

Interested Parties Sold to the Public Shares With a Value in Excess of NIS 5.5 Billion in 2019

The percentage of public holdings has been continuously on the rise since 2010,

Reaching 63.5% this year

Kobi Avramov, Research Unit Manager

In 2019, interested parties sold to the public shares with a value of more than NIS 5.5 billion, increasing the percentage of public holdings in the shares to 63.5%.

The growing sale of shares by interested parties since 2010 has been continually increasing the percentage of public holdings in shares. Public holdings amounted to 55% in 2010, reaching 63.5% at the end of 2019.

In previous years, sales by interested parties took prevalence following the reform in TASE indices, the conclusion of which in February 2018 brought sales by interested parties to a record-high of approximately NIS 13 billion. This year, the majority of sales took place on the backdrop of the Reduction of Centralization Law, which required controlling shareholders and companies to meet the provisions of its final phase by the end of 2019.

Principal sales during the year:

- David Wertheim sold close to 14% of the shares in **Alony-Hetz**, with a value of NIS 1,123 million.
The sale was made as a result of the Reduction of Centralization Law that requires equity holders to separate real holdings from financial holdings, since Wertheim is also a controlling shareholder in Mizrahi-Tefahot Bank. Thereafter, as the share capital of the company grew, Wertheim is no longer an interested party in Alony-Hetz.
- Property and Building sold close to 16.8% of the shares in **Gav-Yam**, with a value of NIS 680 million. Property and Building was a second-tier company in the Discount Investments ownership pyramid and Gav-Yam was a third-tier company. The group was required to dismantle the third tier of the pyramid (which also included Mehadrin that was distributed as a dividend in kind, and Ispro that made an early redemption of its last series of debentures and was delisted from TASE). Today, Property and Building holds 35% of the shares in Gav-Yam. It should be noted that, in January 2020, the Ministry of Justice informed Property and Building that it believes that the company may be in violation of the Reduction of Centralization Law, this in view of its apparent continued control in Gav-Yam as a separate-tier company.
- IDB Development sold close to 21% of the shares in **Clal Insurance**, with a value of NIS 551 million, this in the trail of sales with a value of NIS 500 million and NIS 318 million in each of the preceding two years. Subsequent to said sales, IDB holds 8.5% of the shares in the company (4.4% of which through a trustee). Clal Insurance announced its transformation into a company without a controlling shareholder.
- The Fattal Family sold shares in **Fattal Holdings**, with a value of NIS 550 million (6.5% of the company).

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- The Gesundheit Family sold close to 24.5% of the shares in **Arad Investments**, with a value of NIS 510 million.
- In **Melisron**, Avi Levy (the outgoing CEO of the company) and the Ofer Group (the controlling shareholder in the company) sold shares with a value of NIS 280 million and NIS 150 million, respectively.
- Delek Group sold its entire holdings - 22.5% in the shares of **Delek Automotive**, with shares amounting to NIS 269 million sold to institutional investors. (The remaining shares, with a value of NIS 135 million, were sold to Gil Agmon, the controlling shareholder in the company. This sale is not included in this review, since it does not increase the public's holdings in the company).
- The FIMI investment fund sold shares with a value of NIS 482 million during the year: **Ham-Let** shares with a value of NIS 251 million, its remaining holdings in **Inrom** shares with a value of NIS 131 million, and shares in **Bet Shemesh Engines** with a value of NIS 100 million.

The following table presents all sales with a value in excess of NIS 40 million. These transactions do not include sales by interested parties to other interested parties that did not increase the percentage of public holdings.

<u>Sale of shares by interested parties in 2019</u>			
<u>Company</u>	<u>Seller</u>	<u>Amount (NIS in millions)</u>	<u>Percentage of company capital sold</u>
Alony-Hetz	Wertheim	1,123	14.0%
Gav-Yam	Property and Building	680	16.8%
Clal Insurance	IDB Development	551	21.3%
Fattal	David and Hadassah Fattal	550	6.5%
Arad	Gesundheit	510	24.5%
Melisron	Avi Levy	280	2.9%
Delek Automotive	Delek Group	269	15.0%
Ham-Let	FIMI	251	29.6%
Neto Malinda	Neto Holdings	213	21.6%
Harel Investments	Hamburger Family	180	3.0%

Clal Beverages	Clal Industries	171	40.1%
Melisron	Ofer Investments	150	2.0%
Inrom	FIMI	131	10.4%
Bet Shemesh Engines	FIMI	100	8.2%
Electra	Elco	98	2.0%
Allot	Zohar Zisapel	79	8.4%
Neto	Ezra Family	76	6.2%
One Technologies	Direct Computers & Migar	64	4.9%
Edgar	Tzur-Shamir	53	5.2%
I.E.S.	Dormant shares	46	4.2%
FIBI	Abeles	42	1.2%