

**Part of the Financial  
Statements  
translated from the  
Hebrew original**

**ADGAR INVESTMENTS AND DEVELOPMENT LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2019**

**UNAUDITED**

**ADGAR INVESTMENTS AND DEVELOPMENT LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2019**

**UNAUDITED**

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Dear Sirs,

We have audited, in accordance with International Financial Reporting Standards, the condensed consolidated statements of financial position of **ADGAR INVESTMENTS AND DEVELOPMENT LIMITED** as at June 30, 2019 and the related condensed consolidated statements of profit or loss, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six and three months then ended we expressed an unqualified opinion on those financial statements.

The accompanying financial statements are condensed consolidated financial statements and do not include the disclosures required by International Financial Reporting Standards. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the financial position, results of operations, and cash flows of the Company.

Tel-Aviv, Israel  
August 14, 2019

**KOST FORER GABBAY & KASIERER**  
A Member of Ernst & Young Global

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>June 30</b>		<b>December 31</b>
	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>Unaudited</b>		<b>Audited</b>
	<b>NIS in thousands</b>		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	247,399	336,754	322,950
Short-term investments	-	15,259	-
Customers	17,112	16,420	16,881
Deposits	24,492	16,416	31,350
Debtors and receivables	24,932	24,544	26,876
Loans	6,989	4,089	6,810
Taxes receivable	2,535	1,258	4,520
Derivatives	11,924	3,540	5,567
	<u>335,383</u>	<u>418,280</u>	<u>414,954</u>
<b>NON CURRENT ASSETS</b>			
Deposit	75,787	85,505	74,664
Debtors	413	3,204	3,075
Derivatives	10,845	2,781	1,283
Fixed assets, net	16,192	12,933	13,050
Investment property	3,818,224	3,756,307	3,826,790
Investment property under construction	269,278	174,069	234,442
Intangible assets	753	621	679
Deferred taxes	613	924	865
	<u>4,192,105</u>	<u>4,036,344</u>	<u>4,154,848</u>
	<u><u>4,527,488</u></u>	<u><u>4,454,624</u></u>	<u><u>4,569,802</u></u>

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>June 30</b>		<b>December 31</b>
	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>Unaudited</b>		<b>Audited</b>
	<b>NIS in thousands</b>		
<b>CURRENT LIABILITIES</b>			
Credit from banking institutions and current maturities of long-term loans	177,510	144,241	168,337
Current maturities of debentures	185,944	184,350	185,252
Liabilities to suppliers and service providers	19,516	24,730	26,641
Taxes payable	949	749	557
Creditors and payables	71,501	99,660	97,475
Derivatives	7,189	14,219	11,907
	<u>462,609</u>	<u>467,949</u>	<u>490,169</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans from banking institutions and other financial entities	1,349,321	1,412,003	1,471,148
Debentures	1,428,334	1,362,712	1,363,679
Derivatives	31,633	16,953	21,082
Employee benefit liabilities, net	250	210	250
Other liabilities	14,371	-	-
Deferred taxes	153,361	146,508	150,856
	<u>2,977,270</u>	<u>2,938,386</u>	<u>3,007,015</u>
<b>EQUITY</b>			
Share capital	175,511	175,511	175,511
Share premium	367,331	367,331	367,331
Other reserves	(10,349)	(4,655)	(4,848)
Adjustments due to the translation of financial statements of activities abroad	(304,066)	(277,920)	(280,105)
Retained earnings	825,853	745,412	775,910
Total capital attributed to the Company's shareholders	<u>1,054,280</u>	<u>1,005,679</u>	<u>1,033,799</u>
Non-controlling interests	33,329	42,610	38,819
Total equity	<u>1,087,609</u>	<u>1,048,289</u>	<u>1,072,618</u>
	<u>4,527,488</u>	<u>4,454,624</u>	<u>4,569,802</u>

August 14, 2019

Date of approval of the  
financial statementsDoron Schneidman  
Chairman of the BoardRoy Gadish  
CEOLiat Manor  
Finance Manager

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31 2018
	2019	2018	2019	2018	2018
	Unaudited				Audited
	NIS in thousands (except for net earnings per share data)				
<b>INCOME</b>					
Income from rental of properties	123,220	119,807	62,904	60,356	243,282
Increase in value of investment property and investment property under construction, net	47,529	3,536	47,087	2,688	24,594
	<u>170,749</u>	<u>123,343</u>	<u>109,991</u>	<u>63,044</u>	<u>267,876</u>
<b>EXPENSES</b>					
Maintenance of assets, net	10,950	11,770	4,884	6,302	23,645
Administrative and general expenses	22,568	20,684	12,525	10,658	42,479
Other expenses (income)	(6,143)	19	-	19	61
	<u>27,375</u>	<u>32,473</u>	<u>17,409</u>	<u>16,979</u>	<u>66,185</u>
Income before finance	<u>143,374</u>	<u>90,870</u>	<u>92,582</u>	<u>46,065</u>	<u>201,691</u>
Finance income	6,945	(2,936)	(1,567)	1,320	(3,672)
Finance expenses	(67,472)	(56,827)	(45,277)	(32,094)	(116,225)
Finance expenses, net	<u>(60,527)</u>	<u>(59,763)</u>	<u>(46,844)</u>	<u>(30,774)</u>	<u>(119,897)</u>
Income before taxes on income	82,847	31,107	45,738	15,291	81,794
Taxes on income	13,930	9,505	9,265	4,616	16,716
Net income	<u>68,917</u>	<u>21,602</u>	<u>36,473</u>	<u>10,675</u>	<u>65,078</u>
Attributed to:					
Company shareholders	70,843	24,060	39,507	14,195	71,358
Non-controlling interests	(1,926)	(2,458)	(3,034)	(3,520)	(6,280)
	<u>68,917</u>	<u>21,602</u>	<u>36,473</u>	<u>10,675</u>	<u>65,078</u>
<b>Earnings per share:</b>					
<b>Net earnings (losses) per share attributed to equity holders of the Company (in NIS)</b>					
Basic and diluted net earnings	<u>0.54</u>	<u>0.18</u>	<u>0.30</u>	<u>0.11</u>	<u>0.54</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31 2018
	2018	2017	2018	2017	Audited
	Unaudited				
	NIS in thousands [except for net earnings per share data]				
Net income	68,917	21,602	36,473	10,675	65,078
Other comprehensive income (loss) (after the tax effect):					
<b>Amounts that will not be reclassified subsequently to profit or loss:</b>					
Revaluation in respect of fixed assets	436	-	436	-	-
<b>Amounts that will be classified or reclassified to profit or loss when specific conditions are met:</b>					
Loss in respect of cash flow hedging transactions, net	(8,974)	(1,661)	(4,037)	(2,401)	(3,649)
Transfer to profit or loss in respect of cash flow hedging transactions, net	-	1,951	-	-	1,951
Adjustment resulting from the translation of financial statements of activities abroad	(25,947)	5,500	(223)	(3,379)	3,678
Total amounts that will be or that have been reclassified to profit or loss	(34,921)	5,790	(4,260)	(5,780)	1,980
Total other comprehensive income (loss)	(34,485)	5,790	(3,824)	(5,780)	1,980
Total comprehensive income	34,432	27,392	32,649	4,895	67,058
<b>Total comprehensive income (loss) attributed to:</b>					
Company shareholders	39,951	29,168	36,400	9,832	72,655
Non-controlling interests	(5,519)	(1,776)	(3,751)	(4,937)	(5,597)
	34,432	27,392	32,649	4,895	67,058

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							
	Share capital	Share premiums	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	NIS in thousands							
<b>Balance as at January 1, 2019 (Audited)</b>	175,511	367,331	(4,848)	(280,105)	775,910	1,033,799	38,819	1,072,618
Net income (loss)	-	-	-	-	70,843	70,843	(1,926)	68,917
Total other comprehensive loss	-	-	(6,931)	(23,961)	-	(30,892)	(3,593)	(34,485)
	-	-	(6,931)	(23,961)	70,843	39,951	(5,519)	34,432
Total comprehensive income (loss)								
Share-based payment	-	-	1,430	-	-	1,430	29	1,459
Dividend to Company's shareholders	-	-	-	-	(20,900)	(20,900)	-	(20,900)
<b>Balance as at June 30, 2019</b>	<b>175,511</b>	<b>367,331</b>	<b>(10,349)</b>	<b>(304,066)</b>	<b>825,853</b>	<b>1,054,280</b>	<b>33,329</b>	<b>1,087,609</b>



## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							Non-controlling interests	Total equity
	Share capital	Share premiums	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total			
	Unaudited								
	NIS in thousands								
<b>Balance as at January 1, 2018 (Audited)</b>	175,411	366,706	(5,951)	(282,576)	745,177	998,767	44,365	1,043,132	
Net income (loss)	-	-	-	-	24,060	24,060	(2,458)	21,602	
Total other comprehensive income	-	-	452	4,656	-	5,108	682	5,790	
Total comprehensive income (loss)	-	-	452	4,656	24,060	29,168	(1,776)	27,392	
Share-based payment	-	-	970	-	-	970	21	991	
Dividend to Company's shareholders	100	625	(126)	-	-	599	-	599	
	-	-	-	-	(23,825)	(23,825)	-	(23,825)	
<b>Balance as at June 30, 2018</b>	<b>175,511</b>	<b>367,331</b>	<b>(4,655)</b>	<b>(277,920)</b>	<b>745,412</b>	<b>1,005,679</b>	<b>42,610</b>	<b>1,048,289</b>	

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							
	Share capital	Share premiums	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	NIS in thousands							
<b>Balance as at April 1, 2019</b>	175,511	367,331	(8,150)	(303,871)	796,346	1,027,167	37,066	1,064,233
Net income (loss)	-	-	-	-	39,507	39,507	(3,034)	36,473
Total other comprehensive loss	-	-	(2,912)	(195)	-	(3,107)	(717)	(3,824)
Total comprehensive income (loss)	-	-	(2,912)	(195)	39,507	36,400	(3,751)	32,649
Share-based payment	-	-	713	-	-	713	14	727
Dividend to Company's shareholders	-	-	-	-	(10,000)	(10,000)	-	(10,000)
<b>Balance as at June 30, 2019</b>	175,511	367,331	(10,349)	(304,066)	825,853	1,054,280	33,329	1,087,609

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							
	Share capital	Share premiums	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	NIS in thousands							
<b>Balance as at April 1, 2018</b>	175,411	366,706	(3,251)	(275,556)	739,342	1,002,652	47,531	1,050,183
Net income (loss)	-	-	-	-	14,195	14,195	(3,520)	10,675
Total other comprehensive loss	-	-	(1,999)	(2,364)	-	(4,363)	(1,417)	(5,780)
Total comprehensive income (loss)			(1,999)	(2,364)	14,195	9,832	(4,937)	4,895
Share-based payment	-	-	721	-	-	721	16	737
Realization of options into Company shares	100	625	(126)	-	-	599	-	599
Dividend to Company's shareholders	-	-	-	-	(8,125)	(8,125)	-	(8,125)
<b>Balance as at June 30, 2018</b>	175,511	367,331	(4,655)	(277,920)	745,412	1,005,679	42,610	1,048,289

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							
	Share capital	Share premiums	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	NIS in thousands							
<b>Balance as at January 1, 2018 (Audited)</b>	175,411	366,706	(5,951)	(282,576)	745,177	998,767	44,365	1,043,132
Net income (loss)	-	-	-	-	71,358	71,358	(6,280)	65,078
Total other comprehensive income (loss)	-	-	(1,174)	2,471	-	1,297	683	1,980
Total comprehensive income (loss)	-	-	(1,174)	2,471	71,358	72,655	(5,597)	67,058
Share-based payment cost	-	-	2,403	-	-	2,403	51	2,454
Realization of options to Company shares	100	625	(126)	-	-	599	-	599
Dividend to Company shareholders	-	-	-	-	(40,625)	(40,625)	-	(40,625)
<b>Balance as at December 31, 2018 (Audited)</b>	175,511	367,331	(4,848)	(280,105)	775,910	1,033,799	38,819	1,072,618

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31 2018
	2019	2018	2019	2018	
	Unaudited				Audited
	NIS in thousands [except for net earnings per share data]				
<b>CASH FLOWS FROM CURRENT ACTIVITIES</b>					
Net income	68,917	21,602	36,473	10,675	65,078
Adjustments needed to present cash flows from current activities:					
Adjustments to the profit and loss items:					
Change in liabilities for employee benefits, net	-	-	-	-	40
Increase in value of investment property and investment property under construction, net	(47,529)	(3,536)	(47,087)	(2,688)	(24,594)
Finance expenses, net	60,527	59,763	46,844	30,774	119,897
Other expenses (income), net	(40)	19	(40)	19	61
Depreciation and amortization	4,585	3,323	2,346	1,635	6,880
Taxes on income	13,930	9,505	9,265	4,616	16,716
Share-based payment cost	1,459	991	727	737	2,454
Changes in asset and liability items:	32,932	70,065	12,055	35,093	121,454
Decrease (increase) in customers	(887)	4,123	889	4,416	3,753
Decrease (increase) in debtors and receivables	670	(3,939)	(6,417)	2,076	(7,012)
Increase (decrease) in liabilities to suppliers and service providers	(3,900)	(382)	2,078	2,250	1,043
Increase (decrease) in creditors and payables	1,940	(2,775)	(1,643)	390	(7,307)
	(2,177)	(2,973)	(5,093)	9,132	(9,523)
Cash paid and received during the year for:					
Interest paid	(57,108)	(52,673)	(13,470)	(12,069)	(106,015)
Interest received	1,437	1,341	721	723	3,030
Dividend received	-	21	-	16	34
Taxes paid	(3,041)	(3,436)	(1,680)	(2,950)	(5,677)
Taxes received	13	-	9	-	53
	(58,699)	(54,747)	(14,420)	(14,280)	(108,575)
Net cash provided by (used in) current activities	40,973	33,947	29,015	40,620	68,434

## CONDENSED INTERIM CONSOLIDATED 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				Audited
	NIS in thousands [except for net earnings per share data]				
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>					
Settlement (investment) in deposits, net	3,194	2,779	(3,914)	407	(3,296)
Acquisition of short term investments	-	(11,808)	-	(8,270)	(14,086)
Sale of short term investments	-	9,246	-	3,952	26,632
Payment in respect of hedge transactions	(5,958)	(3,859)	(2,302)	(2,391)	(14,950)
Proceeds from transactions of hedge	3,534	760	3,264	293	1,378
Acquisition and investment of investment property	(44,849)	(110,223)	(15,158)	(81,663)	(156,415)
Acquisition and investment in investment under construction	(30,078)	(27,674)	(11,727)	(13,188)	(82,897)
Acquisition of fixed assets	(65)	(549)	(60)	(479)	(1,750)
Proceeds from sale of fixed assets	76	122	76	122	599
Capitalization of interest paid for investment property under construction	(5,393)	(3,250)	(3,753)	(2,044)	(6,822)
Acquisition of intangible assets	(130)	(54)	(32)	(54)	(136)
Settlement (grant) of loan to partners in Canada and others, net	2,846	953	(126)	681	(1,702)
Net cash used in investment activities	(76,823)	(143,557)	(33,732)	(102,634)	(253,445)
<b>CASH FLOWS FROM FINANCE ACTIVITIES</b>					
Receipt of long-term loan	49,524	100,241	8,044	28,907	208,111
Settlement of long-term loans	(120,694)	(27,623)	(107,622)	(15,169)	(56,148)
Settlement of liability in respect of leasing	(231)	-	(116)	-	-
Dividend paid to Company shareholders	(20,900)	(23,825)	(20,900)	(8,125)	(40,625)
Realization of options into shares	-	599	-	599	599
Proceeds (settlement) from hedging transactions and interest determination	134	(2,331)	-	270	(2,331)
Settlement of debentures	(151,238)	(66,447)	-	-	(66,447)
Issue of bonds net of issue expenses	204,168	216,943	204,168	36,130	216,943
Net cash provided by (used in) finance activities	(39,237)	197,557	83,574	42,612	260,102
Translation differences in respect of cash balances in foreign entities	(464)	(795)	1,691	(1,468)	(1,743)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(75,551)</b>	<b>87,152</b>	<b>80,548</b>	<b>(20,870)</b>	<b>73,348</b>
<b>Balance of cash and cash equivalents as beginning of the period</b>	<b>322,950</b>	<b>249,602</b>	<b>166,851</b>	<b>357,624</b>	<b>249,602</b>
<b>Balance of cash and cash equivalents as end of the period</b>	<b>247,399</b>	<b>336,754</b>	<b>247,399</b>	<b>336,754</b>	<b>322,950</b>

## CONDENSED INTERIM CONSOLIDATED 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				Audited
	NIS in thousands [except for net earnings per share data]				
<b>(A) SIGNIFICANT ACTIVITIES NOT INVOLVING CASH FLOWS</b>					
Acquisition of investment property and investment property under construction against creditors, suppliers and service providers	21,421	57,981	21,421	57,981	36,055
Recognition of the right of use asset against a lease liability	3,037	-	42	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****NOTE 4:- SEGMENTS OF ACTIVITY**a. General

1. The Group operates in the income generating real estate market. Its main activity is holding income-producing properties, mainly for use as office premises. The Group has income-producing properties abroad (Belgium, Canada and Poland) that are held through companies registered abroad, as well as income-producing properties in Israel.
2. All the income and expenses are attributed directly to segments of activity since the Company's management examines its activities based on these segments.

b. Report regarding segments of activity

**For the period of six months ended as at  
June 30, 2019**

<u>Israel</u>	<u>Belgium</u>	<u>Poland</u>	<u>Canada</u>	<u>Total</u>
Unaudited				
NIS in thousands				

**Income**

Income from rental of properties before depreciation	37,450	6,949	36,611	46,006	127,016
Deduction of deferred incentives to lessees	(36)	-	(387)	(3,373)	(3,796)
Increase (decrease) in value of investment property and investment property under construction, net	7,861	-	(24,842)	64,510	47,529
Total income	45,275	6,949	11,382	107,143	170,749
Segment results	33,506	5,480	1,848	102,540	143,374
Finance income					6,945
Finance expenses					(67,472)
Net finance expenses					(60,527)
Income before taxes on income					82,847



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4:- SEGMENTS OF ACTIVITY (Cont.)

b. Report regarding segments of activity (Cont.)

	For the period of six months ended as at June 30, 2018				
	Israel	Belgium	Poland	Canada	Total
	Unaudited				
	NIS in thousands				
<b>Income</b>					
Income from rental of properties before depreciation	36,608	7,364	36,773	41,791	122,536
Deduction of deferred incentives to lessees	(80)	-	(289)	(2,360)	(2,729)
Increase (decrease) in value of investment property and investment property under construction, net	-	-	(22,311)	25,847	3,536
Total income	<u>36,528</u>	<u>7,364</u>	<u>14,173</u>	<u>65,278</u>	<u>123,343</u>
Segment results	<u>24,641</u>	<u>6,225</u>	<u>4,722</u>	<u>55,282</u>	<u>90,870</u>
Finance income					(2,936)
Finance expenses					<u>(56,827)</u>
Net finance expenses					<u>(59,763)</u>
Income before taxes on income					<u>31,107</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4:- SEGMENTS OF ACTIVITY (Cont.)

b. Report regarding segments of activity (Cont.)

	For the period of three months ended as at June 30, 2019				
	Israel	Belgium	Poland	Canada	Total
	Unaudited				
	NIS in thousands				
<b>Income</b>					
Income from rental of properties before depreciation	18,699	3,431	19,517	23,203	64,850
Deduction of deferred incentives to lessees	(16)	-	(283)	(1,647)	(1,946)
Increase (decrease) in value of investment property and investment property under construction, net	7,861	-	(25,284)	64,510	47,087
Total income (expenses)	<u>26,544</u>	<u>3,431</u>	<u>(6,050)</u>	<u>86,066</u>	<u>109,991</u>
Segment results	<u>20,957</u>	<u>2,518</u>	<u>(11,026)</u>	<u>80,133</u>	<u>92,582</u>
Finance income					(1,567)
Finance expenses					<u>(45,277)</u>
Net finance expenses					<u>(46,844)</u>
Income before taxes on income					<u>45,738</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4:- SEGMENTS OF ACTIVITY (Cont.)

b. Report regarding segments of activity (Cont.)

	For the period of three months ended as at June 30, 2018				
	Israel	Belgium	Poland	Canada	Total
	Unaudited				
	NIS in thousands				
<b>Income</b>					
Income from rental of properties before depreciation	18,300	3,688	18,692	21,086	61,766
Deduction of deferred incentives to lessees	(46)	-	(140)	(1,224)	(1,410)
Increase (decrease) in value of investment property and investment property under construction, net	-	-	(23,159)	25,847	2,688
Total income (expenses)	<u>18,254</u>	<u>3,688</u>	<u>(4,607)</u>	<u>45,709</u>	<u>63,044</u>
Segment results	<u>12,365</u>	<u>2,951</u>	<u>(9,256)</u>	<u>40,005</u>	<u>46,065</u>
Finance income					1,320
Finance expenses					<u>(32,094)</u>
Net finance expenses					<u>(30,774)</u>
Income before taxes on income					<u>15,291</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 4:- SEGMENTS OF ACTIVITY (Cont.)

b. Report regarding segments of activity (Cont.)

	Year ended as at December 31, 2018				Total
	Israel	Belgium	Poland	Canada	
	Audited				
	NIS in thousands				
<b>Income</b>					
Income from rental of properties before depreciation	73,678	14,715	73,335	87,198	248,926
Deduction of deferred incentives to lessees	(122)	-	(594)	(4,928)	(5,644)
Increase (decrease) in value of investment property and investment property under construction, net	16,351	(140)	(55,311)	63,694	24,594
Total income	89,907	14,575	17,430	145,964	267,876
Segment results	67,617	13,188	(3,649)	124,535	201,691
Finance income					(3,672)
Finance expenses					(116,225)
Net finance expenses					(119,897)
Income before taxes on income					81,794

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