This document constitutes an unofficial translation of the original Hebrew document. The Hebrew version is the binding version. This translation was prepared for convenience purposes only

Carr, Signal House, Washington DC

# First Quarter of 2021



## Alony Hetz General Notes to the Presentation



- from that provided in this presentation.

• This presentation was prepared by Alony Hetz Properties and Investments Ltd. ("the Company"), and is intended solely for investors. It does not constitute an offer to purchase or sell securities of the Company or an invitation to receive bids, as noted, and is intended solely to provide information. The information presented does not constitute a basis for reaching an investment decision, recommendation or opinion and is not a substitute for the investor's judgment.

The contents of the presentation, in all that relates to an analysis of the operations of the Company and its investees, is merely a summary, and in order to obtain a complete picture of the Company's activities and the risks with which the Company contends, one should review the Company's shelf prospectus, its immediate, periodic and quarterly reports that are reported through the MAGNA system ("the public information"). The presentation includes data and information that are presented and edited differently than the data included in the said reports or such that could be calculated from the data included in the Company's reports. The information presented herein is not a substitute for the public information.

Forecasts, assessments, estimates, data related to future events, whose materialization is not certain and is not under the control of the Company and its investees, macroeconomic forecasts, the influences of the deep global economic recession resulting from the COVID pandemic, development of trends in the real estate and energy markets, changes in rental prices and occupancy, revenue forecasts, calculations of NOI and FFO, dividends forecast for 2021, the initiation and construction of projects, including projects in the energy field (expected timetables, construction costs, data related to expected connection of plants to the electricity grids and future revenues), are forward-looking information, as defined in Section 32A of the Securities Law (1968), and such information is based solely on the subjective assessment of the Company, which was conducted in good faith, based on past experience and the professional know-how aggregated by the Company, based on facts and data related to the current state of the businesses of the Company and its investees, and on facts and macroeconomic data gathered by the Company from other sources, all as known to the Company when this presentation was prepared ("forward-looking information").

The materialization or non-materialization of the forward-looking information will be impacted, inter alia, by risk factors that characterize the operations of the Company and its investees, and by developments in the economic and geopolitical environment (globally in general and in Israel in particular), and therefore, the Company's operating results, could differ significantly



# AlonyHetz

Properties & Investments Ltd





Focus on two sectors (in Israel and overseas): • Income-producing properties (mainly offices). • Renewable energy.

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**Conservative financial management policy** - maintaining a high level of unpledged assets, financial liabilities with longterm durations, maintaining unutilized credit facilities and efficient leverage ratios.



[]

The Group companies are engaged in the development of projects in accordance with the scopes determined by the boards of directors of the Group's companies.



The Group companies operate with an awareness of the responsibility for and consequences of its activities on the areas of environmental protection, social responsibility and corporate governance.

# The Group companies generate constant, stable

Income-producing properties



• АМОТ

**56.7**%

Offices, retail, industrial parks and logistics

TASE: included in TA-35 Index PROPERTIES

**44.2**%

Offices in Washington, Boston and Austin (50% joint control with JPM) AH BOSTON

**55.0**%

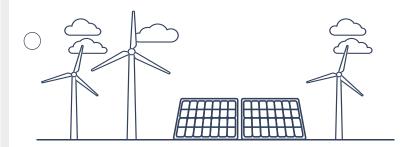
Offices in Boston (50% joint control with Oxford Properties) BROCKTON EVERLAST INC. EST. 2006

**97.0** %

Offices and laboratories in London, Cambridge and Oxford

### Renewable energy

### Israel / USA / Poland

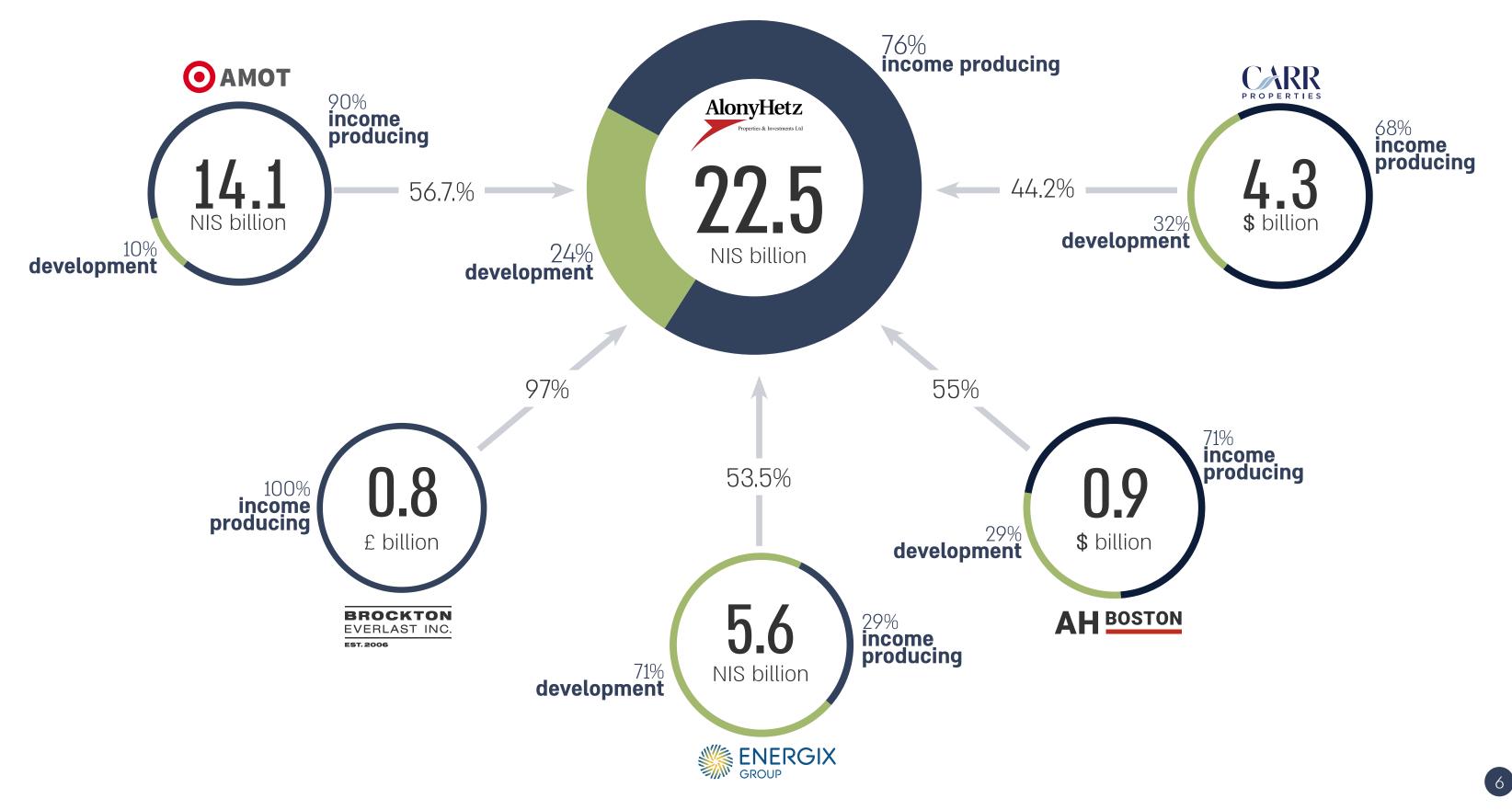




# **53.9**%

Electricity generating systems that use renewable energy sources

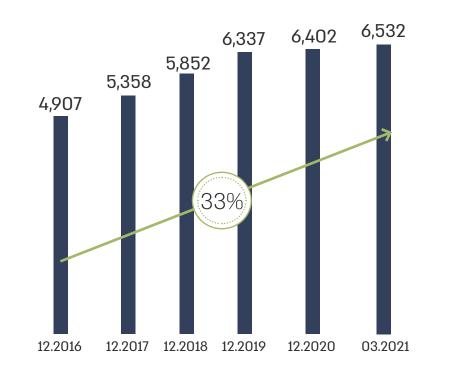
> TASE: included in TA-35 Index

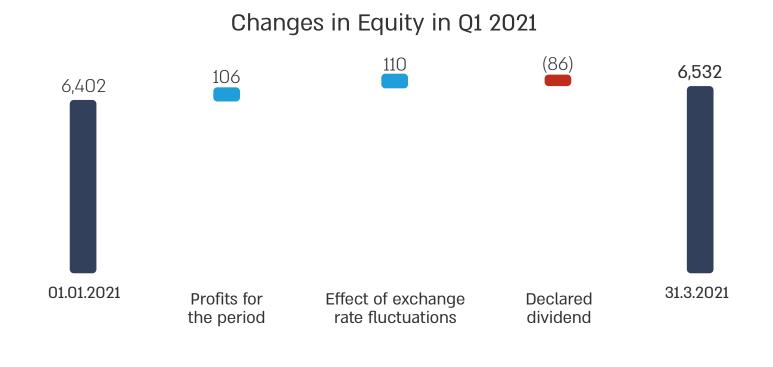


# Alony Hetz Equity



#### Changes in equity (majority shareholders)(in NIS millions)



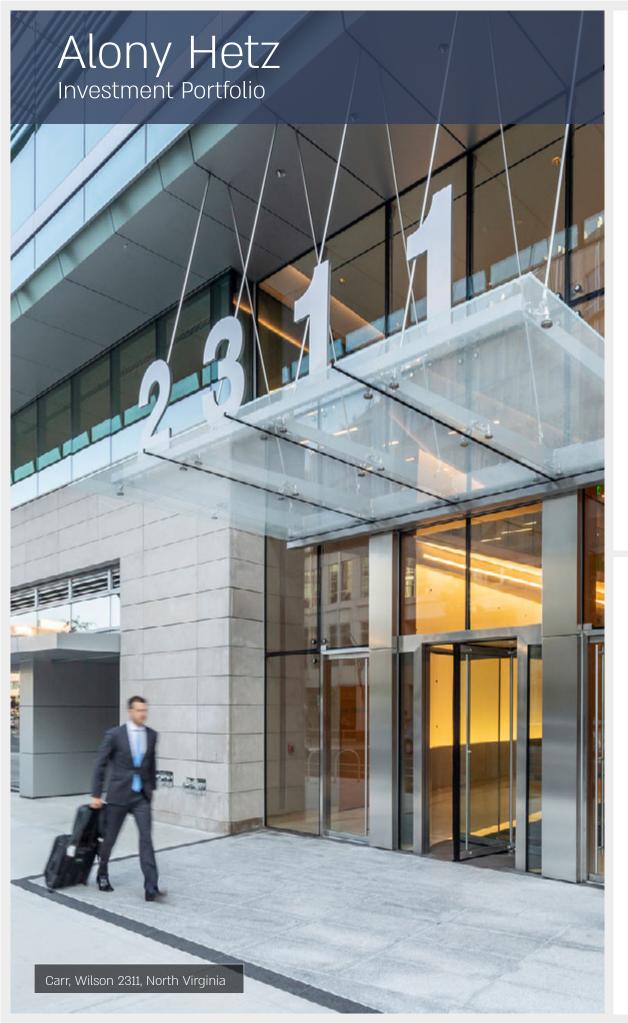


The Company has a policy of partially hedging currency exposure in respect of its investments.

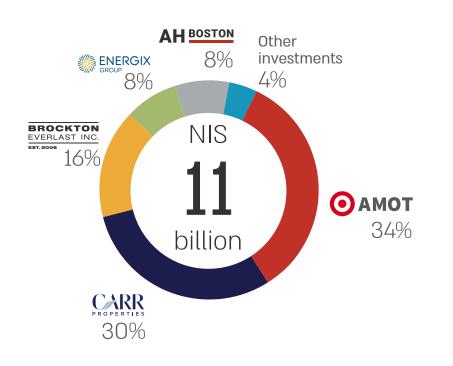
#### Changes in equity per share (\*) (majority shareholders)(in NIS)



(\*) From the end of 2016 through March 2021, the number of the Company's shares increased by 12%.



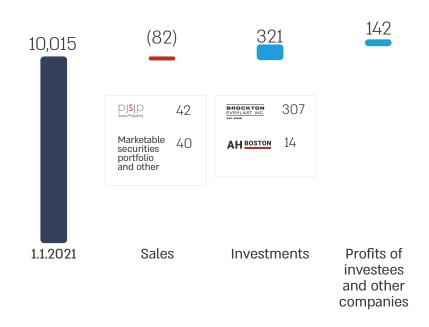
#### Investment Portfolio Composition as of March 2021 (\*) [IFRS]



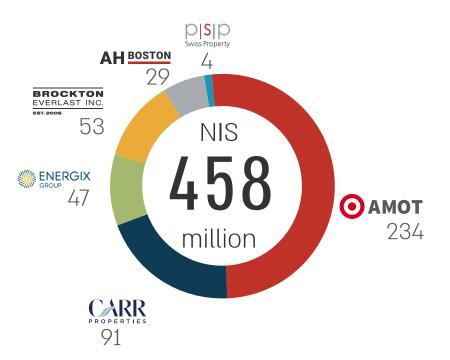
(\*) Excludes cash of NIS 19 million and a long-term bridge loan of NIS 420 million, which the Company provided to BE and is expected to be repaid in June 2021.

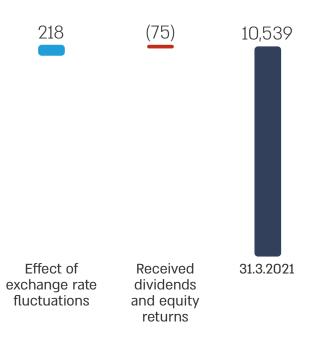
(\*) This is forward-looking information (see general comments on the presentation). Until publication of the financial statements, dividends and equity returns of NIS 88 million were received.

### Changes in Investment Portfolio in 2021 [NIS Millions]



#### Forecast of Dividend and Equity Returns for 2021 [in NIS millions] (\*\*)

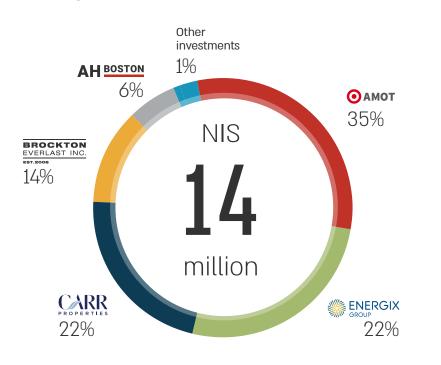




Alony Hetz Measurement of Net Assets Value (NAV) based on financial statements vs. Adjusted NAV (NIS millions)



Adjusted Gross Asset Value (GAV)



	Data from financial statements as of March 2021	Investments (sales) since beginning of April 2021 until date of update	Investment values according to stock price as of date of update, including exchange rate adjustments	Adjusted data as of date of update(*)
ΟΑΜΟΤ	3,587	_	1,274	4,861
PROPERTIES	3,151	_	(36)	(**)3,115
AH BOSTON	867	_	(10)	(**)857
	824	_	2,292	3,116
BROCKTON EVERLAST INC. EST. 2006	1,726	82	69	(**)1,877
Other investments (includes PSP)	384	(204)	(35)	145
GAV	10,539	(122)	3,554	13,971
Net financial debt (****)	(3,424)	122	(34)	(3,336)
NAV(***)	7,115	-	3,520	10,635
NAV per share (***)	41.2			61.2
Leverage	32.5%			23.9%

(\*) Date of update for calculation of adjusted NAV (including stock market prices and exchange rates) is May 13, 2021 (\*\*) According to book value (\*\*\*) Ignores deferred taxes (\*\*\*\*) Gross debt after deducting cash and short-term loan provided to BE

# Alony Hetz

Structure of Financial Debt and Leverage (Company solo expanded)



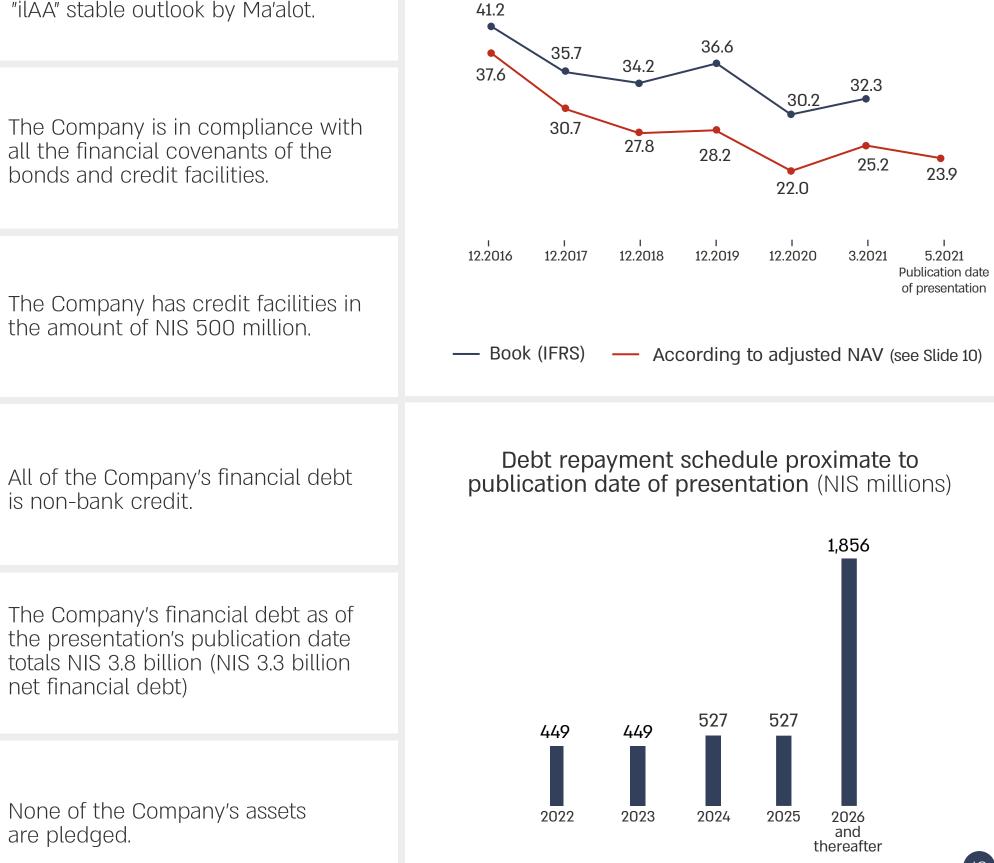


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The Company's bonds are rated "Aa3" stable outlook by Midroog and "ilAA" stable outlook by Ma'alot.





None of the Company's assets are pledged.

## Alony Hetz FFO (NIS millions)



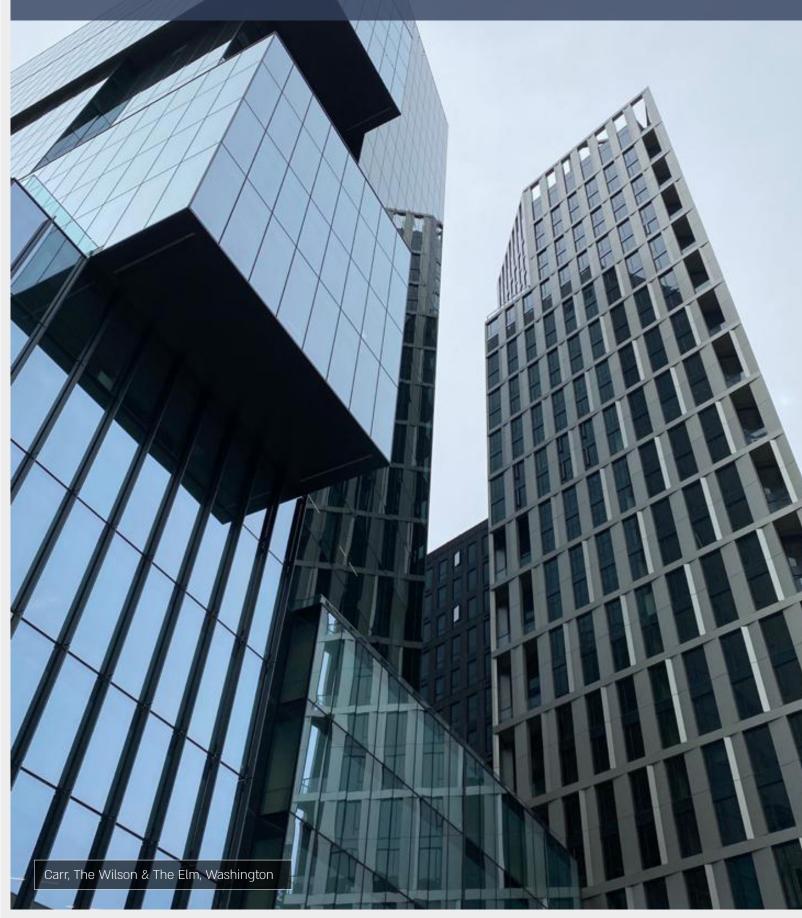
Company's share in Amot's FFO	72
Company's share in Carr's FFO	25
Company's share in Energix's FFO	16
Company's share in AH Boston's FFO	13
Company's share in Brockton Everlast's FFO	11
Company's share in PSP's (*)FFO	2
Dividend from Brockton Funds	-
Real interest expenses	(22)
General and administrative expense (net of management fee income)	(4)
Current taxes	(2)
Total FFO	111

Q1 2021

(\*) Decrease in FFO due to the decrease in the shareholding percentage

	Q1 2020	Main explanation for change
	78	Relief to retail tenants in respect of lockdown January - February 2021
	35	Decrease in NOI from parking lots and a slowdown in the rate of renting vacated properties due to the pandemic.
	24	Decrease in output generated due to low wind data, including a decrease in prices fixed in electricity sales
	13	
	7	
	13	
	2	
	(26)	
	(4)	
	(10)	
<b>-16%</b>	132	

## Alony Hetz Key Financial Data - Solo Expanded (NIS millions)



#### Income Statements

#### Profits of investees (\*)

Other profits from long-term investme

Other income

Total income

General and administrative

Financing, net

Income taxes

**Total expenses** 

#### Net income

(\*) Includes the Company's share in revaluation of income producing properties before tax.

Balance Sheets

#### Investment portfolio

Other assets (mainly cash and short-term loans to BE)

**Total assets** 

Financial liabilities

Other liabilities

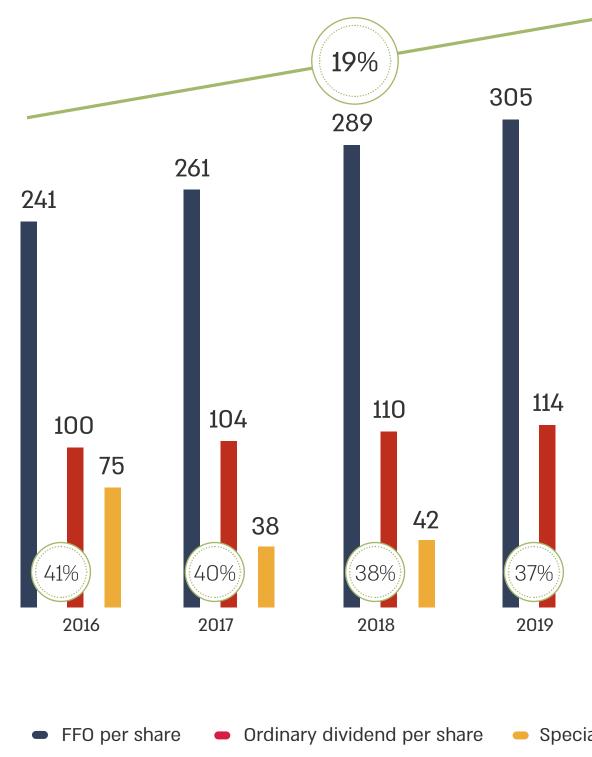
Equity

Total equity and liabilities

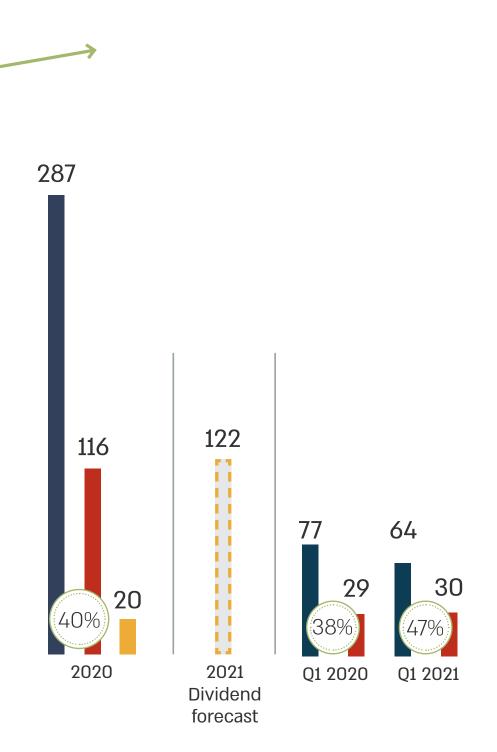
	Q1 2021	Q1 2020	Year 2020
	112	56	307
nents	22	115	186
	4	3	14
	138	174	507
	(8)	(8)	(33)
	(18)	(35)	(97)
	(6)	(27)	(74)
	(32)	(70)	(204)
	106	104	303
of investees'	5	(88)	(176)
	March 2021		cember 2020
	10,539	10	),015
	531		776
	11,070	10	),791
	3,917	3	,809
	621	Ę	580
	6,532	6	,402
	11,070	10	<b>),791 1</b> 2

# Alony Hetz Per share cash flows data (In Agorot [NIS 0.01])

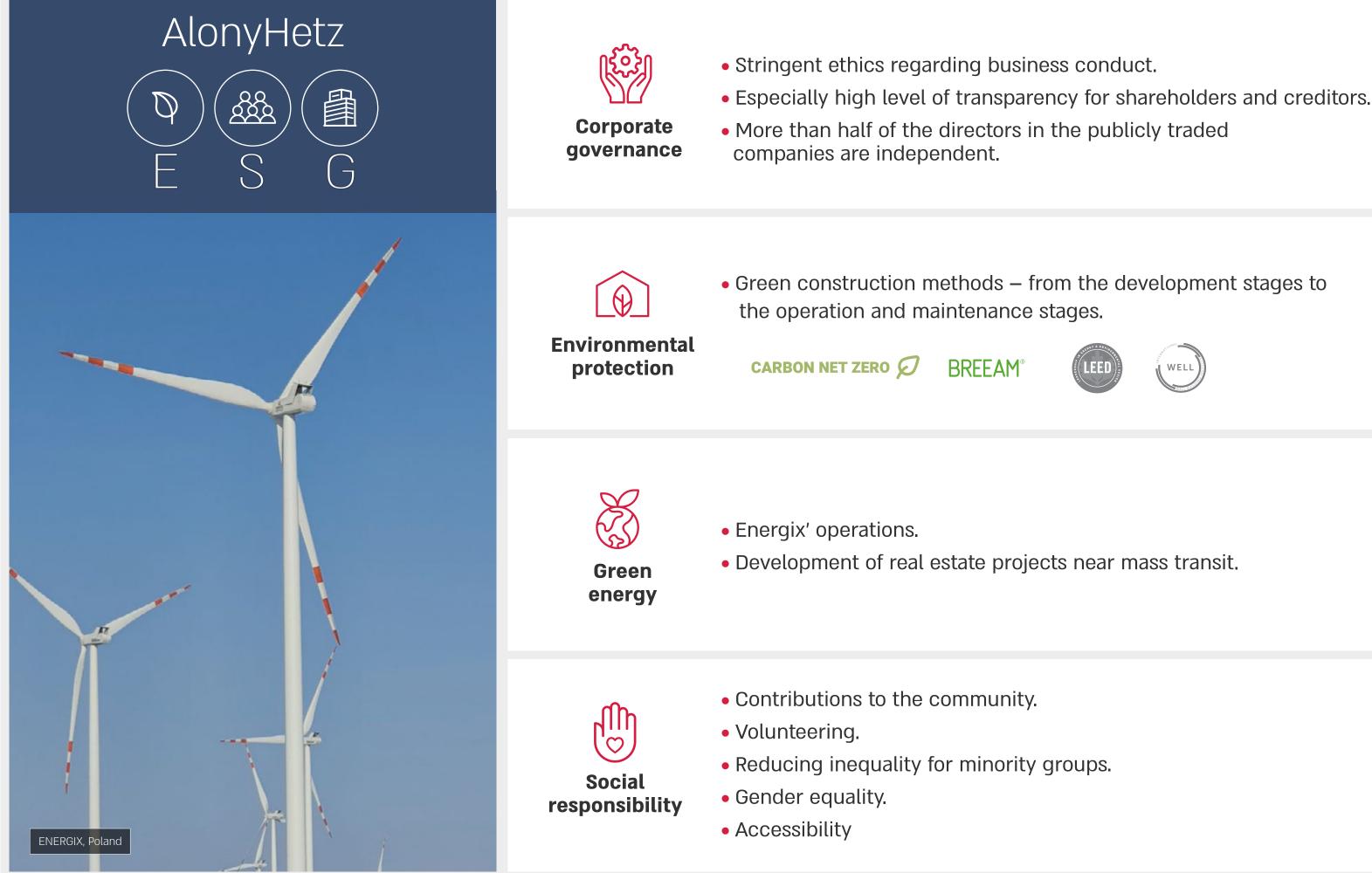




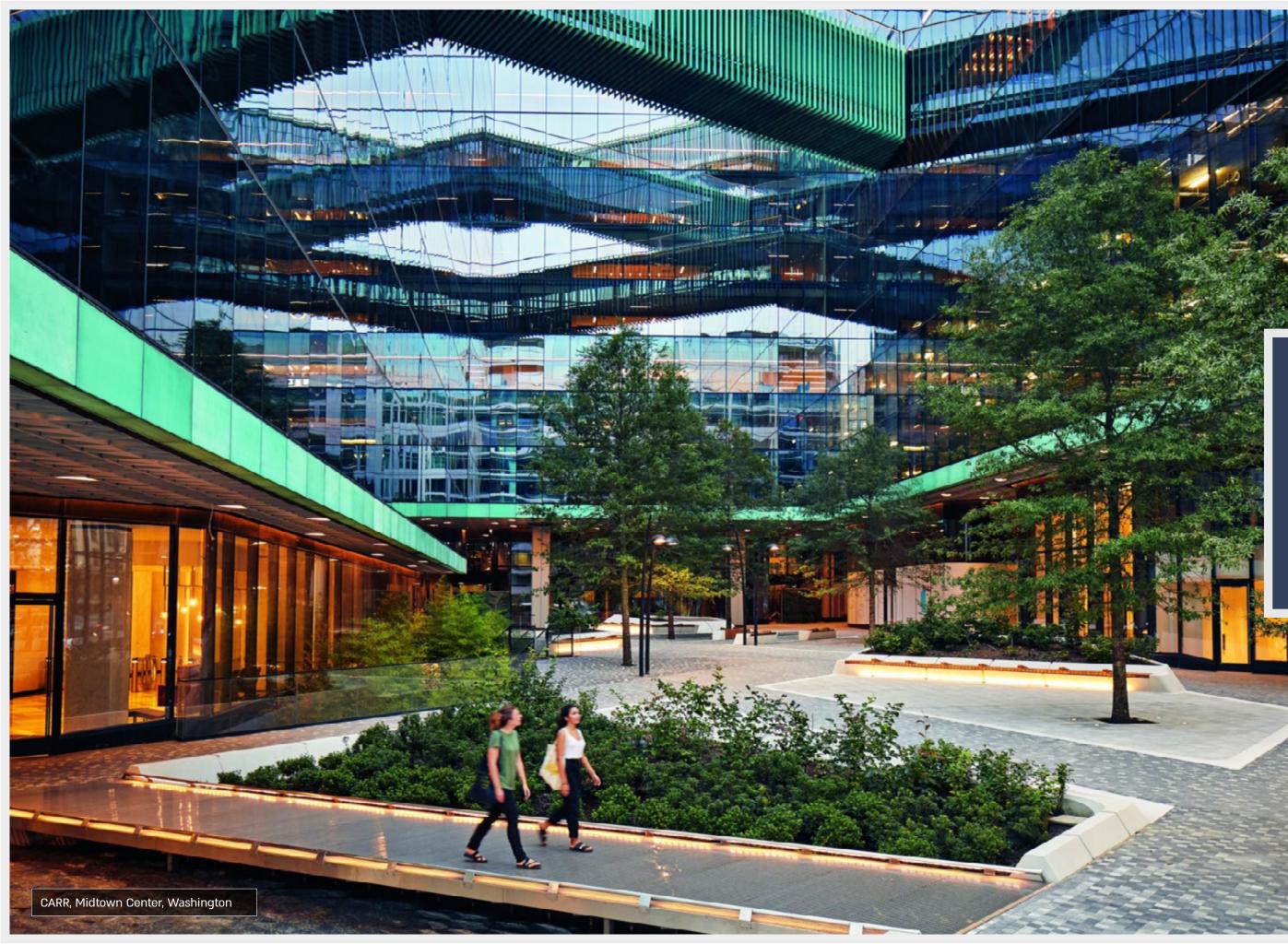
• The Company declared a dividend policy for 2021, whereby a dividend of NIS 0.30 per share will be paid in the first and second guarters and NIS 0.31 per share in the third and fourth guarters. This is forward-looking information (see general comments on the presentation).



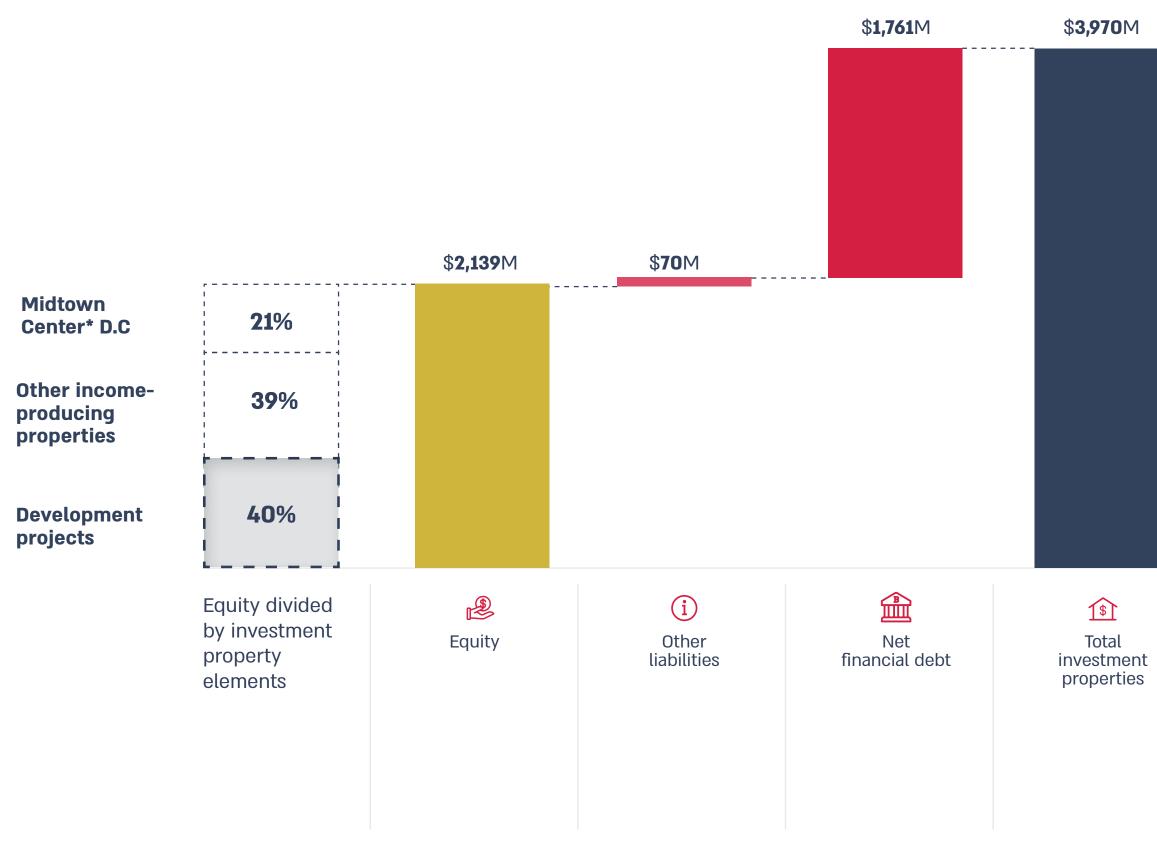
Special dividend per share







# PROPERTIES



\*For additional information on the sale of 49% of the site, see Slide 21.

\$**1,074**M



#### \$**2,896**M

Midtown Center D.C **\$980M** 

Other properties **\$1,916M** 



**3** Projects under development with GLA of **1.8M sqf** 

65%	Downtown
	Washington DC
35%	Boston

## 

Income-producing properties

**13** income-producing properties with GLA of **3.7M sqf** 

83% Downtown Washington DC17% Boston

58% Pre let

# CARR

Comparative data between CARR and REIT's in the US offices sector



EASTDIL SECURED 5.7% Implied cap rate (derived from the weighted average value of US public office REIT's, including related data as of May 14, 2021)	VS.
IFRS value of income-producing properties excluding Midtown Center as of March 31, 2021	\$1,9
PROPERTIES	5.3%
Annual NOI for 2021 plus income from parking lots	\$10
EASTDIL SECURED	5.7%
Derived value	\$1,7
Difference in value compared with IFRS value as of March 31, 2021	\$144
Difference in value in terms of Alony-Hetz shares	NIS



#### Implied cap rate derived from the value of the income-producing properties (except for Midtown Center)



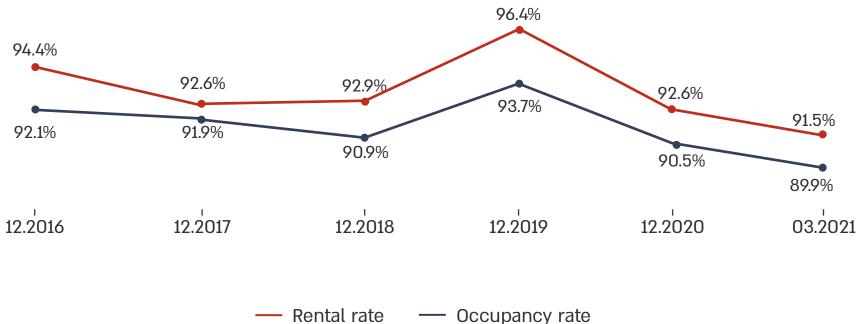


#### **NOI** (in \$ millions) Q1 2021 vs. Q1 2020 Same Store NOI -11% 63% 156(\*\*) 155(\*\*) 147 **1** 1 121 106 95 11 . . 38 34

2016 2017 2018 2019 2020 2021 Q1 2020 Q1 2021 Forecast \*\*\* (\*\*) Includes termination fees from tenants totaling \$12M in 2020 and \$9M in 2019.

(\*\*\*) This is forward-looking information (see general comments on the presentation).

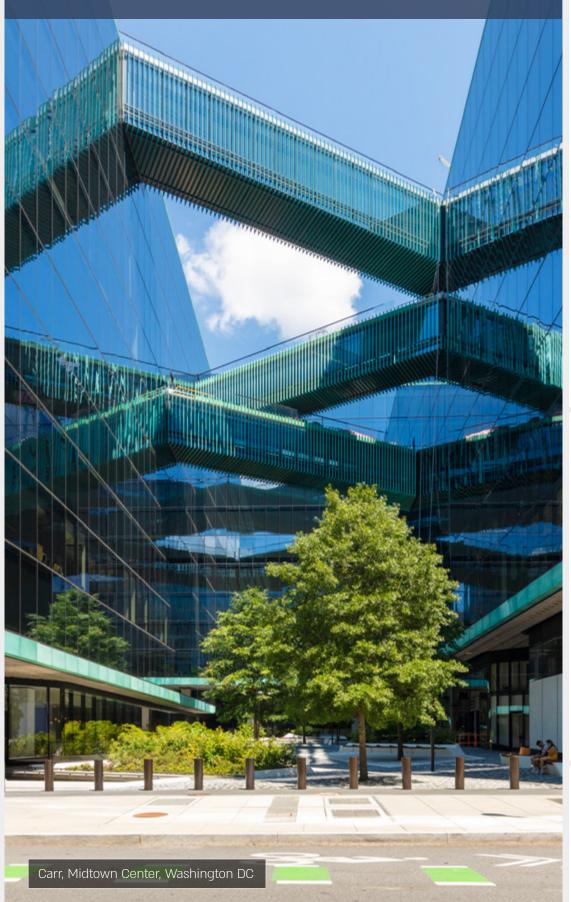
Change in Occupancy and Rental Rates

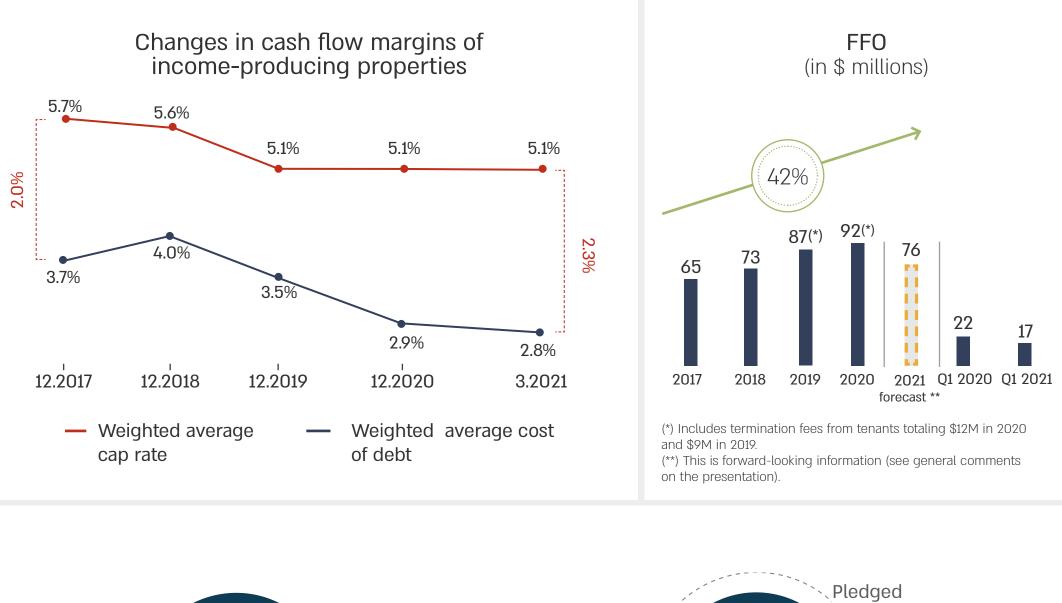


#### Breakdown of lease expiry in the coming years, assuming extension options are not exercised



## CARR Cash Flows and Financial Debt





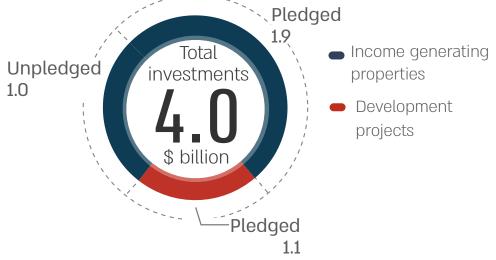
Bank loans, USD Severage including credit facilities 45.2% Liabilities for billion land lease 0.1

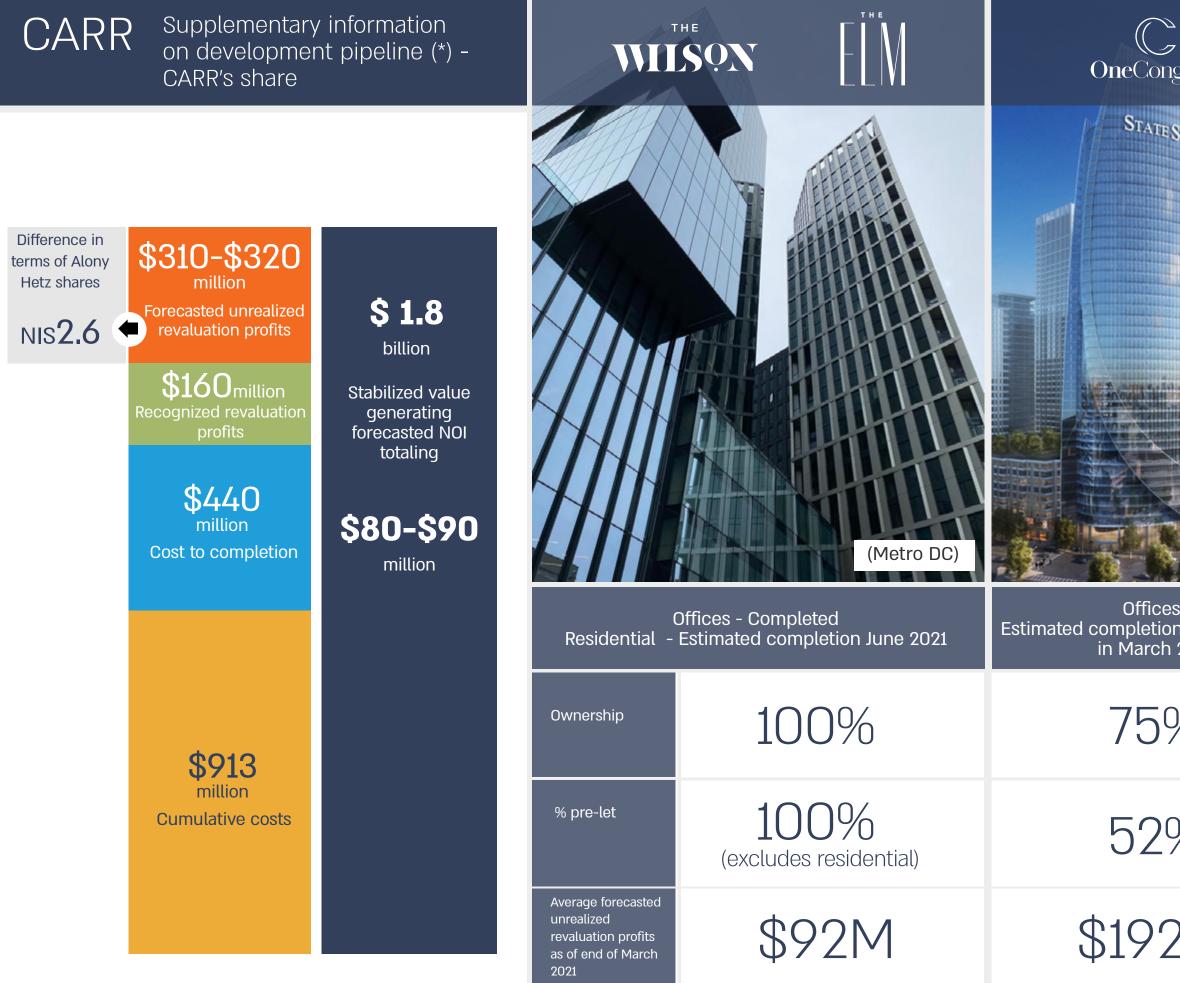
60% of the financial debt is at fixed interest.

(i)

(i)

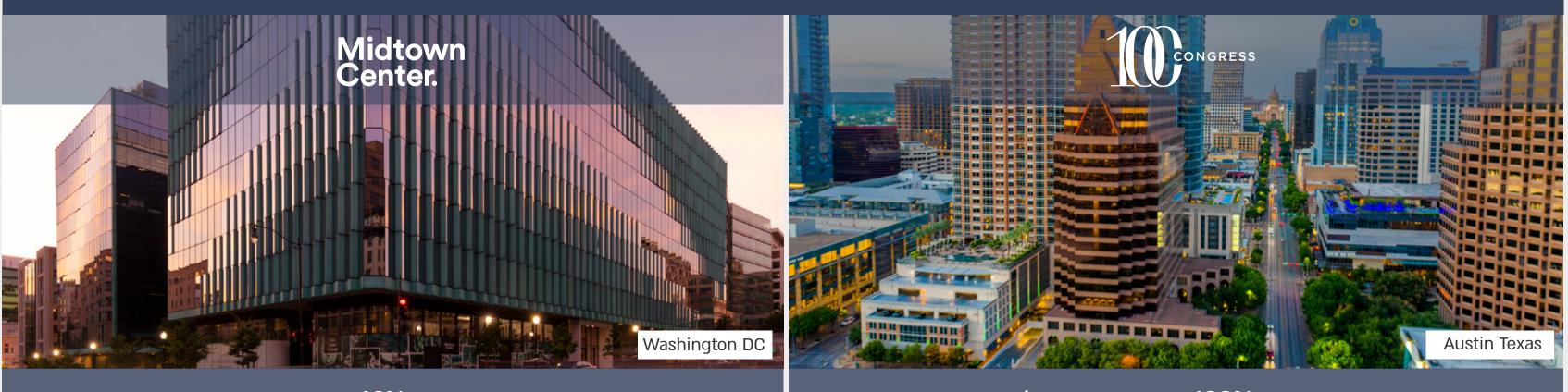
As of March 31, 2021, CARR has unutilized credit facilities totaling \$66 million and facilities to finance development projects totaling \$527 million, utilization of which is conditioned on construction progress.





ongress	SIGNAL HOUSE
TE STELLET	
(Boston CBD)	(Metro DC)
ces - ion of construction ch 2023	Offices Estimated completion of construction in June 2021
5%	100%
2%	12%
2M	\$35M <sub>20</sub>

## CARR Supplementary information on the sale and purchase of income-producing properties



מימוש 49% מהמתחם

Property value	\$980 million	\$315
GLA	865 thousand square feet	412 th
<b>NOI</b> (100%) 2021	\$46 million	\$18 mil
Occupancy rate	100%	94%
WAULT	13.1 years	5.3 y
(i) Existing loan (100%)	\$525 million	\$140

\*Carr intends in the coming weeks to add a partner (up to 50%) to the special purpose company that owns the property

### רכישת 100% מהזכויות בבניין\*



housand square feet

nillion



) million

CARR Supplementary information on Austin, Texas



11th largest city in USA



2.15M **Current number** of residents

3.9M Forecasted number of residents in 2040

3.5%

Growth rate in number of employed workers in 2020

Academia and Government



University Of Texas At Austin



U.s. Army **Futures Command** 



Air Force Innovation **Initiative Center** 

"#1 Best city for job creation **Forbes** 

Cumulative increase of 37% in the number of employed workers in the last 5 years

HQ's of American companies

ORACLE





WHOLE FOODS MARKET

THE WALL STREET JOURNAL.

"#1 Hottest U.S. labor market

**Demographics** 



43% of the population hold academic degrees (compared with a US average of 31%)



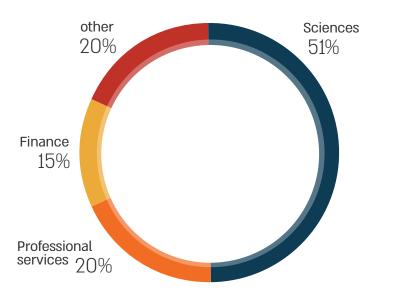
**66%** of the population is younger than 45 (compared with a US average of 58%)



#### US Cost of Living Index



#### Breakdown by economic sectors

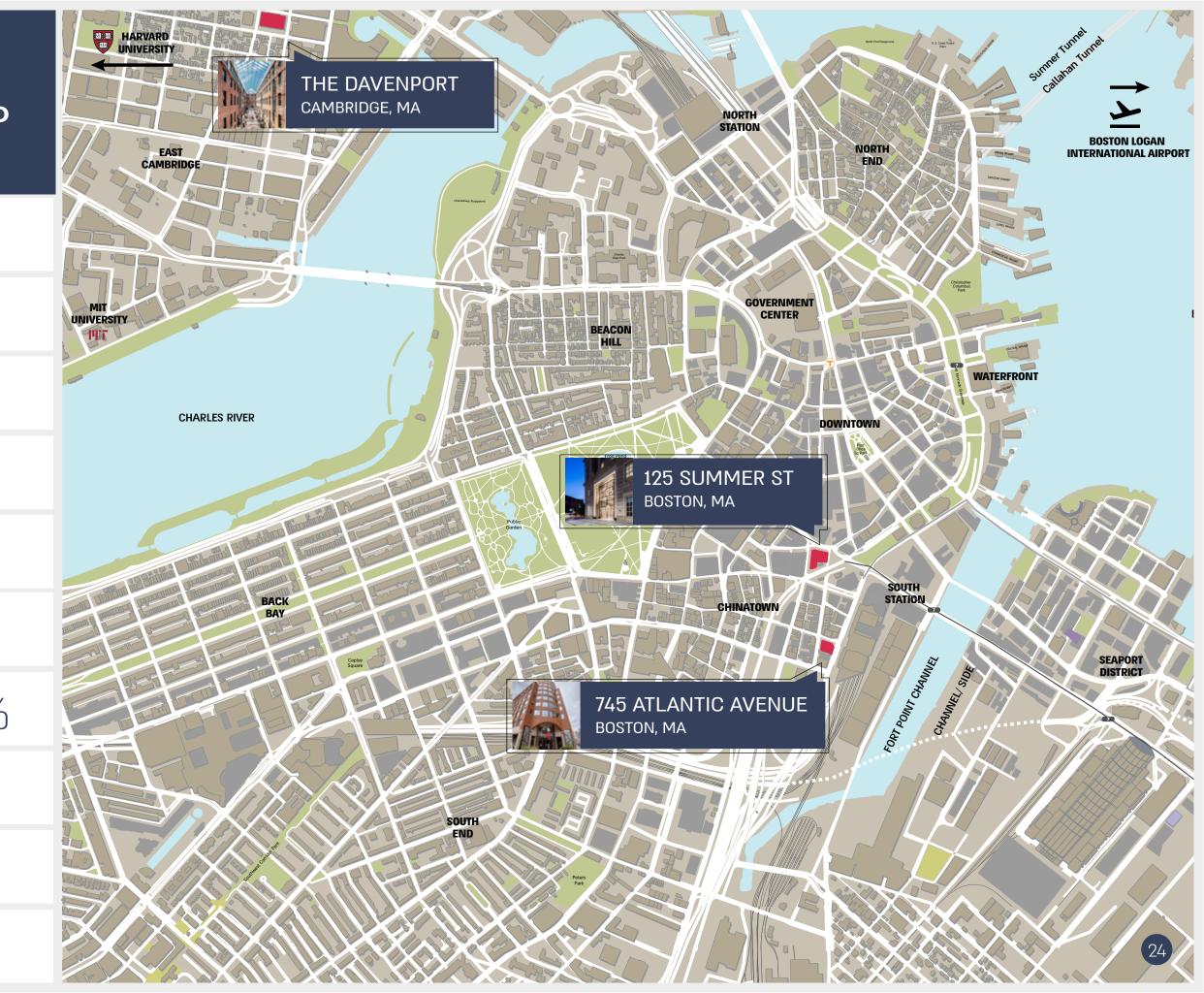




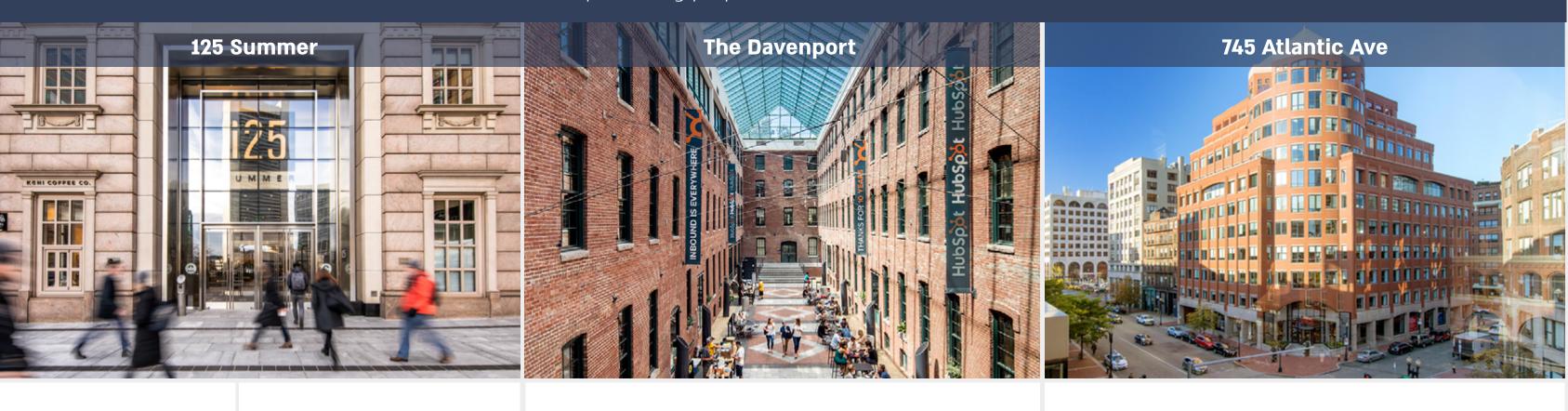
# **AH** BOSTON

Business Partnership with O X F O R D All inclusive data as of March 2021 relating to 100% ownership

Equity \$467M Number of 3 properties thousand 870 thousand square feet GLA Value of \$789M properties **Occupancy and** 80% rental rate WAULT 6.7<sub>Years</sub> Lease Terminations until the end of 7% 2022 as a percentage of total portfolio 41% Leverage **NOI Q1 2021** \$9.3 M (\$9.1 million in Q1 2020) **FFO** Q1 2021 \$7.1M (\$6.5 million in Q1 2020)



# AH BOSTON Additional information on income-producing properties



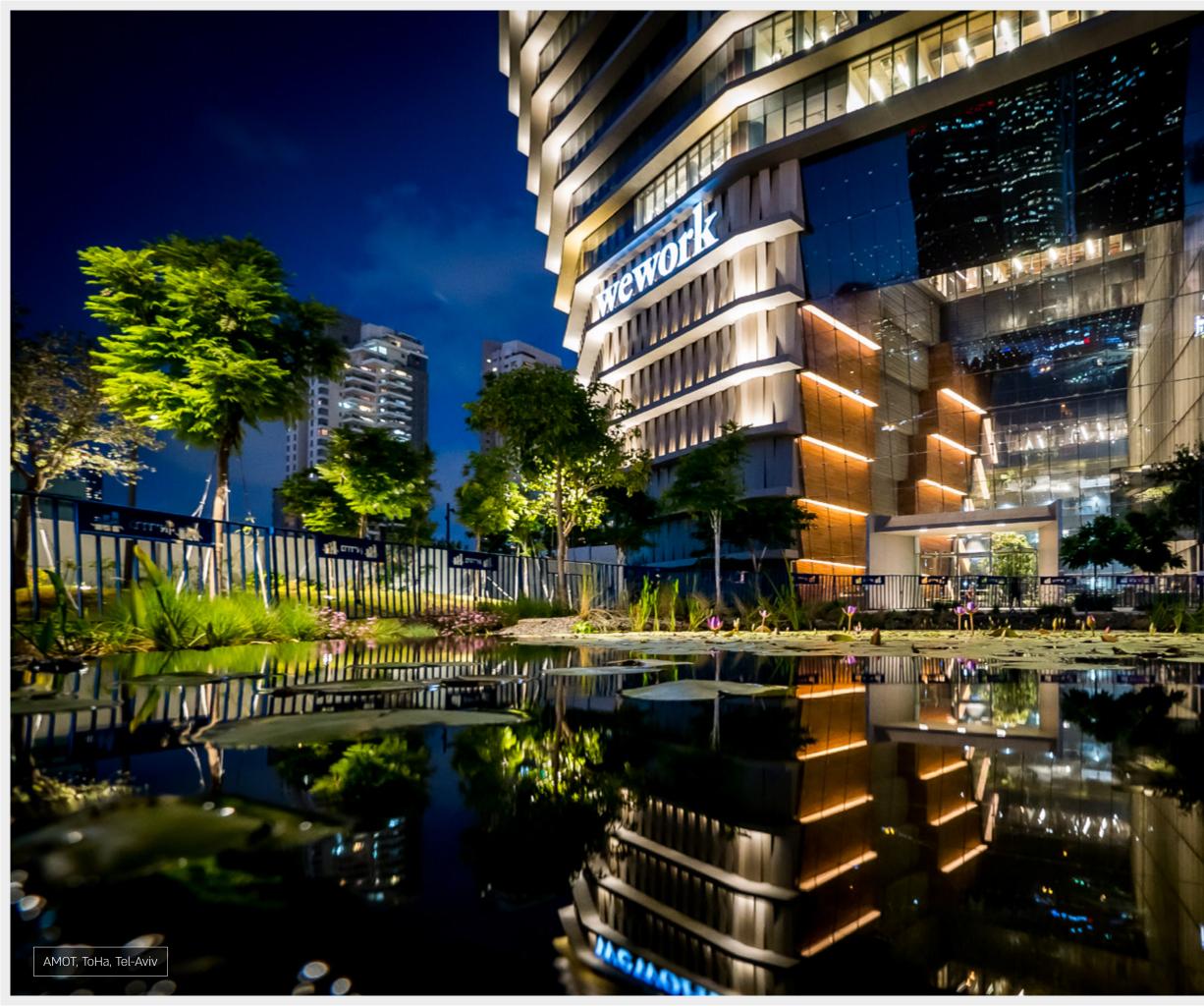
Value December 2020	\$413M	\$244M	
m² GLA	474 thousand square feet	222 thousand square feet	
<b>Occupancy</b> <b>rate</b> as of publication date of presentation	90%	100%	In ea 131K
(i) Main tenants	HAEMONETICS: <b>DANALOG</b> DEVICES <b>KLAVIYO</b>	HubSpot	pub occu The a de
WAULT	6.8 Years	6.6 Years	from with

# \$132M

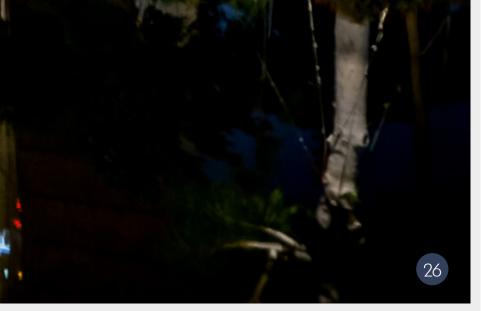
174 thousand square feet

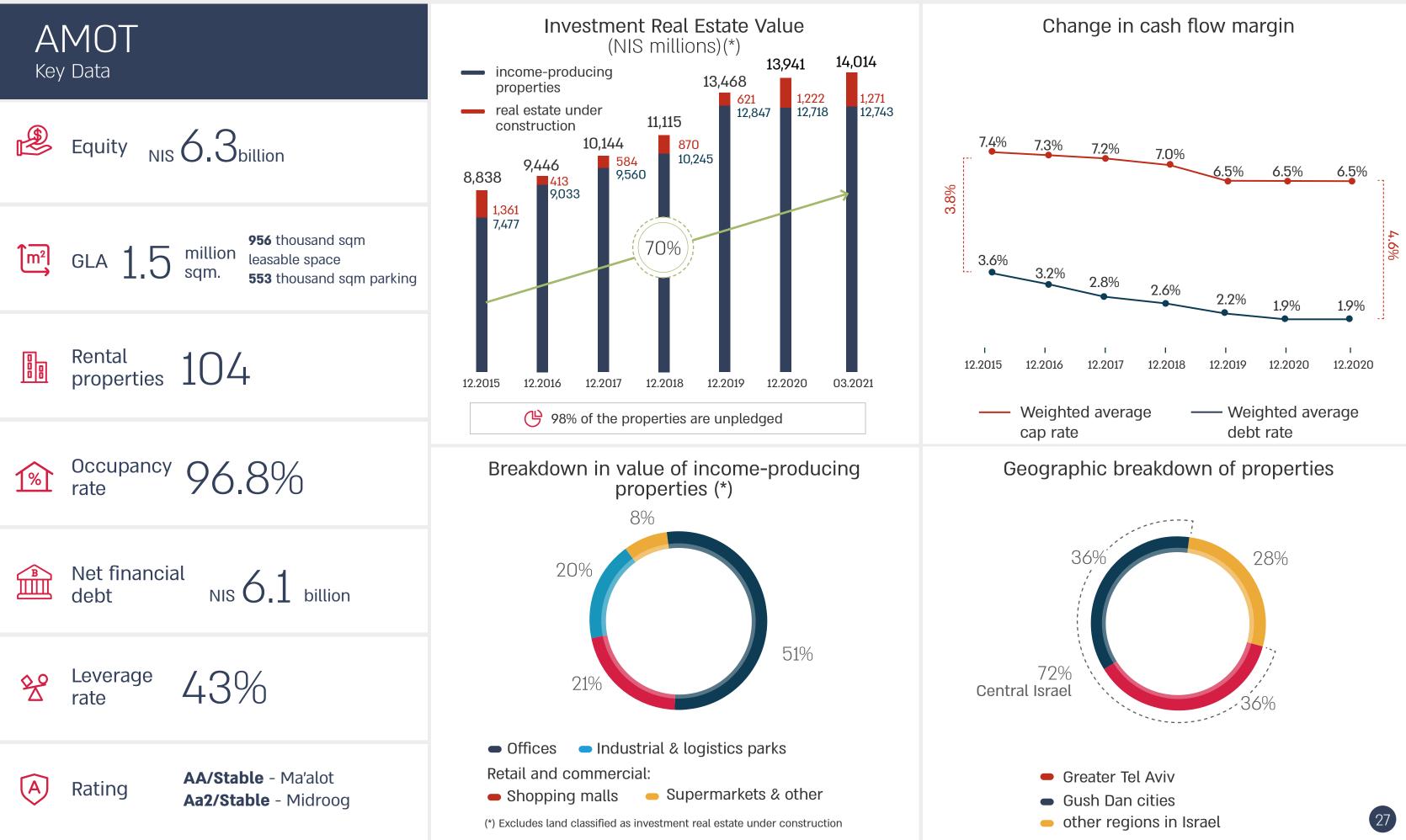
early March 2021, We Work (which had leased BIK sqf) vacated its offices in the building. As of the ublication date of the presentation, the building's ocupancy rate is 24%.

ne Company and Oxford, its partner, are working on development project, to convert the entire building om offices to a Life Science laboratories building, ith an opening date in the first half of 2023.









## AMOT Additional Financial Data



#### **NOI** (NIS millions)(\*) Q1 2021 vs. Q1 2020 IFRS Same Store NOI: (-12%) (\*) 750 734 728 **6. 8** 1.1 675 1.11 635 1.1 1.1 569 1.1 1.11 1.1 1.1 1.1 1.1 365 1.1 1.1 1.11 1.1 29% 1.1 201 1.11 177 1.11 1.11 1.11 1.1 1.1 1.1 16 M. 2020 Q1 Q1 2016 2016 2017 2018 2019 2021 Middle range 2020 2021 of forecast (\*\*\*)

(\*) Decrease is the result of a general provision for retail tenants totaling NIS 20M, due to the lockdown.

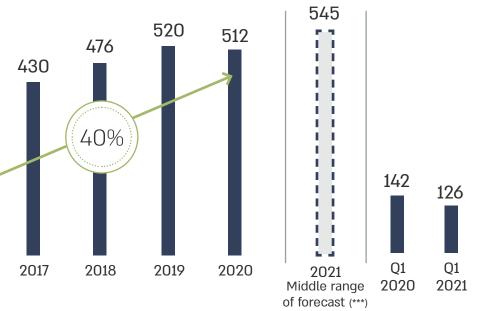


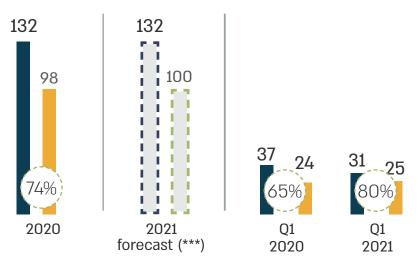
MOT declared a dividend policy for 2021, whereby, the Company shall distribute a dividend of NIS 1.00 per share, to be paid in four quarterly payments of NIS 0.25 per share.

(\*\*\*) This is forward-looking information (see general comments to the presentation)

#### Cash flows per share (Agorot [NIS 0.01])

#### **FFO** (in NIS millions)(\*)





- Regular Dividend Payout Ratio from FFO
- Forecasted FFO per share for 2021.

## AMOT Amot Construction Pipeline (Amot's share)(\*)

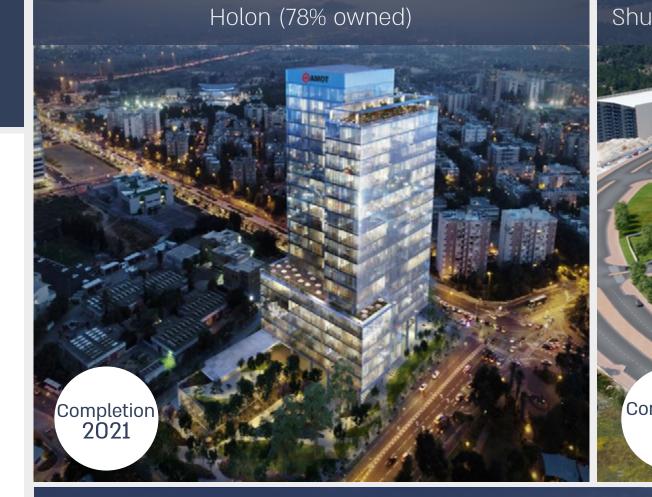


AMOT has 3 development projects totaling 94 thousand square meters of above-ground construction and construction of an underground parking garage for the ToHa2 Project, with a total construction budget of NIS 1.4 billion.

(i) The remaining investment to complete these projects is NIS 750 million, with a forecasted NOI of NIS 101 million (excludes ToHa2 parking garage).



As of March 2021, the book value of the projects is NIS 660 million.



#### "Lechi" Site in Bnei Braq (50% owned)





## AMOT Information on projects pipeline in planning stage (AMOT's share)(\*)

### **Intermediate term**

5 projects in the planning stages totaling 185 thousand square meters of above ground construction and with a construction budget of NIS 2.7 billion (excludes budget for TI):

ToHa 2, the K site in Jerusalem, the "1000" site in Rishon LeZion, Platinum 2 in Petach Tikva and Amot Shaul at the Kfar Saba-Ra'anana Junction.

## Long term

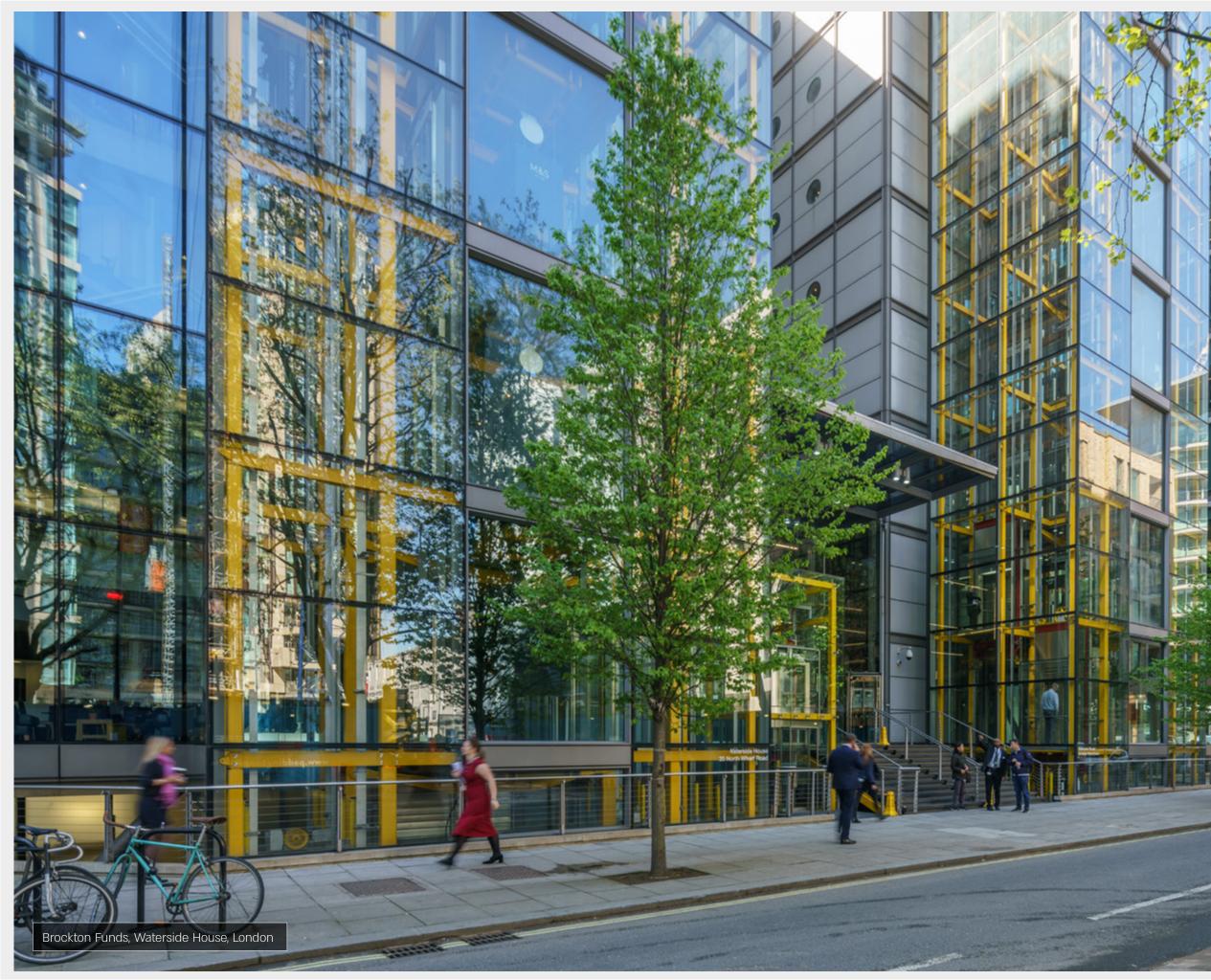


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AMOT headquarters is examining the future development of sites it owns in Tel Aviv:

AMOT Justice, AMOT Insurance, AMOT Investments, Europe House (Beit Europa) and the Century Tower site.





## BROCKTON EVERLAST INC.

LIUU C

31

EST. 2006

## EVERLAST INC.

#### **BROCKTON** Key Data as of publication date of the presentation (\*)

EST. 2006

m² GLA



Leased assets

rate

(of which 30% have short or intermediate-term development potential)





[%]

CP

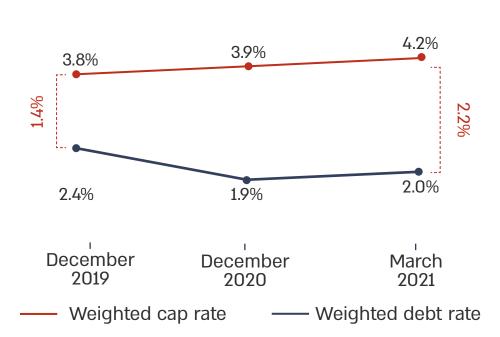
Occupancy 90.1%

WAULT 6.8 years (units the one of a state of the leases (in financial terms) will be open for renewal) (until the end of 2022, 4% of

Leverage 52% R

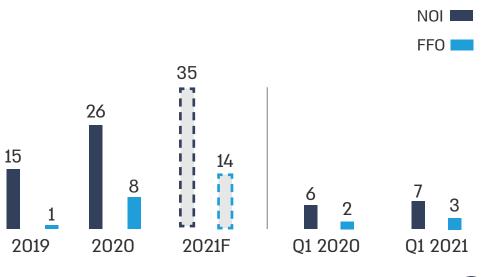
> The Company decided to increase its investment in BE by £140M





Changes in cash flows margin

**NOI I-FFO** (in £ millions)



(\*) This is forward-looking information (see general comments to the presentation)



## BROCKTON EVERLAST Information on Investments in Income-Producing Properties in London - Multi-Tenant

#### **DEVONSHIRE QUARTER**

Potential for development of a new office building. BE has an option to terminate all leases in the property at the end of 2022.

DEVONSHIRE

QUARTER

( i

Additional propertyShoreditch - Telephone House

Potential to increase the building's GLA by adding upper floors and expanding the ground floor. BE has the option to terminate all of the rentals in the property at the end of 2022.





## BROCKTON EVERLAST Information on Investments in Income-Producing Real Estate in London - Single Tenant Properties



Additional property UNION STREET 169

Single tenant





(i)

March 2027

expiry



## BROCKTON EVERLAST

Additional Information on Investments in Income-Producing Properties in Cambridge



North Cambridge Science Park includes buildings with cumulative GLA of 2.5 million square feet. The life science companies operating in the site are:



**BE** owns 7 buildings in the Science Park, located on 80 dunam of land (80,000 square meters), having strong development potential, some of which will be realized in the upcoming years.



## BROCKTON EVERLAST

Information on investments in income-producing properties in Oxford

(i)



The business park includes office space and a strip mall encompassing 44 dunam (44,000 square meters). The site has significant upgrade potential, in the event an urban plan will be approved for construction of a modern science park, while adding considerable building rights.





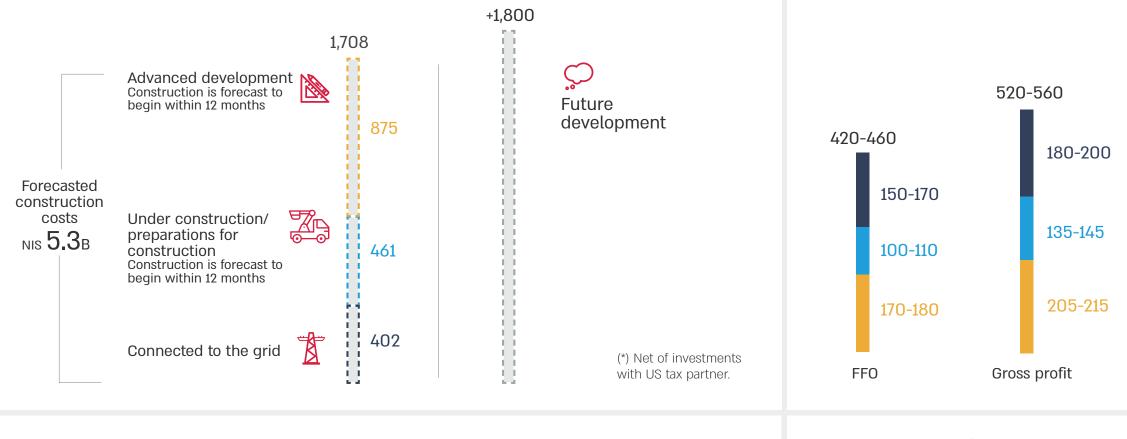




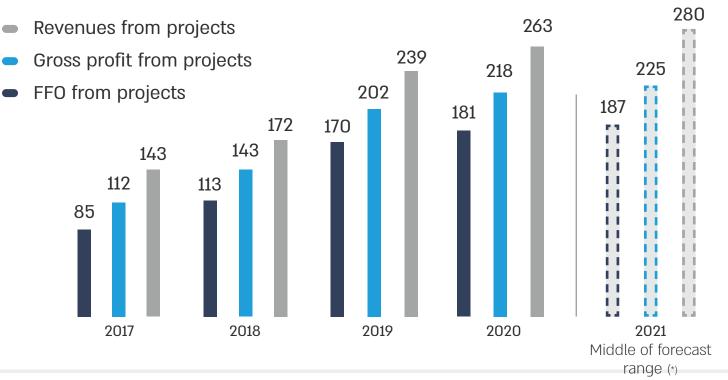
## ENERGIX Key Data







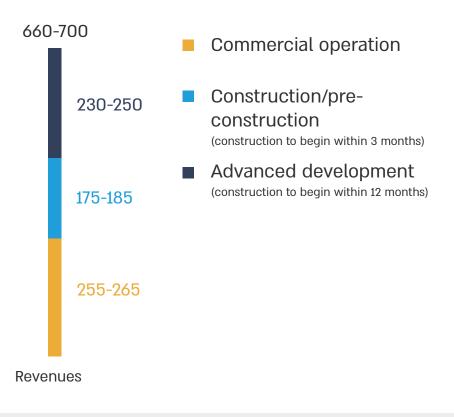
**ENERGIX - Results and Forecasts** (in NIS millions)



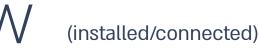
★ 3.2GW



#### Year 2023 forecast on the basis of project pipeline for (in NIS millions)



#### Goal for Year 2025 based on ENERGIX' Strategic Plan(\*)



NIS 8.5 billion Investments under construction

Representative annual revenues Assumes full connection of the total forecast

## ENERGIX (continued)

\*This is forward-looking information (see general comments to the presentation).





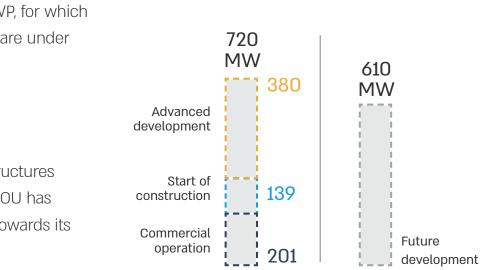
In Israel

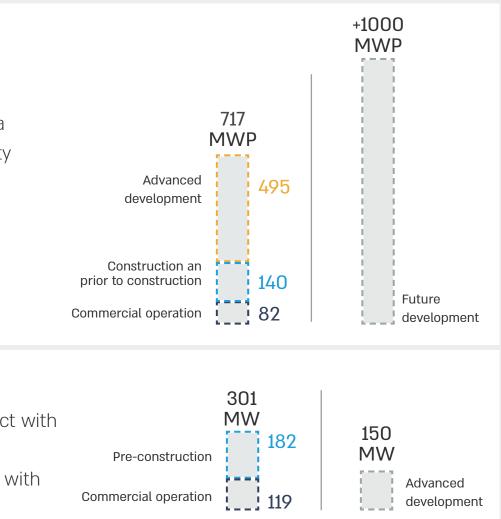
In USA

- Energix is engaged in the construction of projects with a capacity of 139MWP, for which it won tenders in the third and fourth rounds of a competitive process, and are under construction.
- Aran Project In April 2021, approval was received from the National Infastructures Council toward obtaining a building permit for the project. Additionally, a MOU has been signed with a leading bank to obtain financing of NIS 650 million. All towards its commercial operation during 2022.

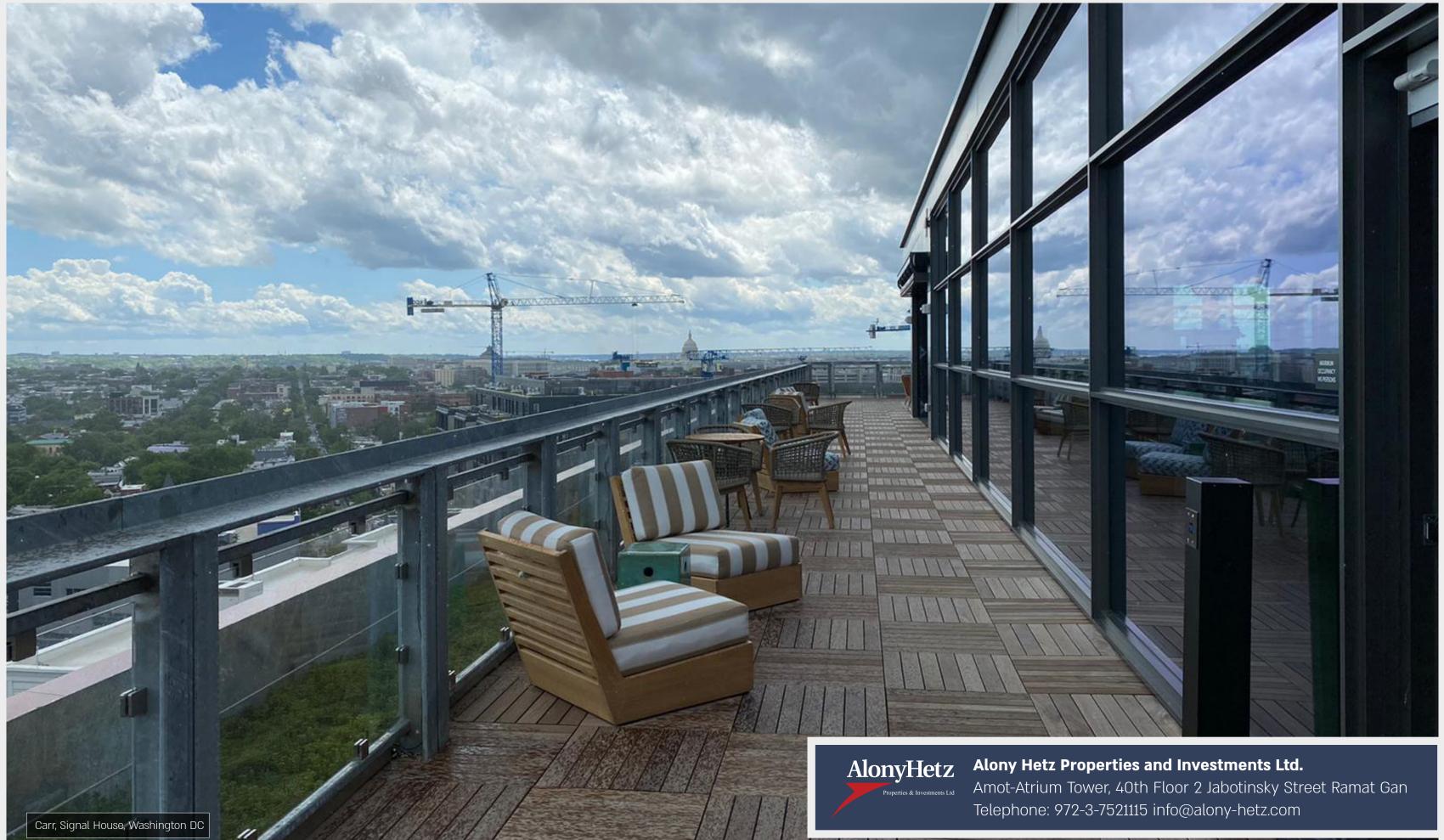
- Agreement with a tax partner to invest \$55 million in the Virginia 2 projects. The projects are awaiting connection to the electricity grid.
- Acquiring another project in Virginia in advanced development stages with total capacity of 150 MWP.

- In Poland
- Acquisition of minority partner's share (32%) in the Banie 4 Project with total capacity of 56MW for the amount of NIS 14.5 million.
- Energix is in the midst of construction of 2 wind farms in Poland with total capacity of 126MW.





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