



# Presentation for the Capital Market

Based on the Annual Financial  
Statements of June 30, 2022

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August 2022





# Disclaimer

This presentation is not to be construed as an offer to buy Company securities or an invitation to accept such offers, being solely intended for conveying information to investors.

Statements made in this presentation referring to analysis of the Company's activity only constitute a synopsis. For a complete picture of the Company's operations and the risks faced by the Company, please review the annual report of the Company for the year 2022 published by the Company on March 23, 2022 (Ref. 2022-01-028374) and the company's report for the second quarter of 2022 published on August 30, 2022 (Ref. 2022-01-089496).

This presentation includes future prediction information as defined in the Securities Law, 5728-1968. Such information covers, among other things, forecasts, evaluations and estimates, including information shown in illustrations, graphs, reviews and all other information pertaining to the Company presented in any form, referring to future events or affairs whose materialization is uncertain and beyond the Company's control. Future prediction information cannot be regarded as established fact and is only based on the Company management's subjective point of view and estimation, based, inter alia, on analysis of general information available to the Company's management at the time of preparing this presentation, including statistical data published by various bodies and authorities, professional and public publications, as well as research and surveys - with no guarantee as to the correctness or completeness of the information included therein; its correctness has not been independently verified by the Company.

Future prediction information is naturally subject to considerable non-materialization risks and is uncertain, cannot be estimated in advance and is often out of the Company's control.

The materialization or otherwise of future prediction information will be affected, among other things, by risk factors characterizing the Company's activities as well as developments in the general environment and external factors having an impact on the

Company's operations - these cannot be evaluated in advance and by their nature are not controlled by the Company.

It is emphasized that as of the time of the presentation the extent of the COVID-19 crisis and its effect on the Company cannot be assessed. It should be made clear that the Company's preparedness, including activities in the various sectors and changes in the regular sequence of operations, are based on the Company's estimations comprising forward-looking information. These estimations are likely to fail to materialize, in all or in part, or in a manner differing from that envisaged, among other things in view of this being an extraordinary and extended occurrence outside the Company's control.

The presentation may include information that is indicated in a manner differing from that in the Company's reports to the public thus far, therefore data could be present that is set out in a form and/or categorization and/or layout and/or breakdown other than those employed in the Company's previous statements and reports. The presentation offers a collection of data - including such as is used in the presentation but is yet to appear in the Company's reports or that is arranged for the first time in the format adopted in this presentation and is correct in the Company's best estimation as of the date it is presented.

Accordingly, readers of this presentation are cautioned that the Company's actual results and achievements in the future may be materially different from what is indicated in the future prediction information cited in this presentation.

Moreover, forecasts and predictions are based on details and information in the possession of the Company on the date of preparing this presentation and as of June 30, 2022 and the Company is under no obligation to update or modify any forecast and/or estimation of this information in order to reflect events or circumstances coming about after the date of preparing the presentation.

# ASHTROM GROUP | BUSINESS CARD

## The Ashtrom Group

one of Israel's leading construction and real estate companies

Since  
**1963**

Traded on the indexes

**TA-35**  
TA-125  
TA-RealEstate

Ashtrom bonds are  
**rated A**  
with a stable outlook by Maalot

The order backlog of the Group as of August 2022  
Approx.  
**NIS 8 billion**

## The Group provides the building and infrastructure sectors with top-to-bottom solutions:

- Construction of large scale building complexes and infrastructures including PPP, BOT, and PFI schemes in Israel and overseas.
- Planning, manufacturing and sale of industrialized elements, raw materials and complementary products for all construction industries.
- Initiation, procurement and management of income-generating properties in Israel and overseas.
- Real estate development, marketing and sale of residential projects in Israel and overseas.
- Invest in projects in various areas of energy in Israel and overseas.

NIS Millions

	01-06.2022	01-06.2021
Incomes	<b>2,472</b>	<b>2,199</b>
Gross profit	552	418
Operating profit	724	869 *
Net profit	453	734 *
Net profit attributable to shareholders	<b>434</b>	<b>714 *</b>

\* Includes profit of approx. NIS 500 million on account of the Buyback in the Jerusalem LRT project

# MILESTONES DURING 2022



## RESIDENTIAL OVERSEAS

**January 6, 2022**

The Company has purchased land in the city of Porto, Portugal, for the construction of some 157 housing units at a cost of around € 6.5 million.



## RENEWABLE ENERGY

**January 11, 2022**

The Company, together with a third party, has entered into option agreements on lands facing a number of agricultural settlements on which it is intended to build solar projects.



## CONSTRUCTION

**March 12, 2022**

The Company has entered into an agreement to construct 504 housing units and commercial areas in the Neve Ayalon Quarter of Or Yehuda. The expected volume of incomes is about NIS 447 million.



## RENEWABLE ENERGY

**June 30, 2022**

The Company has entered into an agreement for the acquisition of an additional solar energy project in an initiative in the USA, with a rating of about 366 MW.

01/22

02/22

03/22

04/22

05/22

06/22

07/22

08/22



## ASHTROM PROPERTIES

**January 10, 2022**

A company under 50% ownership has signed an agreement on the purchase of land over a 27 dunam area in Petach Tikva - Givat Shmuel for the sum of around NIS 218 million.



## CONCESSIONS

**March 12, 2022**

The Company has signed an option agreement for the purchase of 168 housing units for long-term rental in the Neve Ayalon Quarter of Or Yehuda at a price of some NIS 550 million.



## ASHDAR

**May 11, 2022**

The Company has won a tender for leasing three plots of land in the International Quarter of Lod intended for the construction of 263 housing units for the sum of around NIS 241 million.







## INDUSTRIES

**July 19, 2022**

Ashtrom Industries has entered into an agreement for the purchase of 50.01% of the share capital of Studs P.O.W.E.R. Ltd., engaged in the manufacture, marketing and sale of raw materials for the building trade.



# PRINCIPAL INVESTMENTS IN 2022 \*

		Intended use	NIS millions
 <b>RESIDENTIAL OVERSEAS</b>	Land in Portugal	Approx. 157 housing units	25
 <b>INDUSTRIES</b>	50.01% of the share capital of Studs P.O.W.E.R. Ltd	A Company engaged in the manufacture, marketing and sale of raw materials for the building trade	52
 <b>ASHTROM PROPERTIES</b>	Land in Petach Tikva - Givat Shmuel (Our part – 50%)	Approx. 235,000 sq. m. business, commerce and residential	109
 <b>ASHDAR</b>	Land in Lod (from wining tender)	Approx. 263 housing units	241
<b>TOTAL</b>			<b>427</b>



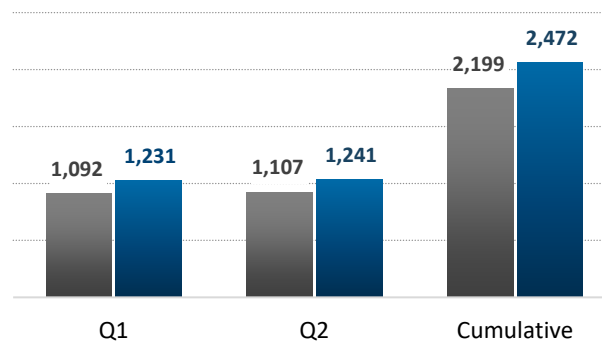
\* Including land and properties not yet fully paid for

# ASHTROM GROUP | Financial Summary 2022



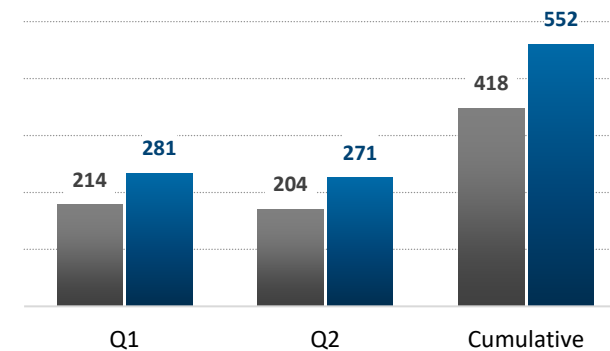
## Income Level

(NIS Millions)



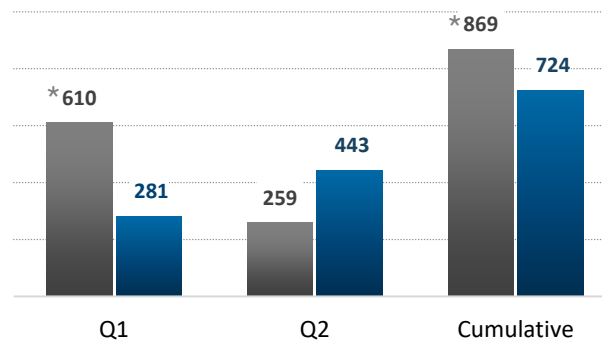
## Gross Profit

(NIS Millions)



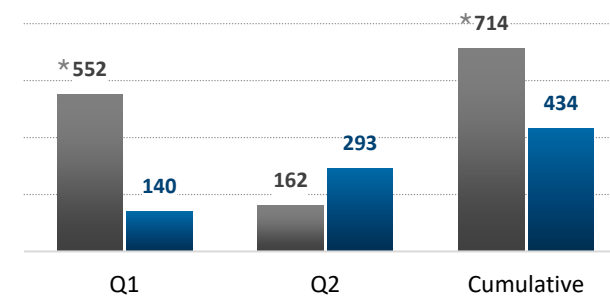
## Operating Profit

(NIS Millions)



## Net Profit Attributable to Shareholders

(NIS Millions)



2021

2022

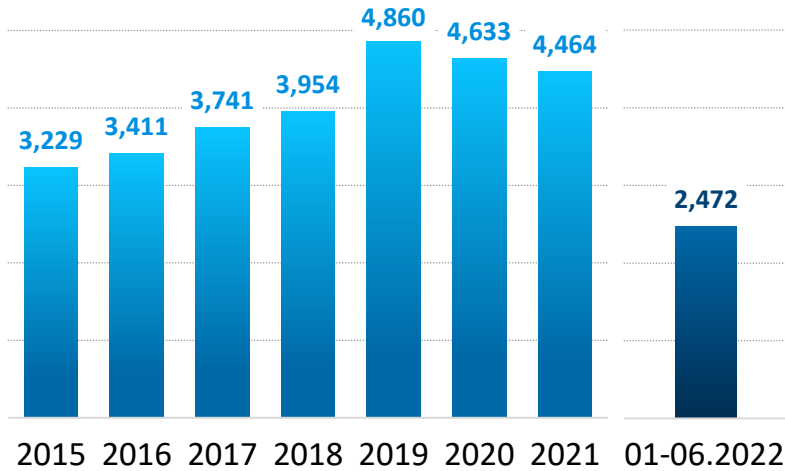
\* Includes profit of approx. NIS 500 million on account of the Buyback in the Jerusalem LRT project



# ASHTROM GROUP | Financial Summary

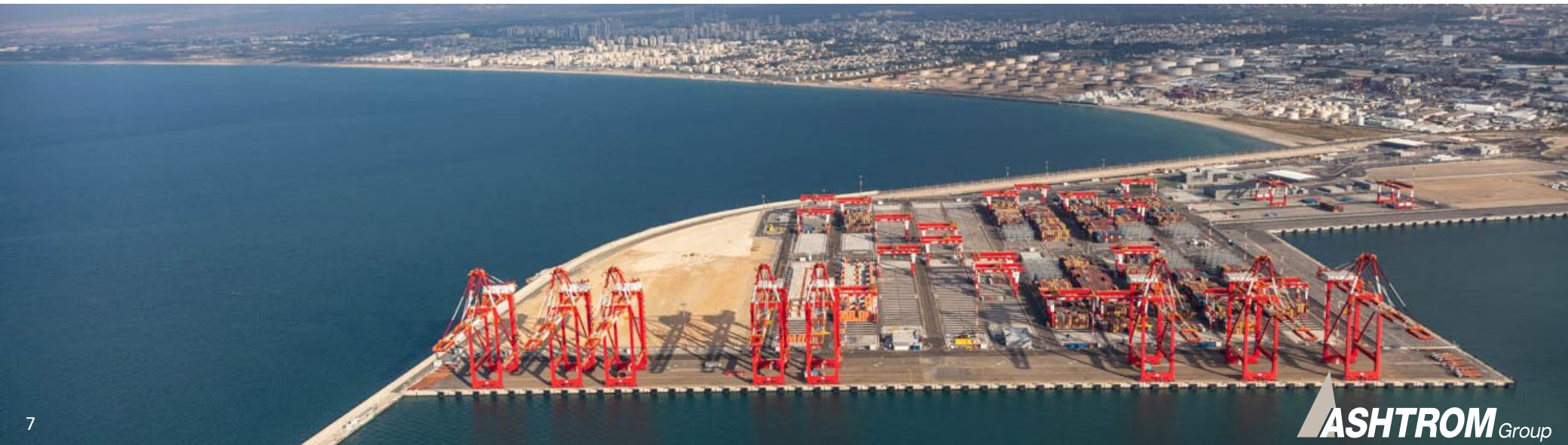
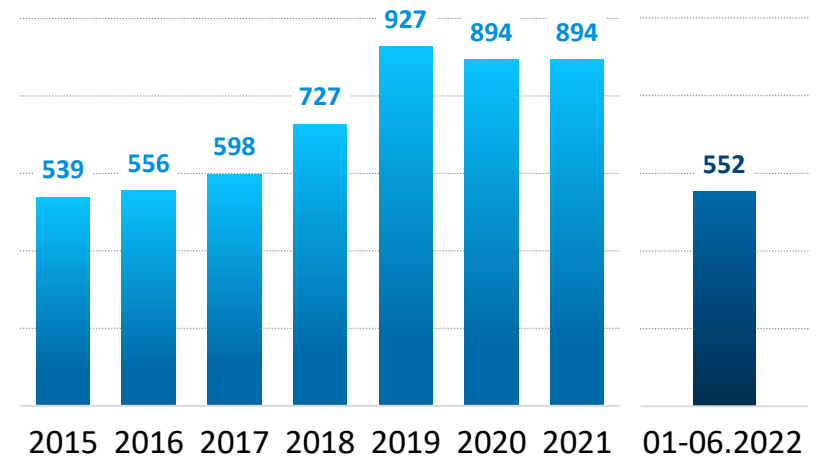
## Income Level

(NIS Millions)



## Gross Profit

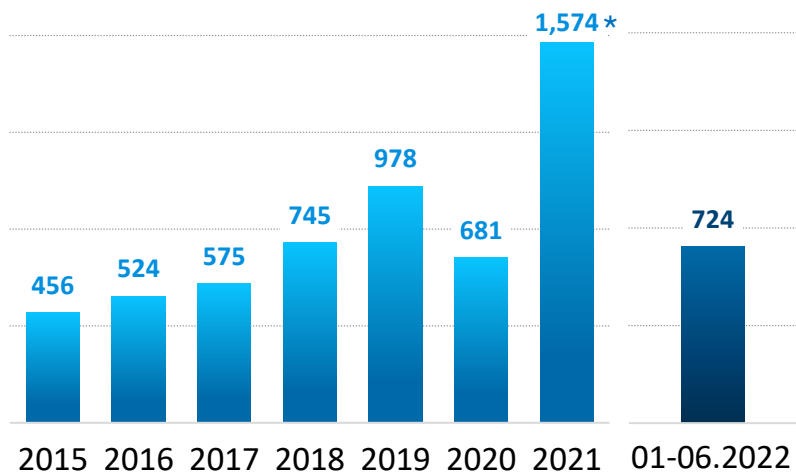
(NIS Millions)



# ASHTROM GROUP | Financial Summary

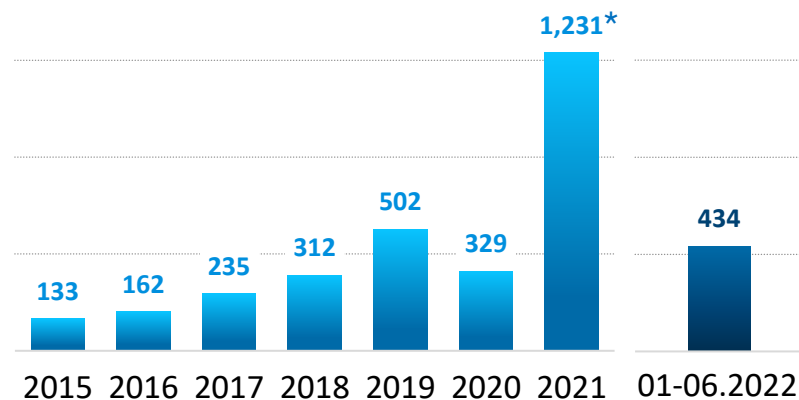
## Operating Profit

(NIS Millions)

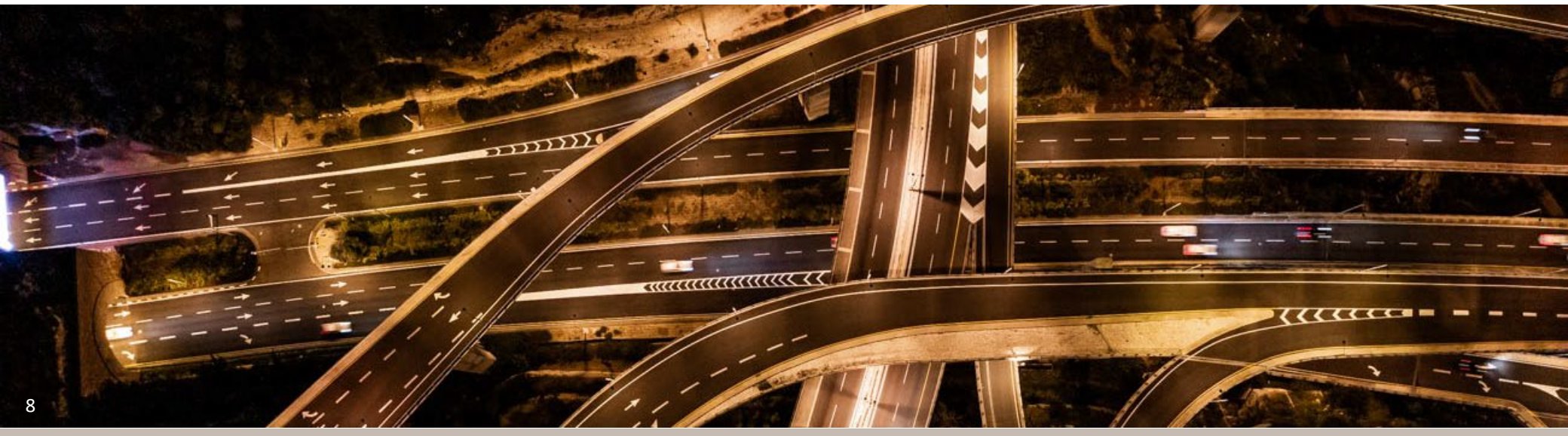


## Net Profit Attributable to Shareholders

(NIS Millions)



\* Includes profit of approx. NIS 500 million on account of the Buyback in the Jerusalem LRT project

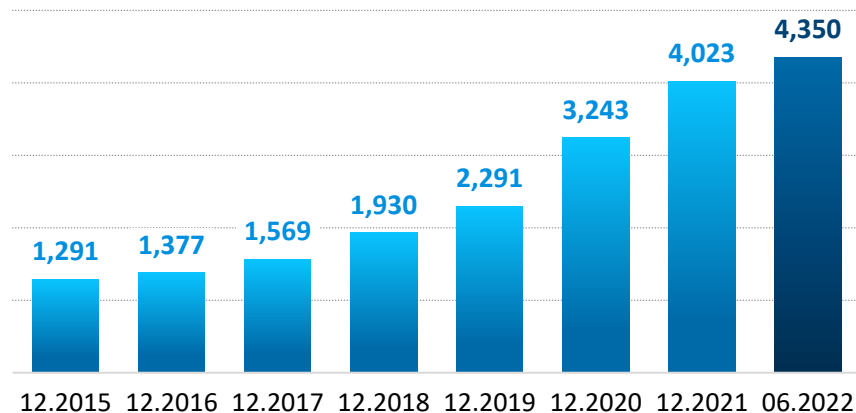




# ASHTROM GROUP | Financial Summary

## Equity Attributable to Shareholders

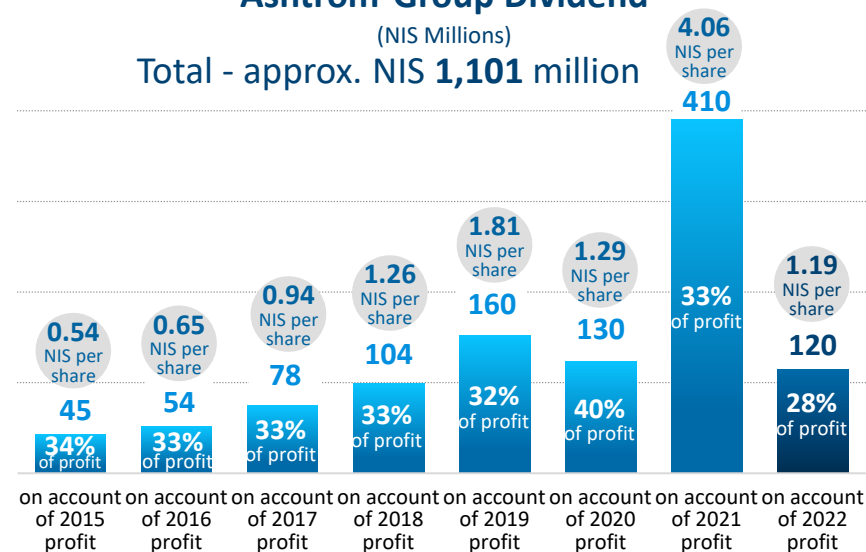
(NIS Millions)



## Ashtrom Group Dividend

(NIS Millions)

Total - approx. NIS 1,101 million



**Dividend distribution policy:** the Company will distribute dividends at a cumulative annual rate of no less than 25% of the net annual profits

\* In August 2022 a dividend was declared on account of profits in 2022 amounting to NIS 120 million (approx. NIS 1.19 per share).  
Ex-date: September 6, 2022 . Payment date: September 14 ,2022



# ASHTROM GROUP | Areas of Activity





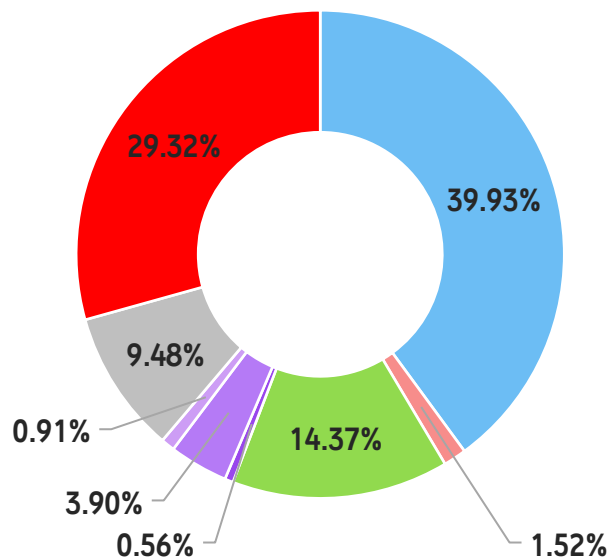
# ASHTROM GROUP | Financial Data

NIS Thousands

01-06.2022	Incomes	Gross Profit	Profit margin
CONSTRUCTION, BUILDING AND INFRASTRUCTURES IN ISRAEL	1,243,226	127,794	10.3%
CONCESSIONS	47,374	23,537	49.7%
INDUSTRIES *	447,282	67,217	15.0%
CONSTRUCTION, BUILDING AND INFRASTRUCTURES OVERSEAS	17,523	3,841	21.9%
DEVELOPMENT OF RESIDENTIAL REAL ESTATE OVERSEAS	121,418	17,752	14.6%
INCOME GENERATING REAL ESTATE OVERSEAS	28,345	18,547	65.4%
ASHTROM PROPERTIES *	295,173	158,194	53.6%
ASHDAR	912,959	192,612	21.1%
<b>TOTAL BEFORE ADJUSTMENTS</b>	<b>3,113,300</b>	<b>609,494</b>	
ADJUSTMENTS FOR TRANSACTIONS BETWEEN SECTORS	(554,407)	(8,257)	
ADJUSTMENTS FOR PROPORTIONATE CONSOLIDATION	(87,074)	(49,293)	
<b>TOTAL</b>	<b>2,471,819</b>	<b>551,944</b>	<b>22.3%</b>

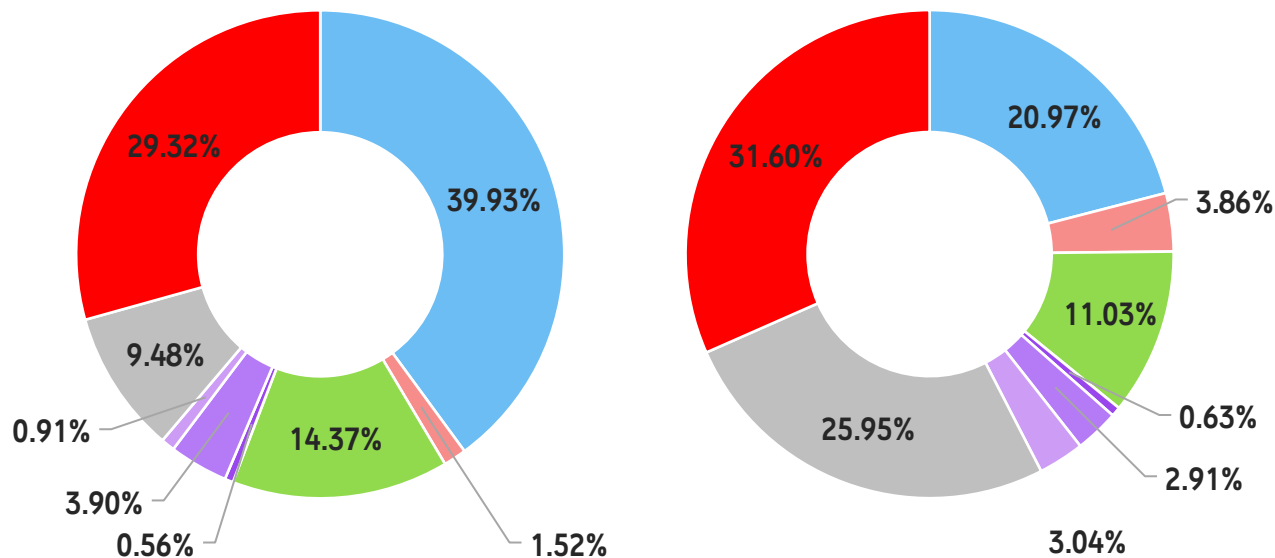
Breakdown of Incomes | 01-06.2022

Not counting adjustments



Breakdown of Gross Profit | 01-06.2022

Not counting adjustments

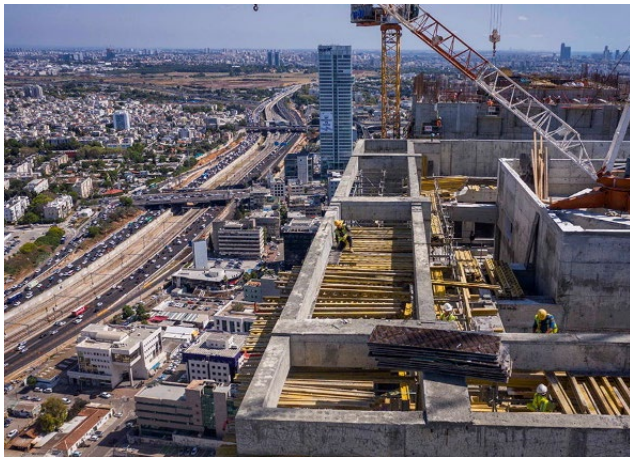


- CONSTRUCTION, BUILDING AND INFRASTRUCTURES IN ISRAEL
- CONCESSIONS
- INDUSTRIES\*
- CONSTRUCTION, BUILDING AND INFRASTRUCTURES OVERSEAS
- DEVELOPMENT OF RESIDENTIAL REAL ESTATE OVERSEAS
- INCOME GENERATING REAL ESTATE OVERSEAS
- ASHTROM PROPERTIES\*
- ASHDAR

# CONSTRUCTION IN ISRAEL



- The Ashtrom Construction companies undertake all types of building and infrastructures projects.
- Ashtrom provides a comprehensive design including operational and management solutions under one roof, with a firm commitment to meeting budget and schedule for each and every project.
- The orders backlog in the Construction Sector in Israel is approx. NIS 6.9 billion as of August 2022.  
In the course of 2022, work orders amounting to approx. NIS 1.7 billion were received.

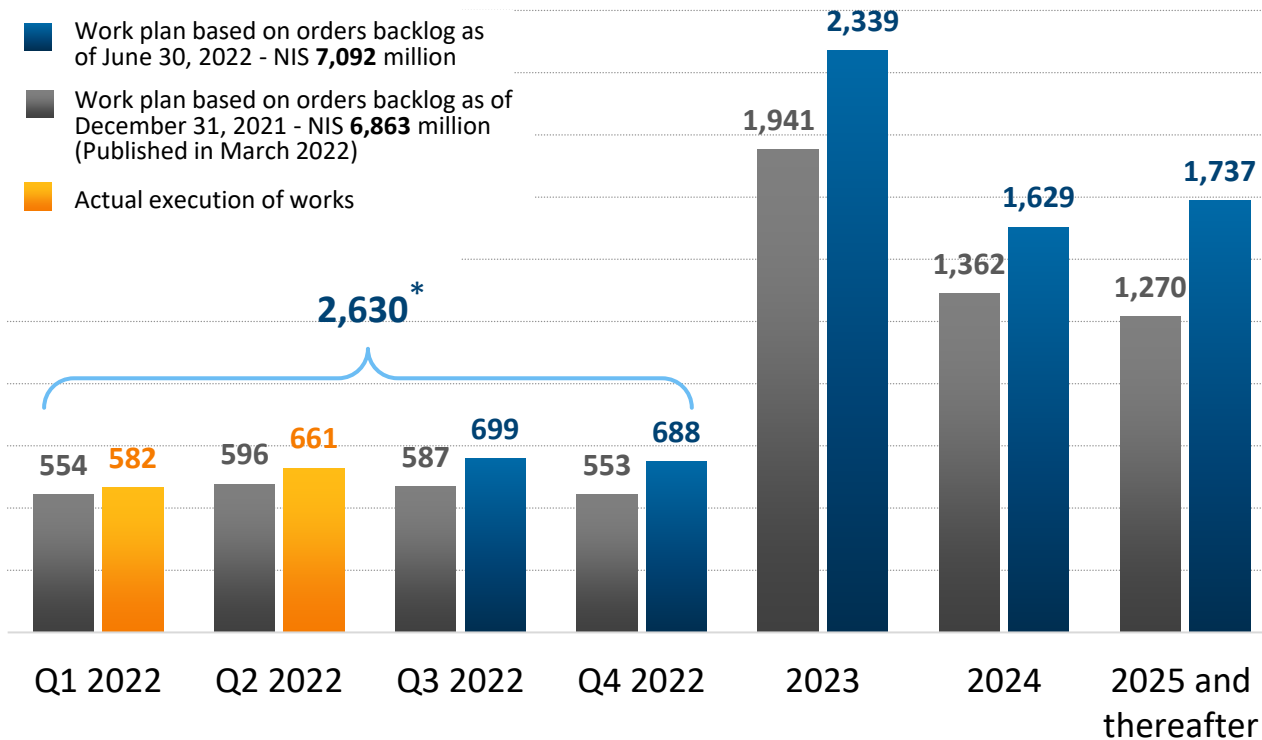






## Orders Backlog by Anticipated Period of Projected Income

Total orders backlog as of June 30, 2022 is NIS 7,092 million



Subsequent to June 30, 2022 new works were undertaken totalling some NIS 189 million, not shown in the presentation.

\* Actual execution of works + Forecast for 2022



# CONSTRUCTION IN ISRAEL | Financial Data



NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
Income level	1,243,226	1,453,002	661,005	734,381	2,685,042
Gross profit	127,794	152,022	67,375	73,163	263,132
Gross profit margin	10.3%	10.5%	10.2%	10.0%	9.8%
Segment profit	57,060	94,625	27,639	43,942	140,058
Segment profit margin	4.6%	6.5%	4.2%	6.0%	5.2%

NIS Millions

	30.06.2022	30.06.2021	31.12.2021
Projects backlog	7,092	5,527	6,863





# WORKS RECEIVED IN 2022



In the course of 2022, work orders amounting to NIS **1.2** billions were received



## GINDI BAMOSHAVA

Location	Neve Ayalon, Or Yehuda
Project Details	Twelve 6-14 storey buildings
Entrepreneurs	Gindi Holdings
Extent of Project	504 residential units
Financial Scope	Approx. NIS <b>447</b> million



## MACCABI YAFO

Location	Yafo, Tel Aviv
Project Details	Five 13-storey buildings
Entrepreneurs	Ashdar and Acro Real Estate
Extent of Project	350 residential units
Financial Scope	Approx. NIS <b>297</b> million



## MIRIAM HAHASHMONAIT

Location	Tel Aviv
Project Details	Four 8-storey buildings
Entrepreneurs	Acro Real Estate
Extent of Project	104 residential units
Financial Scope	Approx. NIS <b>155</b> million

# SELECTED PROJECTS | 1000 Complex Rishon LeZion



Entrepreneurs  
**The Phoenix,  
Acro and  
Ashtrom Properties**



Extent of project  
Approx.  
**269,000** Sq. m.  
above and below ground



Financial scope  
Approx.  
**NIS 1,000 M**



Company's share  
**100%**

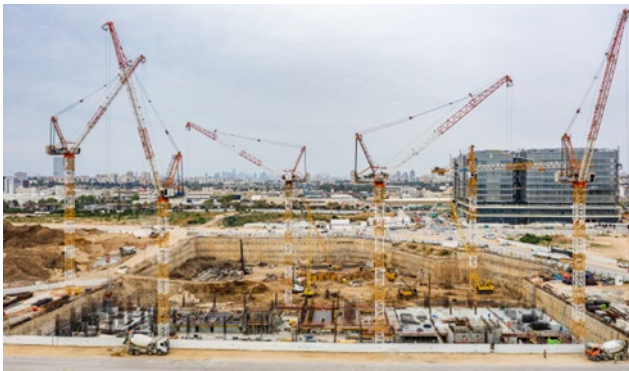


Expected completion date  
**2027**



Percentage of work completed  
Approx.  
**6%**

As of August 2022





# SELECTED PROJECTS | Pardes Kiryat Ono



Entrepreneurs

**Ashdar**



Extent of project

**813** Residential Units



Financial scope

Approx.

**NIS 660 M**



Company's share

**100%**



Expected completion date

**2024**



Percentage of work completed

Approx.

**38%**

As of August 2022





# SELECTED PROJECTS | Exchange Ramat Gan



Entrepreneurs

**Azorim**



Extent of project

**355** Residential Units



Financial scope

Approx.

**NIS 375 M**



Company's share

**100%**



Expected completion date

**2025**

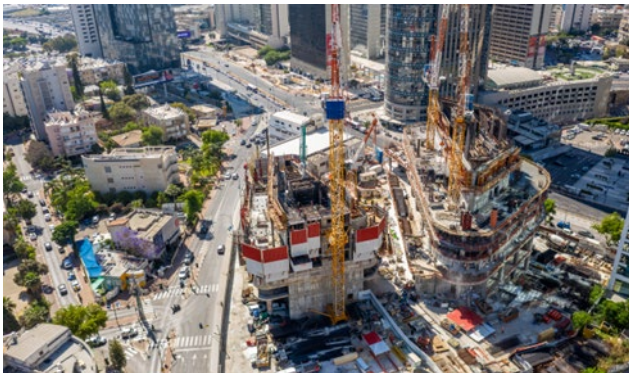


Percentage of work completed

Approx.

**6%**

As of August 2022





# SELECTED PROJECTS | Da Vinci Tel Aviv



Entrepreneurs  
**Canada Israel  
and Acro**



Extent of project  
**412** Residential Units  
**38,000** Sq. m. Offices



Financial scope  
Approx.  
**NIS 712 M**



Company's share  
**100%**



Expected completion date  
**2023**



Percentage of work completed  
Approx.  
**86%**

As of August 2022





# SELECTED PROJECTS | Golf Complex Tel Aviv



Entrepreneurs

**Acro Real Estate**



Extent of project

**183** Residential Units  
**10,870** Sq. m. Offices



Financial scope

Approx.

**NIS 315 M**



Company's share

**100%**



Expected completion date

**2022**



Percentage of work completed

Approx.

**83%**

As of August 2022



**ASHTROM** Group



# SELECTED PROJECTS | Fast Lanes – Route 20



Entrepreneurs

**Netivei Ayalon**



Financial scope

Approx.

**NIS 328 M**



Company's share

**100%**



Expected completion date

**2024**



Percentage of work completed

Approx.  
**52%**

As of August 2022



# CONCESSIONS



- The Ashtrom Group specializes in PPP, BOT and PFI type concession projects, based on close collaboration between the private and public sectors, as well as the financing bodies.
- Ashtrom undertakes the design and implementation of the projects, and in most cases is also in charge of operation and maintenance during the entire concession period.
- The value of assets in the Concessions sector as of June 30, 2022, comprising undertakings arising from concession agreements, investment property under construction, investment property, inventory of buildings for sale and associates, is NIS **3,269** million.
- The Ashtrom Group is implementing and operating rental housing projects in Haifa, Tel Aviv, Jerusalem, Bene Berak and Lod, as well as a Postgraduate Residence project at Ben Gurion University, Beer Sheva. The Group has also built and maintains the Lod District Courthouse, the Magistrates' Courthouses in Ashkelon, Petach Tikva, Herzliya and the Bat Yam Courthouse.





# CONCESSIONS | Rental Housing Projects



The Ashtrom Group is managing, planning and building approx. 2,000 housing units for long-term rental and postgraduate residence

## Projects being managed

**683** residential units and postgraduate residence

## Projects under construction

**572** residential units

## Projects being planned

**548** residential units

Haifa, Neot Peres | 184 units

Tel Aviv, Gadna | 370 units

Tel Aviv, Hamashtela | 176 units

**Total Tel Aviv: 546 units**

Tel Aviv, Kasser House | being planned

Bene Berak | 248 units\*

Lod | 300 units






Beer Sheva, Postgraduate Residence | 129 units

Jerusalem, Kiryat Hayovel | 396 units





\* Bene Berak: quantity of housing units subject to the Sheves Addition

# CONCESSIONS | Rental Housing Projects



	<b>Location</b>	Neot Peres, <b>Haifa</b>
	<b>Total residential units for rental</b>	184* 100% occupancy ***
	<b>Total residential units for sale</b>	164*, Of these: 164*** sold
	<b>Book value of project (rental)**</b>	Investment property: approx. NIS <b>273</b> million
	<b>NOI 01-06.2022</b>	Approx. NIS <b>4</b> million At 99% average occupancy



	<b>Location</b>	Gadna Complex, <b>Tel Aviv</b>
	<b>Total residential units for rental</b>	370* 100% occupancy ***
	<b>Book value of project **</b>	Investment property: approx. NIS <b>759</b> million
	<b>NOI 01-06.2022</b>	Approx. NIS <b>12</b> million At 99% average occupancy

\* 25% of the residential units intended for long term leasing will be let to eligible tenants approved by the Ministry of Housing at controlled rents







\*\* As of June 30, 2022      \*\*\* As of August 2022



# CONCESSIONS | Rental Housing Projects








Under Construction

	<b>Location</b>	Kiryat Hayovel, <b>Jerusalem</b>
	<b>Total residential units for rental</b>	396* units
	<b>Total residential units for sale</b>	132 units, Of these: 56*** sold
	<b>Commercial and business areas</b>	Approx. 6,000 sq.m.
	<b>Expected to be populated</b>	2023
	<b>Book value of project (rental and commercial) **</b>	Investment property under construction: approx. NIS <b>766</b> million



Under Construction

	<b>Location</b>	Hamashtela Quarter, <b>Tel Aviv</b>
	<b>Total residential units for rental</b>	176* units
	<b>Commercial and business areas</b>	Approx. 1,600 sq.m.
	<b>Expected to be populated</b>	2023
	<b>Book value project **</b>	Investment property under construction: approx. NIS <b>461</b> million

\* 25% of the residential units intended for long term leasing will be let to eligible tenants approved by the Ministry of Housing at controlled rents

\*\* As of June 30, 2022

\*\*\* As of August 2022

# CONCESSIONS | Rental Housing Projects








Planning Stage













Planning Stage



Planning Stage

-  **Location** | Kasser House, **Tel Aviv**
-  **Total residential units for rental** | Being planned
-  **Commercial and business areas** | Being planned
-  **Expected to be populated** | Being planned
-  **Book value of project\*\*** | Approx. NIS **46** million

-  **Location** | **Bene Berak, North**
-  **Total residential units for rental** | 248\* units  
(subject to the Sheves Addition)
-  **Commercial and business areas** | Approx. 900 sq.m.
-  **Expected to be populated** | 2025
-  **Book value of project\*\*** | Approx. NIS **230** million

-  **Location** | International Quarter, **Lod**
-  **Total residential units for rental** | 300\* units
-  **Commercial and business areas** | Approx. 3,650 sq.m.
-  **Expected to be populated** | 2027
-  **Book value of project\*\*** | Approx. NIS **303** million

\* 50% of the residential units intended for long term leasing will be let to eligible tenants approved by the Ministry of Housing at controlled rents

\*\* As of June 30, 2022



# CONCESSIONS | Financial Data



NIS Thousands

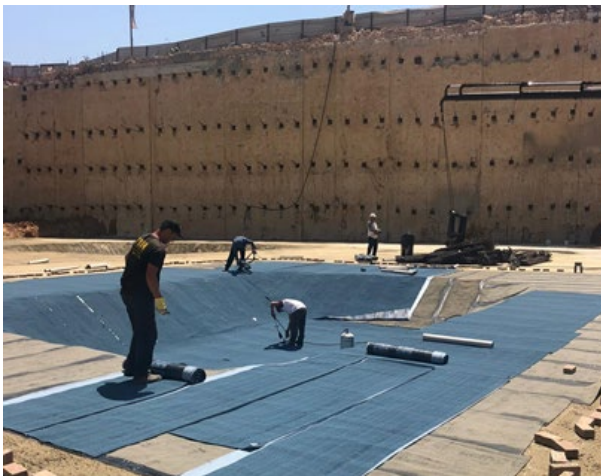
	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
Incomes from development & sales	20,828	9,291	13,114	336	40,794
Incomes from rent & operation	26,546	12,821	12,726	6,442	34,330
<b>Total Income</b>	<b>47,374</b>	<b>22,112</b>	<b>25,840</b>	<b>6,778</b>	<b>75,124</b>
Gross profit from development & sales	5,939	6,730	2,998	(289)	12,504
Gross profit margin	28.5%	72.4%	22.9%	(86.0%)	30.7%
Gross profit from rent & operation	17,598	5,744	8,312	2,772	18,236
Gross profit margin	66.3%	44.8%	65.3%	43.0%	53.1%
<b>Total Gross profit</b>	<b>23,537</b>	<b>12,474</b>	<b>11,310</b>	<b>2,483</b>	<b>30,740</b>
<b>Gross profit margin</b>	<b>49.7%</b>	<b>56.4%</b>	<b>43.8%</b>	<b>36.6%</b>	<b>40.9%</b>
Increase in value of investment property, net	158,317	71,102	168,751	70,223	274,394
<b>Segment profit</b>	<b>175,693</b>	<b>77,407</b>	<b>176,302</b>	<b>69,342</b>	<b>294,095</b>
<b>Segment profit margin</b>	<b>370.9%</b>	<b>350.1%</b>	<b>682.3%</b>	<b>1,023%</b>	<b>391.5%</b>



# INDUSTRIES



- Ashtrom Industries—through dedicated subsidiaries—is engaged in the production, development, marketing and application of products for the entire construction and infrastructure industries. These include ready mixed concrete, white building blocks, gypsum blocks, waterproofing systems, finishing and paint products, quarry products and home decorating solutions.
- Further to the sustained increase in demand for concrete, the Company has set up, and is due to set up, new loading heads and concrete plants with the aim of expanding its production and supply capacity.
- In July 2022 the Company entered into an agreement for the purchase of 50.01% of the share capital of Studs P.O.W.E.R. Ltd. This is a synergetic acquisition for the activities of the group in the field of manufacture, marketing and sale of raw materials for the building trade.
- The orders backlog of Ashtrom Industries as of August 2022 is approx. NIS **1,036** million.



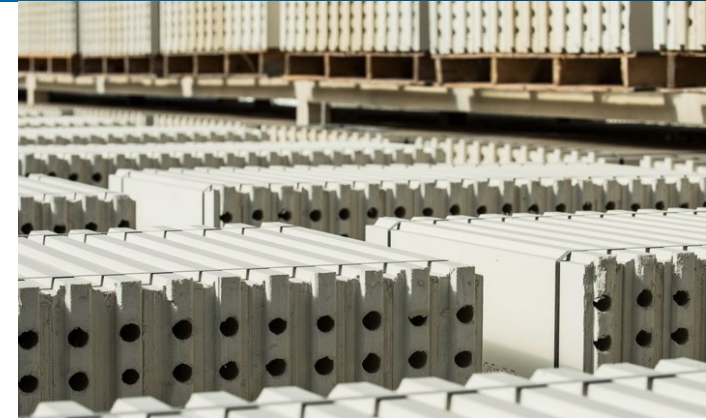


# INDUSTRIES | Financial Data \*



NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
Income level	447,282	331,252	218,192	158,991	711,351
Gross profit	67,217	36,212	34,237	15,815	86,982
Gross profit margin	15.0%	10.9%	15.7%	9.9%	12.2%
Segment profit	17,680	3,751	8,825	(653)	8,538
Segment profit margin	4.0%	1.1%	4.0%	(0.4%)	1.2%



NIS Thousands

	30.06.2022	30.06.2021	31.12.2021
Orders backlog	1,047,191	853,584	965,582



\* Proportionate Consolidation

# CONSTRUCTION OVERSEAS



- The Ashtrom Group possesses over 50 years of experience in implementing complex building projects, specializes in residential neighborhoods, office buildings and hotels, as well as roads and bridges, airports, water treatment facilities and fuel depots.
- The Company is engaged on a number of active projects in Zambia, Jamaica and Nigeria.
- The projects backlog as of August 2022 is approx. NIS 79 million.
- **Corona impact:** In the wake of the world Corona crisis a delay may be observed in the rate of incoming new work orders.

NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
Income level	17,523	53,288	5,856	23,931	85,164
Gross profit	3,841	15,769	402	6,987	21,313
Gross profit margin	21.9%	29.6%	6.9%	29.2%	25.0%
Segment profit	(1,696)	6,020	(2,008)	2,191	6,391
Segment profit margin	(9.7%)	11.3%	(34.3%)	9.2%	7.5%

NIS Thousands

	30.06.2022	30.06.2021	31.12.2021
Orders backlog	82,323	138,788	99,846





# RESIDENTIAL REAL ESTATE OVERSEAS



- Ashtrom specializes in the location, development, initiation, construction and marketing of houses and plots developed for construction.
- The value of assets in the overseas residential real estate sector as of June 30, 2022 made up of land plots, as well as building and land sales inventory is approx. NIS **408** million.

- **USA:**

As of June 30, 2022 the inventory of properties projects in the USA amounted to 1,085 plots, worth around NIS **311** million.

Of these, agreements have been signed for the sale of 472 plots and 74 houses at an overall value of NIS **171** million, expected to be received in the course of 2022-2023.

- **Portugal:**

The Company owns land for the construction of approx. 607 residential units in Portugal, worth around NIS **97** million, with the following breakdown:

- In the city of Gaia, land for the construction of 230 housing units, of which the construction of 46 housing units is under way.
- In the city of Gaia, land for the construction of about 220 housing units.
- In the city of Porto, land for the construction of about 157 housing units.



# RESIDENTIAL REAL ESTATE OVERSEAS



NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
Income level	<b>121,418</b>	<b>79,006</b>	<b>82,399</b>	<b>41,885</b>	<b>170,842</b>
Gross profit	17,752	11,087	10,962	4,742	28,624
Gross profit margin	14.6%	14.0%	13.3%	11.3%	16.8%
Segment loss	<b>7,741</b>	<b>4,309</b>	<b>6,183</b>	<b>1,780</b>	<b>13,941</b>
Segment loss margin	6.4%	5.5%	7.5%	4.2%	8.2%





# INCOME GENERATING REAL ESTATE OVERSEAS



- Ashtrom holds a number of income generating properties in Eastern Europe, notably the commercial complex and hotel in Belgrade, Serbia and other properties in Romania and Bulgaria.
- The value of assets in Income Generating Real Estate Overseas Sector as of June 30, 2022 consisting of real estate for investment, assets held for disposal by sale and permanently held property is NIS 454\* million.

NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
Income level	28,345	21,552	14,866	11,919	49,794
Gross profit	18,547	12,138	9,746	6,861	30,271
Gross profit margin	65.4%	56.3%	65.6%	57.6%	60.8%
Valuation gains (losses) of investment property, net	(523)	(18,936)	(980)	56	(38,320)
Segment profit (loss)	6,985	(12,302)	3,994	4,351	(21,852)
Segment profit (loss) margin	24.6%	(57.1%)	26.9%	36.5%	(43.9%)

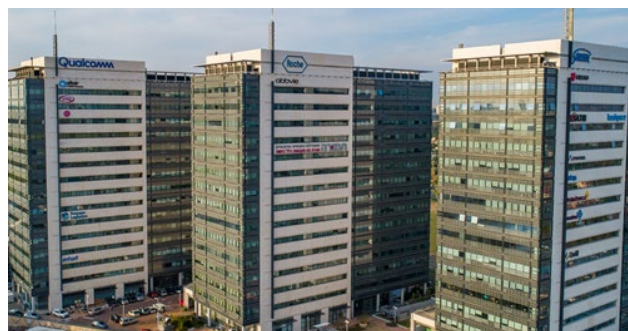


\* The figures cover a real estate asset in Bulgaria, realized after the balance date, amounting to about NIS 62 million, as well as the hotel in Belgrade, classified as a fixed asset, worth some NIS 92 million

# ASHTROM PROPERTIES



- Ashtrom Properties is engaged in initiating, constructing, acquiring and managing income generating office, commercial and industrial properties in Israel, Germany and England. The Company possesses properties with an area totaling 589,575\* sq.m. (563,498 sq.m. of which are directly owned).
- The assets yield annual rentals of approx. NIS **305** million\* (about 62% in Israel) as well as management fees of about NIS **65** million.
- The equity as of June 30, 2022 , including minority rights, is NIS **2,401** million, which is about 36.8% of the Ashtrom Properties balance.
- Ashtrom Properties bonds are rated A with a stable outlook by Maalot.



\* Proportionate Consolidation

▪ The data is based on Ashtrom Properties consolidated statements of June 30, 2022



# ASHTROM PROPERTIES | Geographical Distribution Of Assets \*



OVERALL

Extent of Properties  
589,575 sq.m.

Occupancy  
89%

Annual Rentals  
NIS 305 million

NOI 01-06.2022  
NIS 135 million



## ISRAEL 62.3%

Extent of Properties	353,312 sq.m.
Occupancy	89%
Annual Rentals	NIS 190 million
NOI 01-06.2022	NIS 85 million
Value of Real Estate	NIS 4,016 million**

## GERMANY 23.3%

Extent of Properties	170,357 sq.m.
Occupancy	96%
Annual Rentals	NIS 71 million
NOI 01-06.2022	NIS 33 million
Value of Real Estate	NIS 1,459 million

## ENGLAND 14.4%

Extent of Properties	65,906 sq.m.
Occupancy	76% <sup>(1)</sup>
Annual Rentals	NIS 44 million
NOI 01-06.2022	NIS 17 million
Value of Real Estate	NIS 813 million

<sup>(1)</sup> Including a property intended for upgrading

\* Based on the figures given in the June 30, 2022 consolidated report, including proportionate consolidation of included companies

\*\* The value of Real Estate in Israel includes lands and construction rights worth approx. NIS 847 million

# ASHTROM PROPERTIES | Projects in Development Stage



	<b>COMM-U JERUSALEM</b>	<b>OLIO BAT YAM</b>	<b>THE CAPITAL JERUSALEM</b>	<b>ASHTROM CAMPUS YAVNE</b>	<b>1000 COMPLEX RISHON LEZION</b>	<b>THE BLUE MARINA ASHOD</b>
Project status	Under Construction	Under Construction	Under Construction	Phase A: Under Construction	Under Construction	Under Construction
Extent of project (100%)	Approx. 49,000 sq.m	Approx. 36,000 sq.m containing: 160 residential units	Approx. 80,000 sq.m containing: 219 residential units	Approx. 86,000 sq.m	Approx. 305,000 sq.m	Planning Stage
Intended use	Business, Commerce and Residential	Business, Commerce and Residential	Business, Commerce and Residential	Business	Business and Commerce	Business, Residential and Hotels
Expected completion date	Phase A - 2023	Offices -2025 Residential - 2026	2025	Phase A -2025 Phase B -2027	Phase A - 2027	2023 (The Central Lake and POS)
Company's share	50%	50%	22.5%	100%	26.07%	27.5%



# ASHTROM PROPERTIES | Projects in Development Stage



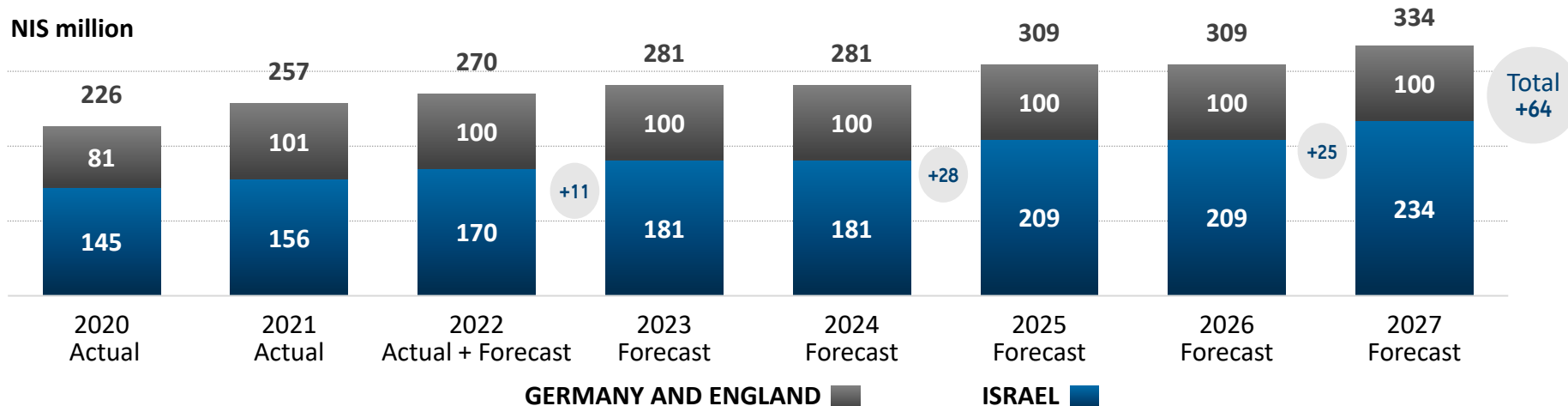
<b>LYFE Building C BENE BERAK</b>	<b>HOD HASHARON HI TECH PARK</b>	<b>HAYETZIRA RAMAT GAN</b>	<b>NESS ZIONA PROJECT</b>	<b>EMED PROJECT BAT YAM</b>	<b>PETACH TIVKA / GIVAT SHMUEL</b>
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	<b>LYFE Building C BENE BERAK</b>	<b>HOD HASHARON HI TECH PARK</b>	<b>HAYETZIRA RAMAT GAN</b>	<b>NESS ZIONA PROJECT</b>	<b>EMED PROJECT BAT YAM</b>	<b>PETACH TIVKA / GIVAT SHMUEL</b>
<b>Project status</b>	Urban Development Plan being advanced	Urban Development Plan being advanced	Urban Development Plan being advanced	Urban Development Plan being advanced	Urban Development Plan being advanced	Urban Development Plan being advanced
<b>Extent of project (100%)</b>	Approx. 80,000	Approx. 59,000 sq.m Additional rights in the existing Park	Approx. 51,000 sq.m	Approx. 37,500 sq.m	Approx. 66,000 sq.m containing: 228 residential units	Approx. 85,000 sq.m
<b>Intended use</b>	Business, Commerce and Public Building	Business and Commerce	Business and Commerce	Business and Commerce	Business, Commerce and Residential	Business, Commerce and Residential
<b>Expected completion date</b>	2026	2027	2027	2027	-	-
<b>Company's share</b>	50%	42.3%	100%	44%	50%	50%

# ASHTROM PROPERTIES | Expected NOI Development\*



## Expected NOI growth from projects under construction in Israel: NIS 64 million



Projects under construction	Sq.m. for marketing**	Expected project completion	Expected NOI** NIS million
COMM-U Jerusalem	11,500	2023	11
Olio Bat Yam	4,000	2025	4
Ashtrom Campus Yavne	35,000	2025	24
1000 Complex Rishon LeZion	33,370	2027	25
<b>Total</b>	<b>83,870</b>		<b>64</b>

Projects subject to Urban Development Plan advancement	Sq.m. for marketing**	Expected starting of construction
LYFE Bene Berak-buildings C+D	41,000	2023
Hod Hasharon Hi Tech Park	24,957	2023
Emed Project Bat Yam	24,000	2023
HaYetzira Ramat Gan	51,000	2024
Ness Ziona Project	7,260	2025
Petach-Tikva / Givat Shmuel	42,500	2025
Yavne Campus – phase B	61,000	2025
<b>Total</b>	<b>251,717</b>	

It should be made clear that the above Company estimations of expected growth in the NOI, from projects under construction and for projects in progress, are forward-looking information as defined under the Securities Law, based on information in the possession of the management at the time of its presentation. These estimations might not materialize in whole or in part, or might materialize in a different manner, either minor or substantial, from that predicted, for various reasons, such as: a deferred project completion date and/or delay in receiving the required occupation approvals, as well as, changing market conditions which may affect on the expected NOI and/or resulting from the full or partial materialization of the risk factors set out in Parts. 10.3.5 and 23 of Section A of the 2021 Company Periodic Report.

\* Proportionate Consolidation

\*\* The Company's portion



# ASHTROM PROPERTIES | Financial Data \*



NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
Income from rent & operations	178,541	153,401	89,892	81,891	331,980
Income from sales	116,632	105,479	17,722	58,861	296,627
<b>Total income</b>	<b>295,173</b>	<b>258,880</b>	<b>107,614</b>	<b>140,752</b>	<b>628,607</b>
<b>Gross profit</b>	<b>158,194</b>	<b>135,529</b>	<b>72,111</b>	<b>72,831</b>	<b>304,270</b>
Gross profit margin	53.6%	52.4%	67.0%	51.7%	48.4%
Valuation gains (losses) of investment property, net	226,832	41,745	131,334	46,125	287,889
Gain from change of intended use of inventory to Investment Property	8,035				26,470
Sales and administrative costs	34,150	25,258	13,830	11,631	61,668
<b>Segment profit</b>	<b>358,911</b>	<b>152,016</b>	<b>189,615</b>	<b>107,325</b>	<b>556,961</b>
Segment profit margin	121.6%	58.7%	176.2%	76.3%	88.6%
Net profit (loss) attributable to shareholders	<b>184,402</b>	<b>242,300**</b>	<b>96,710</b>	<b>35,906</b>	<b>505,728**</b>
Net profit (loss) attributable to shareholders margin	62.5%	93.6%	89.9%	25.5%	80.5%

\* Proportionate Consolidation

\*\* Includes profit of approx. NIS 198 million on account of the Buyback in the Jerusalem LRT project





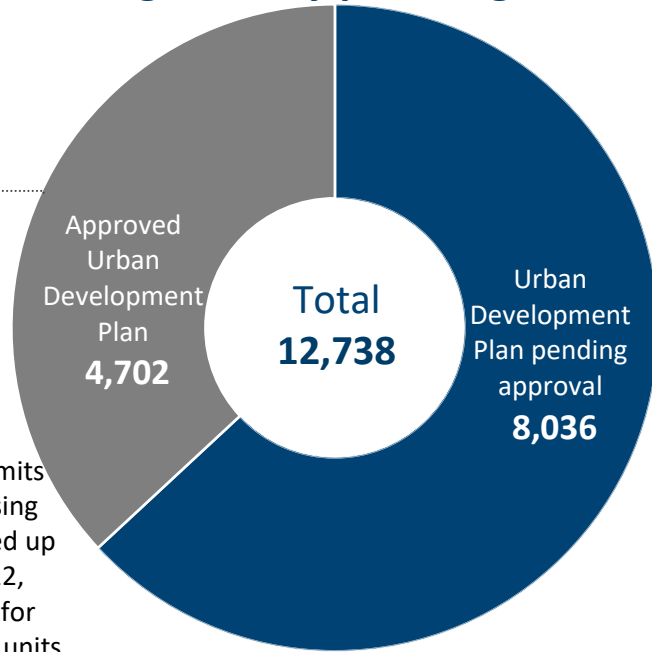
- Ashdar is a leading entrepreneurial company engaged in the development, marketing and sale of apartments in high-quality residential neighborhoods throughout Israel.
- Ashdar is building and marketing, together with its partners (without landowners) 1,749 housing units in 35 buildings under construction, including urban renewal and National Outline Plan 38 projects.
- The Company is also promoting projects in various planning stages totalling some 12,738 residential units (together with landlords and partners), with the emphasis on a unique complete communal concept.
- The equity as of June 30, 2022 is approx. NIS **992** million, representing about 35.7% of the balance, following deduction of advances from buyers.
- In May 2022 The Company won a tender for leasing three plots of land in the International Quarter of Lod intended for the construction of 263 housing units for the sum of around NIS **241** million.
- In August 2022 the Company board approved distribution of NIS **50** million dividend.





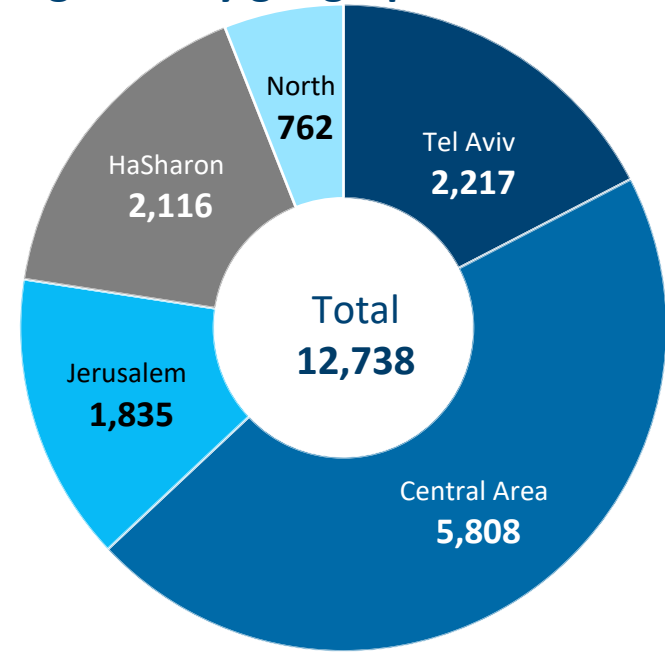


### Housing units by planning status \*



Including building permits for 124 housing units received up to 30.06.2022, and permits for 505 housing units expected to be received in 2022.

### Housing units by geographical distribution \*



\* Including partners and units for landowners in urban renewal projects and combination deals



# ASHDAR | Gross Profit Forecast



	Number of housing units to be marketed *	Number of housing units sold as of 30 Jun 22	Total revenues expected from projects yet to be recognised **	Gross profit yet to be recognised **	Expected gross profit rate	Expected completion date
Projects in progress and completed	1,766	1,193	<b>3,151</b>	<b>971</b>	31%	2022-2024
Projects whose marketing is expected to commence by the end of 2022	131	-	<b>530</b>	<b>105</b>	20%	2025-2026
Future projects for implementation in 2023 – 2026 ***	2,912	-	<b>6,518</b>	<b>1,244</b>	19%	2026-2030
<b>Total</b>	<b>4,809</b>	<b>1,193</b>	<b>10,199</b>	<b>2,320</b>	<b>23%</b>	

\* Housing units to be marketed, including partners (not including landowners and rental units)

\*\* The data represents the Company's portion and does not include undertakings to provide construction services

\*\*\* The data includes projects with approved Urban Development Plan at various planning stages

- The data does not include expected incomes from the sale of 87 housing units intended for rental in the coming years. In addition, the Company has 5,727 housing units to be marketed, in the stages of Urban Development Plan approval (including partners but not including landowners)

It should be made clear that the above Company estimations of the gross profit forecasts and expected gross profit rates are forward-looking information as defined under the Securities Law, based on information in the possession of the management. These estimations might not materialize in whole or in part, or might materialize in a different manner, either minor or substantial, from that predicted, for various reasons such as the housing unit selling rate, changing construction costs and/or resulting from the full or partial materialization of the risk factors set out in Parts. 11.6 and 23 of Section A of the 2021 Company Periodic Report.



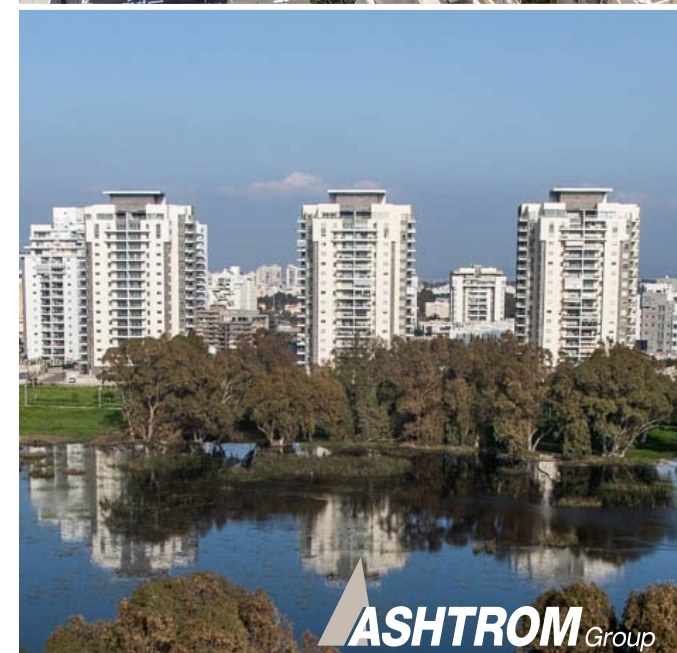


# ASHDAR | Financial Data



NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
<b>Income level</b>	<b>912,959</b>	<b>582,016</b>	<b>446,919</b>	<b>298,843</b>	<b>1,255,881</b>
Gross profit	192,612	109,301	98,634	56,602	246,810
Gross profit margin	21.1%	18.8%	22.1%	18.9%	19.7%
<b>Segment profit</b>	<b>161,455</b>	<b>77,901</b>	<b>82,941</b>	<b>41,402</b>	<b>183,678</b>
Segment profit margin	17.7%	13.4%	18.6%	13.9%	14.6%
<b>Net profit attributable to shareholders</b>	<b>103,845</b>	<b>55,572</b>	<b>52,590</b>	<b>30,740</b>	<b>132,680</b>
Net profit attributable to shareholders margin	11.4%	9.5%	11.8%	10.3%	10.6%
<b>Sales – NIS thousands Company's share only</b>	<b>473,424</b>	<b>1,058,813</b>	<b>183,649</b>	<b>478,048</b>	<b>2,133,537</b>
<b>Sales - residential units Company's share only</b>	<b>164</b>	<b>566</b>	<b>67</b>	<b>279</b>	<b>1,087</b>





- The Ashtrom Group is concluding deals and conducting negotiations in Israel and worldwide, as part of applying the strategy of investing in areas and projects of renewable energy.
- **USA**

In June 2022 the Company acquired, together with a partner, an additional project in Texas with a planned output of approx. 366 MW, currently in the initiation stage, further to the Company's existing projects. Following this purchase, the Company holds, together with a partner in equal shares, five projects in various stages of development with a cumulative volume of some 1,500 MW. The estimated investment in setting up the said projects amounts to some \$ **1.5** billion (the Company's share is 50%).

In addition, The Company, together with a partner, has an exclusivity agreement with an American entrepreneur for the initiation and construction of solar energy projects in the USA.
- **Poland**
  - The Company has rights in a partnership holding a project for electricity production by means of wind energy in Poland (the Company's share in the project is about 9%). The cumulative output of the project is estimated at about 257 MW, being considered the largest of its type in Poland. In addition, there is a commitment to offer the partnership every new project reaching the management firm in Poland.
  - The Company is considering entering into additional projects in Europe.
- **Israel**
  - The Company has, together with a third party, signed seven option agreements on lands facing a number of agricultural settlements on which it is intended to build solar projects.
  - The Company has been granted a license to supply electricity by the Electricity Authority.





# Projects in U.S.A



	Tierra Bonita	El Patrimonio	Whitethorn	Soles Rest	Rolling Sun	TOTAL
Location	Texas	Texas	Texas	Idaho	Texas	-
Sector	Solar Energy	Solar Energy	Solar Energy	Solar Energy	Solar Energy	-
Planned output – 100% (1)	<b>398</b> MW	<b>188</b> MW	<b>352</b> MW	<b>196</b> MW	<b>366</b> MW	<b>1,500</b> MW
Project development phase (2)	Advance Development	Initiation	Initiation	Initiation	Initiation	-
Target for completion of development phase (3)	Q1 2023	Q2 2023	Q3 2023	Q3 2023	Q2 2024	-
Overall construction cost -100% (4)	<b>\$ 398</b> Million	<b>\$ 188</b> Million	<b>\$ 352</b> Million	<b>\$ 196</b> Million	<b>\$ 366</b> Million	<b>\$ 1,500</b> Million
Company's share of the project	50%	50%	50%	50%	50%	-

- (1) The output is planned in line with the current development scheme of the local entrepreneur. At the present stage there is no certainty of the projects' reaching project development completion or of the planned output being fully achieved.
- (2) The project development phase is based on the local entrepreneur's estimation, regarding the present development status and the estimated time required to complete the development and for the project to reach readiness to proceed with construction and for financial closure.
- (3) Development phase completion goal, readiness to proceed with construction and for financial closure, based on the local entrepreneur's estimation, subject to potential changes or updates to the development scheme for each project.
- (4) The set-up cost is based on an initial estimate of the overall set-up cost per MW at a level of around 1 million dollars per installed MW.

# Electrical Power Generating Farm in Poland



Project Output

**257 MW**

Operational– 220 MW

Under construction– 37 MW



Cost of Project

Approx.

**€ 330 M**



Annual Income\*

Approx. **€ 41 M**

EBITDA

Approx. **€ 31.5 M**



Completion Date

**Phase A - operational**

**Phase B - 2023**



Company's Share

**8.98%**



Company's Investment

Approx.

**€ 21 M**



\* Figures refer to first year of operation, representative of entire project (phases A + B) — 2023





# ASHTROM GROUP

## Financial Data



# ASHTROM GROUP | Profit and Loss Figures

NIS Thousands

	01-06.2022	01-06.2021	Q2 2022	Q2 2021	2021
<b>Incomes</b>	<b>2,471,819</b>	<b>2,198,534</b>	<b>1,241,019</b>	<b>1,106,681</b>	<b>4,464,260</b>
<b>Gross profit</b>	<b>551,944</b>	<b>418,061</b>	<b>270,515</b>	<b>203,686</b>	<b>894,104</b>
Gross profit margin	22.3%	19.0%	21.8%	18.4%	20.0%
Valuation gains (losses) of investment property, net	292,827	75,162	203,064	91,125	398,789
Gain from change in designation from inventories to investment property	8,035				16,577
Sales, administration and general expenses	216,096	159,367	109,445	78,441	360,499
<b>Segment profit</b>	<b>636,710</b>	<b>333,856</b>	<b>364,134</b>	<b>216,370</b>	<b>948,971</b>
Segment profit margin	25.8%	15.2%	29.3%	19.6%	21.3%
Group's share of earnings of associates, net	98,485	543,461*	87,656	47,503	656,608*
Other expenses	11,236	8,638	8,502	4,761	31,595
<b>Operating profit</b>	<b>723,959</b>	<b>868,679</b>	<b>443,288</b>	<b>259,112</b>	<b>1,573,984</b>
Operating profit margin	29.3%	39.5%	35.7%	23.4%	35.3%
Financing costs, net	200,515	89,118	114,152	54,632	198,388
<b>Net profit</b>	<b>452,721</b>	<b>733,675</b>	<b>293,041</b>	<b>180,779</b>	<b>1,252,880</b>
<b>Net profit attributable to shareholders</b>	<b>433,771</b>	<b>714,023</b>	<b>293,482</b>	<b>162,432</b>	<b>1,230,777</b>



\* Includes profit of approx. NIS 500 million on account of the Buyback in the Jerusalem LRT project



# ASHTROM GROUP | Summary of Balance Sheet

NIS Thousands

	30.06.2022	30.06.2021	31.12.2021
Current assets	5,339,917	5,261,991	5,453,665
Non-current assets	11,843,233	9,693,964	10,637,241
<b>Total assets</b>	<b>17,183,150</b>	<b>14,955,955</b>	<b>16,090,906</b>
Current liabilities	4,156,542	3,836,792	4,136,886
Non-current liabilities	8,492,926	7,249,866	7,772,404
<b>Total equity</b>	<b>4,533,682</b>	<b>3,869,297</b>	<b>4,181,616</b>
Ratio of capital for balance sheet	26.4%	25.9%	26.0%

Cash & Cash equivalents balance	1,416,594	1,302,425	1,481,585
Short term investments	748,655	812,536	753,059
<b>Total cash and short-term investments</b>	<b>2,165,249</b>	<b>2,114,961</b>	<b>2,234,644</b>

Cash flow from operating activities before purchase of lands	573,393	989,559	1,778,417
Purchase of lands for construction, net	(172,958)	(57,273)	(295,777)
<b>Cash flow from operating activities</b>	<b>400,435</b>	<b>932,286</b>	<b>1,482,640</b>



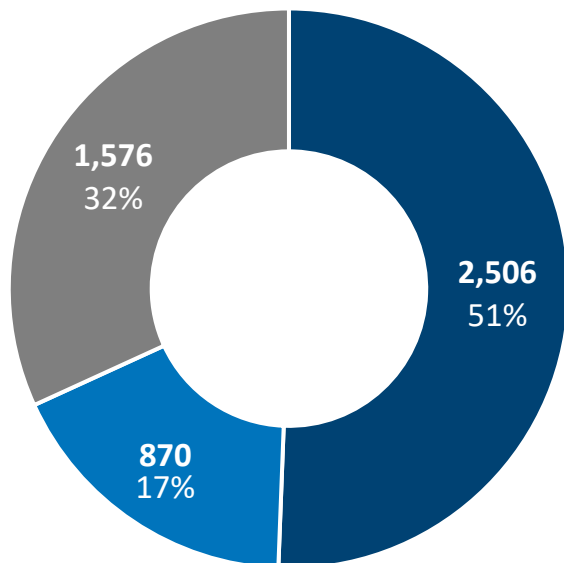
# ASHTROM GROUP | Financial Debt Structure

(Ashdar Building Company Ltd and Ashtrom Properties Ltd are not included)

As of June 30, 2022

## Types of credit (NIS Millions)

Total credit: **4,952**



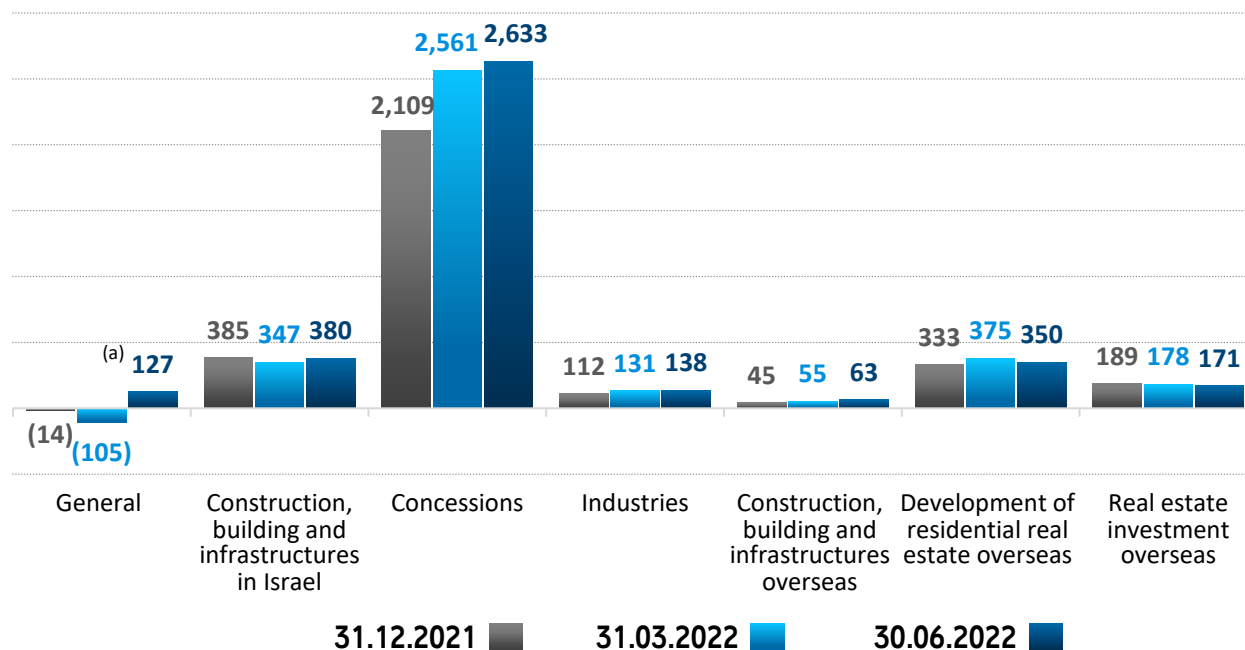
- Bonds
- Bank credit
- Non-bank credit

## Net financial debt\*\* (NIS Millions)

Total net financial debt as of June 30, 2022: **3,860**

Total net financial debt as of March 31, 2022: **3,542**

Total net financial debt as of December 31, 2021: **3,158**



(a) Including about NIS 80 million for renewable energy activity.

\*\* Credit excluding cash, cash equivalent, deposits, short- and long- term investments and inter-sectoral credit



# STRATEGY



## Construction in Israel

Increasing the orders backlog and the variety of projects within the segment, while maintaining the commitment to quality, and gross profit margin.



## Concessions

Increased level of activity in rental housing sector and entry into a variety of entrepreneurial projects.



## Industries

Organic and exogenous growth. Synergic expansion of activities and increasing the gross profit margins, opening new marketing channels and expanding the actual range of products.



## Construction Overseas

Expanding the scope of activities in both existing and new countries.



## Residential Real Estate Overseas

Continued development of activity in the USA, concurrently with development of the activity in Portugal. Location and appraisal of business opportunities in countries where the Company is active.



## Income Generating Real Estate Overseas

Exploring options for the realization of some of the properties in Eastern Europe, following market behavior.



## Ashtrom Properties

Improvement of existing Company assets, location and construction of new entrepreneurial projects and the acquisition of yield bearing properties in Israel, Germany and England.



## Ashdar

Expansion and development of entrepreneurship in the residential sector in Israel including NOP 38 and Pinui-Binui (Evacuation & Reconstruction) projects.



## Renewable Energy

Continued development and investments in projects in the renewable energy field in Israel and overseas. Creating an activity with a significant scope in the coming years.





**ASHTROM** Group  
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