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First Half of  
**2021**

**AlonyHetz**  
Properties & Investments Ltd

Carr, The Wilson & The Elm, Washington DC



# Alony Hetz

## General Notes to the Presentation



Carr, 1700 NY Ave, Washington DC

- 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 forecasts, 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 from that provided in this presentation.





**AlonyHetz**  
Properties & Investments Ltd





Carr, 200 State Street, Boston



Focus on two sectors (in Israel and overseas):

- **Income-producing properties (mainly offices).**
- **Renewable energy.**



The Group companies **generate constant, stable and long-term cash flows.**



**Conservative financial management policy** - maintaining a high level of unpledged assets, financial liabilities with long-term 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.**



Income-producing properties

Renewable energy

Israel

USA

UK

Israel / USA / Poland



56.7%

Offices, retail,  
industrial parks  
and logistics

-----  
TASE: included in  
TA-35 Index

44.2%

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

55.0%

Offices in Boston  
(50% joint control  
with Oxford  
Properties)

97.1 %

Offices and  
laboratories in  
London, Cambridge  
and Oxford

53.4%

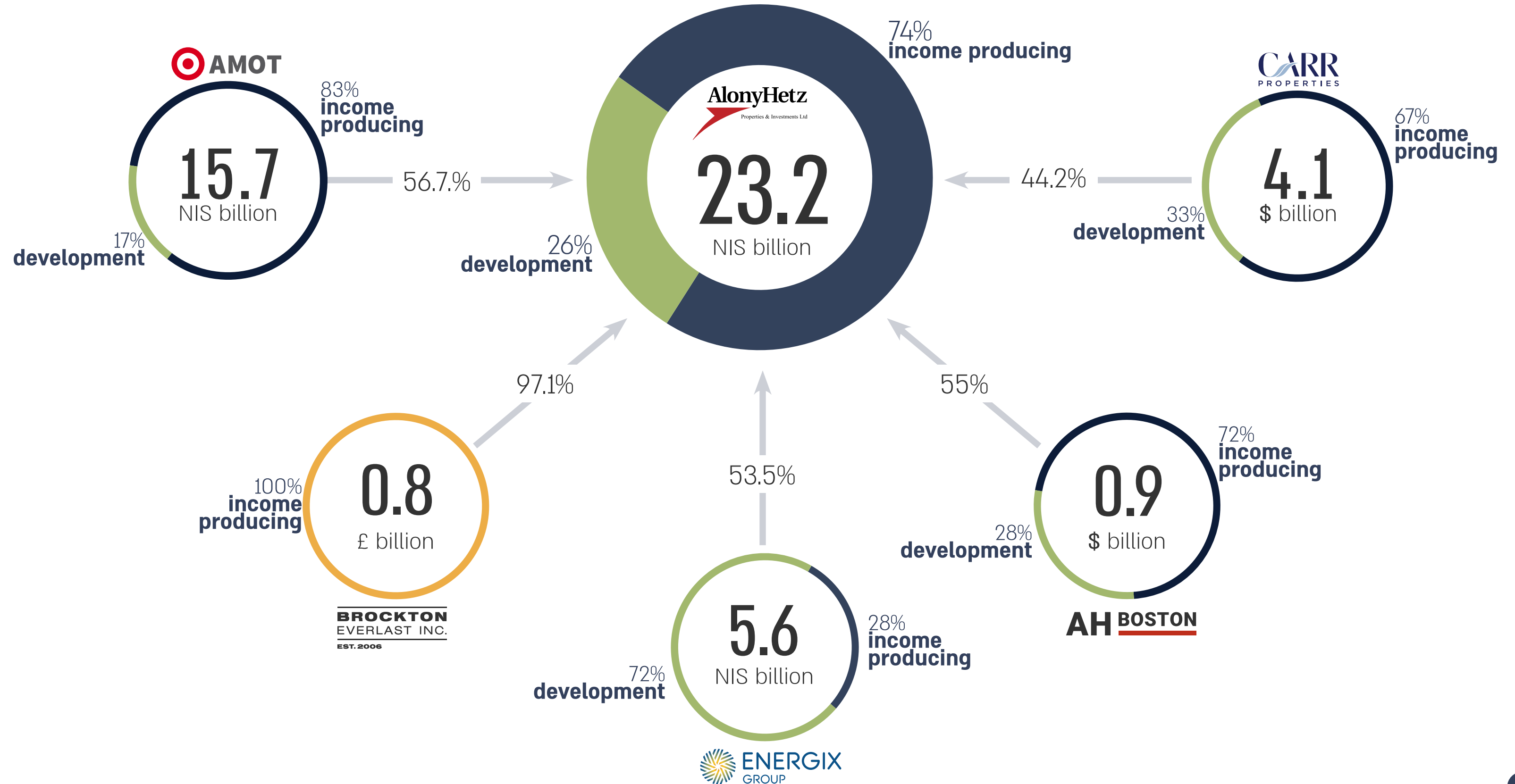
Electricity generating  
systems that use  
renewable energy  
sources

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TASE: included in  
TA-35 Index



# Alony Hetz

Investments in Income-Producing and Development Properties (Alony Hetz in a proportionate consolidation with its investees)

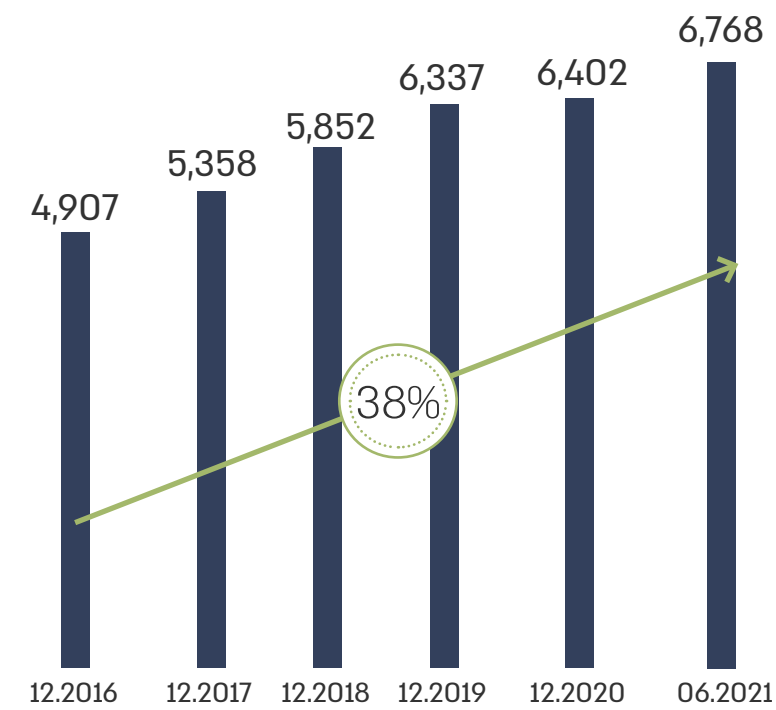




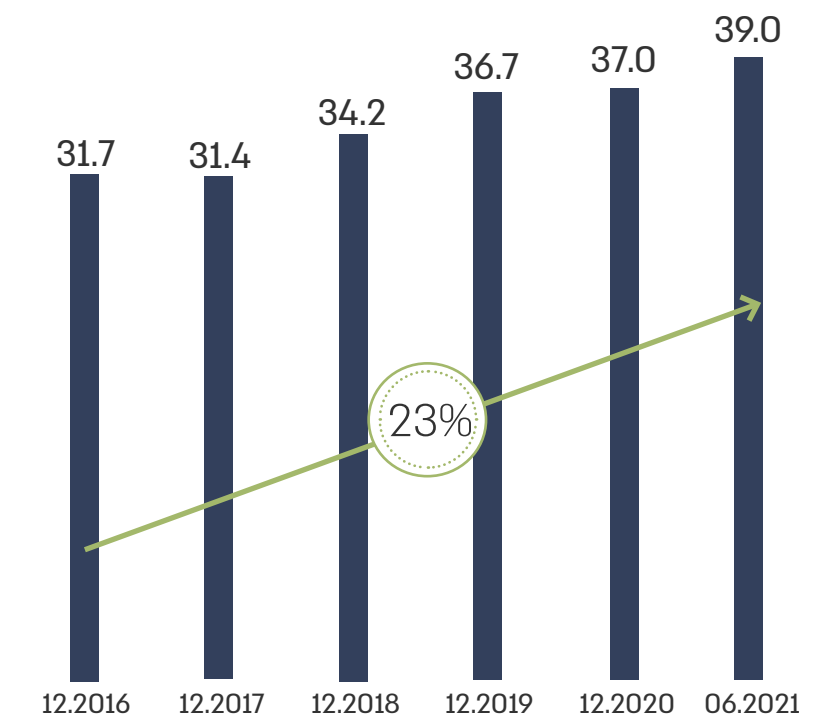
# Alony Hetz

## Equity

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

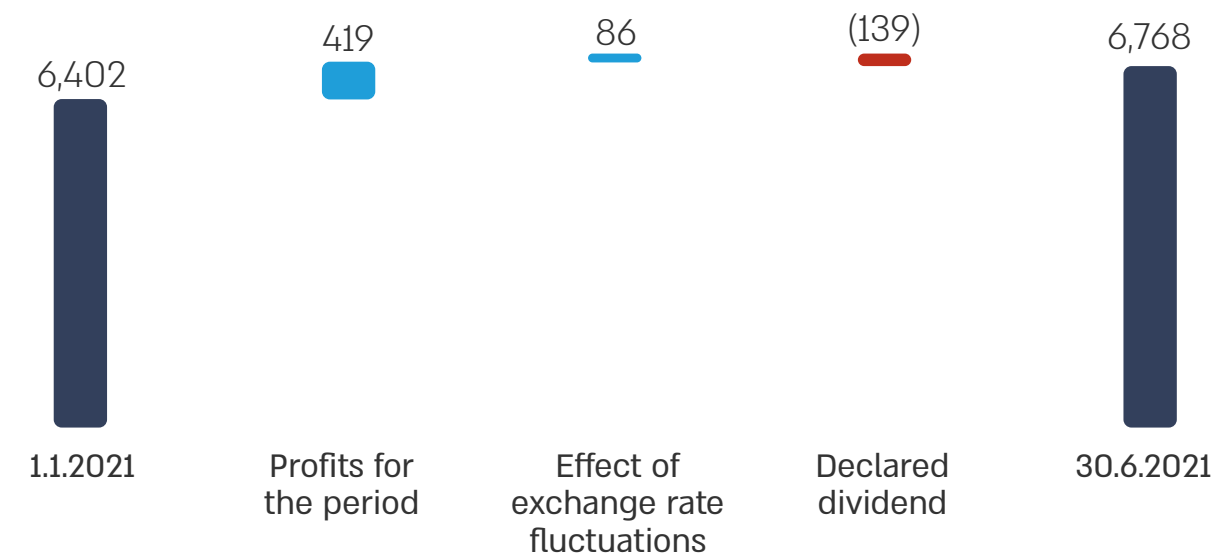


(\*) Changes in equity per share  
(majority shareholders) (in NIS)



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

Changes in Equity in the first half of 2021



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



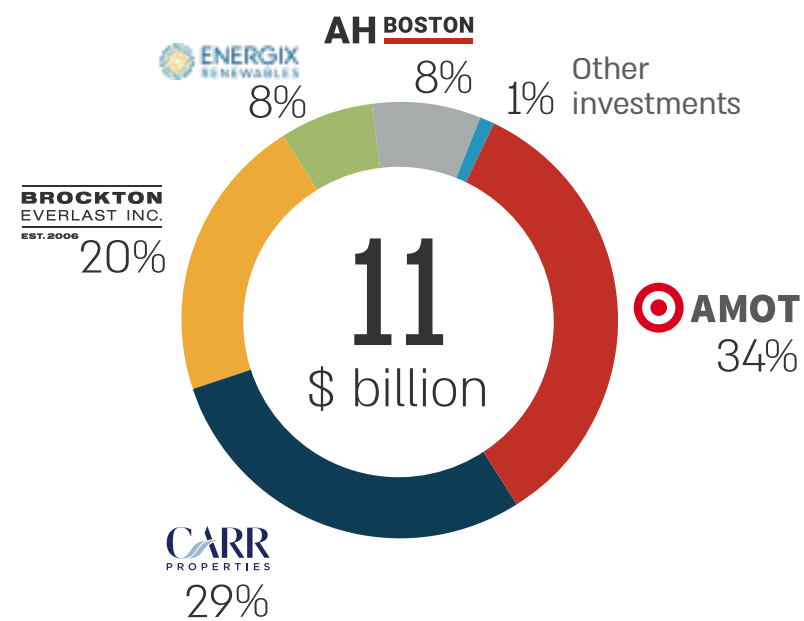
# Alony Hetz

## Investment Portfolio



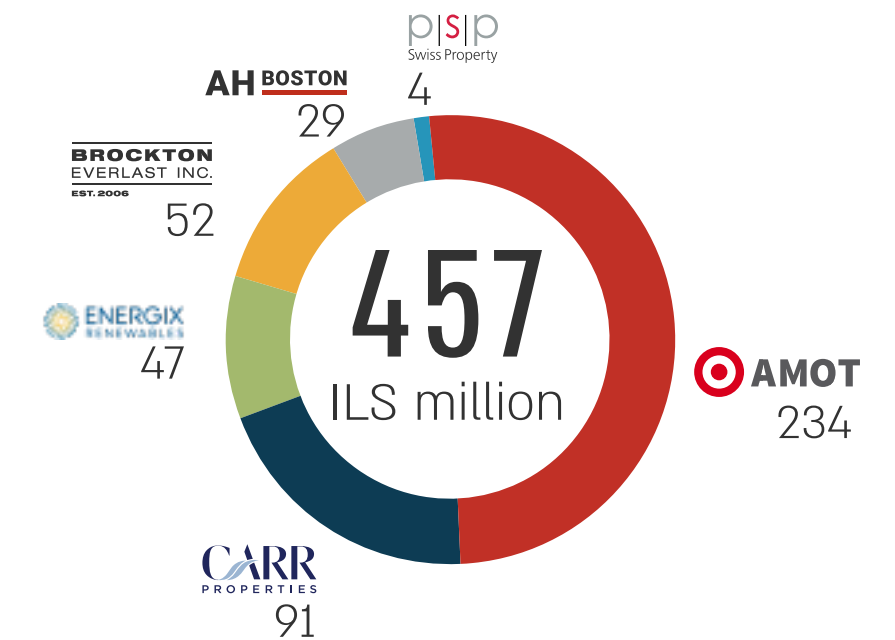
Carr, Wilson 2311, North Virginia

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



(\*) Excludes cash of NIS 397 million and a long-term bridge loan of NIS 55 million, which the Company provided to BE.

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



(\*) This is forward-looking information (see general comments on the presentation).  
From the beginning of 2021 until publication of the financial statements, dividends and equity returns of NIS 166 million were received.

### Changes in Investment Portfolio in the first half of 2021 [NIS Millions]



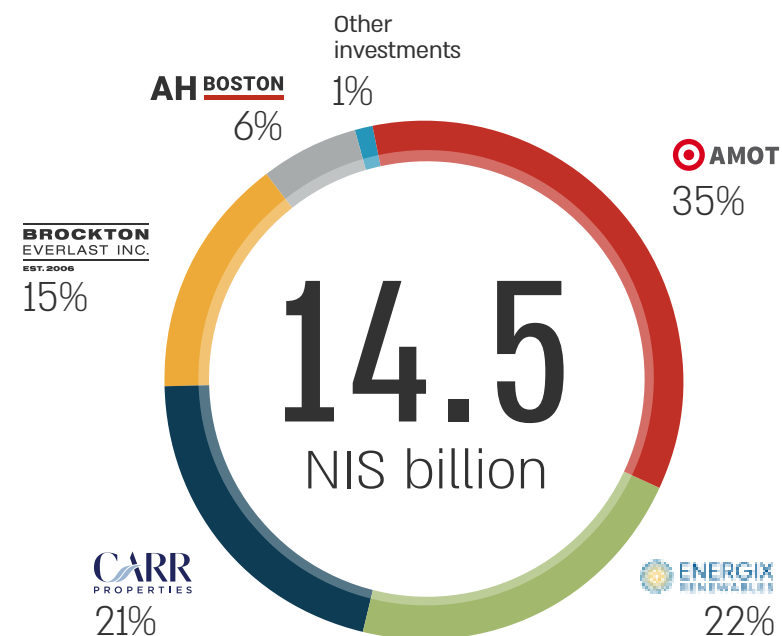


# Alony Hetz

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 June 2021	Investments since beginning of July 2021 until date of update	Adjustment to stock price as of date of update, including exchange rate adjustments	Adjusted data as of date of update(*)
<b>AMOT</b>	3,642	-	1,395	5,037
<b>CARR PROPERTIES</b>	3,081	-	(37)	(**)3,044
<b>BROCKTON EVERLAST INC. EST. 2006</b>	2,195	64	(30)	(**)2,229
<b>ENERGIX RENEWABLES</b>	815	-	2,400	3,215
<b>AH BOSTON</b>	860	16	(10)	(**)866
Other investments	141	-	(1)	140
<b>GAV</b>	10,734	80	3,717	14,531
<b>Net financial debt(****)</b>	(3,318)	(80)	(7)	(3,405)
<b>NAV(***)</b>	7,416	-	3,710	11,126
<b>NAV per share (***)</b>	42.7			64.1
<b>Leverage</b>	30.9%			23.4%

(\*) Date of update for calculation of adjusted NAV (including stock market prices and exchange rates) is August 12, 2021

(\*\*) According to book value (\*\*\*) Ignores deferred taxes (\*\*\*\*) Gross debt after deducting cash and short-term loan provided to BE



Alony Hetz

Revaluation of income-producing and development properties in Group companies for first half of 2021



			in millions of the country currency 100%			Company's share in NIS millions	
Geographic region	Company	Currency	Revaluation of income-producing properties	Revaluation of development properties	Total	Total	
UK	<div><div>BROCKTON</div><div>EVERLAST INC.</div><div>EST. 2006</div></div>	GBP	£ 15	£ 52	£ 67	296	
Israel	<div><div>AMOT</div></div>	ILS	₪ 96	₪ 31	₪ 127	71	
USA	<div><div>CARR</div><div>PROPERTIES</div><div>AH BOSTON</div></div>	USD	\$ (22)	\$ 46	\$ 24	45	
						Company's share before tax effect	412





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



The Company is in compliance with all the financial covenants of the bonds and credit facilities.



The Company has credit facilities in the amount of NIS 500 million.



All of the Company's financial debt is non-bank credit.

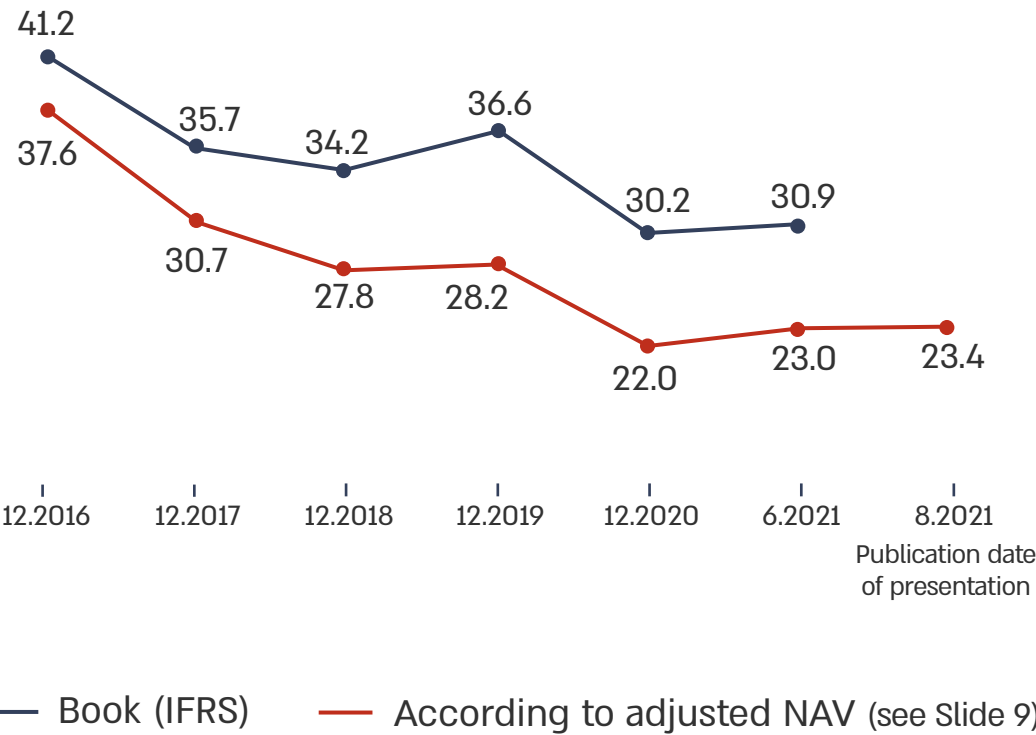


The Company's financial debt as of the presentation's publication date totals NIS 3.8 billion (NIS 3.3 billion net financial debt)

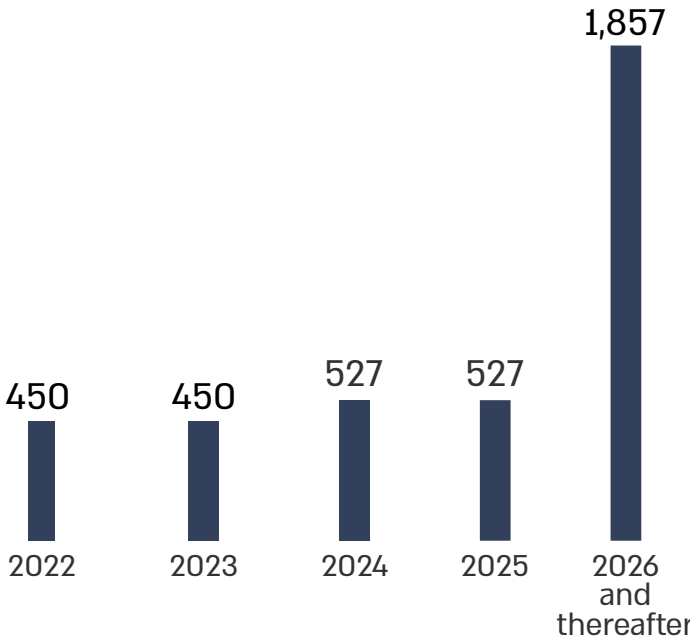


None of the Company's assets are pledged.

Leverage, net (%)



Maturity dates of debt proximate to publication date of presentation (NIS millions)





# Alony Hetz

FFO (NIS millions)



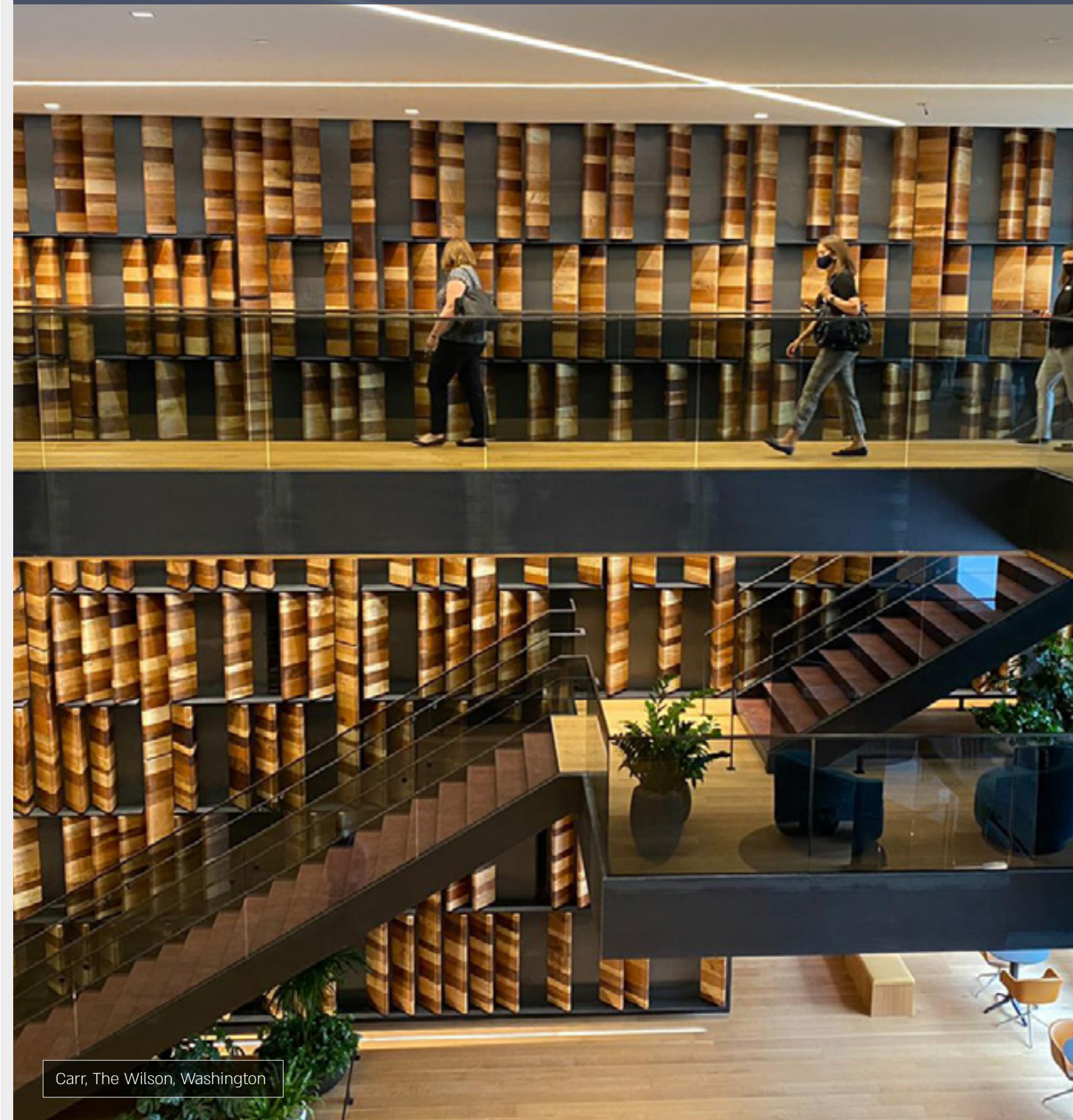
Carr, Image of One Congress, Boston

	H1 2020	H1 2021	Main explanation for change
Company's share in AMOT's FFO	142	154	
Company's share in Carr's FFO	69	48	Decrease in NOI from sale of properties and a slowdown in the leasing rate of vacated properties due to the pandemic.
Company's share in Energix' FFO	42	33	Decrease in output generated due to low wind data, including a decrease in the effective price (includes fixed price sales)
Company's share in Brockton Everlast's FFO	14	22	
Company's share in AH Boston's FFO	23	21	
Company's share in FFO of PSP, which was sold in full	22	2	Disposition of shares
Dividend from Brockton Funds	2	-	
Real interest expenses	(52)	(45)	
General and administrative expenses net of management fee income)	(7)	(8)	
Current taxes	(5)	(4)	
<b>Total FFO</b>	<b>250</b>	<b>-11%</b> <b>223</b>	



# Alony Hetz

Key Financial Data - Solo Expanded (NIS millions)



Carr, The Wilson, Washington

Income Statements	H1 2021	H1 2020	Year 2020
Profits of investees (*)	565	61	307
Other profits from long-term investments	19	130	186
Other income	11	7	14
<b>Total income</b>	<b>595</b>	<b>198</b>	<b>507</b>
General and administrative	(22)	(16)	(33)
Financing, net	(45)	(63)	(97)
Income taxes	(109)	(11)	(74)
<b>Total expenses</b>	<b>(176)</b>	<b>(90)</b>	<b>(204)</b>
<b>Net income</b>	<b>419</b>	<b>108</b>	<b>303</b>
(*) Includes the Company's share in revaluation of investees' investment properties, before tax effect	412	(201)	(176)
Balance Sheets	June 2021	December 2020	
Investment portfolio	10,734	10,015	
Other assets (mainly cash and short-term loans to BE)	539	776	
<b>Total assets</b>	<b>11,273</b>	<b>10,791</b>	
Financial liabilities	3,869	3,809	
Other liabilities	636	580	
Equity	6,768	6,402	
<b>Total equity and liabilities</b>	<b>11,273</b>	<b>10,791</b>	

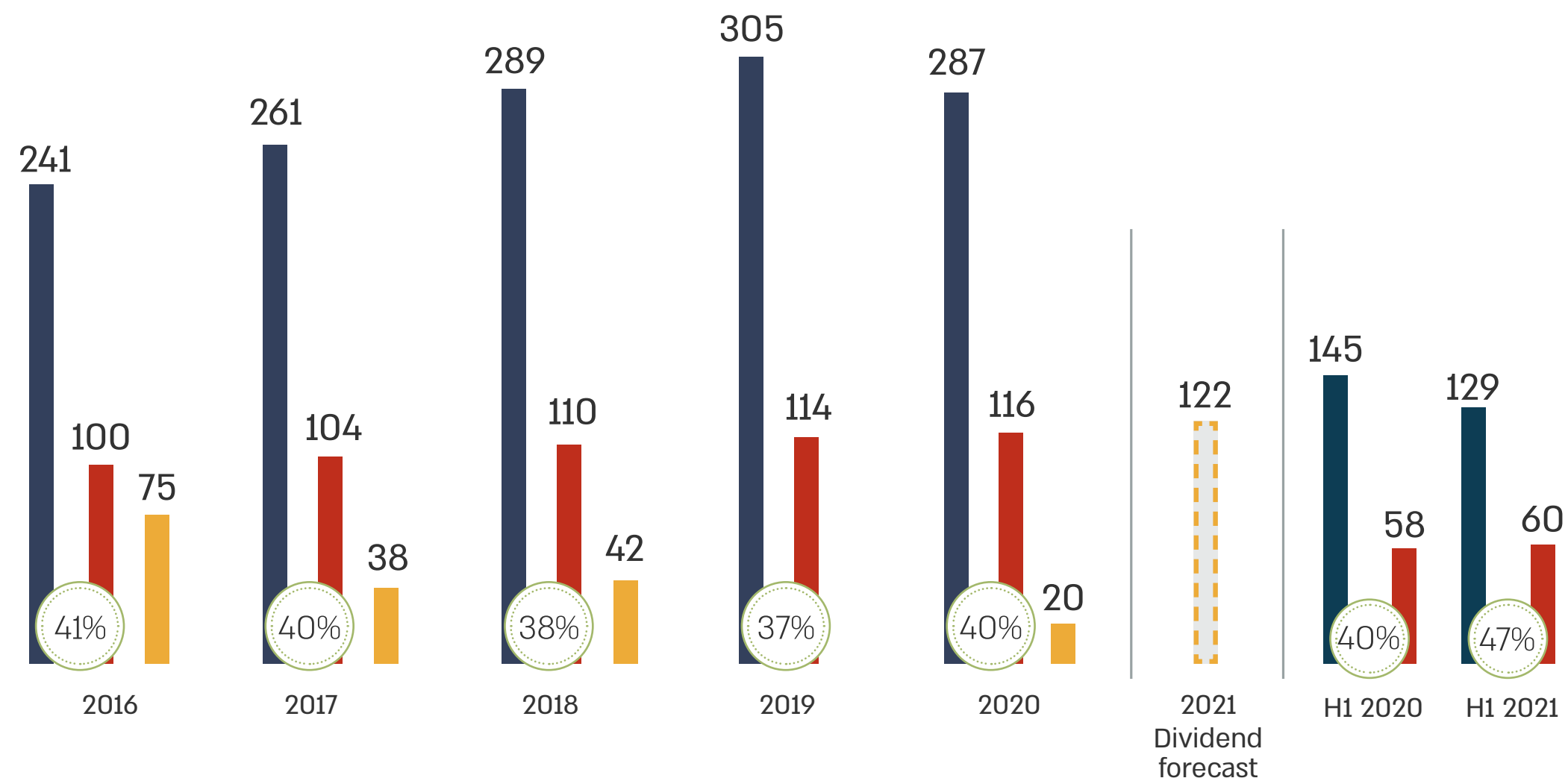


# Alony Hetz

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



Carr, image of One Congress, Boston



■ FFO per share ■ Ordinary dividend per share ■ Special dividend per share

○ Regular Dividend Payout Ratio from FFO

○ 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 quarters and NIS 0.31 per share in the third and fourth quarters.

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





## Corporate governance

- Stringent ethics regarding business conduct.
- Especially high level of transparency for shareholders and creditors.
- More than half of the directors in the publicly traded companies are independent.



## Environmental protection

- Green construction methods – from the development stages to the operation and maintenance stages.

CARBON NET ZERO



BREEAM®



## Green energy

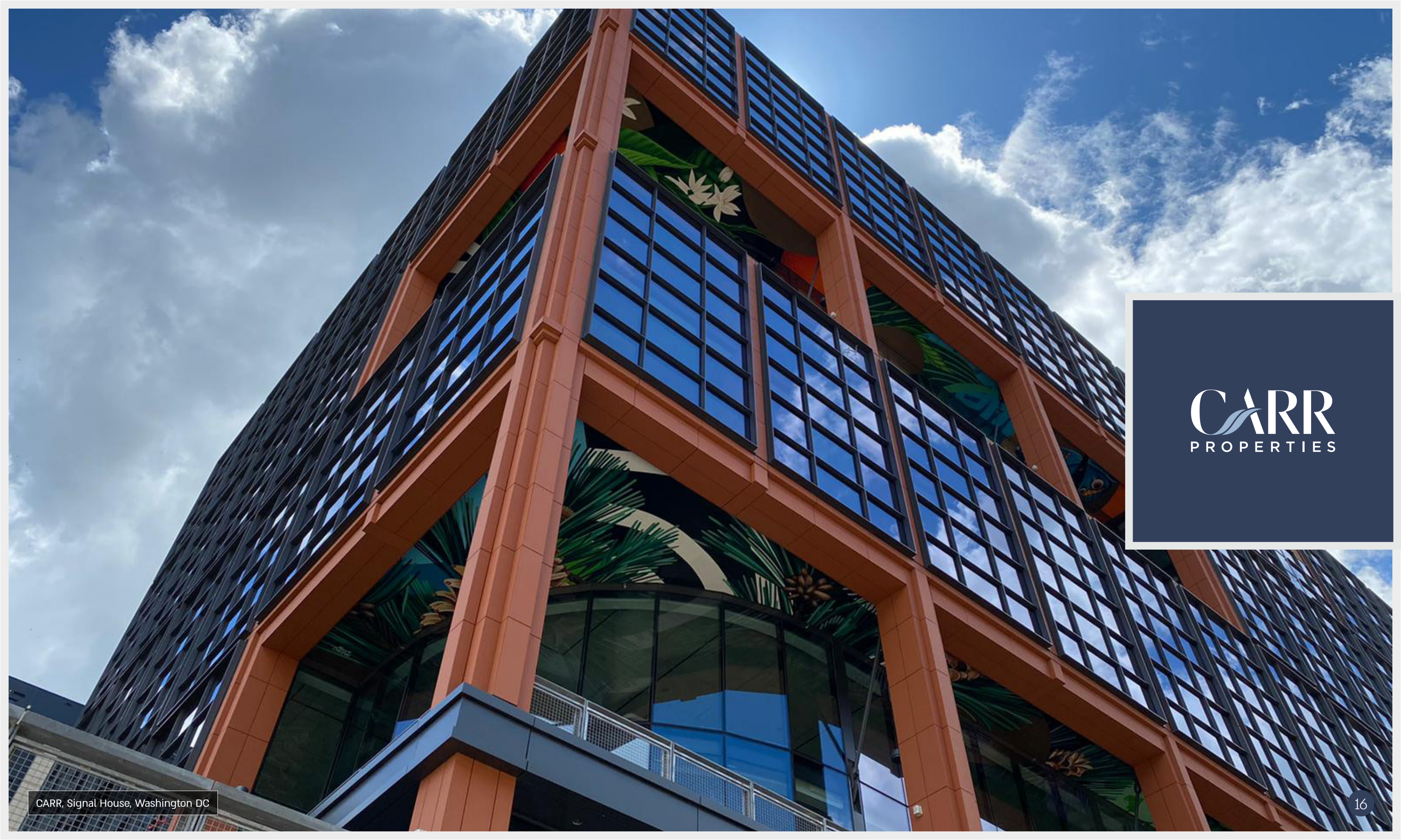
- Generating energy from renewable sources (sun and wind) with a capacity of 0.5GW
- Development of real estate projects near mass transit stations.



## Social responsibility

- Contributions to the community.
- Volunteering.
- Gender equality.
- Accessibility





CARR  
PROPERTIES

CARR, Signal House, Washington DC







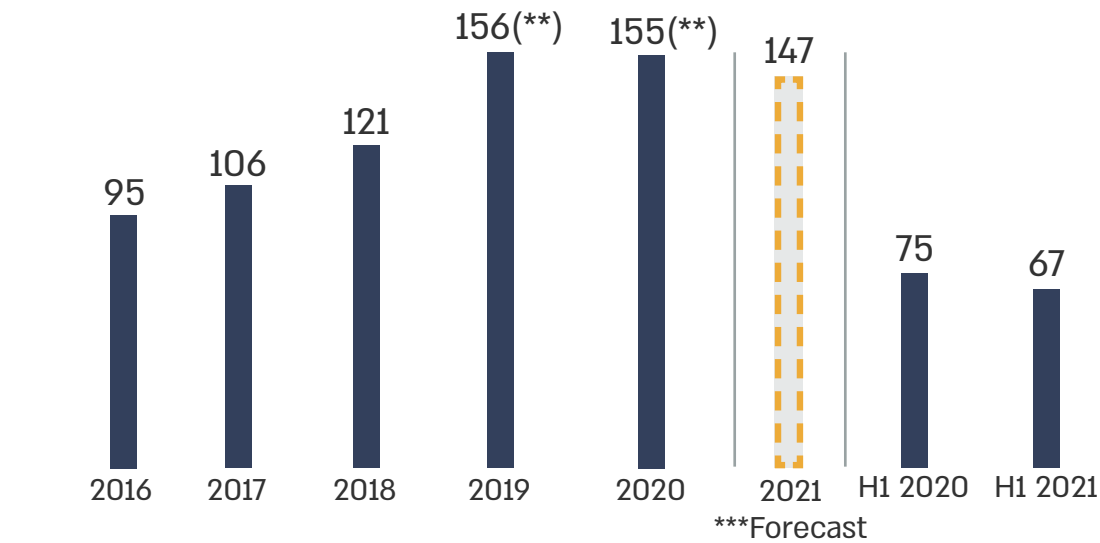
# CARR

Rental Activity of CARR



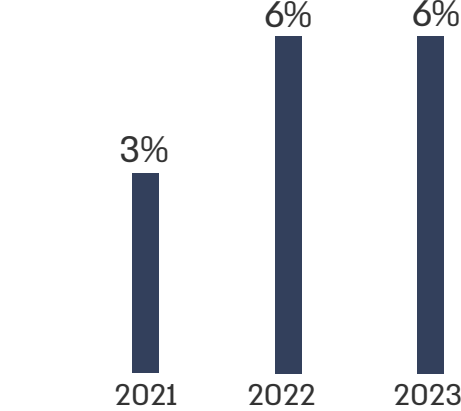
## NOI (in \$ millions)

H1 2021 vs. H1 2020 Same Store NOI -7%



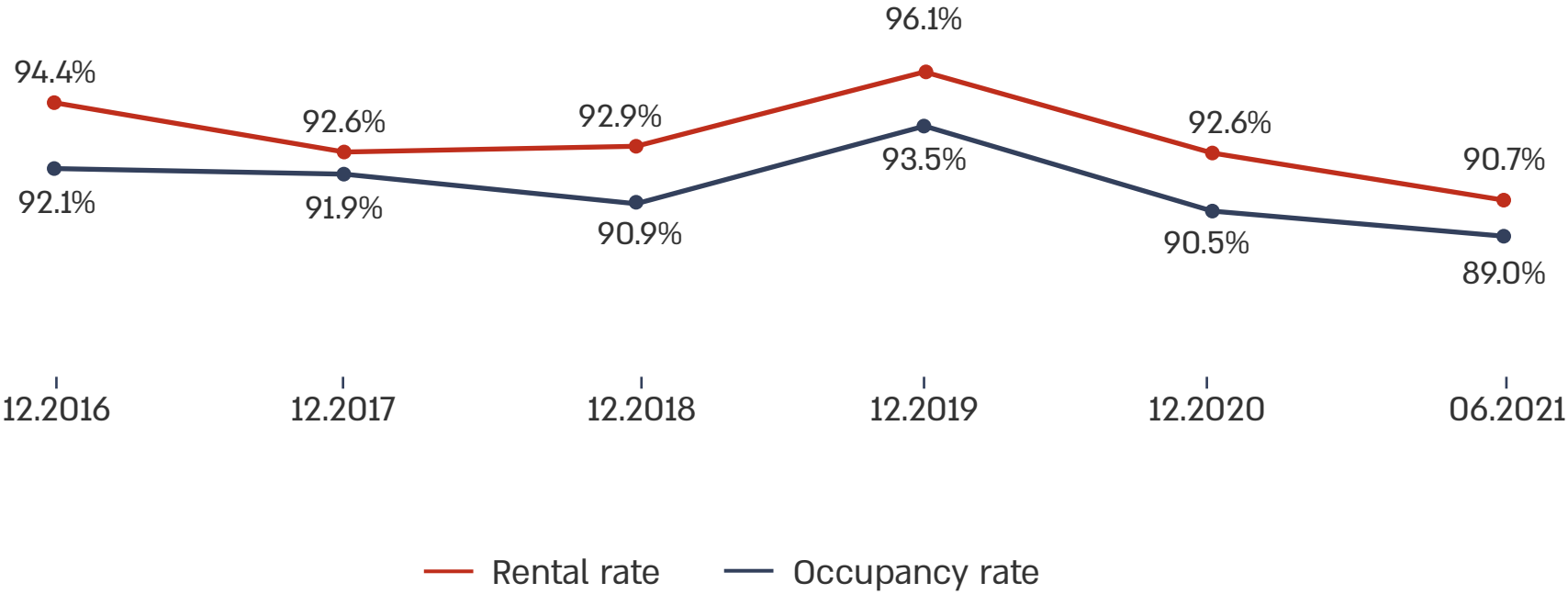
(\*\*) Includes termination fees from tenants totaling \$12M in 2020 and \$9M in 2019.  
(\*\*\*) This is forward-looking information (see general comments on the presentation).

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



WALT 6.8 years

## Change in Occupancy and Rental Rates





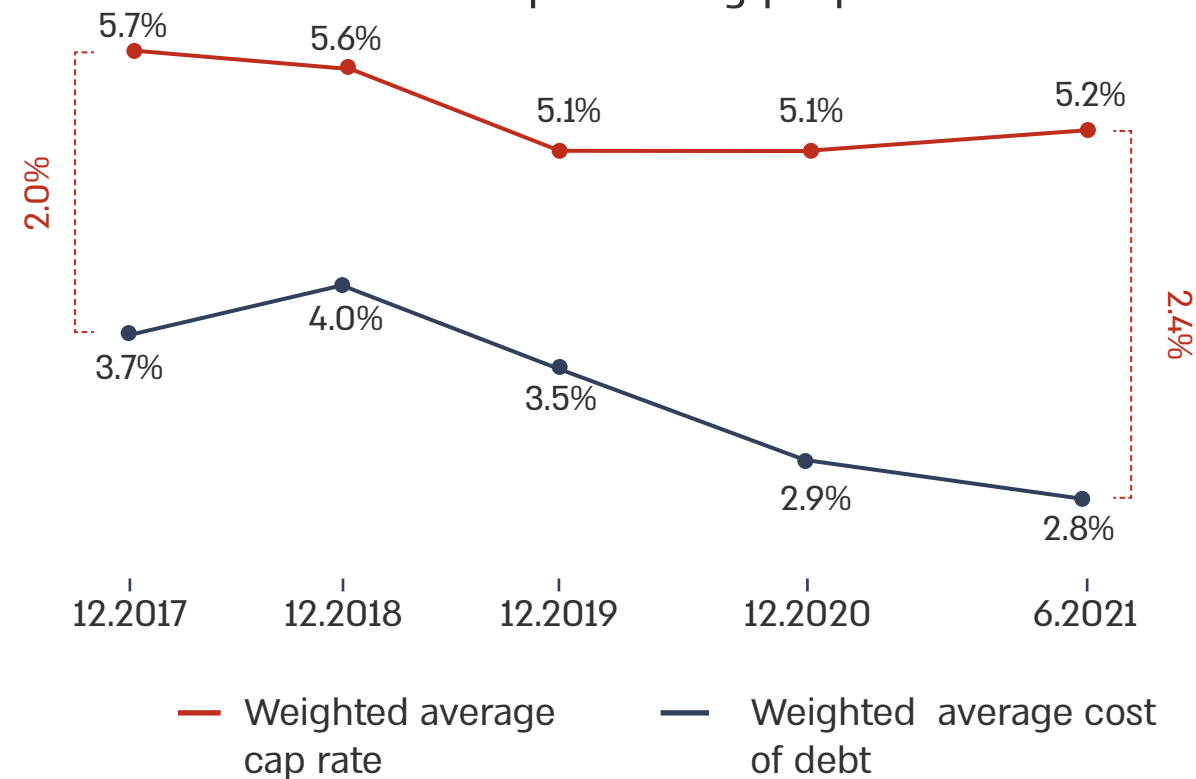
# CARR

## Cash Flows and Financial Debt

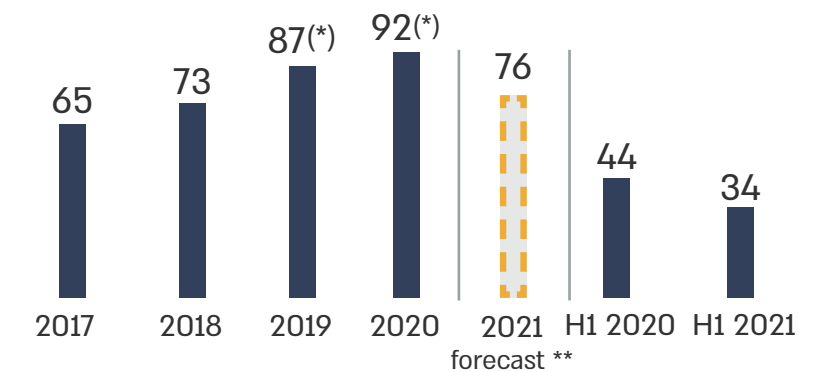


Carr, Midtown Center, Washington DC

### Changes in cash flow margins of income-producing properties



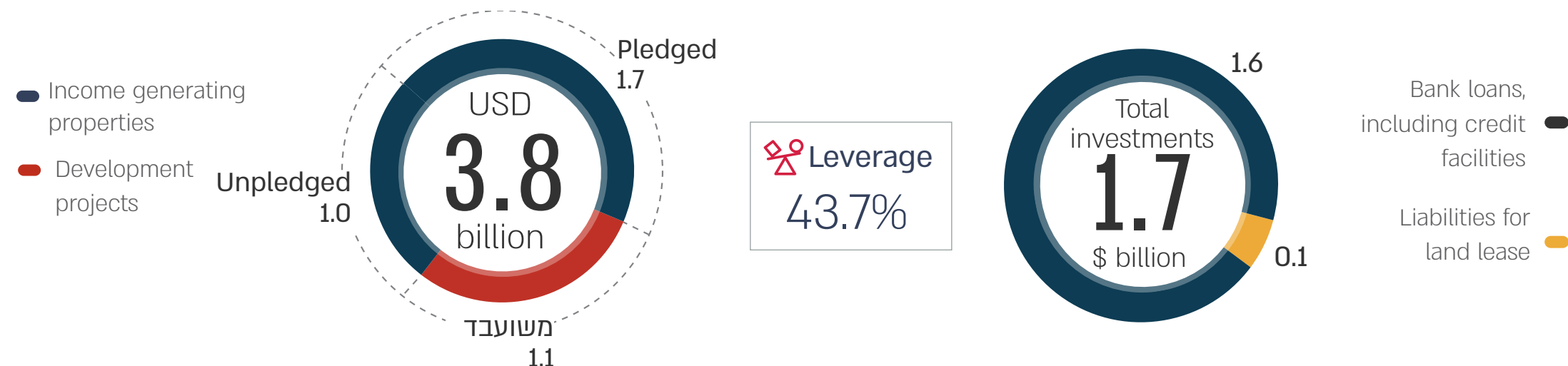
### FFO (in \$ millions)



(\*) Includes termination fees from tenants totaling \$12M in 2020 and \$9M in 2019.

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

### Composition of financial debt (gross) and pledges of CARR (\$ billions)



**i** 57% of the financial debt is at fixed interest.

**i** As of June 30, 2021, CARR has unutilized credit facilities totaling \$158 million (out of a total of \$800 million) and facilities to finance development projects totaling \$440 million, utilization of which is conditioned on construction progress.



# CARR

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



5.5%

Implied cap rate (derived from the weighted average value of US public office REIT's, including related data as of August 6, 2021)

vs.



5.3%

Implied cap rate derived from the value of the income-producing properties (excludes Midtown Center and 100Congress)

IFRS value of income-producing properties excluding Midtown Center & 100 Congress as of June 30

\$1,906M



5.3%



Annual NOI for 2021 plus income from parking lots

\$100M



5.5%



Derived value

\$1,820M



Difference in value compared with IFRS value as of June 30

\$87M



(constitutes 4% of CARR's equity as of June 30, 2021)

Difference in value in terms of Alony-Hetz shares

0.72<sub>NIS</sub>



CARR

Supplementary information  
on development pipeline (\*) -  
CARR's share

Difference in  
terms of Alony  
Hetz shares

NIS2.5



\$300-\$310  
million

Forecasted unrealized  
revaluation profits

\$170million  
Recognized revaluation  
profits

\$389  
million  
Cost to completion

\$969  
million  
Cumulative costs

\$ 1.8  
billion

Stabilized value  
generating  
forecasted NOI  
totaling

\$80-\$90  
million

THE  
WILSON

THE  
ELM



(Metro DC)

Offices - partially occupied and partially in TI  
adjutments  
Residential -completed

Ownership

100%

% pre-let

residential  
40%      offices  
100%

Average forecasted  
unrealized  
revaluation profits  
as of end of June  
2021

\$83M

OneCongress



(Boston CBD)

Offices -  
Estimated construction completion  
in March 2023

75%

52%

\$189M

SIGNAL HOUSE



(Metro DC)

Offices  
Before TI adjustments

100%

26%

\$35M



## State St. to shut Manhattan offices, on track in Boston

The financial services firm says it remains on track to occupy part of the One Congress tower under construction.



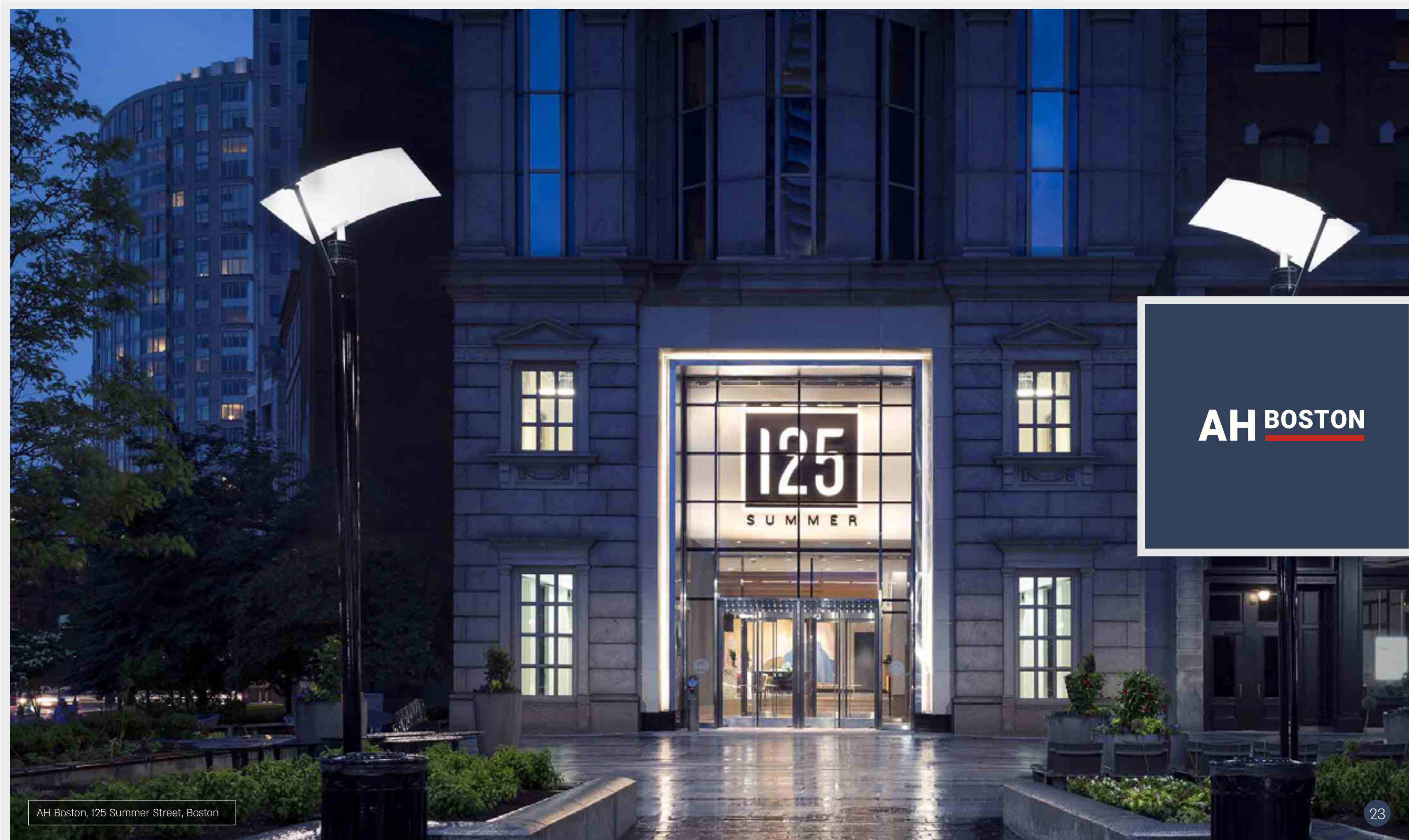
The One Congress office tower under construction in downtown Boston. State Street Corp. said it remains committed to move into the 600-foot tower, which is scheduled to open in 2023.

Globe Staff / 17.08.2021



Model of the health club and dining floor





**AH** BOSTON



# AH BOSTON

Business Partnership with **OXFORD**

All-inclusive data as of June 2021  
relating to 100% ownership

Equity \$467M

Number of  
properties 3

GLA 870 thousand  
square feet

Value of  
properties \$797M

Occupancy and  
rental rate 80%

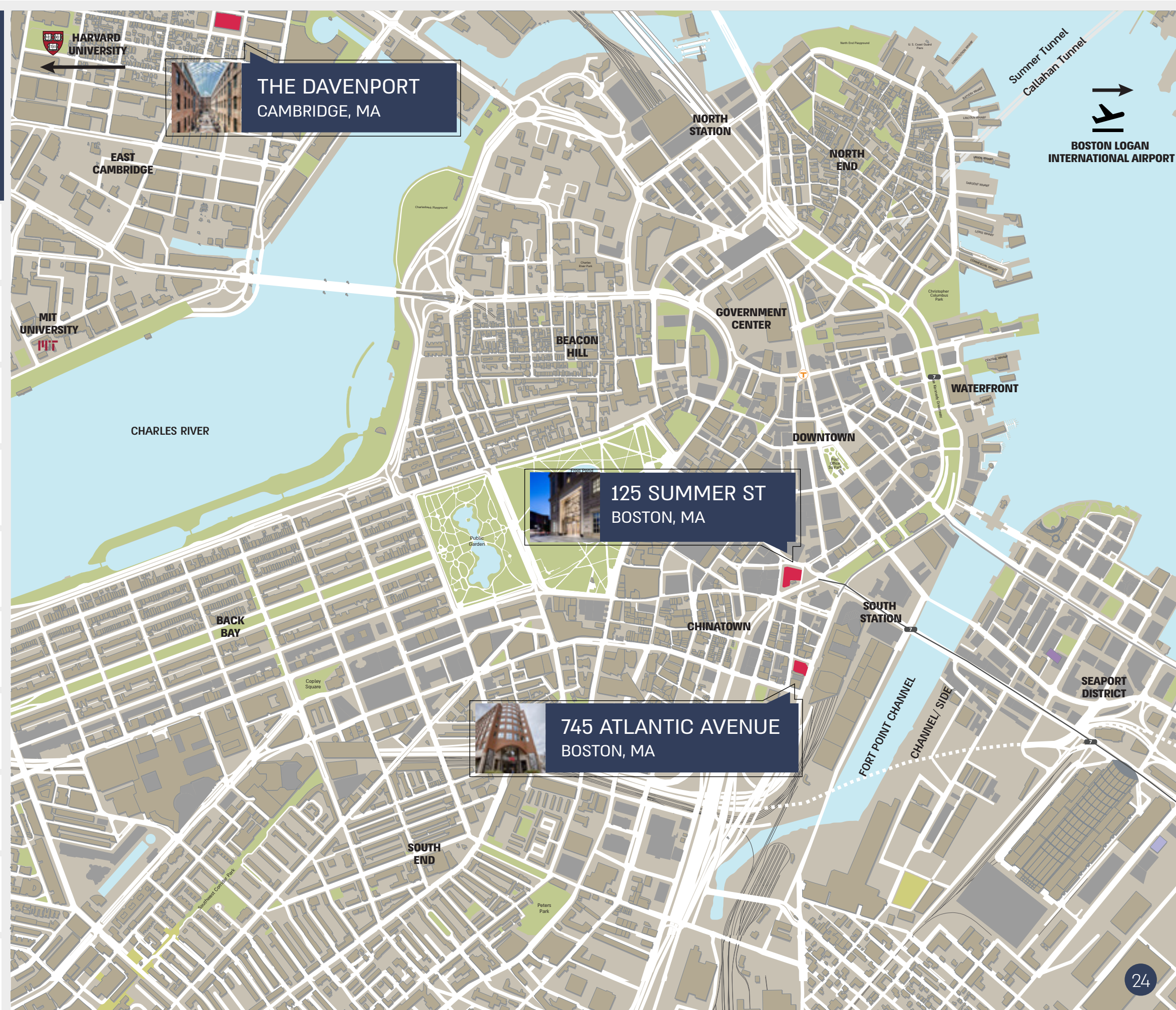
WAULT 6 Years

Lease Terminations until the end of  
2022 as a percentage of total portfolio 7%

Leverage 40%

NOI H1 2021 \$16M (\$17 million in H1 2020)

FFO H1 2021 \$11.6M (\$12 million in H1 2020)





# AH BOSTON

Additional information on income-producing properties

125 Summer



The Davenport



745 Atlantic Ave



Value  
June 2021

\$412M

\$253M

\$132M



GLA

474 thousand  
square feet

222 thousand  
square feet

174 thousand  
square feet



Occupancy  
rate  
as of publication  
date of presentation

90%

100%



Main  
tenants

HAEMONETICS®

asics®

ANALOG  
DEVICES

KLAVIYO

HubSpot



WALT

6.0 Years

6.3 Years

In early March 2021, We Work (which had leased 131K sqf) vacated its offices in the building. As of the publication date of the presentation, the building's occupancy rate is 24%.

The Company and Oxford, its partner, are working on a development project, to convert the entire building from offices to Life Science laboratories building, with an opening date in the first half of 2023\*.








# AMOT

Key Data

 Equity NIS **6.4** billion

 GLA **1.5** million sqm. **975** thousand sqm leasable space  
**553** thousand sqm parking

 Rental properties **105**

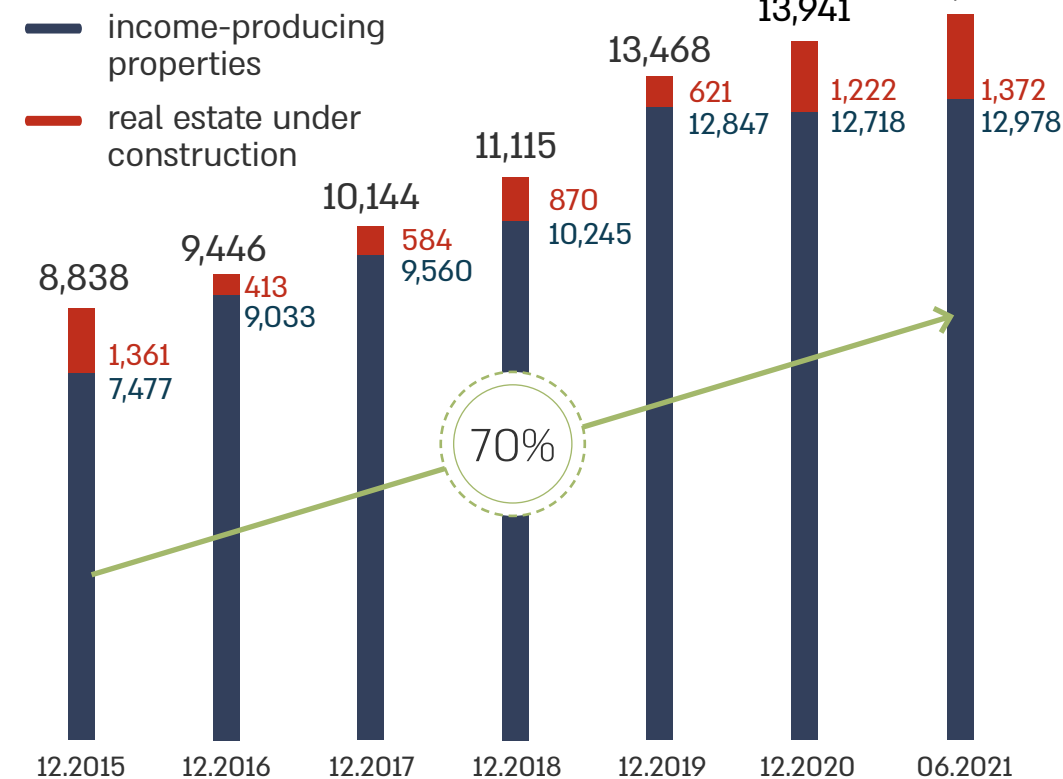
 Occupancy rate **96.9%**

 Net financial debt NIS **6.2** billion

 Leverage rate **42%**

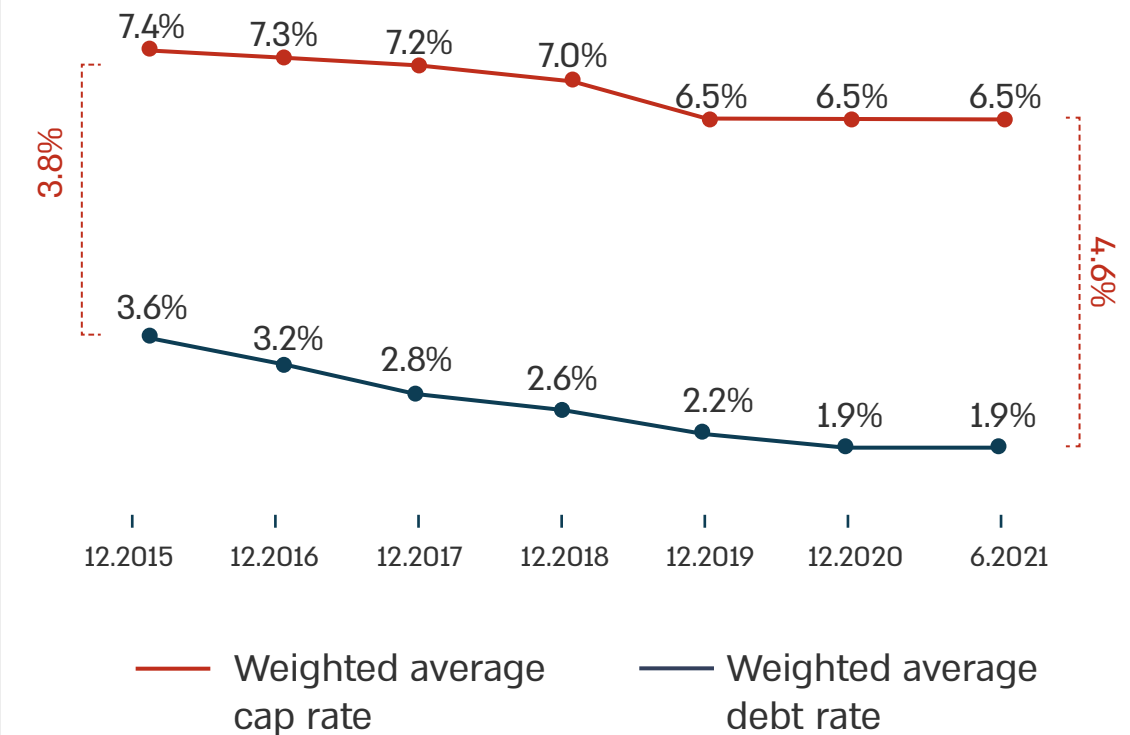
 Rating **AA/Stable** - Ma'alot  
**Aa2/Stable** - Midroog

## Investment Real Estate Value (NIS millions)(\*)

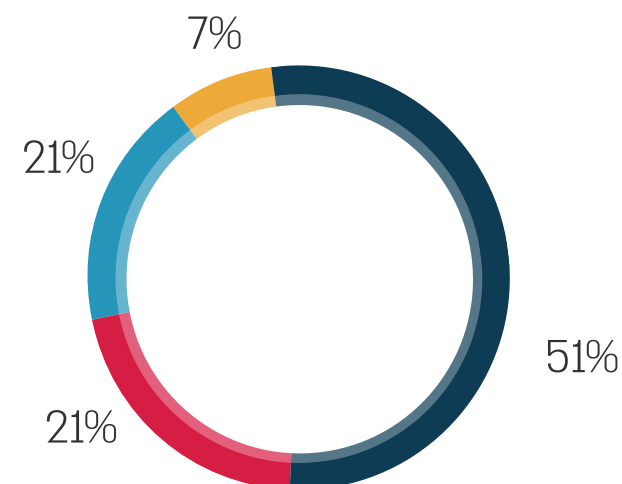


 98% of the properties are unpledged

## Change in cash flow margin



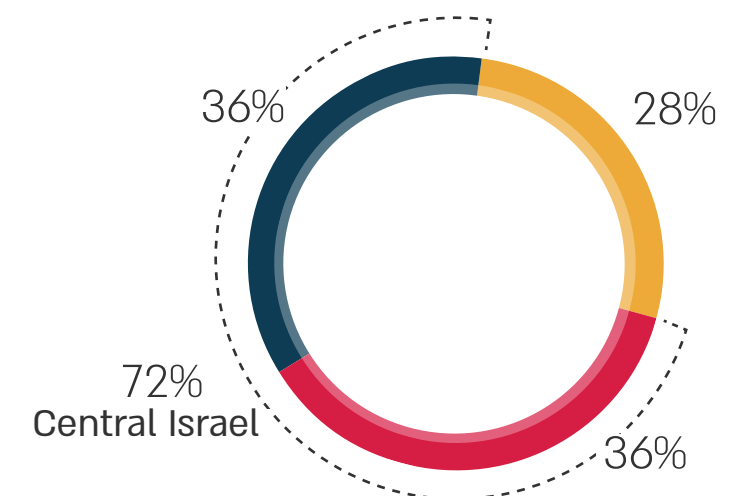
## Breakdown in value of income-producing properties (\*)



Offices Industrial & logistics parks  
Retail and commercial:  
Shopping malls Supermarkets & other

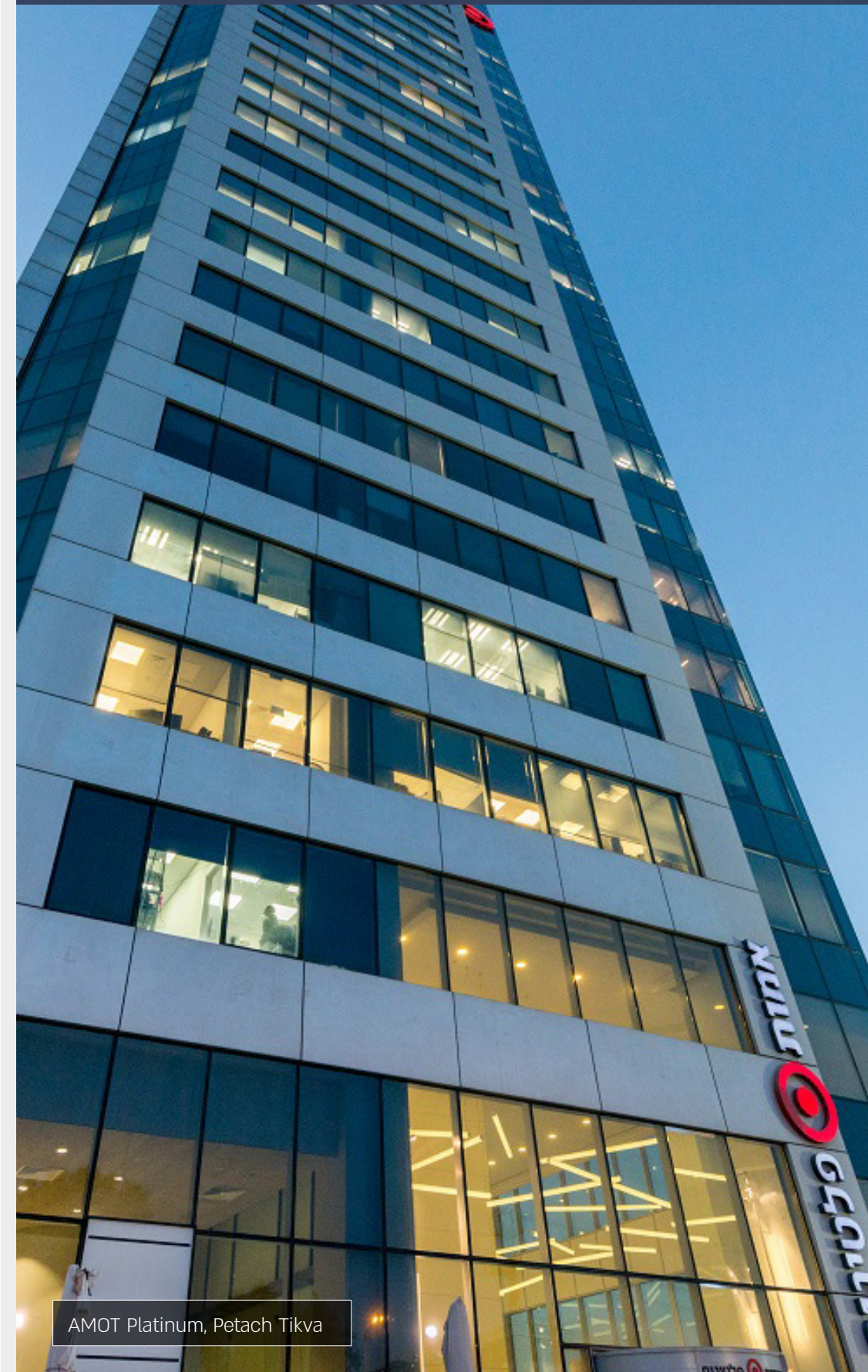
(\*) Excludes land classified as investment real estate under construction

## Geographic breakdown of properties



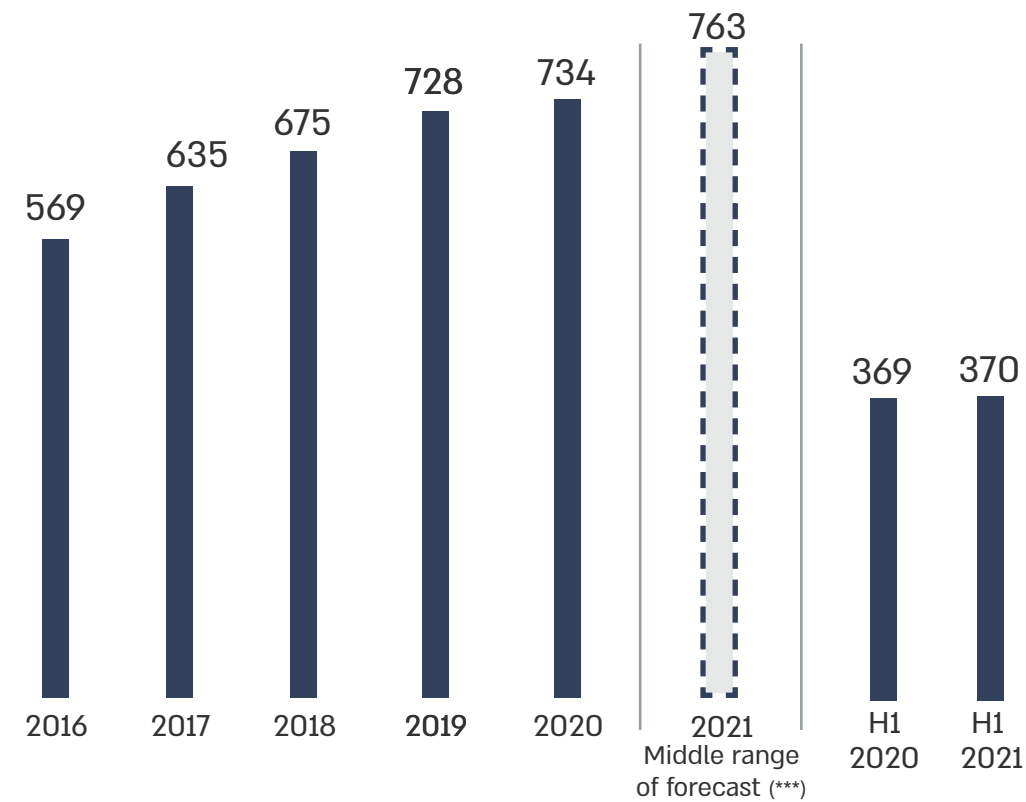
Greater Tel Aviv  
Gush Dan cities  
other regions in Israel



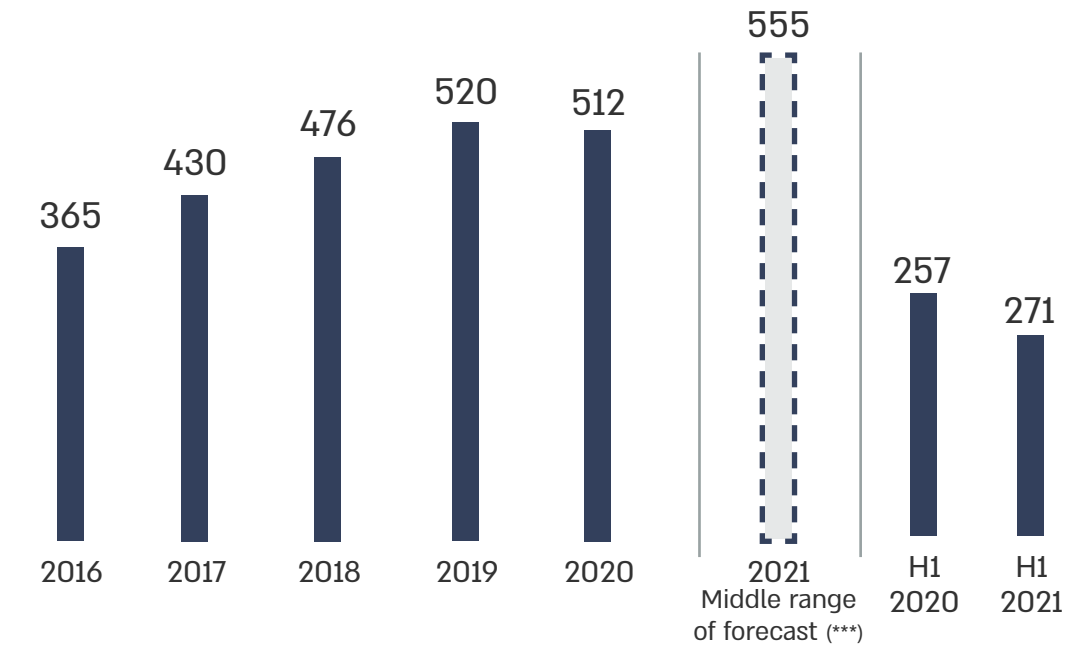


### NOI (NIS millions)(\*)

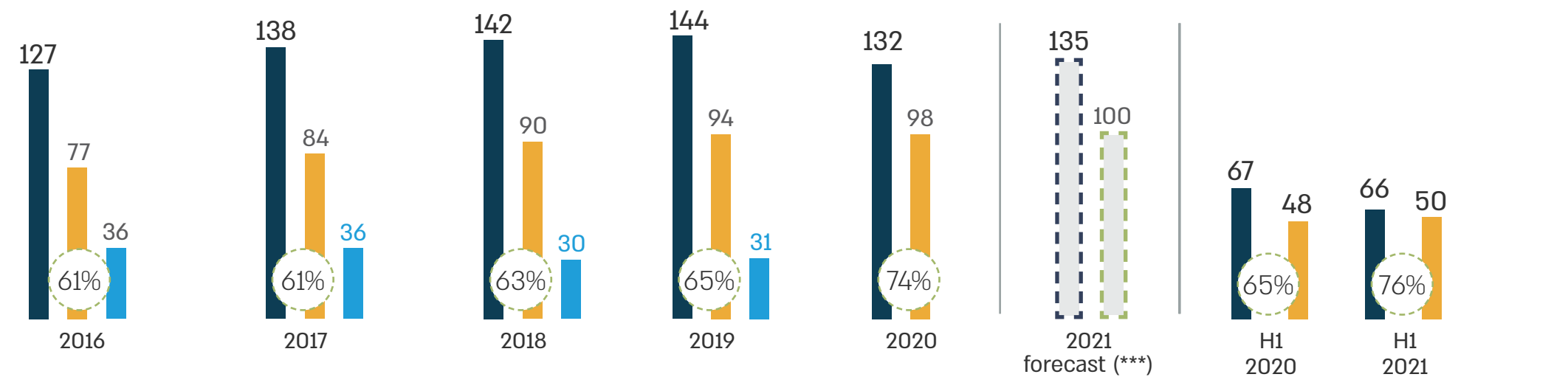
H1 2021 vs. H1 2020 IFRS Same Store NOI: +15%



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



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



FFO per share    Special dividend per share    Ordinary dividend per share    Regular Dividend Payout Ratio from FFO

AMOT 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.

Forecasted FFO per share for 2021.

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



# AMOT

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



AMOT has 6 development projects totaling 190 thousand square meters of above ground construction in addition to the construction of an underground parking garage for the ToHa2 Project. The total construction budget is estimated at NIS 2.3 billion.



The remaining amount to complete these projects is NIS 1.3 billion, while the forecasted NOI at stabilization totals NIS 180 million (excluding ToHa2 parking garage).



As of June 2021, the book value of the projects is NIS 1.0 billion.

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

Holon (78% owned)



Shufersal Logistics Center in Modi'in (75% owned)



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



K Complex in Jerusalem (50% owned)



Beit HaVered Givatayim (100% owned)



Logistics Beit Shemesh (60% owned)





# AMOT

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

## Intermediate term



4 projects in planning stages totaling 221 thousand square meters and with a construction budget of NIS 3.8 billion (excluding TI budget). AMOT's share totals 134 thousand square meters with a construction budget of NIS 2.2 billion (excluding TI budget):

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

## Long term



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.

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



ToHa 2  
(image)

ToHa 1

Image of ToHa 2, Tel-Aviv





**BROCKTON**  
**EVERLAST INC.**  
EST. 2006




 GLA **1.0M** sqf

 Value of Properties **£892M**

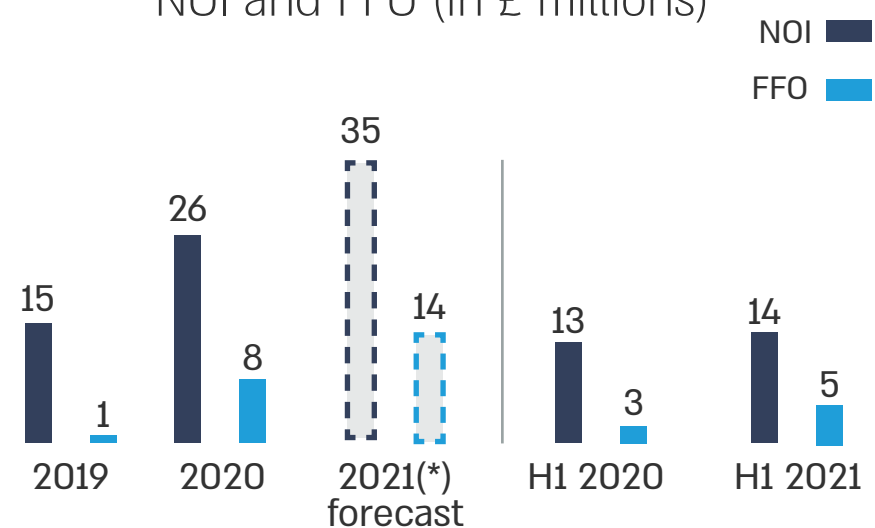
 Occupancy rate **91.8%**

 WALT **6.5** years (until the end of 2022, 3% of the leases (in financial terms) will be open for renewal)

 Leverage **51%**

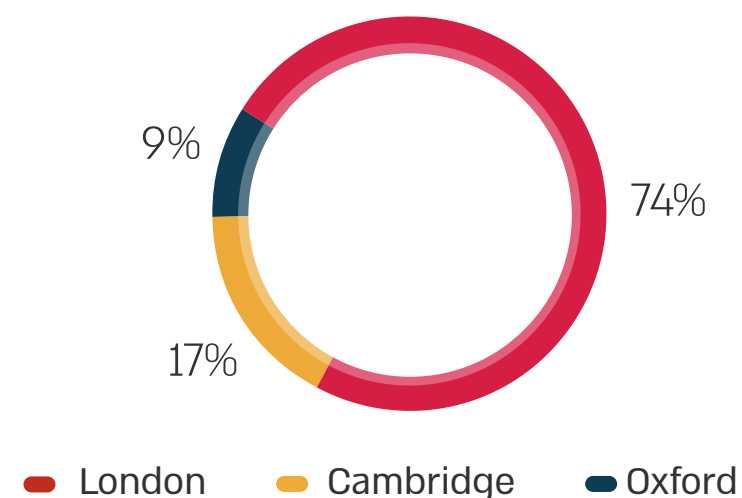
 For the purpose of achieving BE's long-term business objectives, the Company and BE began evaluating possibilities for adding financial investors to BE, in order to increase BE's equity base in addition to AH investemnt commitments in BE, which as of the presentation's publication date, totals £115M.

NOI and FFO (in £ millions)

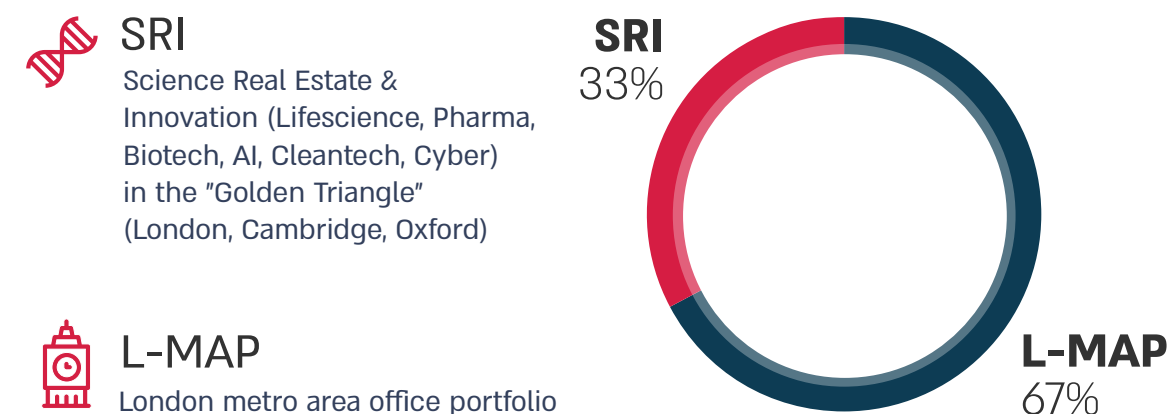


פארק המדע, צפון קיימברידג'

Geographic distribution according to property value



Future breakdown according to usage (with regard to BE's strategy)



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



# BROCKTON EVERLAST

Information on Additional Properties in London(\*)

**Waterside House** | Single tenant



Single tenant **M&S**  
EST. 1884

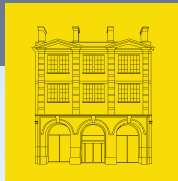


Short-term improvement potential:  
(Rent Review upwards only)



Long-term improvement potential:  
Significantly increasing GLA by  
redevelopment of a modern building.

**Union Street** | Single tenant



Singled tenant LFP **LFB**  
LONDON FIRE BRIGADE



Short-term improvement potential:  
Rent Review upwards only

**Telephone House** | Multi tenant



Medium-term improvement potential:  
  
Significantly increasing GLA by  
redevelopment of a modern building.

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



# BROCKTON EVERLAST

Information on Devonshire Quarter(\*)

A development project of a modern office tower (including compliance with the Carbon Net Zero standard), with new GLA of **460 thousand square feet** (compared with the existing 130 thousand square feet).

Based on the appraiser's valuation, relying, among other things, on the considerable progress in the permit process opposite the London Planning Committees, **BE** recognized **£46 million** appreciation of the property value in the first half of 2021.



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

Liverpool St. Station





# BROCKTON EVERLAST

Additional Information on Investments in Income-Producing Properties in Cambridge (\*)

Since the beginning of 2021, **BE** has acquired properties in the **Cambridge Science Park** for a total amount of **£192 million** (excluding transaction costs), including:

- 50 dunam (50,000 square meters) of land containing 7 buildings, two of which are designated for demolition next year, for the purpose of construction of new buildings with GLA of 130 thousand square feet (subject to approval of the urban plan). The remaining 5 buildings, with GLA of 176 thousand square feet, are fully rented to Life Science companies, and are expected to generate annual NOI of £6 million (\*).
- Additional 34 dunam (34,000 square meters) of land (containing buildings for demolition, currently generating annual NOI of £1 million) designated for significant development in the medium and long-term.

In accordance with the existing regional planning policies for the Science Park, all of these properties have potential for significantly increasing their building rights. Accordingly, and in view of the anticipated demand for business activity in the region, BE is striving to advance plans for the large scale construction of office and laboratory complexes for the Life Science industry over the next few years(\*).

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



## Cambridge Northern Cluster





# BROCKTON EVERLAST

Information on investments in income-producing properties in Oxford

## Seacourt Tower - Oxford



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.

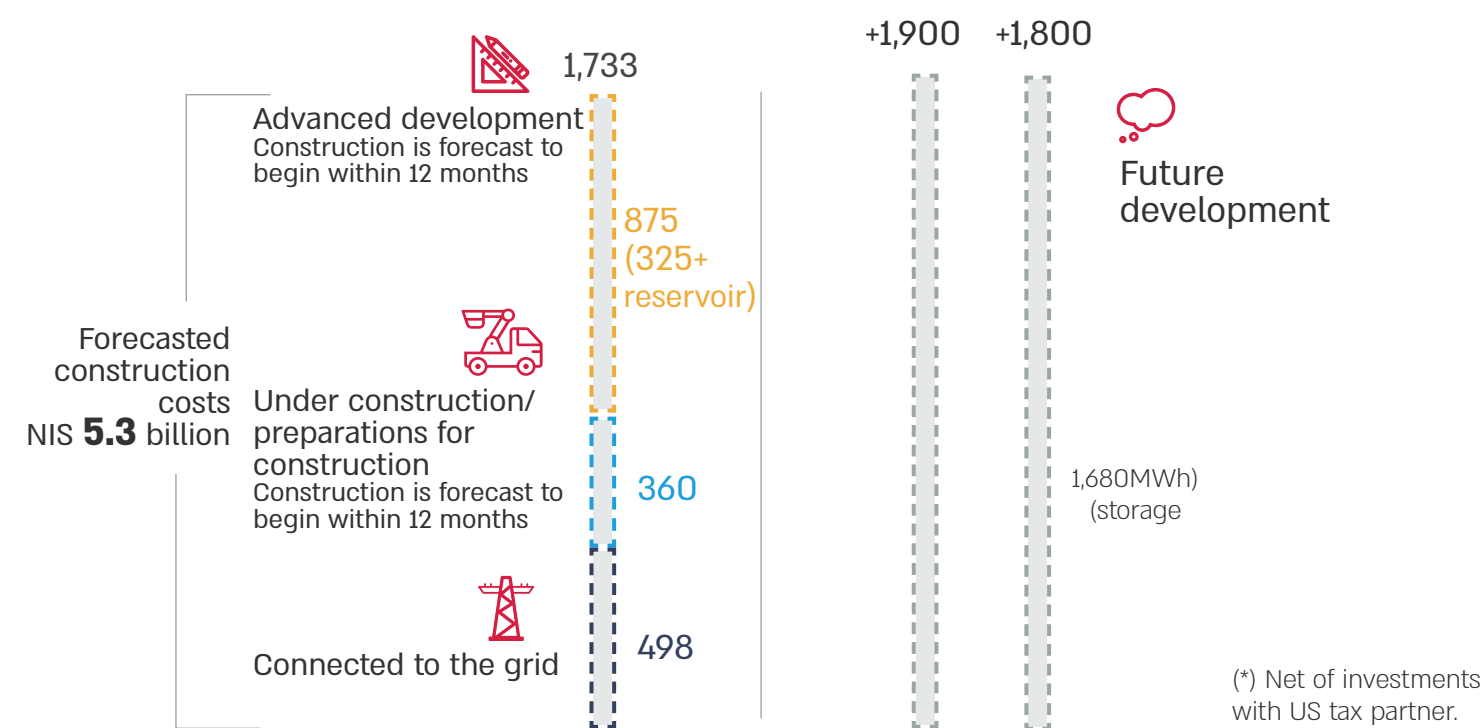




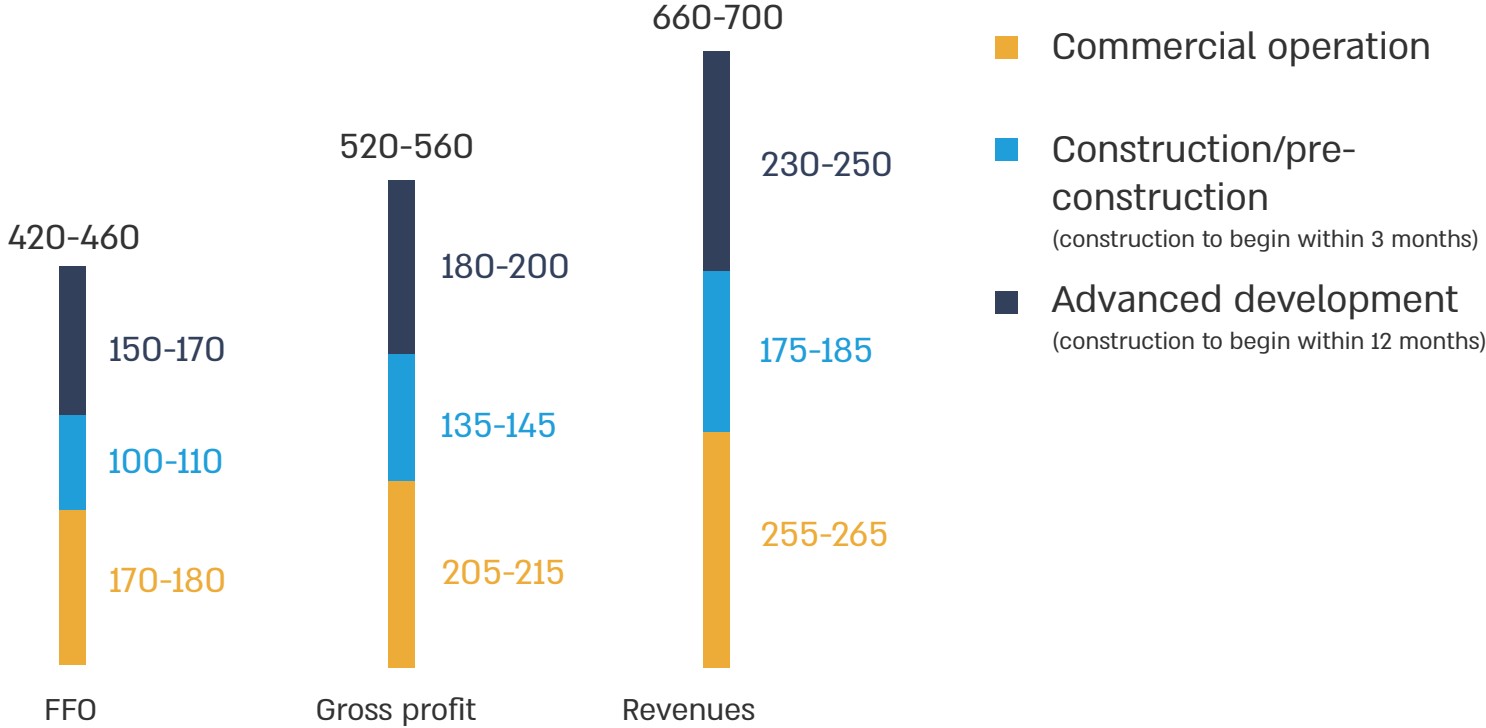
**ENERGIX**  
GROUP



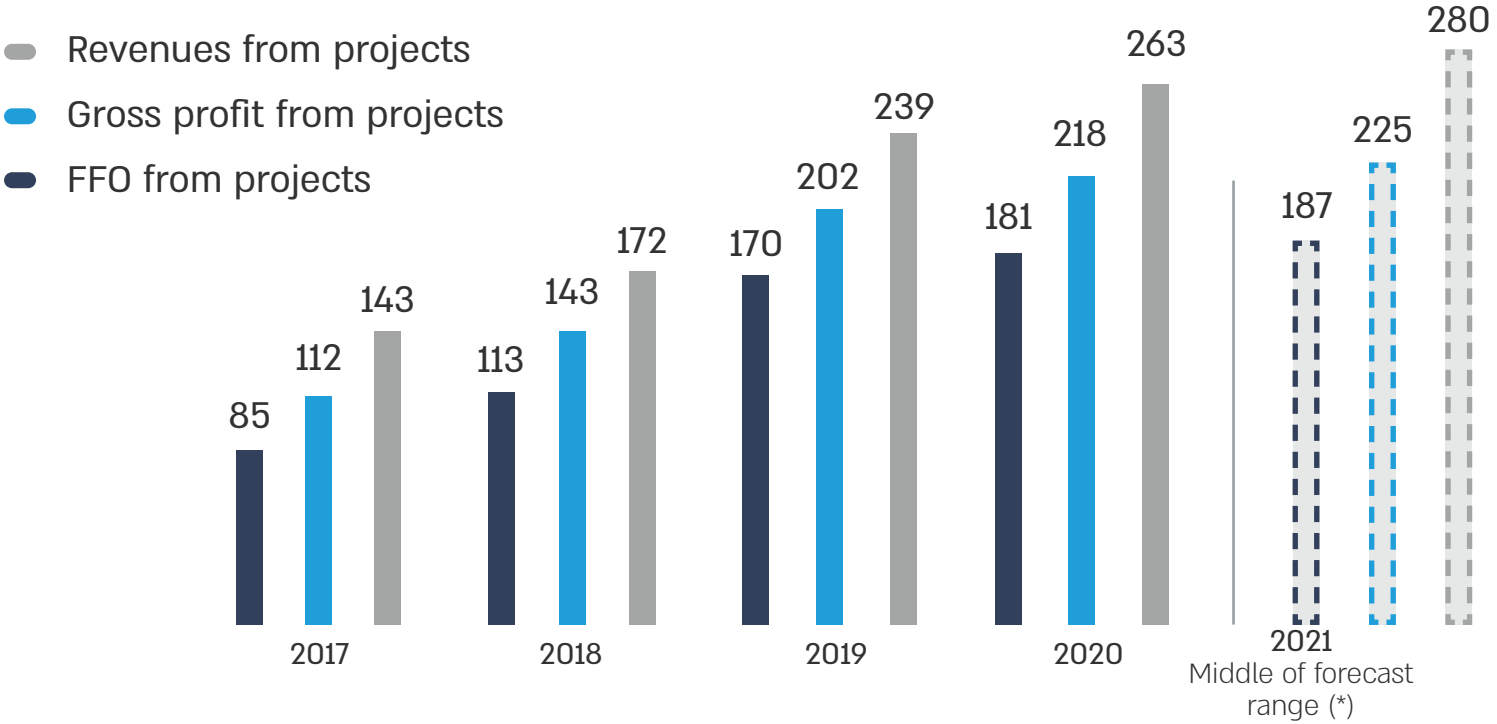
Total Capacity (MW)(\*)



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



ENERGIX - Results and Forecasts (in NIS millions)



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



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



# ENERGIX (continued)

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



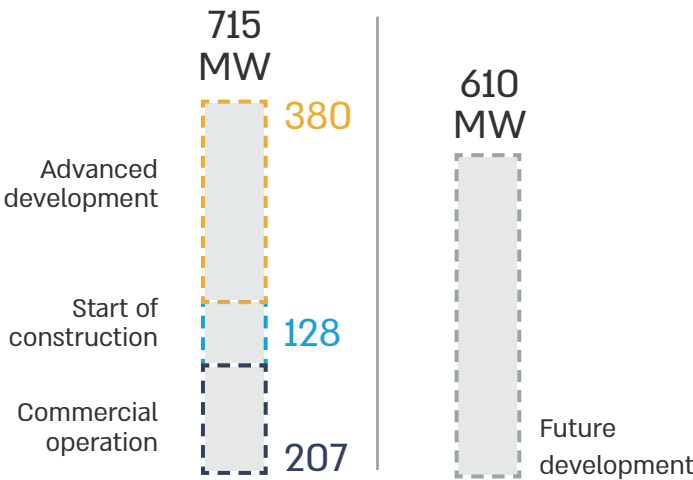
In Israel

- Completion of the construction of 11 projects with capacity of 74MWp.
- Advancement of the planning process for the Julis High Voltage Project of 90MWp. The National Infrastructures Council has published its plan.
- Obtaining licensing for electricity sale to end users.



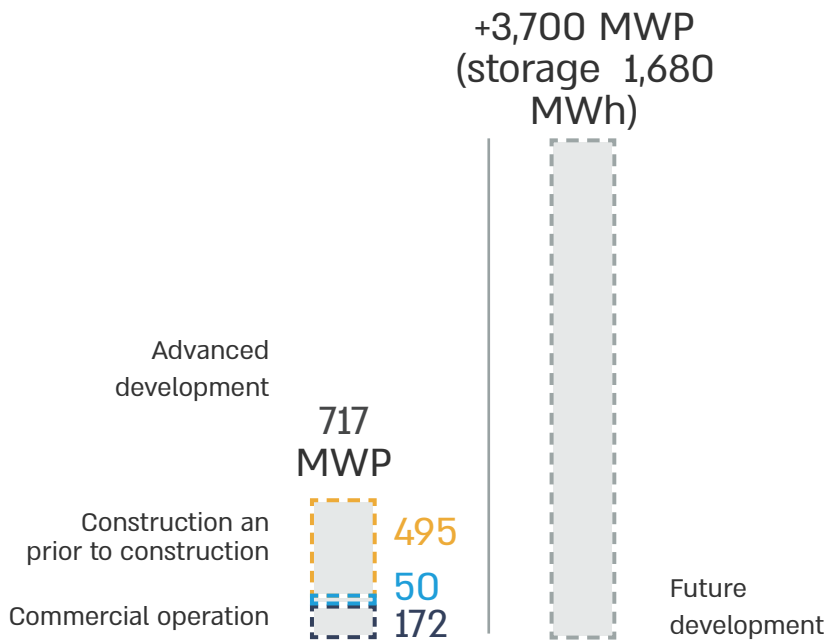
In Israel

- Continued advancement of the ARAN Project – Energix signed a MOU to obtain financing of NIS 650 million, and continues to work to obtain all of the permits and approvals required for the financial closing.



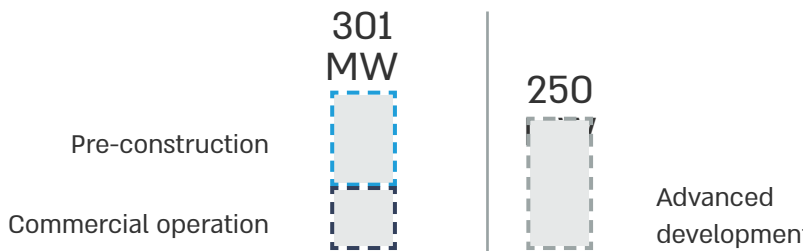
In USA

- Acquisition of development projects pipeline for photovoltaic electricity production and storage with capacity of 1.8GW and 1,680MWh, respectively.
- Completion of 4 projects of 90MWp capacity.
- Increasing the pipeline of US projects, including via acquisition of projects.
- The above information includes the NCRE deal.

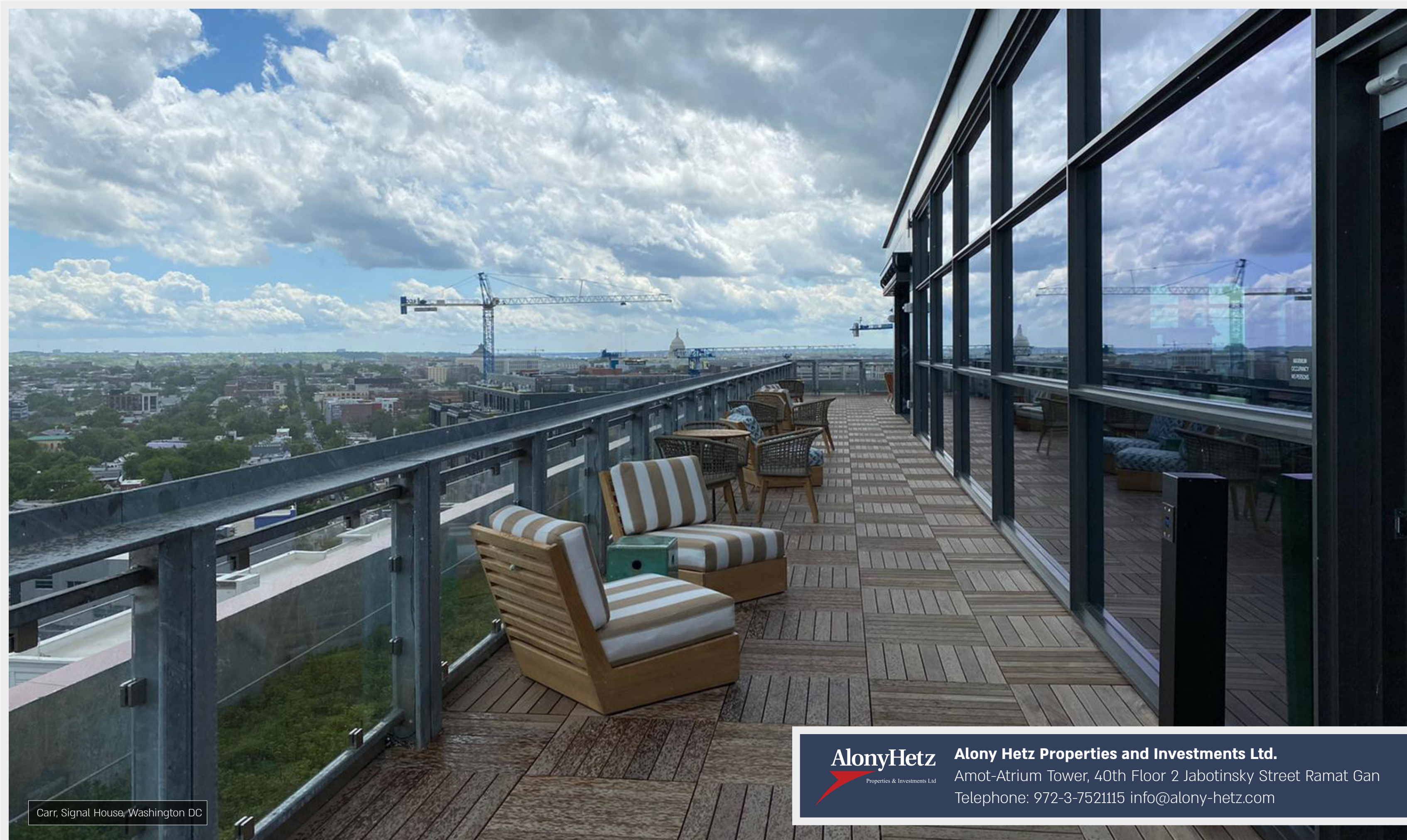


In Poland


- 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.







Carr, Signal House, Washington DC



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