim Ltd.	1	4 management 490 ordinary	-	24,970	50% ⁶	50%
Amot Denisra Park Afek Ltd.	1	1,000 ordinary	1,000	62,354	50%	50%
Amot Shaul Ltd.	1	100 ordinary	100	36,545	50% ⁷	50%
Ronny-Do Investments Ltd.	1	50 ordinary		68,777	50%	50%
Ziviel Investments Ltd.	1	1,470 ordinary		70,244	49%	49%
Kiryat Ono Mall Management Company Ltd.	1	200 ordinary		-	100% ⁸	8100%
Kochav Or Industry And Trade Ltd.	0.0001 0.0001	6 founder 7,500 ordinary		8,437	50%	50%
Century Tower Parking Lot Ltd.	1	50 ordinary		-	50%	50%
Hafetz Haim Warehouses Agricultural Cooperative Association Ltd.				30,696	50%	50%
Amot Real Estate initiation and Development Ltd.				(510)	100%	100%

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¹ Not including inactive corporations.

² The Company holds 90% of the ownership interests and 100% of the control interests.

³ The Company holds 99.9% of the interests, and Eilot Property Investments Ltd. holds 0.1% of the interests.

⁴ The Company holds 98% of the interests, and Eilot Property Investments Ltd. holds 2% of the interests.

⁶ The Company holds 49% of the ownership interests and 50% of the control interests.

⁷ 28 shares are held in escrow by an attorney on behalf of the Company.

B. Loans which were given (received) by the Company to subsidiaries and to material related companies⁸

<u>Name of company that received the loan</u>	<u>Linkage terms</u>	<u>Interest</u> %	<u>Loan balance</u> <u>as of</u> <u>December 31,</u> <u>2021, in</u> <u>thousands of</u> <u>NIS</u>
Hutzot Alonim Ltd.	Linked to the Consumer Price Index	2.45	10,123
Eilot Property Investments (Herzliya) Ltd.	Linked to the Consumer Price Index	1	71,500
Eilot Property Investments Ltd. (ABG) 1992 Ltd.	Linked to the Consumer Price Index	1	48,000
Eilot Property Investments Ltd. (Kfar Sabba) 1992 Ltd.	Linked to the Consumer Price Index	1	125,500
Eilot Property Investments Ltd. (Rehovot West) 1992 Ltd.	Linked to the Consumer Price Index	1	833,000
Eilot Property Investments Ltd. (Har Hotzvim) 1994 Ltd.	Linked to the Consumer Price Index	1	355,000
Eilot Investments (T.M.R.) 1994 Ltd.	Linked to the Consumer Price Index	1	89,000
Eilot Property Investments Ltd. (Ramat Vered) 1994 Ltd.	Linked to the Consumer Price Index	1	334,500
Eilot Property Investments Ltd. (Patir) 1996 Ltd.	Linked to the Consumer Price Index	1	24,000
Amot Shaul Ltd.	Unlinked	4	24,860
Amot Shaul Ltd.	Linked to the Consumer Price Index	-	18,849
Amot Denisra Park Afek Ltd.	Linked to the Consumer Price Index	2.62	104,190
Amot Denisra Park Afek Ltd.	Unlinked	-	2,389
Nes-Pan Ltd.	Linked to the Consumer Price Index	1	191,000
Kochav Or Industry And Trade Ltd.	Unlinked	2.62	2,955
Kochav Or Industry And Trade Ltd.	Unlinked	2.62	22,605
Hafetz Haim Warehouses Agricultural Cooperative Association Ltd.	Unlinked	-	9,256

Regulation 12 - Changes in investments in subsidiaries and in material associate companies during the reporting period

- On June 15, 2022, the Group completed an acquisition of 50% ordinary shares with a par value of NIS 1 each in Hafetz Haim Warehouses Agricultural Cooperative Association Ltd. (the "Company"), and as of the publication date of the periodic report, the Group holds 50% of the Company's issued and paid-up share capital.

Regulation 13 - Revenues of subsidiaries and material related companies, and the Company's revenues therefrom, as of the balance sheet date (in thousands of NIS)¹⁰

<u>Name of company</u>	<u>Profit (Loss) before tax</u>	<u>Profit (loss) after tax</u>	<u>Dividend</u>	<u>Management fees and participation in expenses</u>	<u>Interest (expenses) income</u>
Hutzot Alonim Ltd.	854	689	-	672	248
Eilot Property Investments Ltd.	(32)	(32)	-	-	17
Eilot Property Investments (Herzliya) Ltd.	15,302	11,613	-	214	17,330
Eilot Property Investments Ltd. (ABG) 1992 Ltd.	11,705	9,370	-	475	1,767
Eilot Property Investments Ltd. (Kfar Sabba) 1992 Ltd.	(17,755)	(13,147)	-	1,174	22,734
Eilot Property Investments (Rehovot West) 1992 Ltd.	32,301	28,875	-	2,719	43,001
Eilot Property Investments Ltd. (Netanya) 1993 Ltd.	114,841	89,185	-	1,481	(487)
Eilot Property Investments Ltd. (Har Hotzvim) 1994 Ltd.	4,046	5,066	-	384	29,810
Eilot Investments (T.M.R.) 1994 Ltd.	15,105	12,088	-	94	16,096
Eilot Property Investments Ltd. (Ramat Vered) 1994 Ltd.	151,249	117,805	-	821	48,987
Eilot Property Investments Ltd. (Patir) 1996 Ltd.	1,729	1,527	-	368	7,617
Ezedarecht Investment Co. Ltd.	2,060	1,586	2,000	281	-
Merkaz HaKiryat (Ashdod 1995) Ltd.	(665)	(665)	-	515	-
Amot Denisra Park Afek Ltd.	8,342	6,657	5,000	907	5,318
Amot Shaul Ltd.	(56)	(56)	-	-	971
Kiryat Ono Mall Management Company Ltd.	-	-	-	-	-
Jerusalem Central Bus Station (Management) 1966 Ltd.	-	-	-	-	161
Ziviel Investments Ltd.	4,173	3,521	-	235	1,388
Ronny-Do Investments Ltd.	5,593	4,418	-	1,043	-
Nes-Pan Ltd.	85,010	66,402	-	2,270	6,949
Kochav Or Industry And Trade Ltd.	3,712	3,139	-	-	37
Hafetz Haim Warehouses Agricultural Cooperative Association Ltd.	1,288	1,288	-	-	-
Amot Initiation and Development Ltd.	(519)	(519)	-	-	-

⁸ Not including inactive corporations.

⁹ Capital note.

¹⁰ Not including inactive corporations.

Regulation 20 - Trading on the stock exchange - securities listed for trading, dates and reasons for suspension of trading

In 2021 the following securities of the Company were listed on the Tel Aviv Stock Exchange Ltd.:

- 3,083,779 ordinary shares with a par value of NIS 1 each, which were issued as part of an exercise of non-marketable options by employees.
- 29,900,000 ordinary shares with a par value of NIS 1 each, which were issued as part of a public offering on September 19, 2021.
- 7,176,000 options (Series 11), exercisable into ordinary shares with a par value of NIS 1 each, which were issued as part of a public offering on September 19, 2021.
- NIS 1,250,000,000 par value of the bonds (Series H) which were initially issued as part of a public offering on February 16, 2021, and as part of a series extension through a private offer to institutional entities on October 19, 2021.

- 2,005,502 non-marketable 03/21 options which were issued to directors, the CEO, officers and employees on May 13, 2021. As of the publication date of this report, 238,027 of the 03/21 options have been forfeited due to the retirement of employees.
- 46,863 non-marketable 08/21 options which were issued to officers and employees on September 22, 2021.
- 11,598,117 ordinary shares with a par value of 1 NIS, which were issued to institutional entities as part of a material non-extraordinary private offer of Company shares on January 4, 2022.
- There were no suspensions of trading during the reporting period.

Regulation 21 - Payments to officers

21.1 Presented below are details regarding the compensation which were paid to each of the five highest compensated officers among the officers of the Company or of corporations controlled by the Company, which was given to them in connection with their tenure in the Company or in a corporation controlled by the Company, with respect to 2021 (figures in NIS):

Details of compensation recipient				Compensation for services (in NIS)				
Name	Position	Scope of employment	Stake in the company's equity (as of December 31, 2021)	Salary	Management fees	Bonus	Total	Attribution of benefit with respect to share-based payment ¹²
Mr. Shimon Abudraham	Company CEO	Full	0.17%	1,825,000	-	1,600,000	3,425,000	701,982
Ms. Judith Zynger	Executive VP and CFO	Full	0.04%	1,470,606		809,000	2,279,606	638,104
Mr. Hatsav Bar-Sella	VP Business Development	Full	0.04%	1,020,492		276,000	1,296,492	423,716
Ms. Osnat Hochman-Gerhard	CHIEF LEGAL COUNSEL	Full	-	866,511	-	165,000	1,031,511	361,755
Mr. Avi Halfon	Served as VP Marketing until August 31, 2021	-	-	-	1,080,000	120,000	1,200,000	308,848

21.2 Additional details regarding the employment terms of officers

21.2.1 The Company's CEO

(A) Mr. Shimon Abudraham began his tenure as the Company's CEO on September 1, 2020. Until that date, he served as the CEO of the subsidiary Amot Real Estate Initiation and Development Ltd., which coordinated the Company's initiation, development, and construction activities. On December 15, 2020, the general meeting of Company shareholders approved (after receiving the approval and recommendation of the compensation committee and the Board of Directors) Mr. Abudraham's terms of tenure and employment as the Company's CEO, beginning on January 1, 2021, for a period of 3 years, i.e., until December 31, 2023.

For details regarding Mr. Abudraham's terms of tenure and employment as the Company's CEO, including the terms of his equity compensation, see Note 25C(2)(A) to the financial statements. For details regarding the resolution of the Company's Board of Directors in its meeting on February 28, 2022 (following the recommendation of the compensation committee, in its meeting on February 22, 2022), to allocate to the CEO an annual tranche of 184,990 non-marketable options with respect to 2022, in accordance with the terms of the framework plan, with an economic value, according the Black and Scholes Method, of NIS 912 thousand, see Note 25C(2)(A) to the financial statements.

21.2.2 Other officers

On January 20, 2020, the general shareholders' meeting approved (after receiving the approval of the compensation committee and the Board of Directors) the compensation policy for the Company's officers, for a period of 3 years, effective as from September 28, 2019. On December 15, 2020, the general meeting of shareholders approved (after receiving the approval of the compensation committee and the Board of Directors) an update to the compensation policy (the compensation policy, following the foregoing update, shall hereinafter be referred to as: the "Compensation Policy"). For additional details regarding the compensation policy, reference is hereby made to the immediate report in which the foregoing general meeting was announced, which was published on December 9, 2020 (reference number 2020-01-134139) (the information provided in the foregoing report is included herein by way of reference).

For details regarding the Company's equity compensation policy, see Note 19F to the financial statements and section 21.2.3 below.

- (A) **Ms. Judith Zynger**, Executive VP and CFO - Ms. Zynger serves as Executive VP and CFO. The salary component specified in the above table includes the following components: social benefits, including study fund; Vehicle (not including grossing-up), cellphone (including grossing-up) and standard fringe benefits. In accordance with Ms. Zynger's employment agreement, she is entitled to bonuses according to the Company's policy, as determined by the Company's Board of Directors from time to time, within the framework of the compensation policy. In its meeting on March 7, 2021, the Board of Directors approved an update to the monthly employment cost of Ms. Zynger, from a total of NIS 114 thousand to a total of NIS 126 thousand, effective as from April 1, 2021.

The Company's Board of Directors, in its meeting on March 7, 2022, resolved (after receiving the compensation committee's approval) to allocate to Ms. Zynger an annual tranche of non-marketable options with respect to 2022, whose economic value, according to the Black and Scholes Method, amounted to NIS 735 thousand. For additional details regarding the non-marketable options which were issued to Ms. Zynger, see section 21.2.2 below.

- (B) **Mr. Hatsav Bar-Sella**, VP Business Development - The employment terms of Mr. Bar-Sella, as specified in the above table, were recently approved by the Company's Board of Directors on March 14, 2017, after approval was received from the compensation committee, effective as from January 1, 2017. The salary component specified in the above table includes the following components: social benefits, including study fund; Vehicle (not including grossing-up), cellphone (including grossing-up) and standard fringe benefits. The VP Business Development will be entitled to bonuses according to the Company's policy, as determined by the Company's Board of Directors from time to time, within the framework of the compensation policy.

The Company's Board of Directors, in its meeting on March 7, 2022, resolved (after receiving the compensation committee's approval) to allocate to Mr. Bar-Sella an annual tranche of non-marketable

options with respect to 2022, whose economic value, according to the Black and Scholes Method, amounted to NIS 380 thousand. For additional details regarding the non-marketable options which were issued to Mr. Bar-Sella, see section 21.2.2 below.

- (C) **Mr. Ofer Ben Zur**, VP Marketing since September 1, 2021 - The employment terms of Mr. Ben Zur, as specified in the above table, were recently approved by the Company's Board of Directors on August 8, 2021, after approval was received from the compensation committee, effective as from September 1, 2021. The VP Marketing will be entitled to bonuses according to the Company's policy, as determined by the Company's Board of Directors from time to time, within the framework of the compensation policy. The Company's Board of Directors, in its meeting on March 7, 2022, resolved (after receiving the compensation committee's approval) to allocate to Mr. Ben Zur an annual tranche of non-marketable options with respect to 2022, whose economic value, according to the Black and Scholes Method, amounted to NIS 400 thousand. For additional details regarding the non-marketable options which were issued to Mr. Ben Zur, see section 21.2.2 below.
- (D) **Mr. Avi Halfon**, VP Marketing until August 31, 2021 - In accordance with the agreement regarding the provision of management services which was signed between the Company and a company owned by Mr. Halfon, Mr. Halfon was entitled to management fees in the amount specified in the above table, plus duly calculated VAT. In accordance with the agreement, Mr. Halfon was entitled to bonuses in accordance with the Company's policy, as determined by the Company's Board of Directors from time to time, and to options or incentives to be paid in Company shares or by other means, as determined by the Company's Board of Directors, within the framework of the compensation policy.

21.2.2 **Employee option plans**

As stated above, on November 13, 2013 the Board of Directors adopted a framework options plan for employees, service providers and officers of the Company, in accordance with the principles of the Company's compensation policy. The framework plan was amended from time to time in accordance with changes which were made to the Company's compensation policy and duly approved by the Company's competent organs. By virtue of the framework plan, non-marketable options were allocated to Company officers and employees pursuant to section 102 of the Income Tax Ordinance, in accordance with the equity track through a trustee, each of which is exercisable into one ordinary share of the Company, subject to adjustments, as specified in the following table.

The framework plan includes various provisions in case of termination of the engagement between the employee / officer / service provider and the Company, and the ability to exercise the remaining options which vested and/or were exercised.

Name of plan	Beneficiaries according to the plan	Date of the Board of Directors' resolution regarding the grant	Total number of non-marketable options which were allocated according to the plan	Total number of options which expired / were exercised as of December 31, 2021	Exercise price per share as of December 31, 2021	Exercise date
2018 plan Options 03/18	59 offerees, including 6 directors, the Company's CEO, 5 officers, employees and other office holders in the Company.	11.3.18	3,014,218 Exercisable into ordinary Company shares (subject to adjustments) ¹⁶	All of the options were fully exercised.	NIS 16.38 ¹⁴	100% 12.3.20-30.4.21
2019 plan Options 03/19	65 offerees, including 6 directors, the Company's CEO, 5 officers, employees and other office holders in the Company.	10.3.19	2,653,383 Exercisable into ordinary Company shares (subject to adjustments) ¹⁶	1,583,136 options were exercised in 2021 and until January 26, 2022.	NIS 18.10 ¹⁵	100% 11.3.21-30.4.22
2020 plan Options 03/20	70 offerees, including 6 directors, the Company's CEO, 5 officers, employees and other office holders in the Company.	8.3.20	2,464,160 Exercisable into ordinary Company shares (subject to adjustments) ¹⁶	-	NIS 23.84 ¹⁶	100% 9.3.22-30.4.23
2021 plan Options 03/21	75 offerees, including 6 directors, the Company's CEO, 4 officers, employees and other office holders in the Company.	7.3.20	1,749,352 exercisable into ordinary Company shares (subject to adjustments) ¹⁶	18,123 options were exercised in January 2022.	NIS 17.18 ¹⁷	100% 8.3.23-31.3.24
2021B plan Options 08/21	6 offerees, including a officer and five employees and other office holders in the Company.	8.8.21	46,863 Exercisable into ordinary Company shares (subject to adjustments) ¹⁶	-	NIS 21.66 ¹⁸	100% 8.8.23-31.8.24
2022 plan Options 03/22	100 offerees, including 6 directors, the Company's CEO, 5 officers, employees and other office holders in the Company.	7.3.22	1,450,000 Exercisable into ordinary Company shares (subject to adjustments) ¹⁶	-	NIS 25.95 ¹⁹	100% 8.3.24-31.3.25

¹⁴ Unlinked, but adjusted for dividend distributions which were announced beginning in March 2018.

¹⁵ Unlinked, but adjusted for dividend distributions which were announced beginning in March 2019.

¹⁶ Unlinked, but adjusted for dividend distributions which were announced beginning in March 2020.

¹⁷ Unlinked, but adjusted for dividend distributions which were announced beginning in March 2021.

¹⁸ Unlinked, but adjusted for dividend distributions which were announced beginning in August 2021.

¹⁹ Unlinked, but adjusted for dividend distributions which were announced beginning in March 2022.

As part of the foregoing 2018 plan, options were allocated to Company officers as follows:

To Mr. Abudraham, 310,881 options, with an economic value according to the Black and Scholes Method of NIS 600 thousand; To Ms. Zynger, 300,518 options, with an economic value according to the Black and Scholes Method of NIS 580 thousand; To Mr. Bar Sela, 207,254 options, with an economic value according to the Black and Scholes Method of NIS 400 thousand.

As part of the foregoing 2019 plan, options were allocated to Company officers as follows:

To Mr. Abudraham, 298,165 options, with an economic value according to the Black and Scholes Method of NIS 650 thousand; to Ms. Zynger, 275,229 options, with an economic value according to the Black and Scholes Method of NIS 600 thousand; To Mr. Bar Sela, 183,486 options, with an economic value according to the Black and Scholes Method of NIS 400 thousand.

As part of the foregoing 2020 plan, options were allocated to Company officers as follows:

To Mr. Abudraham, 261,538 options, with an economic value according to the Black and Scholes Method of NIS 680 thousand; To Ms. Zynger, 246,154 options, with an economic value according to the Black and Scholes Method of NIS 640 thousand; To Mr. Bar Sela, 173,077 options, with an economic value according to the Black and Scholes Method of NIS 450 thousand.

As part of the foregoing 2021 plan, options were allocated to Company officers as follows:

To Ms. Zynger, 230,892 options, with an economic value according to the Black and Scholes Method of NIS 725 thousand; To Mr. Halfon, 143,312 options, with an economic value according to the Black and Scholes Method of NIS 450 thousand; and to Mr. Bar Sela, 143,312 options, with an economic value according to the Black and Scholes Method of NIS 450 thousand.

As part of the 2021B plan, options were allocated to Company officers as follows:

To Mr. Ben Zur, 18,450 options, with an economic value according to the Black and Scholes Method of NIS 100 thousand.

As part of the foregoing 2022 plan, options will be allocated to Company officers as follows:

To Ms. Zynger, 150,924 options, with an economic value according to the Black and Scholes Method of NIS 735 thousand; To Mr. Bar Sela, 78,029 options, with an economic value according to the Black and Scholes Method of NIS 380 thousand; To Mr. Ben Zur, 82,135 options, with an economic value according to the Black and Scholes Method of NIS 400 thousand

In accordance with the compensation policy, each officer (CEO and VP's) will be entitled to convert all or part of the annual cash bonus into equity compensation through an allocation of options within the framework of the Company's options plan, according to the value of the annual bonus. The options which will be allocated to the officer instead of the receipt of cash with respect to all or part of the annual bonus, will be allocated in accordance with the terms of the options plan, but will be exercisable immediately.

21.2.3 Details of compensation which was given to interested parties of the Company, which is not listed in section 1 above, by the Company or by a corporation under its control

A. Directors' compensation

For details regarding directors' compensation, see Note 25C(3) to the financial statements.

B. Letters of release and indemnity

For details regarding letters of release and letters of indemnity which were given to directors and officers of the Company, see Note 25C(4) to the financial statements.

C. Officers' liability insurance

For details regarding officers' liability insurance, including directors' liability insurance, see Note 25C(4) to the financial statements.

Regulation 21A - Control of the corporation

The Company's controlling shareholder is Alony Hetz Properties and Investments Ltd. (hereinafter: "**Alony Hetz**"). As of the publication date of this report, Alony Hetz holds approximately 54.01% of the Company's issued and paid-up share capital and voting rights (fully diluted: 53.19%). Alony Hetz is a public company listed on the Tel Aviv Stock Exchange Ltd.

Since November 26, 2019, Alony Hetz has been a company without a control core. For additional details, see the Company's immediate reports dated November 27, 2019 (reference number: 2019-01-115843) and November 28, 2019 (reference number: 2019-01-116878), the details of which are included herein by way of reference.

Regulation 22 - Transactions with controlling shareholders or transactions in which the controlling shareholders have a personal interest

For details, to the best of the Company's knowledge, regarding any transactions with the Company's controlling shareholders, or regarding which the Company's controlling shareholders have a personal interest in approving them (hereinafter: "**Transaction with the Controlling Shareholder**"), in which the Company, companies under its control, and its related companies have engaged, both during the period beginning on January 1, 2021 and until the publication date of this report, or which are still in effect as of the publication date of this report:

(A) Transactions listed in section 270(4) the Companies Law-

- (1) **Release and indemnity for directors and officers who are controlling shareholders or their relatives -**
For details regarding this transaction, see Note 25C(4) to the financial statements.
- (2) **Management agreement with Alony Hetz Properties and Investments Ltd. -** For details regarding this transaction, see Note 25C(1) to the financial statements.
- (3) **Directors and officers insurance -** For details regarding this transaction, see Note 25C(4) to the financial statements.

(B) Insignificant transactions

For details regarding the insignificant transactions policy, and regarding insignificant transactions which were executed by the Company and/or to which the Company was party in 2020, see Note 25C(5) to the financial statements.

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

For details regarding other transactions which were executed by the Company and/or to which the Company was party in 2020, see Note 25C(6) to the financial statements.

Regulation 24 - Stocks and other securities which are held by interested parties in the corporation

For the list of the Company's interested parties and officers, who hold, to the best of the Company's knowledge, as of December 31, 2021, stocks and other securities of the Company, see the immediate report which was published by the Company on January 6, 2022 (reference number 2022-01-004213). The information provided in this immediate report is included herein by way of reference.

Regulation 24A - Registered and issued capital and convertible securities as of March 7, 2022

	Number of shares
Registered capital	1,000,000,000
Issued capital	454,941,892
Issued capital owned by the Company	-
Issued capital owned by a subsidiary	-
Bonds (Series B)	407,863,800
Bonds (Series D)	1,649,616,000
Bonds (Series E)	868,170,320
Bonds (Series F)	2,068,983,000
Bonds (Series G)	799,555,000
Bonds (Series H)	1,250,000,000
Dormant shares	-
Non-marketable options for the CEO	859,703
Non-marketable options to officers (including directors) and to employees and service providers	4,426,351

Regulation 24B - The Company's register of shareholders

Ordinary shares of Amot (security number 1097278)

Name of Holder	Private Company No.	Address	Quantity
Registration Company of Bank Hapoalim Ltd.	510356603	62 Yehuda HaLevy St., Tel Aviv	454,941,892

For the Company's register of securities as of the publication date of this report, see the immediate report which was published by the Company on January 26, 2022 (reference number: 2021-01-011581).

Regulation 25A - The corporation's registered address and telephone number

See the heading of this chapter.

Regulation 26 - Directors of the corporation²⁰

	Nathan Hetz Chairman of the Board	Aviram Wertheim	Moti Barzilay	Gad Pnini	Nira Dror	Yoram Ariav	Dorit Kadosh	Keren Turner	Yael Endorn Karni
ID No.	51673192	055585277	022939276	050892983	052726551	052340726	024110447	036249647	027897958
Date/year of birth	7.10.1952	25.10.1958	13.9.1967	25.10.1951	25.11.1954	15.6.1954	8.11.1968	3.5.1979	3.10.1970
Address	12 Litvinsky St., Ramat Gan	8 HaTarbut St., Ramat HaSharon	20 Nahal HaBasor St., Hod HaSharon	26 Natan Yonatan St., Ir Yamim, Netanya	7 Devora Hanevi'a St., Ramat HaSharon	32/5 Meron St., Mevasseret Zion	32 Zalman Shneur St., Rishon Letzion	12 HaHarish St., Hadar Am	6 Ha'Aliyah St., Ramat HaSharon
Citizenship	Israeli	Israeli	Israeli	Israeli	Israeli	Israeli	Israeli	Israeli	Israeli
Membership in board committees	No	No	No	Chairman of the financial statements review committee, member of the audit committee and compensation committee.	Chair of the compensation committee, member of the audit committee and financial statements review committee.	Chairman of the audit committee, Member of the compensation committee and financial statements review committee	Member of the audit committee and financial statements review committee.	Member of the audit committee and compensation committee.	Member of the financial statements review committee and compensation committee.
Independent director / outside director	No	No	No	Outside director	Outside director	Outside director	Independent	Independent	Independent
Viewed by the company as having accounting and financial expertise for the purpose of meeting with the	The Company views Mr. Nathan Hetz as having accounting and financial expertise. This issue was discussed,	The Company views Mr. Aviram Wertheim as having accounting and financial expertise. This	The Company views Mr. Moti Barzilay as having accounting and financial	The Company views Mr. Gad Pnini as having accounting and financial expertise. This issue was discussed, evaluated	The Company views Ms. Nira Dror as having accounting and financial expertise. This	The Company views Mr. Yoram Ariav as having accounting and financial expertise. This issue was discussed,	The Company views Ms. Dorit Kadosh as having accounting and financial expertise. This issue was	The Company views Ms. Keren Turner as having accounting and financial expertise. This	The Company views Ms. Yael Endorn as having accounting and financial expertise. This issue was discussed,

²⁰ On August 17, 2021, the tenure of three directors in the Company concluded: Messrs. Amir Amar, Eyal Gabai and Yechiel Gutman. In place of the directors whose tenure concluded, the general meeting approved, in its meeting on August 17, 2021, the appointment of three new directors: Mr. Yoram Ariav (outside director); Ms. Dorit Kadosh (independent director) and Ms. Keren Turner (independent director). The general meeting also approved, in the foregoing meeting, the re-appointment of Mr. Gad Pnini and Ms. Nira Dror, who serve as outside directors in the Company, for another (third) three year term, beginning on September 1, 2021.

minimum number determined by the Board of Directors	evaluated and approved by the Board of Directors.	issue was discussed, evaluated and approved by the Board of Directors.	expertise. This issue was discussed, evaluated and approved by the Board of Directors.	and approved by the Board of Directors.	issue was discussed, evaluated and approved by the Board of Directors.	evaluated and approved by the Board of Directors.	discussed, evaluated and approved by the Board of Directors.	issue was discussed, evaluated and approved by the Board of Directors.	evaluated and approved by the Board of Directors.
Employee of the corporation, or of a subsidiary, related company, or interested party	Director and CEO of Alony Hetz Properties and Investments Ltd.	Chairman of the Board of Alony Hetz Properties and Investments Ltd., director in Energix - Renewable Energies Ltd. and in other member companies of Alony Hetz Properties and Investments Group, as specified below.	VP Business Development of Alony Hetz Properties and Investments Ltd., the Company's controlling shareholder.	No	No	No	No	No	No
Date tenure commenced	11.8.05	11.8.05	16.5.06	1.9.15	1.9.15	18.8.21	18.8.21	1.11.21	10.3.19
Education:	BA in Economics and Business Administration - Bar Ilan University, BA in Accounting - Tel Aviv University, Certified Public Accountant.	BA in Business Administration and Accounting - Academic Track of The College of Management Academic Studies; Certified Public Accountant.	BA in Economics and Accounting, MBA - Tel Aviv University. Certified Public Accountant.	BA in Accounting and Accounting, MA (Professional) in Information Systems Auditing, MA in Finance Sciences from New York University, and LLM (<i>cum laude</i>) from Bar Ilan University; PhD in Business Administration from Bar Ilan University. Certified Public Accountant.	BA in Economics and Business Administration and MBA from Tel Aviv University.	BA in Economics and International Relations (<i>cum laude</i>) and MA in Economics (<i>cum laude</i>) from The Hebrew University.	BA in Accounting and Economics (<i>cum laude</i>) Bar Ilan University Certified Public Accountant.	BA in Economics and Business Administration and MBA (Finance and Accounting) from The Hebrew University.	BA in Economics and Sociology (<i>cum laude</i>) and MBA (major in Finance and Accounting), The Hebrew University;

	Nathan Hetz Chairman of the Board of Directors	Aviram Wertheim	Moti Barzilay	Gad Pnini	Nira Dror	Yoram Ariav	Dorit Kadosh	Keren Terner	Yael Endorn Karni
Occupation during the last five years:	Director and CEO of Alony Hetz Properties and Investments Ltd. since January 1, 1993, Chairman of the Company's Board of Directors since August 2005. Chairman of the Board of Energix - Renewable Energies Ltd., Chairman of the Board of Carr, and director in consolidated companies of Alony Hetz and of Energix Renewable Energies Ltd.	Chairman of the Board of Alony Hetz Properties and Investments Ltd.	VP Business Development in Alony Hetz Properties and Investments Ltd.	Managing partner at Pnini & Pnini Accountancy Firm; Director.	CEO and Chair of Nira Dror Co. Ltd. and director in several companies.	Owner and CEO of Yoram Ariav Co. Ltd. (strategic and economic consulting); Director in the following companies; Outside director in Alony Hetz Properties and Investments Ltd. (until March 2019); Investment committee chairman of Amitim Old Pension Funds (until June 2019); Acting Chairman of Lavi Capital Ltd. - Investment bank in the infrastructure sector (until 2018).	Corporate department manager at the Israel Securities Authority from May 2018 to October 2020; Director of the professional department at Deloitte from 1990 to 2018.	Senior operational partner in Vintage Venture Capital since November 2021; Director General of the Ministry of Finance (June to October 2020); Director General of the Ministry of Transport (July 2016 to June 2020).	CEO and owner of Capital A Ltd., consulting and representation of global companies and international investment funds; Director in public companies; Director General of the Ministry of Finance from 2013 to 2015;
Serves as a director in the following corporations:	Chairman of the Company's Board of Directors, director in Alony Hetz Properties and Investments Ltd. and in all of its consolidated companies, Chairman of the Board of Energix - Renewable Energies Ltd., and director in its consolidated	Chairman of the Board of Alony Hetz Properties and Investments Ltd.; Director in Energix - Renewable Energies Ltd.; Director in PSP Swiss Property AG (listed on the stock exchange in Zurich,	Director in Carr Properties Corporation (Washington DC, USA); In joint companies of Alony Hetz Properties and Investments Ltd. and of Oxford Properties (Boston, USA); Director in - Brockton	H.L.T. Netanya Development Company Ltd.; New Millennium Media Ltd. (owner and CEO).	Nira Dror Ltd. (owner and CEO); S. Shlomo Holdings Ltd.; S. Shlomo insurance Company Ltd.; Oil Refineries Ltd. (independent director); Member of the management board of Kfar Nahar HaYarden.	Outside director in Hadera Paper Ltd.; Independent director in Tzur Shamir Holdings Ltd.; Sonol Ltd.; Mishkei HaNegev - Agricultural Cooperative Association Ltd.; Van Leer Foundation, philanthropic fund; Dokor Co. Ltd.; Investment	Audit committee chairman in the association IVS Forum Israel; Audit committee member, Wepower Association.	None.	Camtek Ltd. (outside director); Castro Model Ltd. (outside director); Meshek Energy Renewable Energies Ltd. (outside director); Tektona Ltd. (outside director); Board member of Aharon Institute for Economic Policy.

companies; Chairman of the Board Carr Properties Corporation (Washington DC, USA) and director in its consolidated companies; Director in PSP Swiss Property AG (listed on the stock exchange in Zurich, Switzerland); Chairman of the Board of Brockton Everlast Inc. (London, Great Britain); Director in joint companies of Alony Hetz Properties and Investments Ltd. and of Oxford Properties (Boston, USA); and director in private companies owned by him and his family members.	Switzerland); Director in: Carr Properties Corporation (Washington DC, USA) and director in consolidated companies of Alony Hetz and of Carr; Director in joint companies of Alony Hetz and of Oxford Properties (Boston, USA); and in private companies owned by him and his family members.	Everlast Inc. and steering committee member of Brockton Capital Funds (London, Great Britain) And director in consolidated companies of Alony Hetz Properties and Investments Ltd.	committee chairman of the Jewish Agency's pension fund; Chairman of the management board of Ben Gurion University (without a salary); Chairman of the Lod Development Foundation (without a salary); Member of the advisory committee of Tzofen Association for the Integration of Arabs in Hi-Tech (without a salary); Member of the management board of Latet organization (without a salary); Member of the board of trustees of the Israeli Institute for Democracy (without a salary); Member of the management board of Etgarim association (without a salary); Member of the management board of Keshet - Donor Involvement Foundation (without a salary);
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Relative of another interested party in the corporation:	No	No	No	No	No	No	No	No	No
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Regulation 26A - Other officers of the corporation

	Shimon Abudraham	Ofer Alkalay	Judith Zynger	Ofer Ben Zur ²¹	Hatsav Bar-Sella	Osnat Hochman-Gerhard	Ohad Weiss	Bat El Lachmi Cohen	Udi Maman ²²
ID No.:	023538945	024369340	013150586	031968480	053349005	022911408	017165309	036551927	032875379
Date of Birth:	22.3.68	12.4.69	11.3.65	19.2.75	11.9.58	12.1.67	16.1.78	19.1.1985	9.6.1978
Date tenure commenced:	September 1, 2020	November 2019	January 2006; Since September 2020 - Executive VP	September 1, 2021	September 2010	December 2005	July 2010	September 2017	March 7, 2022
Position in the corporation:	CEO The Company's Market Risks Management Supervisor.	Internal Auditor	Executive VP and CFO	VP Marketing	VP Business Development	Legal Advisor and Company Secretary	Comptroller	Comptroller	VP Engineering
Position in subsidiary of the corporation:	Served as CEO of a subsidiary until August 31, 2020 ²³	None.	Director in consolidated company/companies of the Company	Director in consolidated company/companies of the Company	Director in consolidated company/companies of the Company	None.	Director in consolidated company/companies of the Company	None.	None.
Interested party in the Corporation, or relative of another officer or interested party of the Corporation:	No	No	No	No	No	No	No	No	No
Education:	BA in Civil Engineering and MRE from the Technion; Executive MBA, Bar Ilan University.	BA In Accounting and Economics; LLB and LLM. Certified Internal Auditor (CIA)	BA in Economics and Accounting and MBA from The Hebrew University. Certified Public Accountant.	LLB from Sha'arei Mishpat Academic Center, Hod HaSharon	BA in Industrial Engineering and Management and MBA.	Attorney, LLB from Tel Aviv University; MBA from Heriot-Watt University.	BA in Economics and Accounting from Bar Ilan University.	BA in Accounting, Management and Economics from Tel Aviv University.	BA in Civil Engineering from Ariel University.
Occupation during the last five years:	CEO of the subsidiary Amot Real Estate Initiation and Development Ltd. until August 31, 2020.	Beginning on January 1. 21 owns an independent firm specialized in internal auditing and risk management - Alkalay & Co.; Partner in Alkalay Monarov & Co. Firm - internal auditing until December 31, 2020.	Also serves as Executive VP since September 2020; The Company's CFO.	VP Retail Division at Delek (2016-2019) VP in Cal Auto Ltd. (2015-2016) Various management positions, including manager of the Yellow chain of convenience stores at Paz Ltd.	VP Business Development in the Company.	Legal Advisor and Company Secretary.	The Company's Comptroller until September 2017.	The Company's Deputy Comptroller since April 2014;	The Company's Chief Engineer since November 2020; Regional Manager at Electra Construction until November 2020;

²¹ Mr. Ofer Ben Zur has served as the Company's VP Marketing since September 1, 2021, and replaced in the position Mr. Avi Halfon, who served as VP Marketing until August 31, 2021.

²² Mr. Udi Maman has served as the Company's VP Engineering since March 7, 2022.

Regulation 26B - Independent authorized signatories

As of December 31, 2021 and as of the approval date of the report, the Company has no independent authorized signatories.

Regulation 27 - The Corporation's accountant

Deloitte Brightman Almagor Zohar & Co., Azrieli Center 1, Tel Aviv

Regulation 28 - Changes to bylaws or articles of association

None.

Regulation 29 - Recommendation and resolutions of the Board of Directors

(A) Resolutions of the Board of Directors which do not require the general meeting's approval, and its recommendations to the general meeting:

1. The Company's Board of Directors resolved, in its meeting on March 7, 2021, to approve the dividend policy for 2021, regarding a dividend distribution of 100 agorot per share, to be paid in four quarterly payments of 25 agorot per share.
2. In accordance with the resolution referenced in section 1 above, in the months March, May, August and November 2021, the Company's Board of Directors announced quarterly dividends in the amount of 25 agorot per share, and in total - 100 agorot per share.
3. For details regarding the Company's transactions with interested parties, see subsection (C)1 below, and Note 25C(1) to the financial statements.
4.
 - 4.1 The Company's Board of Directors resolved, in its meeting on September 18, 2021, to approve a public issuance of 29,900,000 ordinary shares with a par value of NIS 1 each, and 7,176,000 share options (Series 11), for a net immediate consideration (after deducting issuance costs) in the amount of approximately NIS 715.6 million. The future consideration (gross) which will be received by the Company, given the exercise of all of the options (Series 11) into ordinary shares, amounts to a total of approximately NIS 194 million (subject to adjustments). For details, reference is hereby made to the shelf offering report and the report detailing the results of the public offering which was published by the Company on September 19, 2021 (reference numbers 2021-01-147291 and 2021-01-147870, respectively).
 - 4.2 The Company's Board of Directors resolved, in its meeting on January 3, 2022, to approve an issuance of 11,598,117 ordinary shares with a par value of NIS 1, in a material non-extraordinary private offer to several classified investors, for a net immediate consideration (after deducting issuance costs) of NIS 301 million. For details, reference is hereby made to the material non-extraordinary private offer which was published by the Company on January 4, 2022 (reference number 2022-01-001633).

5. The Company's Board of Directors resolved, in its meeting on March 7, 2022:

- 5.1 To approve the dividend policy for 2022 with respect to dividend distributions at a rate of 106 agorot per share, to be paid in four quarterly payments, two of which in the amount of 26 agorot per share (quarters 1 and 2 of 2022), and two in the amount of 27 agorot per share (quarters 3 and 4 of 2022). On this matter, reference is hereby made to the immediate report dated March 8, 2022.

(B) During 2021, the general meeting did not pass any resolutions which were contrary to the directors' recommendations pursuant to Regulation 29(A) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

(C) 1. On August 17, 2021, the annual general meeting of Company shareholders approved as follows:

- 1.1 The re-appointment of Mr. Gad Pnini, who serves as an outside director in the Company, for another (third) three year term, beginning on September 1, 2021.
- 1.2 The re-appointment of Ms. Nira Dror, who serves as an outside director in the Company, for another (third) three year term, beginning on September 1, 2021.
- 1.3 Appointment of Mr. Yoram Ariav as an outside director in the Company, for a three year term, beginning on the date of his appointment by the meeting.

On this matter, reference is hereby included to the immediate report announcing the general meeting dated July 12, 2021 (reference number 2021-01-115998), the contents of which are included in this report by way of reference.

Regulation 29A - Resolutions of the Company

- (1) For details regarding the Company's resolutions regarding letters of release and letters of indemnity which were given to directors and officers of the Company, see Note 25C(4) to the financial statements.
- (2) For details regarding the Company's resolutions regarding directors and officers insurance, see Note 25C(4) to the financial statements.

Nathan Hetz
Chairman of the Board

Shimon Abudraham
CEO

Date: March 7, 2022



APPENDIXES

Amot Investments Ltd. is a leading Israeli real estate company, focused on the management, leasing, maintenance, initiation and development of yielding properties in Israel.



English Translation solely for the convenience of the readers of the Hebrew language review report and Hebrew language financial statements. In any case of difference between the two versions, the Hebrew version shall govern

To
The Board of Directors of **Amot Investments Ltd. ("the company")**

Dear Sir/Madam,

Re: Consent letter in term of Amot Investments Ltd. Shelf Offering from May 2019

We hereby advise you that we agree to the inclusion (including by a way of reference) of our statements detailed below in connection with the May 2019 shelf prospectus.

- (1) Auditors' Report dated March 7, 2022 regarding the Consolidated Financial Statements of the company as of December 31, 2021 and 2020 and for the three years period ended December 31, 2021.
- (2) Auditors' Report dated March 7, 2022 regarding the Components of Internal Controls over Financial Reporting of the Company as of December 31, 2021.
- (3) Auditors' Report dated March 7, 2022 regarding the Separate Financial Information of the company which is presented in accordance with Regulation 9C of the Securities Regulations (Periodic and Immediate Reports), 1970, as of December 31, 2021 and for three years period ended December 31, 2021.

Respectfully,

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

Tel Aviv, March 7, 2022

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Corporate Governance Questionnaire

Board of Directors independence			Yes	No
1.		In each reporting year, there were at least two outside directors in the corporation. The question may be answered “yes” if the period during which the corporation had less than two outside directors did not exceed 90 days, pursuant to Section 363A.(b)(10) to the Companies Law. However, any answer (yes or no) must include the length of the period (number of days) during which there were less than two external directors during the reporting period (including if the tenure was approved retrospectively, for each of the different outside directors): Director A: Gad Pnini – served for one continuous year. Director B: Nira Dror – served for one continuous year. Director C: Yarom Ariav– starting August 18, 2021. The number of outside directors serving in the corporation as of the date of publication of this questionnaire: 3.	√	
2		Proportion¹ of independent directors² serving at the corporation as of the questionnaire’s publication date: 66%. Proportion of independent directors set the corporation³’s Articles of Association⁴: _____ X N/A (no provisions were set in the Articles of Association).	----	-----
3		In the reported year, the outside directors (and the independent directors) were found to be in compliance with the provisions of Section 240(b) and (f) to the Companies Law regarding lack of interest on the part of the outside directors (and independent directors) during the reported year; furthermore, the conditions for serving as outside director (or independent director) have been met).	√	
4		None of the directors who served in the corporation during the reported year are not subordinate⁵ to the CEO, either directly or indirectly (with the exception of a director who serves as a representative of the employees, if such representation exists in the corporation). If your answer is “No” (meaning that the director is subordinate to the CEO as aforesaid) – specify the proportion of directors who do not comply with the said restriction: _____.	√	

¹In this questionnaire, “**proportion**” – a certain number out of the total. For example, 3/8.

² Including “independent directors” as defined in the Companies Law.

³ For the purpose of this question – “Articles of Association” including pursuant to a specific provision of a law applicable to the corporation (for example, in case of a banking corporation – directives issued by the Banking Supervision Department).

⁴ Bonds companies are exempt from answering this section.

⁵ For the purpose of this question -serving as a director in an investee under the Corporation’s control shall not be deemed “subordination”; on the other hand, if a director in the Corporation also serves as an office holder (excluding as director) and/or is an employee of an investee under the Corporation’s control, they shall be deemed “subordinate” for the purpose of this question.

			Yes	No
5.		None of the directors who have reported having a personal interest in the approval of a transaction on the meeting's agenda were not present at the discussion or participated in the vote as aforesaid (except for a discussion and/or vote under the circumstances outlined in Section 278(b) to the Companies Law: If your answer is "No" – Was this for the purpose of presenting a specific issue by that director in accordance with the provisions of Section 278(A): ☐ Yes ☐ No (please check the appropriate box). It should be noted that the proportion of meetings in which such directors were present in a discussion and/or participated in a vote, except for circumstances outlined as aforesaid in Subsection A, was: ____.	√	
6.		The controlling shareholder (including a relative and/or representative thereof) who is not a director or other senior office holder in the corporation was not present in the meetings of the Board of Directors held during the reported year. If your answer is "No" (i.e., the controlling shareholder and/or relative and/or representative thereof who is not a member of the Board of Directors and/or a senior office holder of the corporation was present in the Board of Directors' meetings as aforesaid) – please note the following data as to the attendance of every additional person in Board of Directors' meetings as aforesaid: Name: ____. Role in the corporation (if any): ____. Information on the relation to the controlling shareholder (if the person present was not the controlling shareholder himself): ____. Was this for the purpose of presenting a specific issue: ☐ Yes ☐ No (please check the appropriate box). The proportion of Board of Directors'⁶ meetings in which he participated during the reporting year for the purpose of presenting a specific issue: ____; otherwise present: ____ ☐ N/A (the corporation has no controlling shareholder).	√	
Board of Directors independence				
			Yes	No
Directors' eligibility and qualifications				
7.		The Corporation's Articles of Association do not include a provision restricting the option of immediately terminating the tenure of all directors of the corporation who are not outside directors (for this purpose, a simple majority does not constitute a restriction)⁷. If your answer is "no" (i.e., if there is a restriction as aforesaid), please note -	√	
	a.	The period prescribed for a director's tenure by the Articles of Association: ____.	----	----
	b.	The majority required to terminate the tenure of directors as per the Articles of Association: ____.	----	----
	c.	The legal quorum of the General Meeting required as per the Articles of Association to terminate the directors' tenure: ____.	----	----
	d.	The majority required to change such provisions in the Articles of Association ____.	----	----
8.		The corporation has ensured the preparation of a program for training new directors on the corporation's business and the laws that apply to the corporation and the directors, and also ensured the preparation of a follow-up program for training serving directors that is adapted, inter alia, to each board member's function in the corporation.	√	

⁶ Specify separately for each of the controlling shareholders, relative and/or representative thereof.

⁷ Bonds companies are exempt from answering this section.

		If your answer is “Yes” -please note if the program was implemented during the reporting year: ☒ Yes ☐ No (please check the appropriate box).			
9	a.	The corporation has a minimum number of directors in the Board of Directors who are required to possess accounting and financial expertise. If your answer is “Yes” - please note the minimum number set: 2.		√	
	b.	Number of directors who served in the corporation during the reported year – who have accounting and financial expertise ⁸ : 9. Until August 17, 2021, the company had 7 directors with accounting and financial expertise. Following the termination of the tenure of 3 directors and the appointment of 3 new directors, as of August 18, 2021 and as of the date of publication of the report, all members of the Board of Directors (9) have accounting and financial expertise. Who have professional qualifications ⁹ : -. In case of changes in the number of said directors during the reported year, please provide the lowest number (except within a period of 60 days from the date on which the changed occurred) of directors of any type who served during the reported year.		----	

				Yes	No
10.	a.	Throughout the reported year, the Board of Directors included members of both genders. If your answer is “No” -please note the period (number of days) in which the aforesaid was not met: _____. The question may be answered “Yes” if the period during which the corporation did not have members of both genders serving as directors did not exceed 60 days. However, any answer (Yes or No) must include the number of days during which the corporation did not have members of both genders serving as directors: _____.		√	
	b.	Number of directors of each gender serving on the Board of Directors as of the date of the publication of this questionnaire: Male: 5. Female: 4.		----	----
Board of Directors’ meetings (and convening of the General Meeting)					
11	a.	Number of Board of Directors’ meetings held during each quarter in the reported year: total during 2021 – 12 meetings. First quarter (2021): 2. Second quarter: 1. Third quarter: 4. Fourth quarter: 2.		----	----
	b.	Next to each of the names of the directors who served in the corporation during the reported year, please note the ¹⁰ proportion of Board of Directors’ meetings in which he participated (in this Subsection - including meetings of Board of Directors’ committees in which he is a member, and as noted below), which took place during the reported year (during his tenure): (Please add lines according to the number of directors).		----	----

⁸ Following the Board of Directors’ assessment, in accordance with the Companies (Conditions and Tests for a Director with Accounting and Financial Expertise and Director with Professional Qualifications) Regulations, 2005.

⁹ Please see footnote 8.

¹⁰ See footnote 2.

								Yes	No
			Director's name	Proportion of the director's participation in Boar of Directors' meetings	Proportion of the director's participation in Audit Committee's meetings ¹¹	Proportion of the director's participation in Financial Statements Review Committee's meetings ¹²	Proportion of the director's participation in Compensation Committee's meetings ¹³	Proportion of the director's participation in other Board of Directors' committees in which they are members (note committee's name)	
			Nathan Hetz	100%	----	----	----	----	----
			Aviram Wertheim	92%	----	----	----	----	----
			Moti Barzilai	100%	----	----	----	----	----
			Amir Amar ¹⁴	80%	----	----	----	----	----
			Yechiel Gutman ¹⁴	100%	100%	100%	----	----	----
			Eyal Gabai ¹⁴	80%	----	100%	100%	----	----
			Gad Pnini	100%	100%	100%	100%	----	----
			Nira Dror	100%	100%	100%	100%	----	----
			Yael Andom Karmi ¹⁵	100%	----	100%	----	----	----
			Yarom Ariav ¹⁶	100%	100%	100%	----	----	----
			DORIT KADOSH ¹⁵	100%	100%	100%	----	----	----
			KEREN TERNER ¹⁷	100%	100%	----	----	----	----
12.		During the reporting year, the Board of Directors held at least one discussion about the management of the corporation's business by the chief executive officer and the office holders reporting thereto in their absence, and they were given to opportunity to express their position.						√	

	Yes	No
Segregation of duties between the roles of the CEO and the Chairman of the Board of Directors		

11 For a director who is a member of this committee.

12 For a director who is a member of this committee.

13 For a director who is a member of this committee.

14 Ended his term as a director of the company on 17.8.2021

15 Began to serve as a member of the compensation committee on 10.10.2021. From the date of her appointment as a member of the compensation committee there were no meetings of the committee.

16 Started serving as a director of the Company on 18.8.2021 and as a member of the Financial Statements Review committee and the Audit committee on 10.10.2021 As of the date of the appointment of Yarom Ariav as a member of the Compensation committee, no meetings of the committee were held.

17 started serving as a director of the company and as a member of the Audit Committee and the Compensation committee on November 1, 2021. As of the date of her appointment as a member of the compensation committee, no meetings of the committee have been convened.

13.		During the entire reported year, the corporation had was a serving Chairman of the Board of Directors. The question may be answered "Yes" if the period during which there was no serving Chairman of the Board of Directors in place in the corporation did not exceed 60 days, as prescribed by Section 363A.(2) to the Companies Law. However, any answer (Yes or No) must include the number of days in which the corporation did not have a serving Chairman of the Board of Directors in place as aforesaid: ____.	√	
14.		During the reported year, the corporation has a serving CEO in place. The question may be answered "Yes" if the period during which the corporation had no serving CEO in place did not exceed 90 days, as prescribed by Section 363A.(6) to the Companies Law. However, any answer (Yes or No) must include the number of days in which the corporation did not have a serving CEO in place as aforesaid: ____.	√	
15.		In a corporation where the Chairman of the Board of Directors also serves as the corporation's CEO and/or exercises his powers, the service in the two roles has been approved in accordance with the provisions of Section 121(c) to the Companies Law ¹⁸ . X N/A (where the Chairman of the Board does not serve also as the CEO of the corporation as aforesaid).		
16.		The CEO is <u>not</u> a relative of the Chairman of the Board of Directors. If your answer is "No" (i.e., the CEO is a relative of the Chairman of the Board of Directors) -	√	
	a.	Please explain the nature of the family relationship between the parties: ____.	-----	-----
	b.	The appointment was approved in accordance with Section 121(c) of the Companies Law ¹⁹ : ☐ Yes ☐ No (Please check the appropriate box)	-----	-----
17.		A controlling shareholder or his relative does not serve as a CEO or senior office holder in the corporation, excluding as a director. ☐ N/A (the corporation has no controlling shareholder)	√	

¹⁸ In a bonds company -approval in accordance with Section 121(d) to the Companies Law.

¹⁹ In a bonds company -approval in accordance with Section 121(d) to the Companies Law.

			Yes	No
The Audit Committee				
18.		The following <u>did not serve</u> in the Audit Committee in the reported year —	----	----
	a.	The controlling shareholder or their relative. ☐ N/A (the corporation has no controlling shareholder).	√	
	b.	The Chairman of the Board of Directors.	√	
	c.	A director employed by the corporation or by the controlling shareholder in the corporation or by a corporation under its control.	√	
	d.	A director who provides services to the controlling shareholder in the corporation or a corporation under its control, on a regular basis.	√	
	e.	A director whose main source of income is the controlling shareholder. ☐ N/A (the corporation has no controlling shareholder).	√	
19.		A person who may not serve as a member of the Audit Committee, including the controlling shareholder or his relative, did not participate, during the reporting year, in meetings of the Audit Committee, other than in accordance with the provisions of Section 115(e) to the Companies Law.	√	
20.		A legal quorum for discussing and passing decisions in all meetings of the Audit Committee which took place during the reported year was a majority of the committee members, with most of the participants being independent directors and at least one -an outside director. If your answer is “No” -please note the proportion of meetings in which the above requirement was not met: _____.	√	
21.		During the reported year, the Audit Committee held at least one meeting in which the internal auditor and independent auditor were present but in which officers of the corporation who are not members of the Audit Committee did not participate, on the subject of deficiencies in the corporation’s business management.	√	
22.		In all meetings of the Audit Committee in which there was a participant who may not serve as a member of the Committee, his participation was approved by the chairman of the Committee and/or he was invited by the Committee (as for the Chief Legal Counsel and the corporation’s Secretary other than a controlling shareholder or his relative).	√	
23.		During the reported year, there were arrangements that were put in place by the Audit Committee, regarding the manner of handling complaints filed by employees in relation to deficiencies in the management of the corporation’s business and the protection provided to employees filing complaints as aforesaid.	√	
24.		The Audit Committee (and/or the Financial Statement Review Committee) is satisfied that the scope of the independent auditor’s work and their fees in respect of the financial statements during the reported year were adequate for the purpose of carrying out the audit and review work in an appropriate manner.	√	

			Yes	No
The roles of the Financial Statements Review Committee (hereafter – the “Committee”) in its work prior to approval of the financial statements				
25.	a.	Please note the length of the period (in days) which the Board of Directors prescribed as a reasonable time for submitting the Committee’s recommendations in preparation for the discussion by the Board of Directors of the approval of the financial statements: Two days for quarterly financial statements and three days for annual financial statements.	-----	-----
	b.	The number of days which elapsed, in effect, from the date of submitting the recommendations to the Board of Directors to the date of the Board of Directors’ discussing the approval of the financial statements: First quarter financial statements (2021): 4. Second quarter financial statements: 4. Third quarter financial statements: 3. Annual financial statements: 4.	-----	-----
	c.	The number of days which elapsed from the date of submitting the financial statements’ draft to the directors to the date of discussing the financial statements’ approval by the Board of Directors: First quarter financial statements (2021): 4. Second quarter financial statements: 4. Third quarter financial statements: 3. Annual financial statements: 4.		
26.	The corporation’s independent auditor participated in all of the meetings of the Committee and Board of Directors in which the corporation’ financial statements relating to the periods included in the reported year were discussed. If your answer is “No”, please note the proportion of the meetings in which he participated: ____.		√	
27.	During the entire reported year and until the publication of the annual financial statements, the Committee met all of the conditions set out below:			
	a.	It had no less than three members (on the date of discussion by the Committee and approval of the financial statements as aforesaid).	√	
	b.	All of the conditions set out in Section 115(b) and (c) to the Companies Law (regarding tenure of the Audit Committee members).	√	
	c.	The Chairman of the Committee is an outside director.	√	
	d.	All of its members are directors and most of them are independent directors.	√	
	e.	All of its members have the capacity to read and understand financial statements and at least one of the independent directors possesses accounting and financial expertise.	√	
	f.	The members of the Committee gave a statement prior to their appointment.	√	

			Yes	No
	g.	The legal quorum for discussing and reaching decisions by the Committee was a majority of its members, provided that most of the participants were independent directors, including at least one outside director.	√	
	If your answer to one or more of the subsections of this question is “No”, please note in respect of which type of financial statements (annual or quarterly) the said condition was not met and which condition was not met: _____.		----	-----
The Compensation Committee				
28.		During the reported year, the Committee included at least three members, of which the outside directors constituted a majority (on the date of discussion by the Committee). ☐ N/A (no discussion was held).	√	
29.		During the reported year, the terms of service and employment of all members of the Compensation Committee were in accordance with the provisions of the Companies (Rules on Compensation and Expenses for an Outside Director) Regulations, 2000	√	
30		During the reported year, the following did not serve as a member of the Compensation Committee -	-----	-----
	a.	The controlling shareholder or his relative. ☐ N/A (the corporation does not have a controlling shareholder)	√	
	b.	The Chairman of the Board of Directors.	√	
	c.	A director employed by the corporation or by the controlling shareholder in the corporation or by a corporation under its control.	√	
	d.	A director who provides services to the controlling shareholder in the corporation or a corporation under its control on a regular basis.	√	
	e.	A director whose main source of income is the controlling shareholder. ☐ N/A (the corporation has no controlling shareholder).	√	
31.		During the reported year, the controlling shareholder or his relative did not participate in meetings of the Compensation Committee, unless the Chairman of the Committee determined that one of them was required to participate in order to present a certain topic.	√	
32.	The Compensation Committee and Board of Directors did not exercise their power under Sections 267A(C), 272(C)(3) and 272(C1)(1)(c) to approve a transaction or compensation policy, despite objection by the General Meeting. If your answer is “No”, please specify – The type of transaction approved as aforesaid: _____. The number of times in which their power was used during the reported year:		√	

		Yes	No
Internal Auditor			
33.	The corporation's Internal Auditor reports to the corporation's Chairman of the Board of Directors or CEO.	√	
34.	The Chairman of the Board of Directors or Audit Committee have approved the work plan during the reported year. The audit issues covered by the Internal Auditor during the reported year: (1) Reviewing the terms of the professional liability insurance policy taken out by the Company; (2) examining the work processes of the marketing department – by reviewing the occupancy sample of the Platinum and Atrium towers; (3) examining vulnerability to unauthorized access to computer systems; (4) checking control procedures applied to payments to suppliers; (5) Testing current activities in a property – Kiryat Ono Mall;	√	
35.	The scope of the internal auditor's position in the corporation during the reported year (in hours): 620.	----	----
	During the reported year, the Internal Auditor's findings were discussed by the Audit Committee or Board of Directors.	√	
36.	The Internal Auditor is not an interested party in the corporation, a relative thereof, an independent auditor or anyone on his behalf and therefore has no material business relations with the corporation, its controlling shareholder, his relative or corporations under their control.	√	
Transactions with interested parties			
37.	The controlling shareholder or his relative (including a company under his control) is not employed by the corporation or provides it with management services (a). If your answer is "No" (i.e., the controlling shareholder or his relative is employed by the corporation or provides it with management services, please specify -- the number of relatives (including the controlling shareholder) employed by the corporation (including companies under their control and/or through management companies): 0. - Were the employment agreements and/or management services as aforesaid approved by the organs prescribed by law: ☒ Yes ☐ No ☐ N/A (the corporation has no controlling shareholder) _____.		X (a)
38.	To the best of the corporation's knowledge, the controlling shareholder has no additional businesses in the corporation's line of business (one or more lines of business). If your answer is "No" - please note whether there is an arrangement in place to segregate the activities of the corporation from those of its controlling shareholder: ☐ Yes ☒ No (b) (Please check the appropriate box). ☐ N/A (the corporation has no controlling shareholder).		X (b)

(a) For the purposes of section 37, it should be noted that between the Company and Aloni Hetz Properties Investments Ltd., the controlling shareholder of the Company, there is an agreement for the provision of management services which was recently extended by the Board (after receiving approval from the Audit Committee) at its meeting on February 17, 2022. The Company's general meeting to approve the engagement and the decision is expected to be discussed at the Company's general meeting convened on April 7, 2022. For further details, see Note 25C (1) to the financial statements.

(b) For purposes of Section 38, it should be noted that the Company's controlling shareholder, Alony Hetz Properties and Investments Ltd., has holding in companies operating in the Company's line of business; but those companies only operate abroad, whereas the Company operates in Israel.

Chairman of the Board of Directors: Nathan Hetz

Chairman of the Audit Committee: Yarom Ariav

Chairman of the Financial Statements Review Committee: Gad Pnini

Signing date: 7.3.2022



Annual Report on the Effectiveness of the Internal Control on Financial Reporting and Disclosure according to Regulation 9B(a) of the Securities Regulations (Periodic and Immediate Reports), 1970, for 2021

Management, under the supervision of the Board of Directors of Amot Investments Ltd. (hereinafter: "**the Corporation**"), is responsible for establishing and maintaining adequate internal controls over financial reporting and disclosure in the Corporation.

In this regard, the members of management are:

1. Shimon Abudraham, CEO.
2. Judith Zynger, Deputy CEO and CFO.
3. Ohad Weis, Chief Controller.

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

Internal control includes, among other things, controls and procedures designed to ensure that information the Corporation is required to disclose has been accumulated and passed on to the Corporation's management, including the CEO and the senior executive in finance or whoever actually performs these functions, in order to allow decisions to be made in a timely manner, taking the disclosure requirement into consideration. Due to its structural limitations, internal control over financial reporting and disclosure is not intended to provide absolute certainty that misrepresentation or omission of information in the statements will be avoided or discovered.

Management, under the supervision of the Board of Directors, conducted an examination and assessment of the internal control over financial reporting and disclosure in the corporation and its effectiveness. The assessment of the effectiveness of the internal control over financial reporting and disclosure conducted by management under the supervision of the Board of Directors was carried out with the implementation of the guidelines published by the Securities Authority in November 2010 in connection with the implementation of the evaluation of the effectiveness of internal control over financial reporting and disclosure by the Board of Directors and management, in accordance with Regulation 9b of the Securities Regulations (Periodic and Immediate Reports), 1970.

Management's assessment of the effectiveness of internal control over financial reporting and disclosure under the supervision of the Board of Directors: A process based on the Corporation's assessment of risks pertaining to the financial reporting and disclosure. The Company's management, under the supervision of the Board of Directors, examined the potential risks of material misstatement in the financial statements, based on its knowledge of the Corporation, its operations, organizational structure and its various processes, and based on its understanding of the Corporation's reporting and disclosure risks. The Company's management focused on the financial reporting items and on disclosure items which may be more likely to include a material error. The Company's management, under the supervision of the Board of Directors, has also examined the planning and operational effectiveness of the controls and the procedures that adequately address these risks.

The Company's assessment of the effectiveness of the internal control was based on the following four components:

Organization-level controls:

1. Organizational level controls.
2. General controls in the information systems.
3. Controls in very significant business processes:
 - 3.1 A very substantial business process - Investment real estate.
 - 3.2 Very business process - Income from rent and real estate management.
4. Controls on the processes of closing an accounting period, editing and preparing the financial statements and disclosures.

The effectiveness assessment included, among other things:

- Update the document "Mapping and identification of accounts and business processes" in relation to processes that the company considers essential for financial reporting and disclosure.
- Updating processes and controls, examining key controls, and checking the effectiveness of controls in the context of internal control components.
- Performing a validation (testing) process of the effectiveness of internal control over financial reporting and disclosure.

Based on the evaluation of the effectiveness performed by the management under the supervision of the Board of Directors as detailed above and based on the evaluation of the effectiveness performed by the management, under the supervision of the Board of Directors, the Company Board of Directors and management arrived at the conclusion that the internal control over financial reporting and disclosure in the Corporation as of December 31, 2021, is effective.



Executive statements:

(a) Statement of the CEO in accordance with Regulation 9B(d)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970

Executive Statement

Statement of the CEO

I, Shimon Abudraham, do hereby state that:

1. I have reviewed the periodic reports of Amot Investments Ltd. (hereinafter: **"the Corporation"**) for 2021 (hereinafter: **"the Reports"**);
2. To the best of my knowledge, the statements do not include any misrepresentation of a material fact nor do they lack the representation of a material fact that is necessary so that the representations included therein, in view of the circumstances in which those representations were included, will not be misleading with respect to the reporting period;
3. To the best of my knowledge, the financial statements and the other financial information included in the reports adequately reflect, in all material respects, the financial position, results of operations and cash flows of the Corporation for the dates and periods referred to in the Reports;
4. I have disclosed to the Corporation's independent auditor, the Board of Directors and the Audit and Financial Statements Committees, based on my most up-to-date evaluation of internal control over financial reporting and disclosure;
 - A. All significant deficiencies and weaknesses in the determination or operation of internal controls over financial reporting and disclosure that are reasonably likely to negatively impact the Corporation's ability to collect, process, summarize and report financial information in a manner that would cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the law, and –
 - B. Any fraud, whether material or not, involving the CEO or his direct subordinates or other employees who have a significant role in the internal control over financial reporting and disclosure;
5. I, by myself or with others in the Corporation:
 - A. I have established controls and procedures, or have verified the establishment and existence of controls and procedures under my supervision, designed to ensure that material information referring to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, brought to my attention by others in the Corporation and in its consolidated companies, particularly during the preparation period of the reports; and
 - B. I have established controls and procedures, or have verified the establishment and existence of controls and procedures under my supervision, designed to reasonably assure the reliability of the financial reporting and preparation of financial statements in accordance with provisions of the law, including generally accepted accounting principles;
 - C. I have assessed the effectiveness of internal control over the financial reporting and disclosure and have presented in this report the conclusions of the Board of Directors and management regarding the effectiveness of internal control as of the reporting date.

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

March 7, 2022

Signature
Shimon Abudraham,
CEO



(b) Statement of the Most Senior Finance Officer in accordance with Regulation 9B(d)(2) of the Securities Regulations (Periodic and Immediate Reports), 1970.

Executive Statement

Statement of the Most Senior Finance Officer

I, Judith Zynger, do hereby state that:

1. I have reviewed the financial statements and other financial information included in the reports of Amot Investments Ltd. (hereinafter: "**the Corporation**") for 2021 (hereinafter: "**the Statements**");
2. To the best of my knowledge, the financial statements and other financial information included in the reports do not include any misrepresentation of a material fact and do not lack the representation of a material fact that is necessary in order that the representations included therein, in view of the circumstances in which those representations are included, not be misleading in relation to the reporting period;
3. To the best of my knowledge, the financial statements and the other financial information included in the reports adequately reflect, in all material respects, the financial position, results of operations and cash flows of the Corporation for the dates and periods referred to in the Reports;
4. I have disclosed to the Corporation's independent auditor, the Board of Directors and the Audit and Financial Statements Committees, based on my most up-to-date evaluation of internal control over financial reporting and disclosure;
 - A. All significant deficiencies and material weaknesses in the determination or operation of internal controls over financial reporting and disclosure, as it relates to the financial statements and the other financial information included in the financial statements, that are reasonably likely to negatively impact the Corporation's ability to collect, process, summarize and report financial information in a manner that would cast doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the law; and –
 - B. Any fraud, whether material or not, involving the CEO or his direct subordinates or other employees who have a significant role in the internal control over financial reporting and disclosure;
5. I, by myself or with others in the Corporation:
 - A. I have established controls and procedures, or have verified the establishment and existence of controls and procedures under my supervision, designed to ensure that material information referring to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, to the extent that it is relevant to the financial statements and to other financial information included in the statements, is brought to my attention by others in the Corporation and in its consolidated companies, particularly during the preparation period of the reports; and –
 - B. I have established controls and procedures, or have verified the establishment and existence of controls and procedures under our supervision, designed to reasonably assure the reliability of the financial reporting and preparation of financial statements in accordance with provisions of the law, including generally accepted accounting principles;
 - C. I have assessed the effectiveness of internal control over the financial reporting and disclosure, as it relates to the financial statements and other financial information included in the reports as of the reporting date; my conclusions regarding my assessment have been brought up before the Board of Directors and management, and are integrated into this report.

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

March 7, 2022

Signature
Judith Zynger, Deputy CEO and
Chief Financial Officer



AMOT INVESTMENTS. PEOPLE FIRST.

AMOT INVESTMENTS LTD.

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