



Somekh Chaikin  
KPMG Millennium Tower  
17 Ha'arba'a Street, PO Box 609  
Tel Aviv 6100601, Israel  
+ 972 3 684 8000

August 25, 2019

Alrov Properties and Lodgings Ltd.  
Tel Aviv

Dear Sirs,

At your request and as the auditors of your Company, we hereby confirm that consolidated statement of financial position, consolidated statement of income, comprehensive income, changes in shareholders' equity and statements of cash flows, attached hereto and marked with our stamp for purposes of identification, were extracted from the Company's consolidated financial statements as of June 30, 2019. The aforesaid unaudited financial statements also include accompanying notes which are not presented herein.

With respect to the aforementioned consolidated financial statements as at June 30, 2019, we enclosed a review report, which was dated August 25, 2019. A translation of such review report is also attached hereto and marked with our stamp for purposes of identification.

Sincerely,

*Somekh Chaikin*

Somekh Chaikin  
Certified Public Accountants (Isr.)

**Alrov Properties and Lodgings Ltd.**

**Consolidated Financial Statements  
As of June 30, 2019  
(Unaudited)**

 Somekn Chaikin  
FOR IDENTIFICATION  
PURPOSES ONLY  
DATE: Aug. 25, 2019



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## **Review Report to the Shareholders of Alrov Properties and Lodging Ltd.**

### ***Introduction***

We have reviewed the accompanying financial information of Alrov Properties and Lodgings Ltd. and its subsidiaries (hereinafter – "the Group") comprising of the condensed consolidated interim statement of financial position as of June 30, 2019 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six and three month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting", and are also responsible for the preparation of financial information for this interim period in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of certain consolidated subsidiaries whose assets constitute 41% of the total consolidated assets as of June 30, 2019 and whose revenues constitute 38% and 35% of the total consolidated revenues for the six and three month periods then ended respectively. Furthermore, we did not review the condensed interim financial information of equity accounted investees the liability investment in which amounted to NIS 504 thousand as at June, 2019, and the Group's share in their income amounted to NIS 117 thousand and NIS 35 thousand for the six and three month periods then ended respectively. The condensed interim financial information of those companies was reviewed by other auditors whose review reports thereon were furnished to us, and our conclusion, insofar as it relates to amounts emanating from the financial information of such companies, is based solely on the said review reports of the other auditors.

### ***Scope of Review***

We conducted our review in accordance with Standard on Review Engagements 1, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

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

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

Sincerely,

Somekh Chaikin  
Certified Public Accountants (Isr.)

August 25, 2019



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Alrov Properties and Lodgings Ltd.  
and its subsidiaries

**Condensed Consolidated Interim Statement of Financial Position**

	June 30 2019 (Unaudited) NIS thousands	June 30 2018 (Unaudited) NIS thousands	December 31 2018 (Audited) NIS thousands
<b>Assets</b>			
Cash and cash equivalents	75,433	110,058	81,392
Security at fair value through profit or loss	452,781	680,793	504,352
Trade receivables	51,547	42,889	49,433
Other receivables and debits	32,061	33,447	45,280
Current tax assets	2,298	8,383	4,394
Hotelier inventory	25,178	20,685	25,924
Apartments inventory	58,502	61,346	61,388
<b>Total current assets</b>	<b>697,800</b>	<b>957,601</b>	<b>772,163</b>
Investments in investee companies accounted for by equity method	504	293	410
Other investments at fair value through profit or loss	5,120	4,579	5,045
Receivables for long-term	7,568	12,287	8,838
Investment property	7,884,699	6,900,933	8,010,969
Fixed assets cost model	166,740	180,865	170,478
Fixed assets – revaluation model	4,742,784	3,241,742	5,003,246
Fixed assets under construction	-	1,395,860	-
Intangible assets	185,229	194,054	195,718
Deferred tax	25,563	34,071	27,062
<b>Total non-current assets</b>	<b>13,018,207</b>	<b>11,964,684</b>	<b>13,421,766</b>
<b>Total assets</b>	<b>13,716,007</b>	<b>12,922,285</b>	<b>14,193,929</b>

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Alrov Properties and Lodgings Ltd.  
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**Condensed Consolidated Interim Statement of Financial Position (cont'd)**

	June 30 2019 (Unaudited) NIS thousands	June 30 2018 (Unaudited) NIS thousands	December 31 2018 (Audited) NIS thousands
Credit from banks	552,818	902,231	581,271
Current maturities of loans from banks	223,012	179,026	65,434
Current maturities of debentures	202,634	201,226	201,031
Short term employee benefits	17,024	12,751	16,302
Trade payable	118,574	62,274	165,108
Other payable, including derivatives	239,884	241,473	261,733
Current tax liabilities	35,657	33,261	42,151
<b>Total current liabilities</b>	<b>1,389,603</b>	<b>1,632,242</b>	<b>1,333,030</b>
Loans from banks	5,428,106	4,793,671	5,871,856
Debentures	757,909	907,510	788,489
Loans from others	58,352	5,691	55,218
Employee benefits	14,366	14,469	13,616
Deposits	17,259	17,195	17,318
Deferred tax liabilities	1,120,486	1,052,563	1,159,263
<b>Total non-current liabilities</b>	<b>7,396,478</b>	<b>6,791,099</b>	<b>7,905,760</b>
<b>Total liabilities</b>	<b>8,786,081</b>	<b>8,423,341</b>	<b>9,238,790</b>
<b>Equity</b>			
Share capital	37,652	37,868	37,868
Share premium	359,686	376,677	376,677
Capital reserve from merging	279,426	279,426	279,426
Revaluation reserve for fixed assets, net of tax	677,160	567,588	679,941
Translation reserve from foreign operations	(120,120)	(96,134)	(48,484)
Reserve from transactions with non-controlling interests	4,567	4,567	4,567
Retained earnings	3,244,138	2,939,426	3,161,910
<b>Total equity attributable to equity holders of the Company</b>	<b>4,482,509</b>	<b>4,109,418</b>	<b>4,491,905</b>
<b>Non-controlling interests</b>	<b>447,417</b>	<b>389,526</b>	<b>463,234</b>
<b>Total equity</b>	<b>4,929,926</b>	<b>4,498,944</b>	<b>4,955,139</b>
<b>Total equity and liabilities</b>	<b>13,716,007</b>	<b>12,922,285</b>	<b>14,193,929</b>

Alfred Akirov  
Chairman of the Board

Meir Elhakham  
CEO temporary stand in and Financial  
Manager


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Date of approval of the financial statements: Tel Aviv, 25 August, 2019

Alrov Properties and Lodgings Ltd.  
and its subsidiaries

**Condensed Consolidated Interim Income Statements**


	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
<b>Revenues</b>					
Hotel operations	332,582	252,302	198,014	146,830	594,669
Rent and housing for the elderly	170,746	162,086	84,394	80,758	348,948
Sale of apartments	4,496	19,043	4,496	6,137	19,128
Maintenance of housing for the elderly	3,165	3,008	1,630	1,521	6,056
Income from property management	21,827	23,066	11,070	11,356	46,677
Gain from securities at fair value through profit or loss and other income	76,583	51,000	38,639	35,464	100,377
Increase in fair value of investment property	56,623	-	56,623	-	274,307
The company share in equity profits of affiliated companies, net of tax	117	57	35	22	1,224
	666,139	510,562	394,901	282,088	1,391,386
<b>Expenses</b>					
Hotel operations	289,792	207,515	149,379	108,092	491,037
Hotel pre-opening expenses	-	20,099	-	14,539	20,099
Hotel depreciation	69,670	51,376	34,169	25,925	114,813
Total expenses from hotel operation	359,462	278,990	183,548	148,556	625,949
Operation of other assets	42,457	20,144	25,488	11,700	52,148
Cost of apartments sold	3,251	14,620	3,251	3,946	14,684
Maintenance of housing for the elderly	3,806	3,341	1,999	1,703	6,976
Property management expenses	20,832	21,519	10,839	10,648	43,593
Depreciation general and administrative	7,147	6,556	3,600	3,268	13,213
Administrative and general	36,589	38,531	20,294	22,243	79,527
Loss from securities at fair value through profit or loss and other expenses	554	6,513	-	5,975	5,690
The company share in equity losses of affiliated companies, net of tax	-	14,336	-	8,725	-
	474,098	404,550	249,019	216,764	841,780
<b>Income from operations</b>	<b>192,041</b>	<b>106,012</b>	<b>145,882</b>	<b>65,324</b>	<b>549,606</b>
<b>Financing expenses</b>					
Financing income	-	-	-	-	836
Financing expenses	(90,453)	(48,123)	(53,087)	(40,492)	(106,240)
<b>Financing expenses, net</b>	<b>(90,453)</b>	<b>(48,123)</b>	<b>(53,087)</b>	<b>(40,492)</b>	<b>(105,404)</b>
<b>Profit before taxes on income</b>	<b>101,588</b>	<b>57,889</b>	<b>92,795</b>	<b>24,832</b>	<b>444,202</b>
Income (expenses) taxes on income	4,376	(8,905)	2,469	2,684	(79,137)
<b>Net income for the period</b>	<b>105,964</b>	<b>48,984</b>	<b>95,264</b>	<b>27,516</b>	<b>365,065</b>
<b>Attributable to:</b>					
The equity holders of the company	97,313	50,777	84,017	28,871	321,867
Non-controlling interests	8,651	(1,793)	11,247	(1,355)	43,198
<b>Net income for the period</b>	<b>105,964</b>	<b>48,984</b>	<b>95,264</b>	<b>27,516</b>	<b>365,065</b>
<b>Net income per share – in NIS</b>					
Basic and fully diluted	4.03	2.10	3.48	1.19	13.31

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Alrov Properties and Lodgings Ltd.  
and its subsidiaries

**Condensed Consolidated Interim Statement of Comprehensive Income**

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Net earnings for the period	105,964	48,984	95,264	27,516	365,065
Other comprehensive income (loss) item that after initial recognition in comprehensive income will be transferred to profit or loss					
Foreign currency translation differences for foreign operations	(90,667)	55,419	(3,590)	(11,280)	116,664
Total other comprehensive income (loss) for the period that after initial recognition in comprehensive income will be transferred to profit or loss	(90,667)	55,419	(3,590)	(11,280)	116,664
Other comprehensive income (loss) items that will not be transferred to profit or loss					
Remeasurement of defined benefit plan, net of tax	-	-	-	-	895
Revaluation of fixed assets, net of tax	(3,358)	(11,709)	(2,655)	(5,578)	120,233
Total other comprehensive income (loss) for the period that will not be transferred to profit or loss	(3,358)	(11,709)	(2,655)	(5,578)	121,128
Total comprehensive income (loss) for the period	11,939	92,694	89,019	10,658	602,857
Total comprehensive income (loss) attributable to:					
Equity holders of the company	22,896	84,501	78,735	15,017	516,409
Non-controlling interests	(10,957)	8,193	10,284	(4,359)	86,448
Total comprehensive income (loss) for the period	11,939	92,694	89,019	10,658	602,857

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## Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended June 30, 2019 (Unaudited)														
	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging		Revaluation reserve for fixed assets NIS thousands	Reserve from transactions with non-controlling interests		Translation reserve from foreign operations		Retained earnings NIS thousands	Total NIS thousands	Non-controlling interests		Total equity NIS thousands
			NIS thousands	NIS thousands		NIS thousands	NIS thousands	NIS thousands	NIS thousands			NIS thousands	NIS thousands	
Balance at January 1, 2019	37,868	376,677	279,426	679,941	4,567	(48,484)	3,161,910	4,491,905	463,234	4,955,139				
Net income for the period	-	-	-	-	-	-	97,313	97,313	8,651	105,964				
Other comprehensive income (loss)	-	-	-	(2,781)	-	-	-	(2,781)	(577)	(3,358)				
Revaluation of fixed assets, net of tax	-	-	-	-	-	(71,636)	-	(71,636)	(19,031)	(90,667)				
Foreign currency translation differences for foreign operations	-	-	-	-	-	(71,636)	-	(71,636)	(19,031)	(90,667)				
Total other comprehensive income (loss)	-	-	-	(2,781)	-	(71,636)	97,313	22,896	(10,957)	11,939				
Transaction with owners that were recognized directly in equity:														
Acquisition of treasury shares	(216)	(16,991)	-	-	-	-	-	(17,207)	-	(17,207)				
Proposed dividend	-	-	-	-	-	-	(15,085)	(15,085)	-	(15,085)				
Dividend payable to non-controlling interests	-	-	-	-	-	-	-	-	(4,860)	(4,860)				
Balance at June 30, 2019	37,652	359,686	279,426	677,160	4,567	(120,120)	3,244,138	4,482,509	447,417	4,929,926				

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Condensed Consolidated Interim Statements of Changes in Equity (cont'd)

	For the six months ended June 30, 2018 (Unaudited)									
	Attributable to the owners of the Company					Total				
	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging NIS thousands	Revaluation reserve of fixed assets, net of tax NIS thousands	Reserve from transactions with non-controlling interests NIS thousands	Translation reserve from foreign operations NIS thousands	Retained earnings NIS thousands	Total NIS thousands	Non-controlling interests NIS thousands	Total equity NIS thousands
Balance as at January 1, 2018	37,868	376,677	279,426	577,345	4,567	(139,615)	2,923,402	4,059,670	393,414	4,453,084
First time adoption of IFRS 15	-	-	-	-	-	-	717	717	-	717
Balance at January 1, 2018 after the first time adoption	37,868	376,677	279,426	577,345	4,567	(139,615)	2,924,119	4,060,387	393,414	4,453,801
Comprehensive income	-	-	-	-	-	-	50,777	50,777	(1,793)	48,984
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss):	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	-	43,481	-	43,481	11,938	55,419
Revaluation of fixed assets, net of tax	-	-	-	(9,757)	-	-	-	(9,757)	(1,952)	(11,709)
Total comprehensive income (loss)	-	-	-	(9,757)	-	43,481	50,777	84,501	8,193	92,694
Transactions with owners that were recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Dividends payable to non-controlling interests	-	-	-	-	-	-	(35,470)	(35,470)	(12,081)	(12,081)
Proposed dividends	-	-	-	-	-	-	-	-	-	(35,470)
Balance as at June 30, 2018	37,868	376,677	279,426	567,588	4,567	(96,134)	2,939,426	4,109,418	389,526	4,498,944

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Alrov Properties and Lodgings Ltd.  
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Condensed Consolidated Interim Statements of Changes in Equity (cont'd)

	For the three months ended June 30, 2019 (Unaudited)									
	Share capital		Share premium		Capital reserve from merging		Revaluation reserve of fixed assets, net of tax		Reserve from transactions with non-controlling interests	
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Balance as at April 1, 2019	37,801	371,895	279,426	679,347	4,567	(117,025)	3,160,121	4,416,132	437,133	4,853,265
Comprehensive income (loss) for the period	-	-	-	-	-	-	84,017	84,017	11,247	95,264
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	-	(3,095)	-	(3,095)	(495)	(3,590)
Revaluation of fixed assets, net of tax	-	-	-	(2,187)	-	-	-	(2,187)	(468)	(2,655)
Total comprehensive income (loss)	-	-	-	(2,187)	-	(3,095)	84,017	78,735	10,284	89,019
Transactions with owners, recognized directly in equity	(149)	(12,209)	-	-	-	-	-	(12,358)	-	(12,358)
Balance as at June 30, 2019	37,652	359,686	279,426	677,160	4,567	(120,120)	3,244,138	4,482,509	447,417	4,929,926

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**Condensed Consolidated Interim Statements of Equity (cont'd)**

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Condensed Consolidated Interim Statements of Changes in Equity (cont'd)

	For the year ended December 31, 2018 (Audited)									
	Attributable to the equity holders of the Company			Reserve from transactions with non-controlling interests			Translation reserve from foreign operations		Retained earnings	
	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging NIS thousands	Revaluation reserve for fixed assets NIS thousands	Reserve from transactions with non-controlling interests NIS thousands	Translation reserve from foreign operations NIS thousands	Retained earnings NIS thousands	Total NIS thousands	Non-controlling interests NIS thousands	Total equity NIS thousands
Balance at January 1, 2018	37,868	376,677	279,426	577,345	4,567	(139,615)	2,923,402	4,059,670	393,414	4,453,084
First time adoption of IFRS 15	-	-	-	-	-	-	717	717	-	717
Balance at January 1, 2018 after the first time adoption	37,868	376,677	279,426	577,345	4,567	(139,615)	2,924,119	4,060,387	393,414	4,453,801
<u>Comprehensive income (loss) for the year:</u>										
Net income for the year	-	-	-	-	-	-	321,867	321,867	43,198	365,065
<u>Other comprehensive income (loss)</u>										
Revaluation of fixed assets, net of tax	-	-	-	102,596	-	-	-	102,596	17,637	120,233
Foreign currency translation differences for foreign operations	-	-	-	-	-	91,131	-	91,131	25,533	116,664
Remeasurement of defined benefit plan, net of tax	-	-	-	-	-	-	815	815	80	895
Total other comprehensive income (loss)	-	-	-	102,596	-	91,131	322,682	516,409	86,448	602,857
Transaction with owners that were recognized directly in equity:										
Dividend paid	-	-	-	-	-	-	(84,891)	(84,891)	-	(84,891)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(16,628)	(16,628)
Balance at December 31, 2018	37,868	376,677	279,426	679,941	4,567	(48,484)	3,161,910	4,491,905	463,234	4,955,139

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Alrov Properties and Lodgings Ltd.  
and its subsidiaries

**Condensed Consolidated Interim Statements of Cash Flows**

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
<b>Cash flows from operating activities:</b>					
Profit for the period	105,964	48,984	95,264	27,516	365,065
Adjustments:					
Depreciation	76,817	57,932	37,769	29,193	128,026
Building expenses	26,366	12,890	13,757	7,143	34,175
Amortization of costs of raising loans and debentures	(378)	(1,407)	(207)	(735)	(1,936)
(Gain) loss from securities and other expenses	(70,923)	(32,226)	(41,970)	(17,727)	(82,623)
The Company's share in equity losses (profits) of investee companies accounted for by the equity method	(117)	(57)	(35)	(22)	(1,224)
Erosion of deposits, net	(148)	(156)	134	96	(519)
Gain from sale of apartments	(1,245)	(4,423)	(1,245)	(2,191)	(4,444)
Financing costs, net	85,204	48,671	51,973	41,871	116,444
Interest paid	(59,516)	(41,976)	(30,499)	(24,485)	(114,803)
Income tax paid, net	(4,376)	8,984	(2,469)	(2,604)	79,137
Increase in fair value of investment property, net	(56,623)	14,336	(56,623)	8,725	(274,307)
Loss (gain) from early debentures redemption					
Expenses (income) taxes on income	(9,375)	(1,591)	(4,482)	(992)	(960)
Receipt of housing for the elderly deposits	1,368	2,916	592	1,400	2,868
Repayment of housing for the elderly deposits	(1,585)	(1,842)	(602)	(245)	(2,973)
Investment in apartment inventory	(364)	(272)	(338)	(34)	(378)
Advance on account of apartment inventory (net of tax paid), net	450	17,017	450	9,865	23,196
Capital loss on sale of investment property	-	36	-	426	36
Gain on sale of consolidated company	-	(11,608)	-	(11,608)	(11,608)
Loss on sale of investment in investee company	-	-	-	-	146
Gain from sale of fixed assets	-	-	-	-	(115)
	<u>91,519</u>	<u>116,209</u>	<u>61,469</u>	<u>65,592</u>	<u>253,203</u>
Changes in hotelier inventory	(56)	(805)	(83)	81	(5,947)
Changes in trade receivables and other receivable	(5,963)	(3,817)	(6,552)	(4,422)	(11,681)
Changes in long-term receivables	568	(512)	73	(11)	(570)
Changes in current liabilities	13,711	13,888	4,113	7,048	29,605
Changes in employee benefits	2,247	2,305	1,616	548	6,241
	<u>10,507</u>	<u>11,059</u>	<u>(833)</u>	<u>3,244</u>	<u>17,648</u>
<b>Net cash flow provided by current operations</b>	<u>102,026</u>	<u>127,268</u>	<u>60,636</u>	<u>68,836</u>	<u>270,851</u>

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Alrov Properties and Lodgings Ltd.  
and its subsidiaries

**Condensed Consolidated Interim Statements of Cash Flows (cont'd)**

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
<b>Cash flows from investment activities</b>					
Changes in marketable securities, net of tax	112,649	184,548	93,371	57,043	399,682
Change in restricted cash	15,602	869	14,823	77	(17,335)
Dividends received from other investments	9,770	13,280	9,770	5,588	25,225
Purchase of investment property	(85,357)	(281,500)	(57,722)	(189,320)	(912,297)
Receipts from selling fixed assets	(11,377)	(137,092)	(7,298)	(105,266)	(247,919)
Taxes paid on sale of investment property	-	-	-	-	2,385
Proceeds from sale of investment properties, less selling expenses	-	43,008	-	16,169	50,975
Receipt of VAT on investment property and fixed assets, net	2,654	1,757	(1,260)	102	2,385
Long-term receivables, net	-	-	-	-	-
Settlement of derivatives, net	33,565	(6,458)	8,841	18,185	(20,248)
Income tax paid on marketable securities	-	-	-	-	(706)
Receipts from selling fixed assets	-	-	-	-	115
Less cash from consolidation	-	47,305	-	47,305	47,305
Dividend received from an associate the equity method	-	-	-	-	1,216
Change in long-term receivables, net	216	(3,149)	-	(3,227)	(168)
Investment grant received	-	-	-	-	2,500
<b>Net cash provided by (used in) investment activities</b>	<b>77,722</b>	<b>(137,432)</b>	<b>60,525</b>	<b>(153,344)</b>	<b>(669,270)</b>
<b>Cash flows from financing activities</b>					
Credit from banks, net	(48,776)	(278,684)	(62,925)	(29,474)	20,002
Receipt of long-term loans from banks, less raising expenses	61,169	308,485	40,781	228,835	604,652
Repayment of long-term loans from banks	(28,033)	(54,259)	(13,449)	(24,854)	(110,157)
Repayment of credit from real estate sellers	(66,980)	(78,548)	(25,929)	(1,791)	(109,505)
Change of rent deposit, net	117	2,050	1,481	30	1,859
Repayment of debentures	(39,616)	(40,024)	(37,971)	(37,600)	(191,167)
Dividends paid	(40,086)	(35,470)	(14,400)	(35,470)	(59,890)
Dividends paid non-controlling interests	(1,620)	(5,064)	-	-	(9,171)
Proceeds from issuance of debentures, less issuance expenses	-	194,660	-	10,829	223,750
Payment for lease	(909)	-	(448)	-	-
Acquisition of treasury shares	(17,207)	-	(12,358)	-	-
<b>Net cash flows provided by (used in) financing activities</b>	<b>(181,941)</b>	<b>13,146</b>	<b>(125,218)</b>	<b>110,445</b>	<b>370,373</b>



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**Condensed Consolidated Interim Statements of Cash Flows (cont'd)**

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2019	2018	2019	2018	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
<b>Increase in cash and cash equivalents</b>	(2,193)	2,982	(4,057)	25,937	(28,046)
Cash and cash equivalents at beginning of year	81,392	104,095	79,556	84,908	104,095
Effect of change in exchange rate on balance of cash and cash equivalents	(3,766)	2,981	(66)	(787)	5,343
<b>Cash and cash equivalents at end of period</b>	<b>75,433</b>	<b>110,058</b>	<b>75,433</b>	<b>110,058</b>	<b>81,392</b>

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