

OS AA01

Statement of details of parent law and other
information for an overseas company



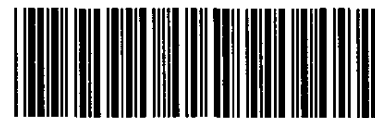
Companies House

1244/20

☒ **What this form is for**
You may use this form to
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Part 1 Corporate company name

Corporate name of overseas company ① "EL AL" ISRAEL AIRLINES LIMITED

UK establishment number B R 0 0 1 1 6 0

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.
All fields are mandatory unless
specified or indicated by *
① This is the name of the company in
its home state.

**Part 2 Statement of details of parent law and other
information for an overseas company**

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ② IFRS

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☒ **No. Go to Section A3.**

☐ **Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.**

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

A3 Accounts


Accounts Have the accounts been audited? Please tick the appropriate box.

☐ **No. Go to Section A5.**

☒ **Yes. Go to Section A4.**

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A4 Audited accounts		1 Please insert the name of the appropriate accounting organisation or body.
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	
Name of organisation or body 1	DELOITTE	
A5 Unaudited accounts		
Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No.</p> <p><input type="checkbox"/> Yes.</p>	
Part 3 Signature		
<p>I am signing this form on behalf of the overseas company.</p>		
Signature	<p>Signature</p> <p>X  X</p>	
<p>This form may be signed by: Director, Secretary, Permanent representative.</p>		

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	shantala Reda
Company name	ELAL ISRAEL AIRLINES
Address	Blackburn House Blackburn Road London
Post town	
County/Region	
Postcode	MW6 1RZ
Country	UK
DX	
Telephone	07540 525 330



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Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



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EL AL ISRAEL AIRLINES LTD.

2019 ANNUAL REPORT

Table of Contents

CHAPTER B

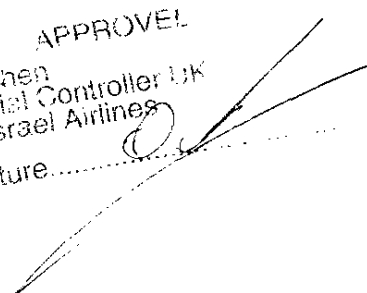
Board of Director's Report

CHAPTER C

Consolidated Financial Statements for 2019

*I am hereby certify this is the translation of
Hebrew Accounts.*

APPROVED
Iren Chen
Financial Controller UK
El Al Israel Airlines
Signature.....



Chapter B

Board of Directors' Report on the State of Corporate Affairs

El Al Israel Airlines Ltd.
Periodic Report for 2019

General:

We are pleased to submit the Board of Directors' Report of the State of the Corporation's Affairs for the year ended on December 31, 2019. El Al Israel Airlines Ltd. mainly operates in the field of air transport of passengers and cargo, between Israel and foreign countries. In addition, the Company provides maintenance and conveyance services at its home airport, sale of duty-free products and - through investee companies - in related activities, mainly the production and supply of airline meals and management of several travel agencies abroad.

The business environment in which the Company operates is global and civil aviation and tourism industry to and from Israel, which is characterized by seasonality and fierce competition, intensifying during periods of excess capacity and highly sensitive to the economic, geopolitical and security situation in Israel and globally.

A. Explanations of the Board of Directors as to the State of the Corporation's Business

CORONA VIRUS CRISIS

After the date of the statement of financial position, the global Corona Virus pandemic had a significant negative impact on the global economy, and in particular on the aviation sector, including the Company. The pandemic resulted in a sharp decline in demand for passenger flights and in significant flight cancellations in February and March 2020, up to a complete stop of all regular passenger flights, further to the notice given by the Ministry of Health in early March 2020, requiring a 14-day isolation of all those entering Israel from any country. The aforementioned stoppage resulted in loss of most Company revenues and therefore creates, first and foremost, a material liquidity problem for the Company.

The economic crisis saw a sharp decline in demand for oil, which resulted in sharply lower jet fuel cost and in lower interest rates world-wide. Since the Company had entered into hedging transactions designed to manage exposure to changes in jet fuel prices and in exchange rates, the aforementioned decline resulted in a decrease in fair value of these transactions and in losses which required the Company to provide deposits of material amounts, which resulted in even more severe impact to the Company's cash flow. For more information about these hedging transactions, see note 18 to the financial statements and Chapter B of this report. Furthermore, since Company operations were significantly reduced, the Company did not benefit from the lower jet fuel prices for its current consumption. See Chapter E below.

The Company has a working capital deficit, primarily due to advance sale of flight tickets, with a balance of USD 321 million as of soon prior to the report issue date. Due to flight cancellations, the Company was required to reimburse significant amounts to customers.

The crisis also resulted in lower valuation of aircraft world-wide. Therefore, the impairment of aircraft values, used as collateral to secure loans obtained by the Company from Israeli banks for purchase of aircraft (loans that do not constitute "reportable credit"), resulted in failure to comply with financial covenants for LTV ratio. In conformity with the loan agreements, failure to comply with the required ratio gives banks the right to receive deposits, (estimated at USD 30 million as of the report issue date). The Company has applied to these banks for waiver requests for compliance with the aforementioned ratio for the duration of the crisis.

In order to immediately reduce cash expenditure by the Company during the shut-down period, the Company applies, inter alia, the following measures, designed to address the implications of the Corona Virus crisis (for more information see Note 1 to the financial statements):

- (1) Measures with regard to human resources – most employees of the Company and of its subsidiaries were placed on furlough through June 30, 2020. The Company also reduced the work hours for managers, stopped recruitment of new hires and terminated new employees in training. Company management is also in negotiations with employee representatives and with the Labor Union regarding termination of other employees, cuts to salary and benefits of highly-paid employees.
- (2) Delay by consent some of the lease payments for leased aircraft.
- (3) Termination of leases of two leased aircraft scheduled to go into service in 2020, and return of three aircraft leased by wet lease.
- (4) Suspending and termination of projects involving investments in aircraft fleet and in other areas.
- (5) Expansion of operation of passenger aircraft for cargo transport, with adaptation of Boeing 777 aircraft for cargo transport.
- (6) Application to release surplus in central severance pay funds (for more information see note 1 and note 14.C.2 to the financial statements).
- (7) Signing an MOU with regard to a Sale & lease-back agreement for three Boeing 737-800 aircraft where the closing of this transaction is subject, inter alia, to obtaining assistance from financing providers and from the State.
- (8) Negotiations with lenders and with the State to obtain assistance, mostly backed by State guarantees. Note that as of close to the report approval date, the MOU has yet to be signed and it is uncertain whether negotiations would result in a binding agreement and/or whether State guarantees for the loan would be provided. The loan outline has yet to be agreed by the Company, the lender and the State, and is contingent on suspensive conditions, primarily the following: (1) Signing a new collective bargaining agreement with Company employees, to reflect the required streamlining; (2) Closing of the aforementioned sale & lease-back transaction; (3) Release of full excess in central severance pay funds yet to be released.

As of the report issue date, negotiations with the State and lenders are on-going, hence the uncertainty with regard to closing of this assistance package. Since obtaining this assistance is crucial for allowing the Company to address the implications of the Corona Virus crisis, the Company believes that at this stage there is significant doubt as to whether the Company may continue as a going concern. For more information see Note 1 to the financial statements.

Year 2019

In recent years, the capacity of foreign airlines in the Israeli market has grown sharply. This capacity partly exceeds demand, leading to a price decline. This competition is particularly fierce in routes to the Far East due, inter alia, to the competitive advantage given to a competitor in the route to India, flying over Saudi Arabia, while the Company is prevented from flying this shorter route. El Al also has competition from low cost airlines on routes to Europe. Similar to passenger activity, the company is also experiencing increased competition in cargo operations.

In order to deal with the competition in its business environment, as stated, the Company focused on several core issues, as detailed below. These plans were expected to be carried out over the next few years and the bulk of which was completed as detailed below.

Improvement of product and customer experience –

- The most significant of these measures is to upgrade aircraft interior through the execution of 787 aircraft procurement plan and by upgrading the interior of existing aircraft.
- The Company has completed the bulk of this procurement plan, with 15 new 787 aircraft in service, one of which was put into service in the first quarter of 2020. The last aircraft was scheduled to be received in March 2020. Due to the Corona Virus crisis, by the report issue date, the Company has not received this aircraft nor the loan for it, as of the report issue date, the Company is in negotiations with the lenders on this matter. The loan to finance advance payments paid by the Company for this aircraft was extended through June 30, 2020. The 787 aircraft have replaced the 767-300 aircraft, which were fully de-commissioned early this year, and the 747-400 aircraft, which were de-commissioned in 2019.
- Moreover, the Company upgraded the aircraft interiors of its 737-800 fleet, essentially completed in 2019. In November 2019, the Company signed a lease for three additional aircraft of this type, the first of which was put into service in February 2020. Due to the Corona Virus crisis, the Company terminated the lease for the remaining two aircraft.
- Due to the Corona Virus crisis and disruption of passenger flights, the Company suspended the renewal of aircraft interiors for 777-200 aircraft, scheduled to start in 2020. The Company will review the implications once this crisis is over.
- A wireless internet system was installed in all 787 aircraft and such systems are gradually installed in all other aircraft.

Commerce –

- In 2019, the Company expanded its route network and opened new destinations. In that year, the Company launched routes to Nice, San Francisco, Manchester and Las Vegas.
- Due to the Corona Virus crisis, the launch of routes to Chicago, Tokyo, Dublin and Düsseldorf, scheduled for 2020, has been put on hold.
- In October 2018, the Company launched value propositions customized for customers in Europe; in April 2019, similar value propositions were launched for Asia-Pacific and for Africa.
- In May 2019, the Company signed a code sharing agreement and a club sharing agreement with Alaska Airlines.
- At the end of 2018 - the Company has extended its cooperation with the FlyCard branded credit card, signed new agreements with CAL, Diner's and Poalim Express, and brought on a new strategic partner - MasterCard. In accordance with these agreements, in the first quarter of 2019, the Company received a total of USD 59 million, partly in the form of signing grants and partly as an advance on account of future payments to which the Company will be entitled pursuant to the new agreements, which will apply as of September 2019.
- In April 2019, new value offer to the Matmid Club customers was launched which, inter alia, updates the points accumulation mechanism, expands options to use points for flight tickets, payment for baggage and seating and so forth. In July 2019, when the new Booking Engine for club members went live, the value proposition was improved.
- The Company signed a new contract with travel agents in Israel, pursuant to which payment will be at a fixed rate of up to 3% with respect to a portion of flight tickets sold by these agents, in line with pre-defined criteria, replacing the fixed 5% commission previously paid.
- In addition, the Company improved the Booking Engine on its website, and developing digital solutions for personal marketing, all in order to increase sales.

Operations and streamlining –

In the report year, the Company was acting to strengthen its competitiveness through streamlining.

- Reduction of the number of fleet (to only three), placing new aircraft into service and de-commissioning of 767-300ER and 747-400 aircraft have reduced, as of the report issue date, the average age of Company aircraft to 9.2 years, thereby contributing to streamlining of the logistics and maintenance systems, reduction in number of malfunctions, reduced refurbishment times, increased refurbishment intervals, more efficient placement of air crews by the Company and so forth.
- The new 787 aircraft are more efficient than the other fleets of the Company – both in fuel consumption and in maintenance activities.
- Further operational streamlining was achieved by adding seats to the NG737-800 aircraft.
- In 2018, the Company launched a three-year plan called "Ofek 2021" with the objective of streamlining the Company's operational processes and increasing its sources of revenue.
- In 2019, the Company launched a multi-year program to replace several operational and commercial information systems and to improve logistic work processes.
- In May 2019, the Company launched a modern logistics center for maintenance of spare parts.

People and processes –

In 2019 - the Company acted on improving its relationship with the employees and to strengthen their sense of identification with the Company and its objectives. Among others, in October 2018, a new labor agreement was signed with the Company's pilots, to upgrade its operational efficiency and flexibility while improving the pilots' working conditions and quality of living.

In the reported period, the Company was in the midst of realizing its procurement and product improvement plan, which was designed to materialize primarily in the first half of 2020 and to be completed in 2021. During the execution period, however, its operational efficiency was undermined, in part due to the need to train and assign air crews to the new aircraft, due to sub-optimal assignment of aircraft to routes and due to concurrent operation of three wide-body aircraft fleets. In addition, during the transition period, the Company can only partially benefit from the operational efficiency of the new aircraft (in terms of fuel and maintenance costs) due to their gradual entry into service over a number of years, and the lack of product uniformity due to customers' partial exposure to the improved product.

In January 2019, the Company applied IFRS 16 "leases" for the first time, which had material effects on the Company's financial statements, including a significant increase in assets and liabilities, a decline in lease expenses, and a net increase in amortization and financing expenses of USD 18 million (pre-tax) in 2019. It is also noted that, in accordance with the transitional provisions of the Standard, comparative data were not restated.

Moreover, in 2019 the yield to maturity for corporate debentures decreased significantly, used for discounting the liability with respect to defined benefit plan (and for other long-term benefits); the effect on the liability for paid leave and rest for employees amounted to USD 8.8 million (pre-tax), charged as an expense in 2019.

A1. MAIN DATA

MAIN DATA FOR THE YEAR ENDING ON DECEMBER 31 (USD MILLIONS)

	2019	2018	Change
Operating income	2,178	2,142	2%
Operating expenses	1,835	1,846	(1%)
Gross profit	343	296	16%
EBITDAR ¹	305	260	17%
Pre-tax loss on income	(77)	(68)	13%
Loss for the year	(60)	(52)	14%

A2. REVIEW OF THE DEVELOPMENTS IN THE BUSINESS ENVIRONMENT AND OPERATIONAL METRICS

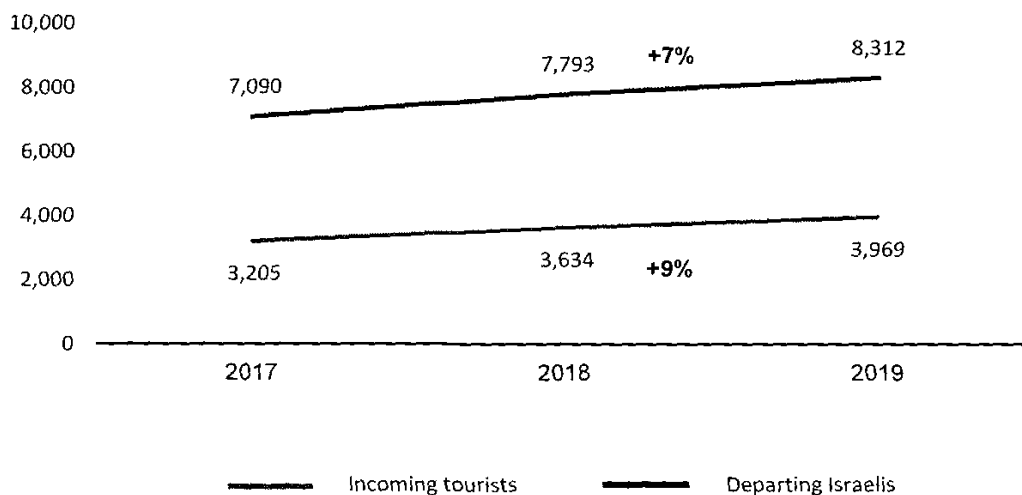
A2.1 REVIEW OF THE BUSINESS ENVIRONMENT IN WHICH THE COMPANY OPERATES

For the year ended on December 31

Traffic at Ben Gurion Airport:

The following charts describe passenger traffic developments at Ben Gurion Airport, divided by inbound and outbound tourism, and with respect to cargo, divided by imports and exports. In 2019, the trend of significant growth in incoming tourism continued, with 9% growth, while the number of outbound tourists increased by 7%. As for cargo, imports increased by 3% while exports declined by 2%.

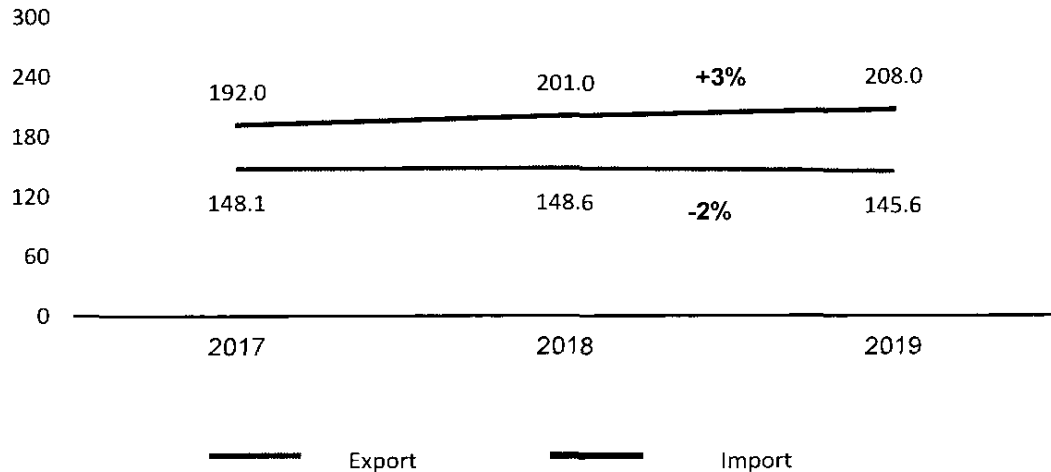
INCOMING TOURISM TO ISRAEL AND OUTBOUND RESIDENTS (IN THOUSANDS): ²



¹ Earnings before interest, taxes, depreciation, amortization and rent.

² Source: Central Bureau of Statistics

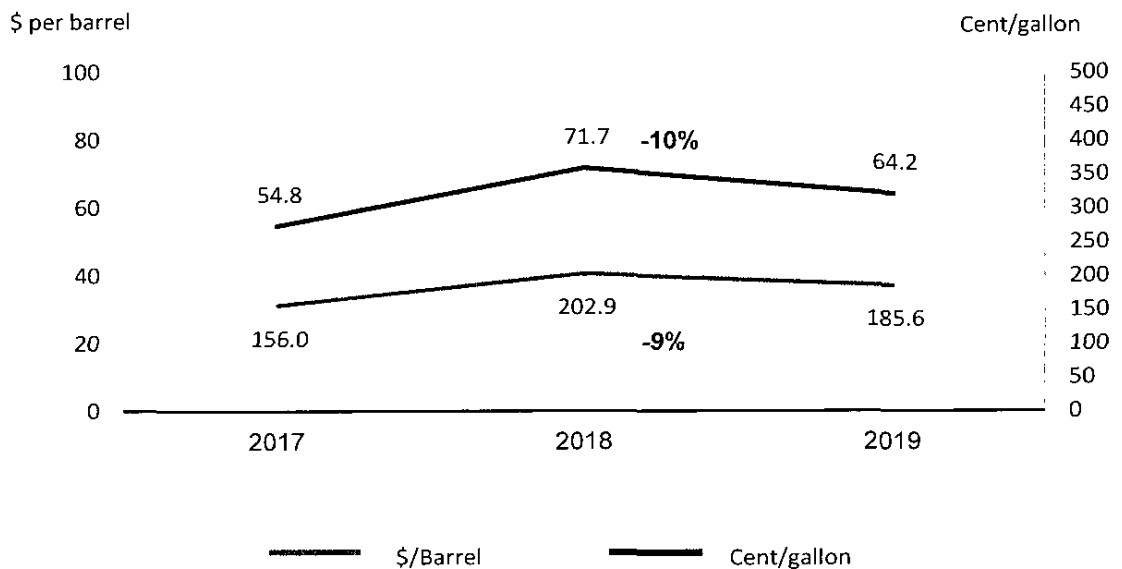
IMPORTS AND EXPORTS OF AIR FREIGHT TO AND FROM ISRAEL (THOUSANDS OF TONS): ³



Jet fuel:

In 2019, there was a decline in jet fuel prices compared to 2018, as shown by the following graph. Regarding the development of jet fuel prices following the financial position statement date, see Part E below.

DEVELOPMENT OF AVERAGE JET FUEL AND CRUDE OIL MARKET PRICES ⁴



³ Source: Israel Airports Authority

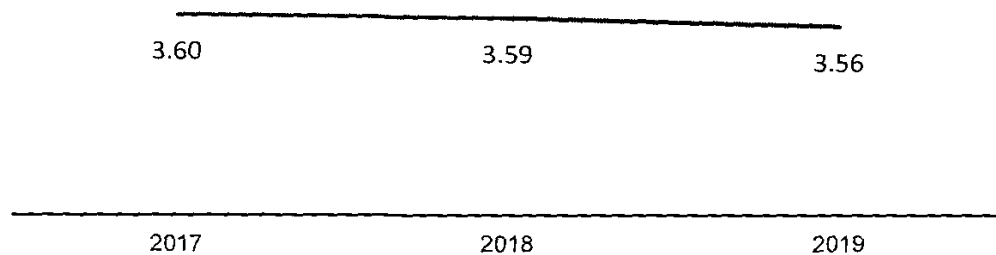
⁴ Source: Bloomberg

Exchange rates

The following graph shows the average NIS-USD exchange rates in each quarter. In 2019, the USD was lower by 0.8% against the NIS, compared to 2018. The average exchange rates have an impact on the Company's shekel-denominated results.

As of December 31, 2019, the USD/NIS exchange rate was 3.46, compared with 3.75 as of December 31, 2018, reflecting a 7.8% decrease in the USD vs. the NIS. These rates have an impact on the Company's NIS-denominated balance sheet items. See Chapter B of this report.

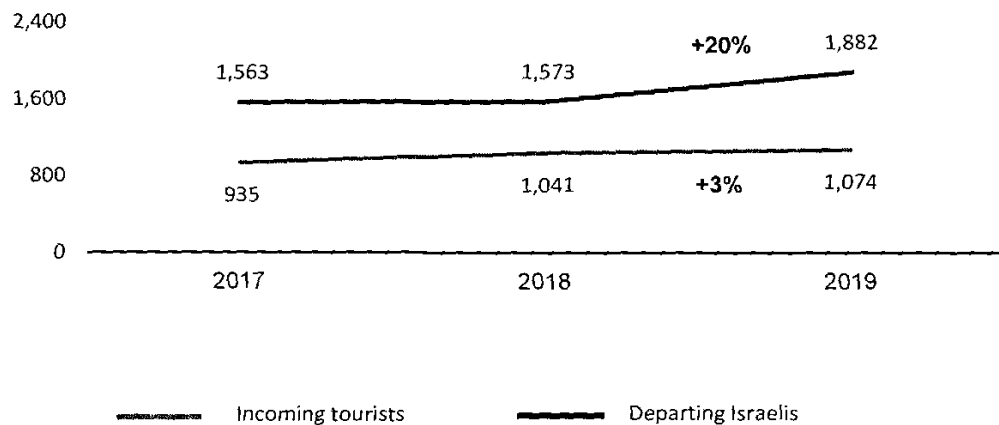
DEVELOPMENT OF THE NIS-USD AVERAGE EXCHANGE RATE:



For the three-month period ending on December 31

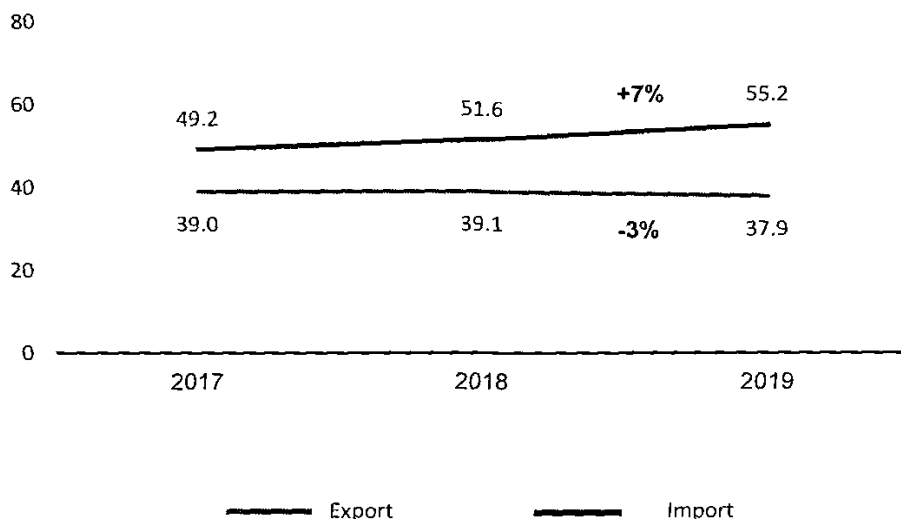
In the fourth quarter of 2019, incoming tourism increased by 3% over the corresponding period last year, with outgoing traffic of local residents increased sharply by 20%. As for cargo, imports increased by 7% while exports declined by 3%.

INCOMING TOURISM TO ISRAEL AND OUTBOUND RESIDENTS (IN THOUSANDS): ⁵



⁵ Source: Central Bureau of Statistics

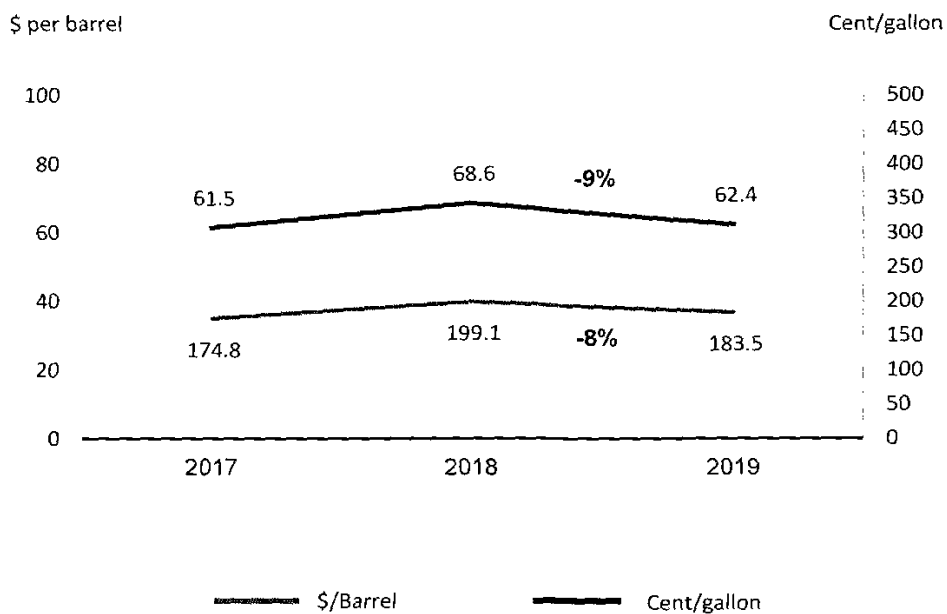
**IMPORTS AND EXPORTS OF AIR FREIGHT TO AND FROM ISRAEL
(THOUSANDS OF TONS): ⁶**



Jet fuel:

In the 4th quarter of 2019, there was a decline of 8% in jet fuel prices compared to the 4th quarter of 2018, as shown by the following graph.

DEVELOPMENT OF AVERAGE JET FUEL AND CRUDE OIL MARKET PRICES ⁷



⁶ Source: Israel Airports Authority

⁷ Source: Bloomberg

A2.2 The Company's operating metrics and market shares

FOR THE YEAR ENDING ON DECEMBER 31			
	2019	2018	Change
El Al and Sun D'or			
Passenger segment (scheduled and charter) (paying customers) – in thousands	5,826	5,609	3.9%
Total market share – in percentage	24.6%	25.5%	(3.6%)
Revenue Passenger Kilometer (RPK) – in millions	23,642	22,852	3.5%
Available Seat Kilometer (ASK) – in millions	28,520	27,303	(4.5%)
Passenger load factor (PLF) – in percentage	82.9%	83.7%	(1.0%)
Flight hours - in thousands	172.8	171.2	0.9%
Average revenue per RPK – in cents *	8.18	8.23	(0.6%)
Air cargo – in tones, thousands	74.5	80.7	(7.8%)
Revenue Tons Kilometers (RTK) - in millions	446.4	472.0	(5.4%)
RASK **	7.3	7.5	(2.5%)
** CASK	7.4	7.7	(4.7%)
** CASK excluding fuel	5.7	5.9	(2.6%)
Aircraft Fleet ***/****			
No. of operational aircraft at the end of the period – in units	43	45	-2
Average age of aircraft fleet at the end of the period - in years	9.2	12.5	-3.3

Revenues from passengers and related income in scheduled flights only and net of changes in exchange rates.

** Passenger aircraft, excluding financing expenses.

*** The entire fleet – owned and chartered aircraft. It'll be noted, that operating metrics provided in this Note include flights by wet leased aircraft (including crew), which are not included in the aircraft fleet.

**** As of the end of 2019, the aircraft fleet included twelve 787-9 aircraft and two 787-8 aircraft, compared to seven 787-9 aircraft at the end of the previous year.

Legend

Passenger segment- one-way flight voucher.

RPK - Revenue Passenger Kilometer - the number of paid passengers multiplied by the airborne distance.

ASK - Available Seat Kilometer - the number of seats offered for sale multiplied by the airborne distance.

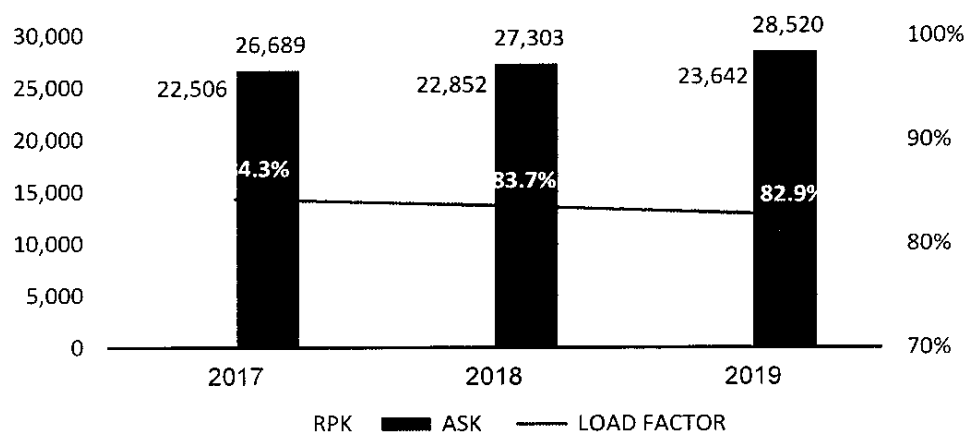
PLF (Passenger Load Factor) – RPK/ASK.

RTK - Revenue Ton Kilometer- weights the aircraft cargo for payment in tons multiplied by airborne distance.

RASK (Revenue per Available Seat Kilometer) – Revenues divided by ASK

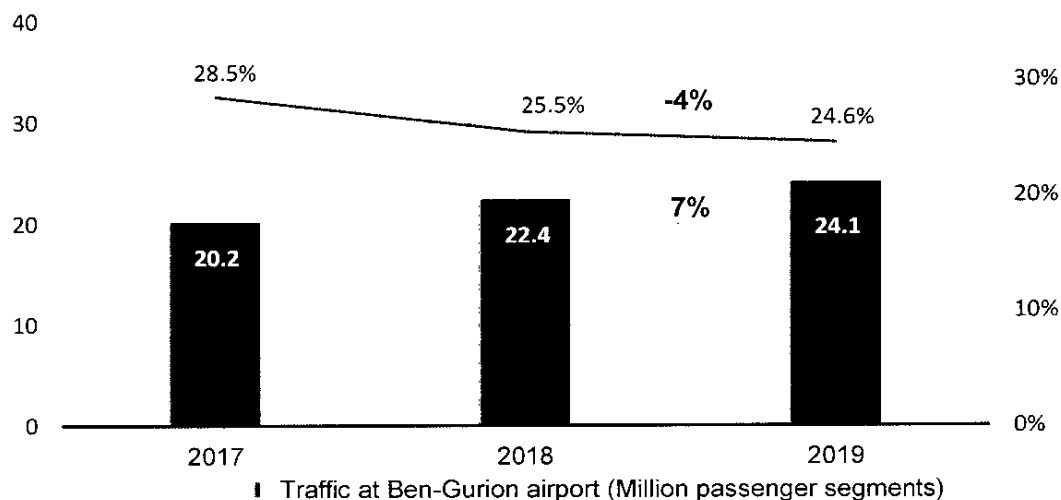
CASK (Cost per Available Seat Kilometer)– Expenses divided by ASK

Operating metrics (in millions)

TRAFFIC AT BEN GURION AIRPORT AND THE MARKET SHARE OF EL AL AND SUN D'OR⁸

Traffic at Ben-Gurion airport
(Million passenger segments)

Market share of El Al and
Sun D'or in total traffic (%)



In 2019, the Company increased its number of available seats per kilometer (ASK) by 4.5% compared to 2018. A significant part of this increase is due to the new aircraft which the Company received, which have better yield and more seats than the de-commissioned 767-300 aircraft. These aircraft allowed the Company to open new routes and to add flights on existing routes. The revenue per passenger kilometer (RPK) was increased by 3.5%, which is lower than the increase in the number of available seats per kilometer (ASK). Note that demand builds up gradually when launching new destinations.

⁸ Source: Israel Airports Authority

Consequently, the Company's Load Factor in 2019 decreased by 1.0%, to 82.9%. The more moderate increase in demand also affected the overall average revenue per RPK, which decreased by 0.6%.

Since traffic at Ben Gurion Airport increased by 7% and the Company's passenger traffic increased by only 4%, the Company's market share decreased by 3.6%, to 24.6%, compared to 25.5% in 2018.

In 2019, there was a 7.8% decrease in the volume of transported air cargo in tons and a 5.4% decrease in revenue from air cargo multiplied by airborne distance (RTK), due to weakness in the global air cargo market and reduced cargo flights.

FOR THE THREE-MONTH PERIOD ENDING ON DECEMBER 31

	2019	2018	Change
<u>El Al and Sun D'or</u>			
Passenger segment (scheduled and charter) (paying customers) – in thousands	1,333	1,258	6.0%
Total market share – in percentage	23.4%	25.0%	(6.4%)
Revenue Passenger Kilometer (RPK) – in millions	5,593	5,285	5.8%
Available Seat Kilometer (ASK) – in millions	6,735	6,373	5.7%
Passenger load factor (PLF) – in percentage	83.0%	82.9%	0.2%
Flight hours - in thousands	41.2	39.6	4.1%
Average revenue per RPK - in cents**	8.3	8.2	0.9%
Air cargo – in tones, thousands	18.0	17.6	2.4%
Revenue Ton Kilometer (RTK) – in millions	112.5	109.3	3.0%
RASK	7.4	7.5	(0.9%)
CASK	7.8	8.0	(2.4%)
CASK excluding fuel	6.2	6.2	1.5%

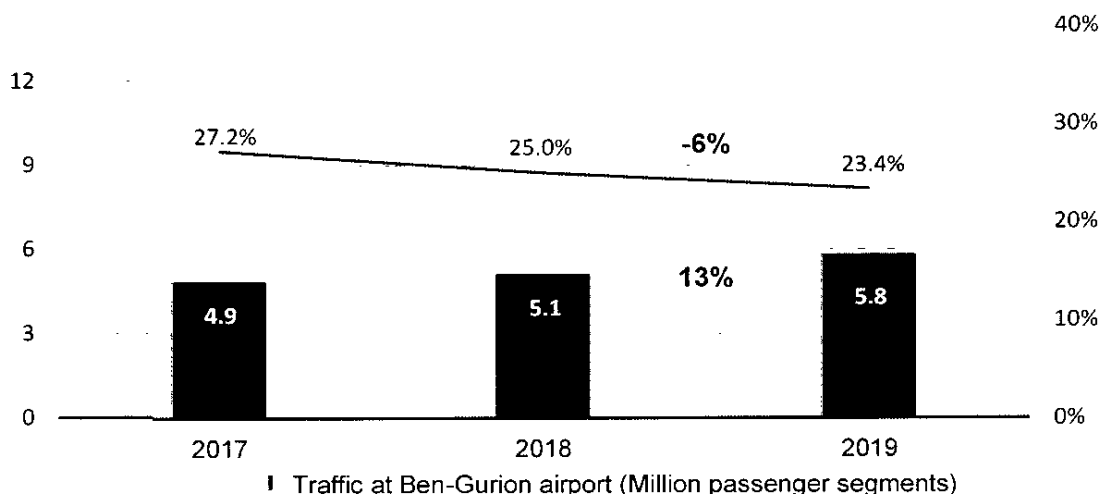
In the fourth quarter of 2019, the Company increased the number of available seats per kilometer (ASK) by 5.7% compared to the corresponding period last year. The RPK increased by 5.8% compared to the corresponding period last year due, inter alia, to the timing of the holiday season – mostly in October in 2019, while in the previous year – they were mainly in September.

Consequently, the Company's Load Factor increased by 0.2% in the reported period compared to the corresponding period last year.

TRAFFIC AT BEN GURION AIRPORT AND THE MARKET SHARE OF EL AL AND SUN D'OR ⁹

Traffic at Ben-Gurion airport
(Million passenger segments)

Market share of El Al and
Sun D'or in total traffic (%)

**A3. ANALYSIS OF THE COMPANY'S BUSINESS RESULTS**

Presented below are the Company's statements of income including as a percentage of turnover and the rates of change year-over-year. Also presented are the main factors which affected the Company's results in the reported periods compared to the corresponding periods last year. Note that as from January 1, 2019, the Company applies IFRS 16 "Leases" (see note 2.D to the annual financial statements); in conformity with transition provisions of this standard, the Company did not adjust the 2018 results shown here for comparison. Due to the material effect of this accounting standard on Company results, the effect of this standard was incorporated in explanations provided below. See also note 2.D to the financial statements.

⁹ Source: Israel Airports Authority

FOR THE YEAR ENDING ON DECEMBER 31

	2019		2018		Change	
	USD thousands	% of turnover	USD thousands	% of turnover	USD thousands	%
Operating income	2,177,997	100%	2,141,993	100%	36,004	1.7%
Operating expenses	(1,834,804)	(84.2%)	(1,845,737)	(86.2%)	10,933	(0.6%)
Gross profit	343,193	15.8%	296,256	13.8%	46,937	15.8%
Selling expenses	(213,802)	(9.8%)	(215,116)	(10.0%)	1,315	(0.6%)
Administrative and general expenses	(139,290)	(6.4%)	(132,461)*	(6.2%)	(6,829)	(5.2%)
Other expenses, net	12,498	0.6%	14,001	0.7%	(1,503)	(10.7%)
Profit (loss) from ordinary activities	2,599	0.1%	(37,320)	(1.7%)	39,919	(107.0%)
Financing expenses, net	(81,005)		(28,753)		(52,252)	
Company's share of the profits of associated companies, and revaluation of options in respect thereof	1,844		(1,675)		3,518	
Pre-tax loss on income	(76,562)		(67,748)		(8,815)	
Tax benefit	16,961		15,581		1,380	
Loss for the year	(59,601)		(52,167)		(7,435)	

Operating income

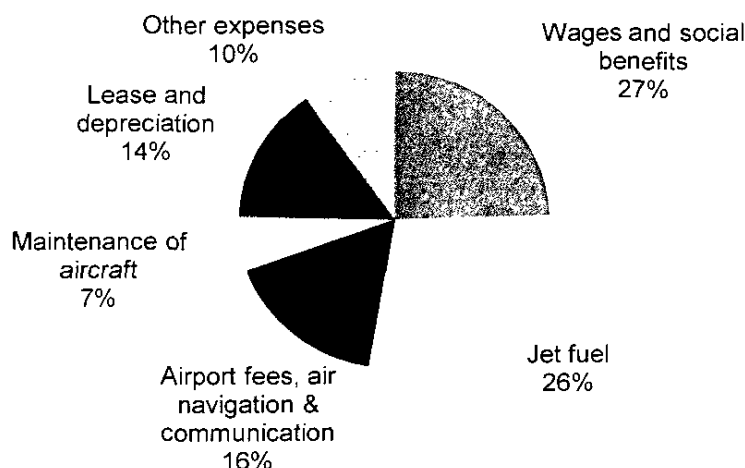
In 2019, operating revenues increased by USD 36 million, or 1.7%, compared to 2018. Air passenger revenues increased by USD 48.5 million, or 2.5%. This increase is due to the Company's higher RPK, partially offset by lower passenger/Km yield, due to the reasons cited above. There was also a negative impact of exchange rates in the currencies of some of the Company's sale transactions, in relation to the USD. Cargo revenues decreased by USD 13 million, due to decrease in air cargo volume and lower yield per TON-KM, due to weakness in the global cargo market and due to severe competition. The negative impact of exchange rates also contributed to lower cargo revenues.

Operating expenses

In 2019, operating expenses decreased by USD 10.9 million compared to 2018, due to the following reasons:

- Increase in payroll expenses by USD 35 million. The increase was due to new pay agreements, to pilot fleet conversions and to negative impact of exchange rates. Moreover, USD 8.8 million of this increase were due to a decrease in the discount rate for actuarial liability.
- Increase in expenses due to increase in operations, reflected by a 4.5% increase in the number of available seats per kilometer (ASK).
- The effect of application of IFRS 16 "Leases", whereby rights to use leased assets were reduced by USD 92.7 million included under Operating Expenses, against re-classification of USD 28 million to Financing Expenses with respect to lease liability, and recognition of lease expenses (outside the scope of this standard) amounting to USD 45.4 million, compared to lease expenses amounting to USD 145 million in 2018.
- Decrease in jet fuel expenses by USD 43.6 million, as set forth below.
- Increase in maintenance expenses by USD 17.4 million, primarily due to expenses charged by flight houts, in conformity with the engine maintenance and spare part refurbishment agreement for the additional 787 aircraft put into service during the year.

Composition of operating expenses for 2019



Jet fuel expenses:

In 2019, jet fuel expenses for the Company decreased by USD 43.6 million (or 8.3%) compared to 2018, due to lower jet fuel market prices and due to a 4% decrease in fuel consumption by Company aircraft, despite the 4.5% increase in ASK. This was due to operation of the 787 aircraft, which are more fuel efficient. Conversely, the positive effect of hedging transactions was lower in the reported period, as set forth below, which partially offset the decrease in jet fuel expenses.

THE TABLE BELOW PRESENTS THE EFFECT OF JET FUEL EXPENSES ON THE COMPANY'S RESULTS IN THE SECOND QUARTER, INCLUDING THE IMPACT OF HEDGE TRANSACTIONS (IN USD MILLIONS):

	2019	2018	Difference
Jet fuel expenses for the period (before the effect of hedging)	481.5	546.5	(65.0)
Impact of jet fuel hedging on the income statement	<u>(1.7)</u>	<u>(23.1)</u>	<u>21.4</u>
Total jet fuel expenses (including the impact of hedging)	479.8	523.4	(43.6)
Jet fuel volume consumed (in millions of gallons)	237.8	247.3	(9.5)

For additional details regarding hedge prices, see section B below. For additional details about the impact of derivatives financial instruments on the financial statements, see note 18 of the condensed financial statements.

Selling expenses

Selling expenses decreased by USD 1.3 million compared to 2018, primarily due to decrease in distribution cost, mostly due to decrease in average base commission to agents and to change in the distribution channel mix. Conversely, advertising expenses increased due to the launch of new destinations.

Administrative and general expenses

General and administrative expenses increased by USD 6.8 million compared to 2018, primarily due to increase in expenses with respect to lawsuits, increase in IT maintenance and decrease in rights to use leased assets pursuant to IFRS 16 – partially offset by lower consulting expenses.

Other income (expenses)

Other revenues, net amounted to USD 12.5 million, including capital gain from sale of aircraft and engines and from sale of excess inventory, compared to 2018 when revenues amounting to USD 14.0 million were recognized from sale of aircraft and engines and from insurance receipts for a 767 aircraft that was damaged and de-commissioned.

Financing expenses

Financing expenses, net amounted to USD 81.0 million, compared to USD 28.8 million in 2018. The increase is primarily due to application of IFRS 16, which resulted in interest expenses recognized with respect to lease liabilities, amounting to USD 43.6 million, and additional expense with respect to exchange rate differences, amounting to USD 2.7 million, due to balance sheet exposure to lease liabilities denominated in currencies other than USD (mostly in NIS). Furthermore, during this period interest expenses for loans increased, primarily due to increase in Company loans used to finance 787-9 aircraft purchased by the Company.

Pre-tax loss

The pre-tax loss in the reported period amounted to USD 76.6 million compared to a pre-tax loss of USD 67.7 million in 2018.

Tax benefit

In 2019, tax benefit amounted to USD 17.0 million, compared to USD 15.6 million in the previous year, due to the increase in pre-tax loss.

Loss for the year

After-tax loss in 2019 amounted to USD 59.6 million compared to a loss of USD 52.2 million in 2018.

FOR THE YEAR ENDING ON DECEMBER 31

	2018		2017		Change	
	USD thousands	% of turnover	USD thousands	% of turnover	USD thousands	%
Operating income	2,141,993	100%	2,096,998	100%	44,995	2.1%
Operating expenses	(1,859,794)	(86.8%)	(1,748,660)	(83.4%)	(111,134)	6.4%
Gross profit	282,199	13.2%	348,338	16.6%	(66,139)	(19.0%)
Selling expenses	(214,984)	(10.0%)	(209,096)	(10.0%)	(5,888)	2.8%
Administrative and general expenses	(118,536)	(5.5%)	(113,536)	(5.4%)	(5,000)	4.4%
Other expenses, net	14,001	0.7%	3,271	0.2%	10,730	328.0%
Profit (loss) from ordinary activities	(37,320)	(1.7%)	28,977	1.4%	(66,297)	
Financing expenses, net	(28,753)		(20,502)		(8,251)	
Company's share of the profits of associated companies, and revaluation of options in respect thereof	(1,675)		243		(1,918)	
Profit (loss) before taxes on income	(67,748)		8,718		(76,466)	
Tax benefit (income tax)	15,581		(3,048)		18,629	
Profit (loss) for period	(52,167)		5,670		(57,837)	

For analysis of 2018 business results compared to 2017 business results, see the Board of Directors Report as of December 31, 2018.

FOR THE THREE-MONTH PERIOD ENDING ON DECEMBER 31

	2019		2018		Change	
	USD thousands	% of turnover	USD thousands	% of turnover	USD thousands	%
Operating income	518,462	100%	493,438	100%	25,024	5.1%
Operating expenses	452,926	(87.4%)	(442,707)	(89.7%)	(10,219)	2.3%
Gross profit	65,536	12.6%	50,731	10.3%	14,805	29.2%
Selling expenses	(58,167)	(11.2%)	(52,019)	(10.5%)	(6,148)	11.8%
Administrative and general expenses	(38,460)	(7.4%)	(33,023)	(6.7%)	(5,437)	16.5%
Other expenses, net	9,607	1.9%	1,373	0.3%	8,234	599.7%
Loss from ordinary operations	(21,484)	(4.1%)	(32,938)	(6.7%)	11,454	(34.8%)
Financing expenses, net	(20,720)		(7,421)		(13,299)	
The Company's share of the profits (losses) of an associate and revaluation of options in respect thereof.	955		(1,105)		2,060	
Pre-tax loss on income	(41,249)		(41,464)		215	
Tax benefit	9,772		9,815		(43)	
Loss for the quarter	(31,477)		(31,649)		172	

Operating income

In the fourth quarter of 2019, operating revenues increased by USD 25.0 million, or 5.1%, compared to the corresponding period last year. Air passenger revenues increased by USD 25.6 million, or 5.8%. This increase is due to increase in RPK flown by the Company, and to the increase in passenger-KM yield, for the reasons described above, which were partially offset by the negative effect of exchange rates for currencies of some sale transactions by the Company vs. the USD.

Cargo revenues in the fourth quarter of 2019 decreased by USD 1.5 million (or 4.4%) compared to the corresponding period last year, primarily due to the decrease in ton-KM yield and to the negative effect of exchange rates, which was partially offset by higher volume flown.

Operating expenses

In the fourth quarter of 2019, operating expenses increased by USD 10.2 million, or 2.3%, compared to the corresponding period last year. This change is due to the following reasons:

- Increase in payroll expenses by USD 16 million compared to the corresponding period last year, primarily due to new pay agreements and pilot conversion between fleets, and due to the increase in actuarial obligations.
- Increase in expenses due to increase in operations, reflected by a 5.7% increase in ASK.
- Increase in engine maintenance expenses.
- Decrease in jet fuel expenses by USD 9.4 million, as set forth below.
- Decrease due to application of IFRS 16, which diverted USD 8 million to financing expenses (the great majority remains under depreciation expenses for rights to use leased assets, included under Operating Expenses).

Jet fuel expenses:

In the fourth quarter of 2019, jet fuel expenses decreased by USD 9.4 million, or 7.6%, compared to the corresponding period last year. This was primarily due to lower fuel consumption by Company aircraft, despite the 5.7% increase in ASK, primarily due to continued introduction of 787-9 aircraft into service, which are more fuel efficient. Moreover, fuel expenses were favorably affected by lower market prices for jet fuel.

THE TABLE BELOW PRESENTS THE EFFECT OF JET FUEL EXPENSES ON THE COMPANY'S RESULTS IN THE SECOND QUARTER, INCLUDING THE IMPACT OF HEDGE TRANSACTIONS (IN USD MILLIONS):

	2019	2018	Change
Jet fuel expenses for the period (before the effect of hedging)	113.1	124.1	(11.0)
Impact of jet fuel hedging on the income statement	<u>0.3</u>	<u>(1.3)</u>	<u>1.6</u>
Total jet fuel expenses (including the impact of hedging)	113.4	122.8	(9.4)
Jet fuel volume consumed (in millions of gallons)	54.8	55.6	(0.8)

For additional details regarding hedge prices, see section B below.

For additional details about the impact of derivatives financial instruments on the financial statements, see note 18 of the condensed financial statements.

Selling expenses

Selling expenses in the fourth quarter of 2019 increased by USD 6.1 million compared to the corresponding period last year, primarily due to increase in advertising expenses and increase in distribution system orders, due to higher business volumes. This was offset by the lower commission rates.

Administrative and general expenses

General and administrative expenses in the fourth quarter of 2019 increased by USD 5.4 million compared to the corresponding period last year, primarily due to increase in expenses for software amortization and in provision for lawsuits.

Financing expenses

Financing expenses, net in the fourth quarter of 2019 amounted to USD 20.7 million, compared to USD 7.4 million in the corresponding period last year. The increase is primarily due to application of IFRS 16, which resulted in interest expenses recognized with respect to lease liabilities, amounting to USD 12.1 million, and additional expense with respect to exchange rate differences, amounting to USD 0.3 million, due to balance sheet exposure to lease liabilities denominated in currencies other than USD (mostly in NIS).

Pre-tax loss

The pre-tax loss in the fourth quarter of 2019 amounted to USD 41.2 million compared to a pre-tax loss of USD 41.5 million in the corresponding period last year.

Tax benefit

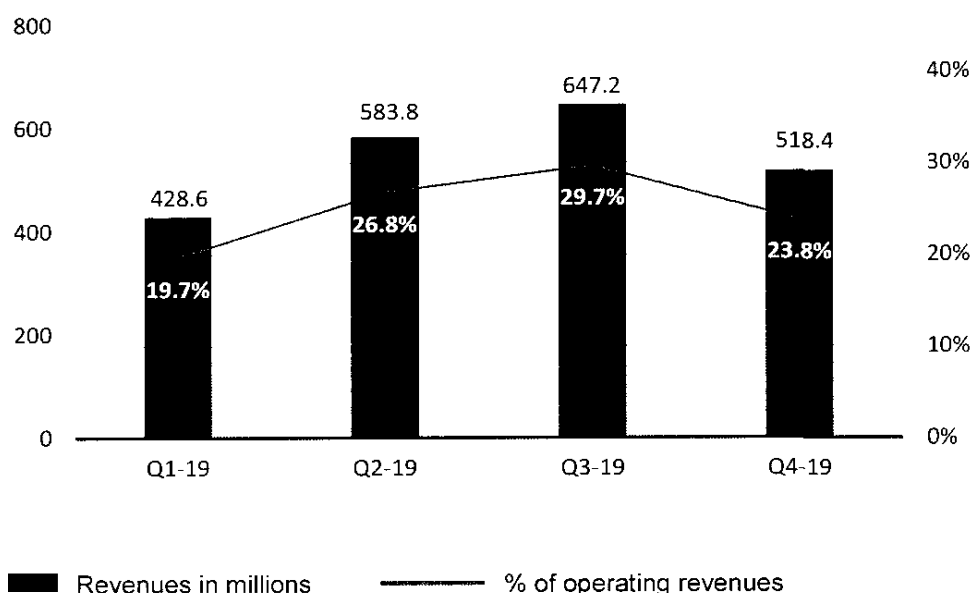
Tax benefit in the fourth quarter of 2019 amounted to USD 9.8 million, similar to the tax benefit recognized in the corresponding period last year.

Loss for the quarter

After-tax loss in the fourth quarter of 2019 amounted to USD 31.5 million, compared to a loss of USD 31.6 million in the corresponding period last year.

A4. SEASONALITY

The Group's activity is impacted by seasonality and intensifies during peak periods. A massive traffic of Israeli tourists traveling overseas is recorded during the summer months and the holiday seasons, while the biggest traffic of tourists into Israel takes place in the summer months and ahead of Jewish or Christian holidays or vacations in their countries of origin.



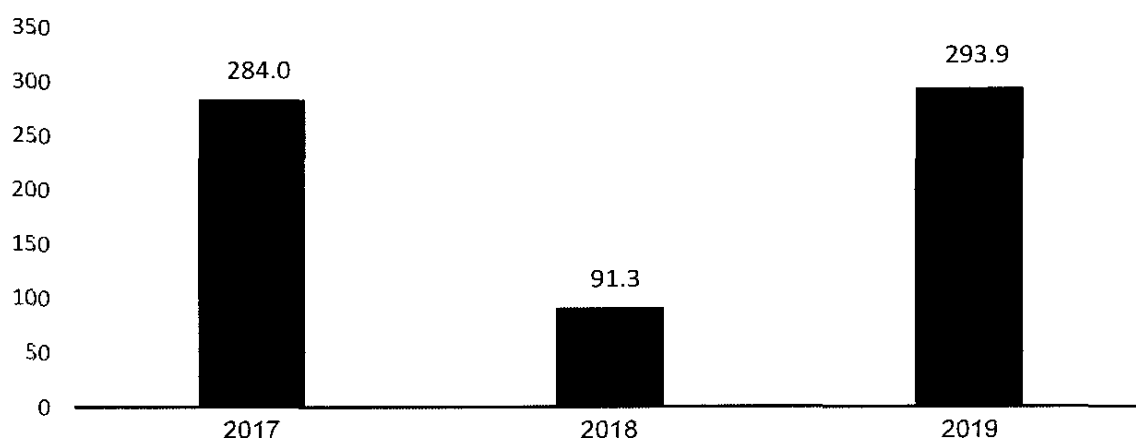
A5. CASH FLOWS

CASH FLOWS FOR THE YEAR ENDING DECEMBER 31, 2019 COMPARED TO 2018

	2019	2018	Change
	USD thousands		USD thousands
Cash flows provided by operating activities, net	293,851	91,229	202,622
Cash flows used in investment activities, net	(433,625)	(486,972)	53,347
Cash flows provided by (used in) financing activities, net	174,415	352,349	(177,934)
Effect of exchange rate fluctuations on cash balances held in foreign currency	1,522	(2,856)	4,378
Increase (decrease) in cash and cash equivalents	36,163	(46,250)	82,413

Cash flows from current operations

In 2019, the Company had a positive cash flow from operating activities of USD 294 million compared to USD 91 million in 2018. Note that cash flow from current operations in 2019 was calculated in conformity with IFRS 16 rules, initially applied this year, which stipulate that repayment of lease obligations by the Company, which in 2019 amounted to USD 82 million, should be classified as cash flow from financing operations. In the corresponding period last year, this cash flow was included under current operations. As noted above, in accordance with the transition provisions of the Standard, comparison figures were not restated. The increase in cash flow from current operations, excluding the aforementioned effect of IFRS 16, amounting to USD 121 million, is primarily due to receipts with respect to agreements with credit card companies, amounting to USD 59 million, to payment with respect to a settlement agreement with the Tax Assessor for tax assessment amounting to USD 22 million in 2018, and to changes in other asset and liability items, primarily with respect to un-earned revenues. Conversely, the loss in 2019 increased compared to the previous year.

DEVELOPMENT OF CASH FLOW FROM CURRENT OPERATIONS, 2017-2019 (USD IN MILLIONS)

Cash flows for investment activities

In 2019, the Company used USD 434 million, net, for its investment activities. Investment in fixed assets and intangible assets amounted to USD 442 million, primarily with respect to purchase of a 787-9 aircraft and two 787-8 aircraft owned by the Company, advance payment for aircraft purchase and purchase of spare engines for 787-9 aircraft. The Company also invested USD 15 million in net deposits. Conversely, the Company had cash flows of USD 23 million from proceeds from the sale of fixed assets, primarily engines for the 747-400 fleet.

In 2018, the Company used USD 487 million, net, for its investment activities. Investments in fixed assets and intangible assets amounted to USD 526 million (mainly for the acquisition of three Boeing 787-9 aircrafts and advance payments for aircrafts not yet received). On the other hand, the Company had cash flows from a change in deposits in the amount of USD 29 million and cash flows from the sale of fixed assets in the amount of USD 11 million.

Cash flows from financing activities

In 2019, the Company had a net cash flow of USD 174 million from financing operations. In this period, the Company received loans amounting to USD 542 million, primarily financing for the fourth 787-9 aircraft and two 787-8 aircraft owned by the Company, for re-financing of two Boeing 777-200 aircraft (see note 13 to the financial statements) and loans to finance 3 spare engines for the 787 aircraft fleet. Conversely, the Company repaid loans amounting to USD 281 million, of which USD 157 million in repayment of loans used to make advance payments, by obtaining long-term loans to finance the 787-9 aircraft and two 787-8 aircraft, as well as repayment of the outstanding balance of a bullet loan which was re-financed. In addition, the Company repaid lease obligations amounting to USD 82 million. In addition, short-term borrowing in the reported period decreased by USD 5 million.

In 2018, the Company had a net cash flow of USD 352 million from financing operations. In this period, the Company received long-term loans amounting to USD 405 million, and loans for financing of advance payments for purchase of aircraft, amounting to USD 145 million. Conversely, the Company repaid loans for financing of advance payments for purchase of aircraft, amounting to USD 85 million, as well as long-term loans (current maturities) amounting to USD 104 million.

A6. THE FINANCIAL POSITION, CASH BALANCES AND WORKING CAPITAL OF THE COMPANY

	December 31, 2019	December 31, 2018		December 31, 2019	December 31, 2018
	USD thousands			USD thousands	
Current assets	485,812	416,591	Current liabilities	1,082,917	1,014,595
Non-current assets	3,010,124	1,692,429	Non-current liabilities	2,244,367	864,987
			Total liabilities	168,652	229,438
Total	3,495,936	2,109,020	Total	3,495,936	2,109,020

Below are the main changes in the Company's assets, liabilities and equity as of December 30, 2019 compared to December 31, 2018

Current assets

The Company's current assets as of December 31, 2019 totaled USD 486 million, an increase of USD 69 million compared to the balance as of December 31, 2018. The increase was primarily due to increase in cash balances and deposits and to increase in trade receivables, which were partially offset by a decrease in other accounts receivable (mostly receivables with respect to refurbishment of leased engines).

Current liabilities

The Company's current liabilities as of December 31, 2019 amounted to USD 1,083 million, an increase by USD 68 million from their balance as of December 31, 2018. A significant part of this increase is due to application of IFRS 16, which included current maturities of lease obligations amounting to USD 93 million. Moreover, un-earned revenues from sale of flight tickets increased, as did the actuarial liability to employees and trade payables. Conversely, short-term borrowing and current loan maturities decreased, as did other accounts payable and the balance of financial derivatives.

Working capital:

As of December 31, 2019, the Company had a working capital deficiency of USD 597 million compared to a deficiency of USD 598 million as of December 31, 2018. Current liabilities as of December 31, 2019 include USD 62 million in loans for financing of advance payments for two 787-8 aircraft (of which USD 31 million was repaid by long-term financing received upon receiving one of these aircraft). USD 59 million for liability to employees with respect to paid leave expected to be payable to employees upon retirement, but classified under Current Liabilities, in conformity with accounting rules. Furthermore, USD 248 million in un-earned revenues with respect to sale of flight tickets which, in the normal course of business for the Company is not paid in cash, but rather by providing future flight services. In view of the implications of the Corona Virus crisis, and primarily due to discontinuation of passenger flights as from March, this amount is partially payable in cash. Moreover, the change in working capital as of December 31, 2018 is primarily due to initial application of IFRS 16 in 2019, whereby current loan maturities with respect to leases, amounting to USD 93 million, were included under Current Liabilities, offset by the decrease in current maturities for long-term loans. The Company's current ratio as of December 31, 2019 increased to 44.9%, compared to 41.1% as of December 31, 2018.

Non-current assets

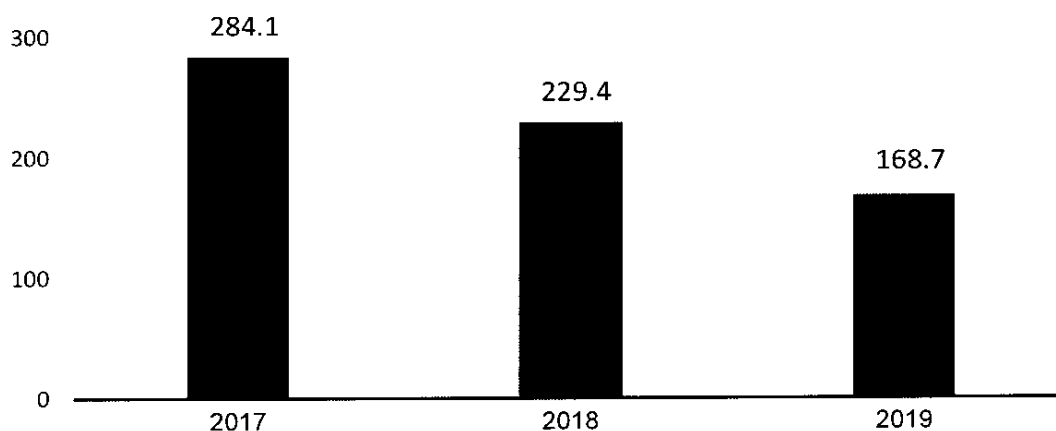
Non-current assets as of December 31, 2019 amounted to USD 3,010 million, an increase by USD 1,318 million compared to December 31, 2018, primarily due to rights to use leased assets, amounting to USD 983 million (recognized upon initial application of IFRS 16), increase by USD 274 million due to purchase of a 787-9 aircraft and two 787-8 aircraft, which were put into service in 2019, and to increase in long-term deposits amounting to USD 50 million, due to initial application of IFRS 16 (see note 2.D to the annual financial statements), as well as to increase in assets with respect to employee benefits.

Non-current liabilities

Non-current liabilities for the Company as of December 31, 2019 amounted to USD 2,244 million, increase by USD 1,379 million compared to December 31, 2018, primarily due to liabilities with respect to leases, amounting to USD 928 million, due to initial application of IFRS 16 (see note 2.D to the annual financial statements), to obtaining long-term financing due to aircraft purchase and to increase in long-term un-earned revenues due to grants received from credit card companies as part of agreements signed there with (see Note 12.C of the Annual Financial Statements).

Equity

Shareholders' equity as of December 31, 2019 amounted to USD 169 million. The decrease by USD 61 million compared to shareholder equity as of December 31, 2018 is primarily due to loss in 2019 and to effect of application of IFRS 16, amounting to USD 19 million, partially offset by the positive effect of cash flow hedge reserves.

DEVELOPMENT OF EQUITY AS OF DECEMBER 31 (USD IN MILLIONS):**Material Company loans and credit lines:**

In accordance with the guidelines of the Securities Authority with respect to “reportable credit event”, the Company has determined that the materiality threshold for reporting material loans is 5% of the consolidated balance sheet of the Company and 10% of the outstanding loans of the corporation.

For more information about loans of the Company, see note 13 to the annual financial statements and Appendix A to this report.

B. Exposure to Market Risks and their Management

Detailed below are the market risks to which the Company is exposed and the management of said risks including the use of hedge transactions. The Company applies the hedge accounting by designates derivatives financial instruments as hedging instruments. With regard to the Company's hedge accounting policy as well as its market risks management policy, the officers responsible for the management thereof, means of supervision and exercise of the Company's policy, see note 18 to the annual financial statements as of December 31, 2019.

Exposure to changes in jet fuel prices

Jet fuel prices are a key component of the Company's operating expenses and have an impact on its profitability. The Company is taking measures to reduce its exposure to these changes, as specified below.

As of December 31, 2019, the Company had several jet fuel hedges estimated at 43% of the expected consumption in 2020. Furthermore, the Company hedged 18% of expected consumption in 2021. The net fair value of total jet fuel hedge instruments as of December 31, 2019 was USD 2.1 million.

The table below presents a sensitivity analysis for jet fuel expenses over a period of 12 months (close to the date of publication of the financial statements), in relation to projected market prices which are expected according to the curve known as of the date of publication of the report, according to the estimated level of activity and the Company's assessments (assuming all other variables, including level of consumption and suppliers' margins remain unchanged with respect to the reporting year) as well as the effect of hedging on expenses.

Changes in the average market price in the next 12 months relative to the price close to the date of publication of this report (49 cents/gallon)	Effect on expenses prior to hedging (USD, million)	Hedging as a percentage of the projected expenses for the next 12 months	Impact on expenses after the effect of hedging (USD, million)
50%	60	87%	9
25%	30		4
-25%	-30		-4
-50%	-60		-9

The Company applies the hedge accounting by designates derivatives financial instruments as hedging instruments. Regarding hedge accounting policy, see note 18 of the annual financial statements as of December 31, 2019.

Furthermore, in June 2019 the Company Board of Directors revised the hedging policy, by increasing the maximum hedging in the policy by 5%. Moreover, the Company's Risk Management Committee temporarily authorized deviation by up to 20% from maximum values in the policy, at discretion of Company management.

Due to the decrease in Company operations in view of the Corona Virus crisis, the Company's hedging transactions for the second quarter of 2020 and thereafter are higher than the actual consumption.

For more information about the sharp decrease in jet fuel prices due to the Corona Virus crisis after the date of the statement of financial position, see section E.2. of the board of directors' report below.

The rate of change in market price, in the table above, is in conformity with the maximum rate of change in jet fuel prices during the Corona Virus crisis.

Exposure in respect of long-term loans

In accordance with the provisions of several loan agreements (which do not constitute a "reportable credit"), the Company is required to meet a minimum ratio between the market value of the aircrafts and the balance of the loans that are secured by the same aircrafts. As of the report date, the Company is in compliance with the required ratio. Moreover, the agreements include common provisions for such transactions, such as provisions allowing the financing providers to demand early repayment of the loans in case of a breach event caused by the Company. The Company's exposure to market risks in this regard results from changes in the market value of aircrafts globally.

The Corona Virus crisis also resulted in lower valuations of aircraft world-wide. Therefore, the impairment of aircraft values, used as collateral to secure loans obtained by the Company from Israeli banks for purchase of aircraft (loans that do not constitute "reportable credit"), resulted in failure to comply with financial covenants for LTV ratio. In conformity with the loan agreements, failure to comply with the required ratio gives banks the right to receive deposits, (estimated at USD 30 million as of the report issue date). The Company has applied to these banks for a waiver for compliance with the aforementioned ratio for the duration of the crisis.

Most of the loans taken by the Company bear interest based on LIBOR interest rates, and in some loans the interest is hedged using derivatives that are also based on LIBOR interest rates. As from the end of 2021, the use of LIBOR interest rates would be discontinued and new interest rate benchmarks would be used. At this stage, the Company is unable to assess the impact of discontinued use of LIBOR interest rates, nor whether such impact would be material or not, as it is not yet currently known what would be the interest rate benchmarks to replace the use of LIBOR interest rates.

Exposure to changes in interest rates

As of the report date, 28% of the outstanding balance of Company loans bears a floating interest rate and 72% of outstanding loans bear a fixed interest rate for a period of up to about 12 years.

In August, the Market Risk Management Committee of the Board of Directors authorized interest to be fixed for two loans obtained for purchase of two 787 aircraft, including deviation from the percentage of hedged loans to over 50% in conformity with the Company's hedging policy, as set forth in note 18 to the annual financial statements as of December 31, 2019.

The table below presents the sensitivity of interest expense on the balance of loans at the reporting date, for a period of 12 months (close to the date of publication of the financial statements), including the effect of the Company's hedges, as detailed above, regarding interest risk management.

Changes in the average Libor interest rate in the next 12 months relative to the Libor interest rate close to the date publication of this report (0.5%)	Average of hedging and/or fixed interest rate as a percentage of the estimated exposure for the next 12 months	Impact on expenses over the coming 12 months, after the effect of hedging (USD in millions)
50%		1.0
10%		0.3
	72%	
-10%		-0.3
-50%		-0.1

For more information about the sharp decline in interest rates after the date of the statement of financial position, due to the Corona Virus crisis, see section E. below.

NIS-USD Exchange Rate Exposure

Most of the revenues and expenses of the Company are in US dollars, which is the Company's functional and reporting currency. The Company has NIS-denominated expenses, primarily payroll expenses and payments to local suppliers in Israel. Accordingly, a change in the rate of the NIS against the USD affects the Company's NIS expenses in dollar terms. The Company is taking measures to reduce its exposure to these changes, as specified below. In addition, changes in the NIS-USD exchange rate has an impact on the Company's balance sheet items, mainly due to long-term employee benefits, which could be reflected as an expense or income in the income statement, and an increase or decrease of the dollar-denominated cash flows required to settle the liability.

Close to the date of publication of the report, the hedging of NIS-denominated cash flows for the next 12 months is 0% of the estimated exposure.

The table below presents a sensitivity analysis for NIS-denominated expenses over a period of 12 months (close to the date of publication of the financial statements), in relation to the expected market prices as of that date, according to the estimated level of activity and the Company's assessments (assuming all other variables, including the amount of NIS-denominated expenses remain unchanged) as well as the effect of hedging on expenses.

Change in the average exchange rate in the next 12 months relative to the exchange rate close to the date of publication of the report (NIS 3.53/\$ per spot)	The change (in dollar terms) in NIS-denominated expenses prior to the effect of hedging (USD, million)	Hedging as a percentage of the projected exposure for the next 12 months	The change (in dollar terms) in NIS-denominated expenses after the effect of hedging (USD, million)
10%	-51	0%	-51
-10%	62		62

In addition, any 10% increase or decrease in the exchange rate as of December 31, 2019, would have led to an increase or decrease in NIS-denominated liabilities in the sum of USD 8.8 million.

As from 2019, minimums were specified in the exchange rate hedging policy (USD/NIS) for the coming nine months, on gradual revolving basis. Soon prior to the financial statements issue date, the Company is in deviation from these minimums, in accordance with a temporary permit granted by the Risk Management Committee of the Board of Directors.

In 2019 and in early 2020, as part of financing of the procurement plan, the Company obtained multiple JOLCO loans, linked to JPY, amounting in total to USD 100 million. These are bullet loans for a 10-year term. The Company has partially hedged the exposure to the USD/JPY exchange rate using a forward transaction. As of soon prior to the report issue date, the fair value of this hedging transaction is USD 6.5 million in debit for the Company. For more information about Company exposure to USD/JPY exchange rate fluctuations, see note 18 to the financial statements.

C. Aspects of corporate responsibility and corporate governance

C1. CHARITABLE DONATIONS AND ASSISTANCE TO THE COMMUNITY

The Company sees great importance in making charitable donations and providing assistance to those in need and to the community. As part of its operations, in 2019 the Company made charitable donations in cash and cash equivalents, amounting to USD 2.4 million.

The Company maintained its Ma'aleh rating for 2019 at Platinum Plus status.

The Company provides activities and volunteer work with over 50 NGOs, including adoption of the Tzefa paratrooper regiment, the "Big Small Money" project for Alut, food donation to those in need, assistance using club points, the CEO Fund, for purchasing flight tickets for medical treatment or for recreation for sick children, informational activity by Company staff overseas, volunteer work at boarding schools, adoption and training of youth, weekly teaching assistance for pupils and the "Adopt a Survivor" project for Holocaust survivors.

Also other NGOs involved in education, entrepreneurship, persons with special needs, welfare, sick patients, youth at risk, the mentally ill, blind persons, animals, NGOs providing assistance to defense forces and law enforcement, and NGOs that promote Zionism and immigration to Israel.

C2. DIRECTORS WITH ACCOUNTING AND FINANCIAL CAPABILITIES

For information regarding the experience and education of the directors the Board of Directors considered to have possessed accounting and financial in the reported year – see Regulation 26 in part D of this periodic report.

C3. DISCLOSURE REGARDING THE INTERNAL AUDITOR IN A REPORTING CORPORATION

1. Details on the internal auditor and compliance with conditions

1.1 Name of Auditor: Gil Berr.

1.2 Beginning of term in office: June 1 st., 2009.

1.3 Qualifications: CPA holding a degree in accounting and business administration and certified in public administration and auditing (with honors).

Holds the CIA (Certified Internal Auditor – U.S.) and CRISC (Certified in Risk and Information Systems Control) certificates. Has some twenty years' experience in internal auditing, financial statements auditing, risk management and in consulting. Until his appointment Mr. Berr was a partner in the Cost Forrer Gabbai & Kasierer (Ernst & Young) accounting firm and was responsible for auditing and risk management. Within this framework he served as internal auditor for various companies and organizations. In addition, he serves as a regular lecturer Ben Gurion University, Ariel University and at the Ono Academic College in the field of risk management and internal auditing. In addition, serves as a director at the Internal Auditor's Association (IIA) and Chair of Risk Management Forum.

The internal auditor meets all the requirements set out in Section 3(a) of the Internal Auditing Law, 5752-1992.

The internal auditor is in compliance with the provisions of Section 146(b) of the Companies Law, 5759-1999 and Section 8 of the Internal Auditing Law, 5752-1992.

- 1.4. The internal auditor has no holdings in Company securities or holdings in any related body in the reported year.
- 1.5. Commencing from the date of his appointment, the internal auditor has had no business connections of any sort with the audited corporation or with any related body, with the exception of serving as internal auditor for Group subsidiaries.
- 1.6. The internal auditor is employed by the Company as a full-time Company employee.

2 The internal auditor's Appointment

- 2.1. The appointment of the internal auditor was approved by the Audit Committee on its April 21, 2009 meeting and by the Company's Board of Directors on its April 30, 2009 meeting, and after considering the auditor's education, skills and experience in large-scale corporate auditing and risk management.
- 2.2. The auditor was given duties and authorities in accordance with the Company's auditing procedure, the directives of which are based on the laws of the State of Israel. Pursuant to this, the Internal Auditor was tasked with proposing a work plan, to be carried out in accordance with the Company's auditing plans and to distribute, in writing, reports containing findings, conclusions and recommendations.

3. The internal auditor's Supervisor

The internal auditor is subordinate to the Chairman of the Board of Directors and the CEO of the Company, in accordance with the Company's bylaws.

4. Work plan

- 4.1. The internal auditor's work plan is on a yearly basis.
- 4.2. The internal auditor's work plan is determined based upon the following considerations:
 - 4.2.1. The risk embodied in the matter on the Company's activities and profitability.
 - 4.2.2. The effect of the matter on the safety and security of passengers, employees and aircraft, the Company's profitability, passenger service, and regulation.
 - 4.2.3. The existence of appropriate controls, applicability and efficiency in the audited area.
 - 4.2.4. Proposals of VPs and department managers.
 - 4.2.5. Previous audit findings and pace at which the recommendations submitted were implemented.
 - 4.2.6. The need for follow-up in order to ensure a proper auditing process.
- 4.3. Establishment of the work plan involves the Chairman of the Company's Board of Directors, the members of the Audit and Remuneration Committees and the Company CEO.
- 4.4. The work plan proposal is received on a yearly basis from by the Chairman of the Company's Board of Directors, the members of the Audit and Compensation Committees and the Company CEO. All of them approve the proposal in accordance with Section 149 of the Companies Law, 5759-1999.
- 4.5. The work plan allows the internal auditor to exercise his judgment in deviating from the plan.
- 4.6. The Company's auditor is present at Board of Directors' meetings in which material transactions are approved.

5 Audits Overseas or for Subsidiaries

The Company's auditor also serves as internal auditor for all active subsidiaries, and, therefore, the auditor's work plan takes these companies into account. The auditor's work plan also includes inspections of the Company's overseas activities.

6 Treatment of Complaints Pertaining to Flaws in the Management of the Company's Business

The Company's auditor was assigned the task of concentrating and presenting to the Audit Committee the method of treatment of complaints by Company workers regarding flaws in the manner in which it conducts its business. For this purpose, a regular mechanism has been established at the Company to handle these matters. The subject is studied and reviewed on a regular basis.

7 Scope of Employment

7.1. The Internal Auditor is employed by the Company in full time capacity, with seven internal auditors in full time capacity reporting to them.

7.2. In 2019, the Company invested approx. 15,850 work hours for audit at the Company and subsidiaries in Israel and overseas, as set forth below:

The scope of employment is determined based on the audit work plan, which is determined based on the scope and complexity of various Company operations.

Work hours for Company operations in Israel	Work hours for Company operations overseas*	Work hours for subsidiaries**	Total
12,850	1,700	1,300	15,850

* 70% of the Company's work hours regarding activities abroad were carried out in Israel.

** Including an investee abroad.

8. Performing the Audit

8.1. The Company's internal auditor conducts his work in accordance with the Companies Law, 5759-1999, the Internal Auditing Law, 5792-1992 and generally accepted professional standards.

8.2. The Chairman of the Board and Audit Committee Chair hold a monthly meeting with the internal auditor regarding his work and regarding the professional standards according to which the Auditor operates.

8.3. The Audit and Compensation Committee holds meetings in which it discusses the internal auditor's work and audit regulations.

8.4. Prior to the approval of the annual audit plan, the Chairman of the Board and Audit and Remuneration Committee Chair meets with the internal auditor to discuss the standards according to which the work plan was formulated, following which the audit committee discussed the proposed audit plan and the standards based on which the proposal was formulated and approves it.

8.5. Furthermore, during the reported year a discussion was held by the Audit and Compensation Committee, in the presence of the internal auditor and without the presence of company officers who are not committee members, to check for the presence of flaws in the corporation's business management.

9. Access to Information

The internal auditor has unfettered, continuous and direct access to any document or information held by the Company and its subsidiaries, in Israel and abroad, or by any of its employees, as well as access to any ordinary or computerized information listings, to any database and to any automatic data processing system in the Company, including for financial data, as noted in Section 9 of the Internal Auditing Law, 5752-1992.

10. The internal auditor's report

10.1. The audit reports are submitted in writing.

10.2. In 2019 the internal auditor prepared 41 audit reports. The audit reports were submitted to the Chairman of the Board, the members of the Audit and Compensation Committee of the Board of Directors, and the Company's CEO.

10.3. In 2019, the Audit and Remuneration Committee convened for 14 meetings to discuss reports by the Internal Auditor, on the following dates: January 21, February 4, February 17, February 25, March 17, April 7, May 26, June 17, July 24, August 11, September 19, October 28, November 24 and December 31.

11. Board of Director's Evaluation of the Internal Auditor's Activity

In the opinion of the Board of Directors, the scope, nature and continuity of the internal auditing activities and work plan are reasonable under the circumstances, and they achieve the internal audit objectives of the corporation, since they relate to all of the Company's major and material activities.

12. Remuneration

12.1. Remuneration of the Internal auditor is based on salary and benefits (including a bonus in conformity with the Company's officer remuneration policy), as customary for senior management and in conformity with the remuneration policy. Total remuneration for 2019 amounted to NIS 1,213 thousand.

12.2. In the opinion of the Company's Board of Directors, the components of the compensation to the internal auditor do not impair his ability to apply his independent judgment in carrying out his assignments, inter alia, in view of the fact that the audit work is performed by the internal audit department, which includes several internal auditors.

C4. DISCLOSURE WITH REGARD TO REMUNERATION OF THE INDEPENDENT AUDITOR

THE COMPANY PAID THE FOLLOWING FEES TO INDEPENDENT AUDITORS BRIGHTMAN ALMAGOR ZOHAR & CO. FOR AUDIT AND TAX SERVICES AND FOR OTHER SERVICES PROVIDED BY THE LATTER.

	Audit		Other services		Total	
	Hours	USD thousands	Hours	USD thousands	Hours	USD thousands
Year 2019	9,379	380	1,673	261	11,052	641
Year 2018	9,622	363	2,716	299	12,338	662

These fees were approved by the Company's Board of Directors and are reasonable and acceptable, in view of the nature of the Company and the scope of its activities.

C5. COMPENSATION TO INTERESTED PARTIES AND SENIOR OFFICERS

Regarding compensation to interested parties and senior officers, see note 22 of the financial statements regarding transactions with interested parties and related parties as well as Regulation 21 to the chapter "Additional Details on the Corporation". Regarding the Company's compensation policy for senior officers for the years 2017-2019, as endorsed by the Company's Shareholders' Meeting on December 1, 2016 ("Remuneration Policy"), see the Company's Immediate Report dated October 27, 2016 (reference no. 2016-01-068523) to which the remuneration policy is attached. It'll be noted that the General Meeting of Company Shareholders approved, on November

3, 2019, the officer remuneration policy for 2020-2022 (for more information see revised report convening the General Meeting, dated October 24, 2019, reference number 2019-01-090309, with which the aforementioned remuneration policy was enclosed).

C6. INTERNAL ENFORCEMENT PLANS

Internal enforcement plan with respect securities and corporate laws

In 2011, the Company Board of Directors approved, after approval by the Corporate Governance Committee, highlights of the Internal Enforcement Program for securities law and corporate law ("Internal Enforcement Program") and in conformity with the recommendation by the CEO, appointed the Legal Counsel as supervisor of internal enforcement at the Company for this matter ("Supervisor").

The Internal Enforcement Plan expresses the Company's recognition of the importance of compliance with the law on behalf of Company employees, executives, Board members and relevant service providers, and concentrates the Company's policy on the subject of preventing and treating violations, including a policy for evaluating the damages of statutory violations and preventing their recurrence.

The goal of the Internal Enforcement Plan is to assimilate and enforce norms in matters of observing the law, ethical rules and other codes of behavior by the Company, its executives and its employees and therefore to confirm compliance with securities law on behalf of the Company and by individuals working at it.

The Enforcement Plan includes means for the internal identification of potential violations and failures, the purpose of which, inter alia, is to locate and correct failures, improve reporting processes, identify and treat cases of conflict of interest, prevent the leak of internal information out of the Company and to prevent prohibited influence on trade in Company shares.

To be clear, the internal enforcement plan may serve as a tool employed by the CEO and the Board of Director in the fulfillment of their oversight obligation and may be held in the Company's favor in the event of any violation of securities law.

The Internal Enforcement Plan adopted by the Company includes an outline for the activities of the Company's internal enforcement array and key procedures, including: the Board of Director's work procedure; the procedure for defining the positions and authorities of the Audit Committee; the procedure for transactions with related parties; the Board of Director's conflict of interest procedure; the executive remuneration procedure; the reporting (non-financial) procedure; internal information procedure; the delivery of information to the media and to the capital markets and the procedure for training Board members.

In 2019, the Supervisor continued to conduct various activities in conjunction with deployment of the enforcement program among Company staff and management, including training on internal enforcement delivered by the Supervisor to staff and management at the Company and at subsidiaries, and to consultants that provide services to the Company, and conducted proactive audits to verify implementation of enforcement procedures.

The Supervisor provides to Board members, in the Enforcement Supervisor's Report, a description of actions taken in the reported period, in conjunction with implementation and deployment of the enforcement program, an overview of compliance events and measures applied to address such events, and to prevent recurrence of such events in future, as well as a list of updates on legislative amendments, ISA directives and material rulings in Court proceedings regarding securities law and corporate law.

Internal enforcement program with regard to competitive law

In 2014, the Company Board of Directors approved the internal enforcement program with regard to competitive law, including an outline for operation of the internal enforcement unit at the Company and key procedures for Company operations; as recommended by the CEO, the Board of Directors appointed the Legal Counsel as supervisor of internal enforcement at the Company in this area. The implementation and adoption of an effective enforcement plan increases the awareness of workers and executives for the requirements of the Antitrust Law and the enforcement policy of the Antitrust Authority, and consequently, reduces exposure to claims against the Company, employees and executives. This also constitutes a framework for fruitful cooperation between the Antitrust Authority and the Company. In addition, effective implementation of the Enforcement Plan shall favor the officers in the event of criminal liability, as long as it has been proven that the breach was committed without the knowledge of the accused officer and that the Company has taken all reasonable measures to ensure that the Antitrust Law was complied with.

As part of deployment of the internal enforcement program for competitive law, in 2019 training was delivered to Company staff and management, and audits were conducted to review implementation of enforcement procedures.

Internal enforcement program for prohibition of bribery and corruption

In 2018, the Company Board of Directors approved the internal enforcement program for prohibition of bribery and corruption, and appointed the Company's VP, Human Resources and Administration to be the supervisor for enforcement in this area. The enforcement program applies to Company staff and management in Israel and overseas, to staff and management of subsidiaries in Israel and overseas and to relevant third parties. The enforcement program reflects the great importance which the Company sees in strict compliance with statutory provisions regarding bribery and corruption felonies.

As part of deployment of the internal enforcement program for prohibition of bribery and corruption, in 2019 training was delivered to Company staff and management on this topic.

D. Disclosure in connection with the Financial Reporting of the Corporation

D1. DISCLOSURE AS TO CRITICAL ACCOUNTING ESTIMATES

The implementation of the accounting principles by the management upon the preparation of the financial statements at times involves estimates, assumptions and forecasts that impact the amounts of assets and liabilities and the business results reported in the financial statements. Some of the assumptions, estimates and forecasts are critical to the financial position or the operating results presented in the Group's financial statements, due to the materiality of the matter, the complexity of the calculations or the degree of likelihood for the realization of the uncertain matters. For details regarding the material accounting estimates used by the Company, see Note 2c of the Financial Statements as of December 31, 2019.

D2. DISCLOSURE REGARDING VALUATION

Pursuant to Regulation 8b(i) of the Securities Regulations (Periodic and Immediate Reports), 1970, below is information about calculation of the recoverable amount for the Company aircraft fleet as of June 30, 2019, prepared by BDO Ziv Haft Consulting and Management. The purpose of this work is to review and assess the need for the Company to recognize on the aforementioned financial statements any impairment loss with respect to a cash-generating unit that includes the Company's entire aircraft fleet and other attributable assets, including headquarters assets (hereinafter: "the Cash-generating Unit"), in conformity with IAS 36 "Impairment of Assets" ("IAS 36").

In the Company's financial statements as of June 30, 2019, the Company estimated the value in use of the Cash-generating Unit at USD 2,180 million. It was noted that the methodology for assessing the value of use and determining the composition and value of the cash-generating unit's books were significantly affected by the application of IFRS 16 pursuant to which leases (on the lessor's side) are accounted for in the same manner as the purchase of assets, such that the discounted value of future lease fees is recorded in the statement of financial position as a right-of-use asset and depreciated throughout the life of the lease. As a result, the said asset is added to the evaluated assets while the value-in-use did not include the negative cash flow arising from those leases (since, as stated, these are already included in the books of the measured cash generating unit, for future leases, see below). Note that application of IFRS 16 also impacted the determination of the discount rate used in calculating the value in use.

Since the Company is in the advanced stages of executing its procurement plan, in calculating the value-in-use the Company included the cash in respect of all the aircraft in the transaction, including the projected investments and negative cash flow as a result of commissioning these aircraft. The forecast period on which the value of use is calculated is approximately 25 years (from the average date of entry into service in the 787 fleet – on June 30, 2018) until the scheduled date of decommissioning of the Boeing 787-8 and 787-9 aircraft, which comprise the Company's main aircraft fleet. Accordingly, we assumed for the purpose of calculation of the value in use, that after de-commissioning of the other fleets (777-200, 737-800, 737-900), planned to be prior to the aforementioned 25th anniversary, the Company would use leased aircraft in lieu of each aircraft thus de-commissioned and accordingly, on said dates, the present value of the lease fee expected for these leases was deducted, based on expected lease prices based on the AVAC price list and using a discount rate, for this matter, based on the discount rate inherent in the lease, in conformity with provisions of IFRS 16.

The calculation of the value in use would be revised if and when required, in conformity with IAS 36 "Impairment of Assets", on future financial statements of the Company, and should not be regarded as an estimate of the economic value or market value of the Company.

The calculation of value in use is based on forecasts and estimates of future events, whose materialization is uncertain and not under control of the Company, and should be regarded as forward-looking information, as this term is defined in Section 32a of the Securities Act, 1968. These forecasts and estimates, in whole or in part, may fail to materialize or may materialize differently than anticipated in calculation of the value in use, hence operating results under different parameters may differ from those forecasted. Differences may occur between actual results and forecast results should, inter alia, the major assumptions fail to materialize or should they materialize differently than anticipated.

Below is a summary of details regarding works prepared to review impairment as of June 30, 2019, September 30, 2018, December 31, 2017 and March 31, 2017 using the DCF (Discounted Cash Flow) method, in conformity with IAS 36 "Impairment of Assets".

The work prepared (composition of the cash- generating unit reviewed for impairment)	The appraiser	Valuation date	Value in use of the cash- generating unit (USD in millions)	Remaining depreciated value of the cash- generating unit (USD in millions)
Review for impairment of entire Company aircraft fleet (owned and leased) and attributable assets	BDO Ziv Haft Consulting and Management Ltd.	30.06.2019	2,180	1,832
Testing for impairment of the Company's aircraft fleet (27 owned aircrafts in addition to 10 leased aircrafts) and attributable assets	of the Company	30.09.2018	1,436	1,227
Testing for impairment of the Company's aircraft fleet (26 owned aircrafts in addition to 14 leased aircrafts) and attributable assets	of the Company	31.12.2017	858	844
Testing for impairment of the Company's aircraft fleet (28 owned aircrafts in addition to 10 leased aircrafts) and attributable assets	of the Company	31.3.2017	1,048	936

Note that the value in use as of June 30, 2019 is significantly higher than the value calculated for the cash-generating unit, as reported on the financial statements as of September 30, 2018 ("the Previous Estimate"), based on assumptions and estimates available to the Company at that time (September 2018). This is in view of the aforesaid with regard to application of IFRS 16, whereby negative cash flow with respect to leases was not included in the value in use, as was the case in the Previous Estimate. Moreover, the present estimate includes the value in use of the Company's entire aircraft fleet, over the entire forecast period, unlike the Previous Estimate, which only included aircraft placed into service by the Company at that time and only through their anticipated de-commissioning date, since upon preparing the Previous Estimate, the Company was at the outset of the procurement plan, and due to the accounting restriction on recognition of cash flow with respect to future investments in calculation of value in use, pursuant to IAS 36.

As of December 31, 2019, there were no indications of impairment and no change in the estimated contribution, which could also be indicative of impairment, in relation to the contribution used for the calculation that was conducted on the aforementioned date. However, due to the Corona Virus crisis, the Company intends to review the recoverable amount for its financial statements for the first quarter of 2020.

For the full valuation, see quarterly report as of June 30, 2019, issued on August 28, 2019 (reference no. 2019-01-089314), included in this report by way of reference.

D3. MATTERS TO WHICH THE COMPANY'S AUDITORS CALLED ATTENTION IN THEIR OPINION ON THE FINANCIAL STATEMENTS

1. For significant doubt about the Company continuing as a going concern, see Note 1 to the annual financial statements.
2. For details on the exposure of class actions against the Company and the exposure of the Company to these class actions, see note 15.B. of the Annual Financial Statements.

E. Additional information:

Disclosure regarding changes in the economic environment, repercussions of the crisis in the capital markets and market risks and special events

1. The global aviation market is affected by the security and political situation, special events, such as the outbreak of epidemics and natural disasters worldwide in general and in specific areas in particular, and the economic situation in Israel and globally. For more information about the Corona Virus pandemic, the global economic and aviation crisis and implications thereof on oil prices and interest rates, see Chapter A. of this report.

Below are changes in the prices of jet fuel and LIBOR interest rate from the end of the year through close to the publication of the financial statements as of December 31, 2019:

2. As of the reporting date, the market prices of jet fuel (before fees and supplier margins), weighted according to the markets in which the Company purchases jet fuel, was approx. 187 cents per gallon, and as of the date close to the date of this report's approval, this price is about 48 cents a gallon, a decrease of about 74%. The sharp changes in price have material impact on the Company's financial results. At the same time, the fair value of the jet fuel hedging instruments is determined based on the change in prices since the date of the report and the following the settlement of some of these transactions. Soon prior to the report issue date, since Company business volume is significantly lower than originally planned for 2020, as used to determine the hedging policy, in actual fact the volume of jet fuel hedged is significantly higher than the volume of jet fuel consumed. Therefore, the hedging transactions are not effective and the hedging results would be charged to profit & loss in 2020.
3. The Company applies the hedge accounting by designates derivatives financial instruments as hedging instruments. Regarding accounting policy on this matter, see note 18 to the annual financial statements.

Framework agreements applicable to the hedging transactions stipulate, inter alia, the conditions which would require the parties to provide collateral against the hedging transactions. Some of the hedging entities require no collateral at all, and some require collateral (in the form of interest-bearing monetary deposit) when the negative fair value of transactions on a certain date exceeds the threshold set forth in the agreement.

Due to the sharp decline in prices of crude oil and jet fuel, the value of jet fuel hedging transactions as of the report issue date is USD 143 million for the company's debt (hedging transactions are expected to be part of consumption for 2020-2021). In total, the Company was required to provide collateral against these transactions on said date amounting to USD 48 million. Collateral is increased / decreased daily, based on fluctuations in fair value of the transactions with each of the hedging entities.

4. As of the report date, the 3-month LIBOR interest rate was 1.91%, and as of soon prior to the report approval date it was at 0.43%, or 77% lower. The significant decrease in long-term interest rates due to the Corona Virus crisis, resulted in the fair value of all hedging transactions conducted by the Company close to this report issue date amounting to USD 49 million in debit for the Company. According to framework agreements with hedging entities, the Company is required to provide collateral (in the form of interest-bearing deposit) when the fair value exceeds the threshold specified in each framework agreement. As of this date, the Company is required to provide collateral against hedging transactions for interest rates and for JPY, amounting in total to USD 23 million. Collateral is increased / decreased daily, based on fluctuations in fair value of the transactions with each of the hedging entities.

Eli Defes - Chairman of the
Board of Directors

Gonen Usishkin – CEO

13/05/2020

F. Appendix A to the Board of Directors' Report on the Company's Business Affairs

The Company's material loans as of December 31, 2019

Amortization schedule	The lender	Loans in respect of aircraft	Amount of loans (USD in thousands)	Outstanding balance (USD in thousands)	Collateral	Interest rate	Frequency of principal and interest payments	Amount of principal (USD in thousand)	Outstanding balloon amount (USD in thousand)	Loan inception date	Loan maturity date
	US capital market, guaranteed by EXIM	737-900	188,894	97,405	Four 737-900 aircraft	Fixed – 2.45% - 2.623%	Quarterly	3,935	-	26/11/2013	25/06/2026
	Foreign banking institutions	787-9	135,000	112,250	787-9 Aircraft	Floating rate: Libor + margin – 1.5%-2.5%	Quarterly	3,250	-	01/03/2018	01/03/2030
	Foreign banking institution and Japanese investors	787-9	145,000	133,553	787-9 Aircraft	Floating rate: Libor + margin – 1%-2%	Quarterly	2,500	52,000	27/06/2018	30/06/2028
	Foreign banking institution, guaranteed by UAE	787-9	125,000	114,244	787-9 Aircraft	Floating rate: Libor + margin 0%-1%	Quarterly	2,600	-	10/08/2018	10/08/2030
	Foreign banking institution and Japanese investors	787-9	149,872	145,994	787-9 Aircraft	Floating rate: LIBOR + margin: 0.5%-1.5%	Quarterly	2,556	50,530	18/06/2019	30/08/2029
	Foreign banking institution and Japanese investors	787-8	132,894	132,894	787-8 aircraft	Floating rate: Libor + margin 0%-1%	Quarterly	2,293	44,873	27/11/2019	31/10/2029
	Foreign banking institution and Japanese investors	787-8	126,099	126,099	787-8 aircraft	Floating rate: LIBOR + margin: 0.5%-1.5%	Quarterly	2,213	40,392	18/12/2019	18/12/2029

Changes to material loans of the Company, from January 1, 2020 and up the publication date of the financial statements

Amortization schedule	Loans in respect of aircraft	Amount of loans (USD in thousands)	Outstanding balance (USD in thousands)	Collateral	Interest rate	Frequency of principal and interest payments	Amount of principal (USD in thousand)	Outstanding balloon amount (USD in thousand)	Loan inception date	Loan maturity date
The lender										
Foreign banking institution and Japanese investors	787-8	132.650	132,650	787-8 aircraft	Floating rate: Libor + margin 0%-1%	Quarterly	2,299	44,615	19/02/2020	31/01/2030

Chapter C

Consolidated Financial Statements for 2019

El Al Israel Airlines Ltd.
Periodic Report for 2019

El Al Israel Airlines Ltd.**Consolidated Financial Statements for 2019****Table of Contents**

	<u>Page</u>
Independent Auditor's reports	C-1 - C-4
Financial statements:	
Consolidated Statements of Financial Position	C- 5- C-6
Consolidated Statements of Profit and Loss	C-7
Consolidated Statements of Comprehensive Income	C-8
Consolidated Statements of Changes to Equity	C-9 - C-11
Consolidated Statements of Cash Flows	C-12 - C-13
Notes to the consolidated financial statements	C-14 - C-126



Auditors' Report to the Shareholders of El Al Israel Airlines Ltd.

On the Matter of the Audit of Components of Internal Control Over Financial Reporting In Accordance with Section 9.b.(c) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970

We have audited the components of internal control over the financial reporting of **El Al Israel Airlines Ltd.** and its subsidiaries (hereinafter together: the "Company") as of December 31, 2019. These controls have been determined as explained in the following paragraph. The Company's board of directors and management are responsible for maintaining effective internal controls over financial reporting, and for evaluating the effectiveness of the internal controls over financial reporting which is included in the periodic report as of the above date. Our responsibility is to express our opinion on the internal control elements of the Company's financial reporting based on our audit.

Components of internal control over financial reporting that were audited were determined in accordance with Audit Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel "Auditing of Internal Control Over Financial Statements", as amended (hereinafter: "Audit Standard (Israel) 911"). These controls are: (1) Enterprise-level controls, including controls over the compilation and finalization process of financial reporting and general controls over information systems; (2) Controls over passenger revenues from sales of flight tickets; (3) Controls over the Matmid frequent flyer club; (4) Controls over fixed assets – airplanes, engines and spare parts; (5) Controls over fuel expenses; (6) Controls over payroll expenses in Israel; (7) Controls over employee benefits in Israel. All internal control components exclude subsidiaries (hereinafter jointly: "Audited control components").

We have conducted our audit in accordance with Audit Standard (Israel) 911. This standard requires us to design and conduct the audit so as to identify the audited control elements, and to achieve a reasonable degree of certainty as to whether these control elements have been effectively maintained in all material aspects. Our audit consisted of an understanding of internal control over financial reporting, identification of the audited control elements, assessment of the risk of material weakness in the audited control elements, as well as review and assessment of the effectiveness of design and operation of said control elements, based on the assessed risk. Our audit, with regard to the aforementioned control elements, also consisted of other procedures we deemed necessary under the circumstances. Our audit is only in reference to the audited control elements, unlike internal control of all material processes related to financial reporting, and therefore our opinion only refers to the audited control elements. Further, our audit did not refer to mutual influence among audited control elements and non-audited ones, and therefore our opinion does not take into account such potential influence. We believe that our audit provides an appropriate basis for our opinion within the aforementioned context.

תל אביב - משרד ראשי

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Due to inherent limitations, internal control over financial reporting in general, and certain elements thereof in particular, may not prevent or detect a misrepresentation. Also, drawing conclusions about the future on the basis of any evaluation of current effectiveness is subject to the risk that controls may become inappropriate due to changes in circumstances or due to negative change in the extent to which policies or procedures are adhered to.

In our opinion, the Company has upheld in an effective manner, in all material respects, its audited control components as of December 31, 2019.

We have also conducted an audit, in accordance with generally accepted Israeli auditing standards, of the Company's Consolidated Financial Statements for December 31, 2019 and 2018 and for each of the three years of the period ending December 31, 2019 and our report, dated May 13, 2020, included an unqualified opinion of those Financial Statements, as well as drawing attention to the significant doubt about the Company continuing as a going concern and Company exposure to class action lawsuits, based on our audit.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, May 13, 2020

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Auditors' Report to the Shareholders of El Al Israel Airlines Ltd.

We have audited the enclosed consolidated statements of financial position of **El Al Israel Airlines Ltd.** (hereinafter: "the Company") as of December 31, 2019 and 2018 and the consolidated statements of income, statements of comprehensive income, statements of changes to equity and statements of cash flow for each of the three years in the period ended December 31, 2019. These financial statements are the responsibility of the Company Board of Directors and management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have not audited the financial statements of consolidated companies whose assets included in consolidation account for 0.4% and 0.4% of total consolidated assets as of December 31, 2019 and 2018, respectively, and whose revenues included in consolidation account for 1.1%, 0.9% and 1.1% of total consolidated revenues for the years ended December 31, 2019, 2018 and 2017, respectively. Moreover, we have not audited the financial statements of an equity-accounted associate, the investment in which as of December 31, 2019 and 2018 amounted to USD 15,453 thousand and USD 15,492 thousand, respectively and whose share of results for the years ended December 2019, 2018 and 2017 amounted to USD 1,268 thousand, USD 820 thousand and USD 944 thousand, respectively. The financial statements of said companies have been audited by other independent auditors whose reports have been provided to us and our opinion, inasmuch as it refers to amounts consolidated for the aforementioned companies, is based on the reports by these other independent auditors.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the board of directors and management, as well as evaluating the overall financial statements presentation. We believe that our audit and the reports of the other independent auditors provide an appropriate basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the consolidated financial statements referred to above - present fairly, in all material respects - the consolidated financial position of the Company and its subsidiaries as of December 31, 2019 and 2018, and their results of operations, changes in equity and cash flows for each of the three years in the period ended on December 31, 2019 in conformity with International Financial Reporting Standards (IFRS) and the Israeli Securities Regulations (Annual Financial Statements) – 2010.

תל אביב - משרד ראשי

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Without prejudice to our aforementioned opinion, we draw your attention to Note 1 to the consolidated financial statements with regard to implications of the Corona Virus (COVID-19) Pandemic, which resulted in zero demand and full shut-down of the Company's scheduled passenger flights, and the uncertainty with regard to developments in Israel and world-wide with respect to this Pandemic, which has implications for the date and pace of re-opening of the passenger aviation market. The Company's plans to address the material implications of the Corona Virus include measures design to align cash flow expenditure with the material decrease in Company revenues. Furthermore, the Company is in negotiations with lenders to obtain a USD 400 million loan, to be mostly backed by a State guarantee, and in negotiations with the Ministry of Finance to obtain such guarantee.

As set forth in the Note, as of the approval date of these financial statements, negotiations with the State and with lenders are on-going, and their completion is uncertain. Since obtaining the aforementioned loan is crucial for allowing the Company to address the implications of this crisis, there is significant doubt as to whether the Company may continue as a going concern. The financial statements do not include adjustments for the value of assets and liabilities and reclassification that may be necessary if the Company is unable to continue operating as a going concern.

Also, we draw attention to Note 15.B of the financial statements regarding exposure to certification of class actions against the Company and the Company's exposure to these class actions.

We have also audited, in accordance with Audit Standard (Israel) 911 of the Institute of Certified Public Accountants in Israel "Audit of Elements of Internal Control over Financial Reporting", the Company's elements of internal control over financial reporting as of December 31, 2019, and our report dated May 13, 2020 included an unqualified opinion regarding the effective existence of these components.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, May 13, 2020

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El Al Israel Airlines Ltd.
Consolidated Statements of Financial Position

	Note	As of December 31	
		2019	2018
		USD in thousands	USD in thousands
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	3	229,260	193,097
Short term deposits	4	35,031	13,156
Trade and other receivables	5	184,931	170,332
Derivative financial instruments	18	4,706	895
Prepaid expenses	6	15,913	22,896
Inventory	7	15,971	16,215
Total current assets		485,812	416,591
<u>Non-current assets</u>			
Prepaid expenses ¹	6	—	7,141
Derivative financial instruments	18	6,253	795
Long term deposits ¹	4	76,455	26,781
Long term investments	8	23,230	21,483
Rights of use leased assets ¹	2D	983,418	—
Fixed assets and intangible assets	9	1,841,597	1,568,364
Assets in respect of employee benefits	14	79,171	67,865
Total non-current assets		3,010,124	1,692,429
Total assets		3,495,936	2,109,020

The notes to the consolidated financial statements constitute an integral part thereof.

¹ See Note 2(D) regarding the adoption of IFRS 16 "Leases".

El Al Israel Airlines Ltd.
Consolidated Statements of Financial Position

		As of December 31	
	Note	2019	2018
		USD in	USD in
		thousands	thousands
<u>Liabilities and equity</u>			
<u>Current liabilities</u>			
Short-term credit and current maturities	13	217,852	293,164
Current maturities in respect of leases ¹	D2	93,408	–
Suppliers and service providers		172,296	159,089
Other Accounts payable	11	95,930	101,667
Unearned revenue	12	347,987	310,765
Provisions	15	23,741	18,553
Derivative financial instruments	18	3,735	22,030
Liabilities with respect to employee benefits	14	127,968	109,327
Total current liabilities		1,082,917	1,014,595
<u>Non-current liabilities</u>			
Loans from banks and others	13	996,434	658,321
Liabilities in respect of leases ¹	2D	927,875	–
Unearned revenue	12	98,604	32,296
Long-term credit balances ¹	11	63,338	12,883
Liabilities with respect to employee benefits	14	93,746	78,994
Derivative financial instruments	18	9,847	10,747
Deferred tax liability	16	54,523	71,746
Total non-current liabilities		2,244,367	864,987
Total liabilities		3,327,284	1,879,582
<u>Equity</u>			
	17		
Share Capital		155,012	155,012
Premium and capital reserves		260,368	242,808
Accumulated deficit		(247,643)	(169,220)
Total equity attributable to the Company's owners		167,737	228,600
Non-controlling interests		915	838
Total equity		168,652	229,438
Total liabilities and equity		3,495,936	2,109,020

Dganit Palti - Chief Financial
Officer

Gonen Usishkin - Chief Executive
Officer

Eli Defes - Chairman of the
Board of Directors

Date of approval of the financial statements: Ben-Gurion Airport, May 13, 2020.
The notes to the consolidated financial statements constitute an integral part thereof.

¹ See Note 2(D) regarding the adoption of IFRS 16 "Leases".

El Al Israel Airlines Ltd.
Consolidated Statements of Profit and Loss

	Note	For the year ending on December 31		
		2019	2018	2017
		USD in thousands	USD in thousands	USD in thousands
Operating revenues	19A	2,177,997	2,141,993	2,096,998
Operating expenses	19B	(1,834,804)	(1,845,737)*	(1,735,268)*
Gross profit		343,193	296,256	361,730
Selling expenses	19C	(213,802)	(215,116)*	(209,224)*
Administrative and general expenses	19D	(139,290)	(132,461)*	(126,800)*
Other income, net	19E	12,498	14,001	3,271
		(340,594)	(333,576)	(332,753)
Profit (loss) from ordinary activities		2,599	(37,320)	28,977
Financing expenses	16F	(86,794)	(31,954)	(23,985)
Financing income	19G	5,789	3,201	3,483
Financing expenses, net		(81,005)	(28,753)	(20,502)
The Company's share of the profits (losses) of an associate and revaluation of options in respect thereof		1,844	(1,675)	243
Profit (loss) before taxes on income		(76,562)	(67,748)	8,718
Tax benefit (taxes on income)	16	16,961	15,581	(3,048)
Net profit (loss) for the year		(59,601)	(52,167)	5,670
Earnings (loss) per ordinary share of NIS 1 par value (in USD):				
Basic and diluted earnings (loss) per share		(0.12)	(0.11)	0.01
Weighted average number of shares (in thousands) used to calculate earnings per share:				
Basic and diluted		495,719	495,719	495,719

* Re-classified - see Note 9.B.1.

The notes to the consolidated financial statements constitute an integral part thereof.

El Al Israel Airlines Ltd.
Consolidated Statements of Comprehensive Income

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Profit (loss) for the year	<u>(59,601)</u>	<u>(52,167)</u>	<u>5,670</u>
Other comprehensive income:			
Amounts that will not be classified in the future to profit or loss:			
Profit (loss) in respect of re-measurements of defined benefit plan, net of tax	(4,603)	2,888	(1,879)
Amounts that will be classified in the future to profit or loss:			
Exchange rate differences due to translations of foreign operations	933	(1,146)	1,767
Profit (loss) in respect of cash flow hedges, net of tax	20,931	(37,235)	(3,662)
Profit (loss) in respect of cash flow hedges - time value, net of tax	299	(1,109)	177
Other comprehensive income (loss) for the year	<u>17,560</u>	<u>(36,602)</u>	<u>(3,597)</u>
Total comprehensive income (loss) for the year	<u>(42,041)</u>	<u>(88,769)</u>	<u>2,073</u>

The notes to the consolidated financial statements constitute an integral part thereof.

El Al Israel Airlines Ltd.
Consolidated Statements of Changes to Equity

	For the year ending on December 31, 2019									
	Share Capital	Premium on shares	Other capital reserves	Capital reserve due to cash flow hedges	Capital reserve due to cash flow hedges – time value	Foreign currency translation reserve	Capital reserve on re-measurement of defined benefit liabilities, net	Net profit (loss) attributable to the parent company's owners	Non-controlling interests	Total

The notes to the consolidated financial statements constitute an integral part thereof.

El Al Israel Airlines Ltd.

Consolidated Statements of Changes to Equity (continued)

	For the year ending on December 31, 2018									
	Share Capital	Premium on shares	Other capital reserves	Capital reserve due to cash flow hedges	Capital reserve due to cash flow hedges – time value	Foreign currency translation reserve	Capital reserve on re-measurement of defined benefit liabilities, net	Net profit (loss) attributable to the parent company's owners	Non-controlling interests	Total
				cash flow hedges						
USD in thousands										
Balance as of January 1, 2018	155,012	35,554	238,911	13,802	177	1,192	(12,065)	(154,599)	206	278,190
Cumulative effect due to adoption of IFRS 15	–	–	–	–	–	–	–	37,517	–	37,517
Balance to January 1, 2018 following cumulative effect due to adoption of IFRS 15	155,012	35,554	238,911	13,802	177	1,192	(12,065)	(117,082)	206	315,707
Loss for the year	–	–	–	–	–	–	–	(52,138)	(29)	(52,167)
Other comprehensive income (loss)	–	–	–	(37,235)	(1,109)	(1,146)	2,888	–	–	(36,602)
Total comprehensive income (loss) for the year	–	–	–	(37,235)	(1,109)	(1,146)	2,888	(52,138)	(29)	(88,769)
Issuance of shares by a subsidiary	–	–	1,839	–	–	–	–	–	661	2,500
Total equity as of December 31, 2018	155,012	35,554	240,750	(23,433)	(932)	46	(9,177)	(169,220)	838	229,438

The notes to the consolidated financial statements constitute an integral part thereof.

El Al Israel Airlines Ltd.

Consolidated Statements of Changes to Equity (continued)

	For the year ending on December 31, 2017									
	Share Capital	Premium on shares	Other capital reserves	Capital reserve due to cash flow hedges	Capital reserve due to cash flow hedges – time value	Foreign currency translation reserve	Capital reserve on re-measurement of defined benefit liabilities, net	Net profit (loss) attributable to the parent company's owners	Non-controlling interests	Total
USD in thousands										
Balance as of January 1, 2017	155,012	35,554	237,122	17,464	–	(575)	(10,186)	(150,340)	–	284,051
Profit (loss) for the year	–	–	–	–	–	–	–	5,676	(6)	5,670
Other comprehensive income (loss)	–	–	–	(3,662)	177	1,767	(1,879)	–	–	(3,597)
Total comprehensive income (loss) for the year	–	–	–	(3,662)	177	1,767	(1,879)	5,676	(6)	2,073
Issuance of shares by a subsidiary	–	–	1,789	–	–	–	–	–	212	2,001
Dividend paid	–	–	–	–	–	–	–	(9,935)	–	(9,935)
Total equity as of December 31, 2017	155,012	35,554	238,911	13,802	177	1,192	(12,065)	(154,599)	206	278,190

The notes to the consolidated financial statements constitute an integral part thereof.

El Al Israel Airlines Ltd.
Consolidated Statements of Cash Flows

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
<u>Cash flows from current operations</u>			
Profit (loss) for the year	(59,601)	(52,167)	5,670
Adjustments required to present cash flows from operating activities - Appendix A	353,452	143,396	278,300
Cash arising from operating activities, net	293,851	91,229	283,970
<u>Cash flows for investment activities</u>			
Acquisitions of fixed assets (including general engine repairs and payments on account of aircraft)	(429,234)	(512,815)	(179,264)
Proceeds from the disposal of fixed assets	23,127	10,548	5,271
Investment in intangible assets	(12,571)	(13,360)	(16,461)
Change in deposits	(14,947)	29,485	(17,731)
Investment in joint ventures measured at fair value	—	(830)	—
Cash used in investment activities, net	(433,625)	(486,972)	(208,185)
<u>Cash flows from (for) financing activities</u>			
Payment for loan raising costs	(21,474)	(11,514)	—
Receipt of loans from banking corporations and others	563,722	550,089	74,250
Repayment of loans from bank corporations and others	(280,666)	(189,037)	(95,045)
Increase (decrease) in short term credit, net	(5,299)	311	7,874
Repayment of liabilities in respect of leases	(81,868)	—	—
Issuance of shares by a subsidiary	—	2,500	2,000
Dividend paid	—	—	(9,935)
Cash arising from (used) for/to financing activities, net	174,415	352,349	(20,856)
Effect of exchange rate fluctuations on cash balances held in foreign currency	1,522	(2,856)	3,662
Increase (decrease) in cash and cash equivalents	36,163	(46,250)	58,591
Balance of cash and cash equivalents at the beginning of the year	193,097	239,347	180,756
Balance of cash and cash equivalents at the end of the year	229,260	193,097	239,347

The notes to the consolidated financial statements constitute an integral part thereof.

El Al Israel Airlines Ltd.
Consolidated Statements of Cash Flows

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Appendix A- Adjustments required to present cash flow from operating activities:			
Income and expenses not involving cash flows:			
Depreciation and amortization (including disposal of accessories, out-of-use components and consumption of consumables)	158,854	152,852	167,727
Depreciation in respect of rights to use leased assets	97,659	—	—
Grants received from credit card companies	59,394	—	—
Deferred taxes, net	(17,529)	(15,967)	1,733
Increase (decrease) in employee benefit liabilities and in provisions	20,226	(25,289)	39,797
Capital gain from the disposal of fixed assets, net	(11,791)	(7,664)	(3,998)
Payment of premiums on derivatives less cost of cumulative changes in time value reclassified to profit and loss	(1,311)	(523)	(130)
Expenses (income) from exchange rate differences in respect of cash and cash equivalents	(1,522)	2,856	(3,662)
Other changes	2,236	2,198	1,708
Changes in the asset and liability items:			
Decrease (increase) in trade and other receivables	(22,253)	10,627	(12,953)
Decrease (increase) in prepaid expenses	7,917	(1,098)	(4,245)
Decrease (increase) in inventories	244	(1,553)	3,678
Increase in trade payables	17,192	33,573	46,813
Increase (decrease) in unearned revenue	44,136	(6,616)	41,832
	<u>353,452</u>	<u>143,396</u>	<u>278,300</u>

Appendix B - Payment of interest and receipt of interest, taxes paid and dividends received and classified in cash flows from operating activities ¹

Interest payments ²	<u>77,105</u>	<u>25,079</u>	<u>19,139</u>
Interest receipts	<u>2,712</u>	<u>3,278</u>	<u>2,100</u>
Tax payments – advance payments on surplus expenses	<u>436</u>	<u>945</u>	<u>493</u>
Dividend receipts	<u>579</u>	<u>741</u>	<u>1,138</u>

The notes to the consolidated financial statements constitute an integral part thereof.

¹ The Company classifies cash flows from interest and dividends, and cash flows in respect of interest paid as cash flows used in or provided by operating activities.

² See Note 2D regarding the application of IFRS 16 "Leases"

El Al Israel Airlines Ltd.**Notes to the consolidated financial statements****Note 1 – General:**

El Al Israel Airlines Ltd. is mainly engaged in the transport of passengers and cargo between Israel and foreign countries. In addition, the Company provides maintenance and conveyance services at its home airport, sale of duty-free products and - through investee companies - in related activities, mainly the production and supply of airline meals and management of several travel agencies abroad.

At the end of 2019, a Corona Virus outbreak (Covid-19), initially in China, began to spread around the world, including to various Asian, European countries and to the US. The outbreak of the virus was declared at the end of January 2020 to be a global health emergency, when on March 11, 2020 it was classified as a pandemic.

As from the end of January 2020, the Ministry of Health issued various announcements of restrictions applicable to incoming and outgoing passengers from different world countries; eventually, in early March 2020, the Ministry of Health announced a mandatory 14 day quarantine for all those entering Israel from any other country. The announcements by the Ministry of Health and directives received from various bodies in Israel and world-wide, resulted in lower demand and in significant flight cancellations in February-March 2020.

Accordingly, during this time the Company made operational and commercial adjustments to its operations and routes network, taking into consideration, inter alia, maintaining an air link to and from Israel for transport of passengers and cargo, and providing solutions to Company customers in as much as possible. At first, in late January 2020, the Company temporarily suspended its flights to Beijing, China; as from February, the Company also adjusted its operations on routes to Hong Kong and Bangkok and to various destinations in Europe and in North America, until full shut-down of its scheduled passenger flights as from late March and through the report issue date.

Note that as of the report issue date, the Company continues to operate cargo flights to/from Israel, including use of passenger aircraft for this purpose, as well as special passenger flights as required.

The Company uses derivative financial instruments in management of exposures to fluctuations in jet fuel prices, which have material direct effect on the Company's operating expenses. As of the date of the statements of financial position, the market price for jet fuel was 187 cent/gallon; as of soon prior to the approval date of these financial statements, this price dropped significantly, to 48 cent/gallon. Some of the framework agreements with hedging providers, include terms and conditions that require the Company to provide collateral (interest-bearing monetary deposit) when the fair value of hedging transactions exceeds a threshold specified in the framework agreement. The sharp decline in prices of crude oil and jet fuel resulted in the fair value of these hedging transactions, soon prior to the report approval date, being USD 143 million in debit for the Company (hedging transactions for part of the expected consumption for 2020-2021); total collateral provided by the Company amounted to USD 48 million; see also Note 18.D.

In addition, the Company has transactions to fix interest rates with respect to some loan agreements used to finance aircraft, that bear floating interest. The fair value of these hedging transactions as of soon prior to the report approval date amounted to USD 49 million in debit for the Company; total collateral provided by the Company amounted to USD 23 million.

The Company has a working capital shortfall, primarily due to advance sale of flight tickets, with a balance of USD 321 million as of soon prior to the report issue date.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 1 – General (continued):

Moreover, the crisis also resulted in lower valuations of aircraft world-wide. Therefore, the impairment of aircraft values, used as collateral to secure loans obtained by the Company from Israeli banks for purchase of aircraft (loans that do not constitute "reportable credit"), resulted in failure to comply with financial covenants for LTV ratio. In conformity with the loan agreements, failure to comply with the required ratio gives banks the right to receive deposits, estimated at USD 30 million as of the report issue date. The Company has applied to these banks for waiver requests for compliance with the aforementioned ratio for the duration of the crisis.

Due to lack of demand for passenger flights, the full shut-down of the Company's scheduled passenger flights, and the uncertainty with regard to developments in Israel and world-wide with respect to this Corona Pandemic, which has implications for the date and pace of re-opening of the passenger aviation market the Company performs, among other things, the following actions to adjust its cash expenses to the material decrease in its revenues from passenger flights:

1. Measures regarding human resources – In the second half of March, the Company placed the great majority of employees of the Company and its subsidiaries on furlough, through June 30, 2020 (as of the report issue date: some 6,000 employees). The Company also reduced the work hours for managers, stopped recruitment of new hires and terminated new employees in training, all designed to immediately reduce payroll expenses of the Company. Company management is also in negotiations with employee representatives and with the Labor Union regarding termination of other employees, cuts to salary and benefits of highly-paid employees. As from March 1, 2020, the base monthly salary of the CEO and VPs, and the management monthly base fee payable to the Chairman of the Board of Directors and the remuneration payable to Board members (with respect to meeting attendance and with respect to annual remuneration) were reduced by 20%, until such date when the Company Board of Directors should resolve to eliminate the pay cut for all officers. The Company also reduced the salary of other managers at the Company.
2. Operational and financial actions designed to reduce Company expenses and to mitigate the cash flow decrease, including agreed delay of lease payments for some of the leased aircraft, termination of leases for two 737-800 aircraft, which were scheduled to go into service in 2020, and return of 3 wet leased aircraft.
3. Freezing and termination of projects involving investments in aircraft fleet and in other areas.
4. The Company operates a cargo aircraft and passenger aircraft for transportation of cargo by, inter alia, operating the Company's Dreamliner 787 aircraft for transportation of cargo, and by operating the Company's Boeing 777 aircraft adapted for transportation of cargo.
5. After the date of the statement of financial position, the Company applied for release of part of the excess in central severance pay funds ("the Funds"), which were opened as part of the privatization process of the Company (see Note 14.C.2). Pursuant to the interim verdict dated May 3, 2020, given at the Company's request, the Labor Court approved release of NIS 105 million from the Funds to the Company. Note that as of April 30, 2020, prior to the aforementioned release, excess in the Funds amounted to NIS 335 million. On May 11, 2020, the National Labor Court issued a verdict, after the employee representation filed an appeal of the aforementioned interim verdict. According to the verdict issued by the National Labor Court, an order was issued to the central severance pay fund, to transfer to the Company the aforementioned NIS 105 million.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 1 – General (continued):

6. On April 23, 2020, after the date of the statement of financial position, the Company signed an MOU with a foreign company, for sale and lease-back of three Boeing 737-800 aircraft manufactured in 2009 and six engines thereof. According to this transaction, the aircraft would be sold to the foreign company for total consideration amounting to USD 76 million, and would be leased back by the Company for a term of 8 years, after which they would be returned to the foreign company. Closing of this transaction is subject, inter alia, to receiving financial or other support from the State of Israel. For more information see Note 24.1.

As of the report issue date, the Company is in negotiations with lenders to obtain a USD 400 million loan, to be mostly backed by a State guarantee, and in negotiations with the professional team at the Ministry of Finance on this matter. As part of negotiations with the lenders and with the State, the Company has prepared a draft business plan, based on multiple scenarios with regard to the date and manner of return of passenger flight operations and gradually emerging from this crisis. The draft plan includes, inter alia, a streamlining program with regard to labor costs at the Company, as well as other fixed and variable costs. The scenarios assume limited, gradual operation of the Company's aircraft fleet, compared to their planned scope of operation prior to the Corona Virus crisis, in conformity with various demand scenarios. Naturally, this is a rolling event which is not under Company control, and factors such as further spread or halting of the Corona Virus pandemic, decisions by countries and relevant authorities in Israel and world-wide regarding renewal of flights and removal of restrictions on entry of tourists from / to certain countries, may impact the Company accordingly.

Note that as of close to the report approval date, the MOU has yet to be signed and it is uncertain whether negotiations would result in a binding agreement and/or whether State guarantees for the loan would be provided. The loan outline has yet to be agreed by the Company, the lenders and the State, and is contingent on suspensive conditions, primarily the following: (1) Signing a new collective bargaining agreement with Company employees, to reflect the required streamlining; (2) Closing of the aforementioned sale & lease-back transaction; (3) Release of full excess in central severance pay funds yet to be released.

As of the report issue date, negotiations with the State and lenders are on-going, hence the uncertainty with regard to closing of this loan. Since obtaining this loan is crucial for allowing the Company to address the implications of the Corona Virus crisis, at this stage there is significant doubt as to whether the Company may continue as a going concern. The financial statements do not include adjustments for the value of assets and liabilities and their reclassification, that may be necessary if the Company is unable to continue operating as a going concern.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Basis of Preparation of the Financial Statements

A. Statement regarding the implementation of International Financial Reporting Standards (IFRS) and Securities Regulations:

The Company's financial statements were prepared in conformity with International Financial Reporting Standards ("IFRS") and their interpretations which were published by the International Accounting Standards Board ("IASB"), and in conformity with Securities Regulations (Annual financial statements), 2010 ("Financial Statements Regulations").

In accordance with Article 4 of the Periodic and Immediate Reporting Regulations, the Company did not attach separate financial information to these Interim Financial Statements pursuant to Article 9C. of these regulations, due to the negligible effect of the financial statements of subsidiaries on the Company's consolidated financial statements. The criteria used by the Company in this decision are the scope of data of subsidiaries from the total assets, income, profit and cash flows of the Company from current operations (less than 5%).

B. Functional currency and reporting currency of the Company:

The financial statements of the Company and of each of its subsidiaries are prepared in the currency of the primary economic environment in which they operate ("Functional Currency"), whereas the Group's consolidated financial statements are presented in USD – the Company's Functional Currency, as most of the Company's revenues and expenses are denominated in this currency, including aircraft procurement and financing.

Transactions executed in currencies other than the Company's functional currency are recorded at the exchange rates effective as of the transactions date. At the end of every reporting period, monetary items denominated in foreign currency are translated according to the exchange rates prevailing on that date. Exchange rate differences are recognized in the income statement in the period in which they occurred (except for exchange rate differences with respect to investees – see Note 21.B).

C. Accounting Considerations and Critical Estimates:

(1) General:

In the application of the Company's accounting policies, the Company's management, in certain cases, was required to exercise broad accounting discretion regarding the estimates and assumptions that were used in determining the value of assets and liabilities in the financial statements. The related estimates and assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Below are details of critical estimates and judgment exercised by Company management in preparing these financial statements.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Basis of Preparation of the Financial Statements (continued):

C. Accounting Considerations and Critical Estimates (continued)

(2) Contingent liabilities and provisions:

In order to examine the exposures arising from claims filed against the Company, and to determine the probability that they will be realized to the Company's detriment, the Company's management relies on the opinion of legal and professional advisors after the Company's advisors form their legal opinion and the Company's probabilities with regard to the subject of the claim, whether the Company would have to bear its outcome or may postpone it, the Company's management estimates the amount to be included in the financial statements, if any, based on the Company management's best estimate regarding the sum needed to clear the obligation. The results of the proceedings may be different from the estimates of the Company's management, and thus materially impact its financial state and the results of the Company's operations.

For details regarding the contingent liabilities and provisions as of December 31, 2019, see Note 15.

(3) Employee benefits

The present value of the Company's severance pay liability for some of its Israeli employees, for vacation payment for all Israeli employees, sick-days payout for some of the Israeli employees, as well as for other benefits including pension plans for some local Company employees in the U.S. and UK, is based on large amounts of data measured based on actuarial estimate, using actuary assumptions. Changes in actuarial assumptions may impact the estimated amount of the Company's aforementioned liabilities. For more information about actuarial assumptions and sensitivity analysis thereof, see Note 14.

(4) Useful life and residual values of aircraft and engines:

Company aircraft and engines are amortized throughout their useful lives, taking their residual value into account. As stated in note 9 below, the estimated useful life of the Company's aircraft and engines, as well as their residual values, is determined in accordance with management's plans and estimates regarding the manner of use of the aircraft fleet as well as in accordance with market estimates regarding the amounts of sale of equipment upon removal from service, among others, based on aircraft price lists published from time to time.

Actual changes in the useful life and/or the residual value may lead to material changes in the Company's depreciation rates and depreciation expenses. See note 9.B(1).

(5) Review for impairment:

As set forth in Note 9 below, when the Company is required to assess the value in use, the Company estimates the future cash flows that are expected from continued use of the Company aircraft and their disposal at the end of the period, and discounts them to their present value, using a discount rate that reflects the operational risk associated with the aircraft fleets, based on the Company's weighted discount rate.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Basis of Preparation of the Financial Statements (continued):

C. Accounting Considerations and Critical Estimates (continued)

In conformity with the Company's accounting policy, value in use is assessed for Company aircraft, including aircraft included in the procurement plan and have yet to be put into service as of the assessment date.

Regarding the key assumptions used in assessment of the value in use, see Note 9.B(3). Material changes to these assumptions, or part thereof, may impact the aforementioned value in use.

(6) **Frequent flyer clubs:**

In order to calculate the balance of unearned revenues for the Matmid frequent flyer points accumulated as of the report date and unused as of yet, the Company relies on the selling prices of the products to which these points can be converted, while taking into account the number of points that need to be converted in order to purchase these products in exchange for points, and the Company's experience regarding the use of these points.

Changes in management's assessments regarding the value of a point and the rate of non-exercise of these points, may affect the timing of revenue recognition.

D. IFRS 16 - "Leases" (hereinafter – "the Standard"):

(1) General:

The Standard was adopted by the Company as of 2019, and it supersedes IAS 17 "Leases" and its interpretations and provides that leases (on the part of the lessee) will be treated similarly to the purchase of an asset, such that the discounted value of future lease fees will be recorded as a "right-of-use asset under "non-current assets" and amortized to profit and loss over the lease term, while recognizing a financial liability which reflects a theoretical loan from the lessor. This will exclude short-term leases for periods of less than 12 months (see below for the transitional provisions in this regard), as well as leases which, in the Company's assessment, have a low financial value and an immaterial impact on the Company's statement of financial position. In respect of these leases, the Company recognizes a current expense over the lease term.

The Standard has a material impact on the Company's financial statements. The Company's aircraft leases as well as certain additional leases such as structures, including the campus area in Ben Gurion Airport, which is leased by the Company from the Airport Authority, facilities and vehicles, which are leased by the Company and were treated prior to the implementation of the standard as operating leases (rental expenses by the straight line method over the term of the lease), are now recognized as assets and liabilities in the Company's statement of financial position.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Basis of Preparation of the Financial Statements (continued):

D. IFRS 16 - "Leases" (hereinafter – "the Standard") (continued):

(2) Accounting policy:

The lease period is a non-cancellable period by the lessee, along with periods that are covered by options to extend the lease, if it is highly likely that the Company will exercise the option, as well as periods covered by options to cancel the lease, if it is highly likely that the Company will not exercise the option to cancel the lease. In determining the lease term, the Company takes into account the economic characteristics of the property and the lease including, among others, the relation between the lease payments and the expected market prices upon the exercise of the option, the importance of the leased asset to the Company's operations, the cost of replacing the asset or the cost of leasehold improvements that have been or are expected to be undertaken, and past experience relating to the exercise of such options. It is noted that assets for which the lease has expired, but which are continued to be used by the Company against current payments to the owner of the asset, are recognized as a short-term lease, since a non-cancellable lease period does not exist.

Liabilities in respect of leases are presented separately in the statement of financial position (divided to non-current liabilities and current liabilities - current maturities), and are measured upon initial recognition at the present value of the fixed lease payments during the lease term, with the addition of expected payments in the periods covered by options which are highly likely to be exercised. Subsequent to initial recognition, the liability is measured either by increasing the carrying amount, to reflect the interest expenses, by using the effective interest method, or by decreasing the carrying amount, to reflect the payments attributed to the principal ("Spitzer"). Exchange rate difference in respect of liabilities denominated in currencies other than the US dollar, are recognized in financing expenses, in the statement of income, as incurred.

The discount rate used to calculate the present value of lease fees, as mentioned above, is, generally, the interest rate implicit in the lease (the rate of return on the transaction, from the lessor's point of view). Whenever such rate may not be easily obtained, the Company uses its incremental discount rate (notional cost of financing for acquiring the right to use an asset from the lessor, fully financed) upon contracting the lease, depending on the leased amount, its average duration and the nature of the leased asset. The range of discount rates for leased aircraft is 4% to 9.5% and the range of discount rates for leased property is 6.65% to 8.25% (the discount rates used during the transition period as permitted by the reliefs in the transitional provisions are set forth below).

The asset recognized for the leases is also presented separately in the statement of financial position under "rights of use in leased assets". These assets are measured at cost and depreciated by the straight line method over the term of the lease, and are initially recognized at the amount of the lease liability, with the addition of advances paid and direct costs incurred by the Company under the lease contract (the transitional provisions regarding recognition of assets as of the transition date, see below).

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Basis of Preparation of the Financial Statements (continued):

D. IFRS 16 - "Leases" (hereinafter – "the Standard") (continued):

(2) Accounting policy (continued):

Rights of use are amortized on average over a three-year period for leased Boeing 737-800 aircraft and over a 12-year period for leased Boeing 787-900 aircraft, whereas rights of use in respect of real estate are amortized over an average period of 1.5-19 years.

With respect to leased vehicles, the Company chose to apply the Standard's provisions as one "portfolio", since in the Company's opinion, these leases have similar features.

The Company's liabilities towards the lessors in respect of the leased aircraft maintenance, are recognized as provisions over the lease term (and presented under long-term and short-term payables, as relevant), with a corresponding recognition of current maintenance expenses, according to the pattern of use of the component which requires maintenance, and in accordance with the contractual conditions of each lease, based on the amount payable by the Company for the maintenance. In contracts where the Company is required to make maintenance reserve payments (i.e. payments made to the lessor to secure the performance of maintenance works), these payments are recognized as a deposit (either long term or short term deposits, as relevant), which would be refunded to the Company upon the performance of the maintenance works.

When a lease is extended (other than by exercising an option that was highly probable as of the lease initial recognition date), on the date of signing the extension agreement (even before the original lease term expires) the Company updates the lease expiration date and the discount rate and accordingly, remeasures the amount of the lease liability, while recognizing the amount as an adjustment to the right-of-use asset.

In the statement of cash flow, the Company classifies under "cash flow used in financing activities" the portion of the lease payments that constitutes a repayment of the theoretical principal of the Company's lease liability. The portion that represents interest payments is classified, under the Company's policy, as "cash flow used in operating activities". In addition, the cash flows paid to aircraft lessors to secure future maintenance treatments ("maintenance reserves") are classified as cash flows for investment activities. When the maintenance treatment is carried out, the cash paid by the Company in respect thereof is classified under cash flows from operating activities, while refunds from the collateral (reserve) is classified as positive cash flows from investment activities.

(3) Items in the statement of financial position that were affected by the adoption of the Standard:

The following table presents the impact of retrospective application of the Standard on the assets, liabilities and equity in the statement of financial position, by recognizing the cumulative effect of applying IFRS 16 as an adjustment to the opening balance of retained earnings, without restating comparative information, in accordance with the transitional provisions elected by the Company, as of January 1, 2019.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Basis of Preparation of the Financial Statements (continued):

D. IFRS 16 - "Leases" (hereinafter – "the Standard") (continued):

(3) Items in the statement of financial position that were affected by the adoption of the Standard: (continued)

The affected item	Pursuant to IAS 17	Cumulative effect of retrospective application USD in thousands	pursuant to IFRS 16
Assets			
Accounts and trade receivable	117,287	(10,819)	106,468
Prepaid expenses (non-current)	7,141	(6,207)	934
Long-term deposits	26,781	60,210	86,991
Long term investments	21,483	(1,626)	19,857
Total rights to use leased assets:			
Aircraft and engines	–	493,892	493,892
Real estate (including the El Al campus)	–	111,177	111,177
Vehicles	–	238	238
Total rights to use leased assets	–	605,307	605,307
Total impact on assets		646,865	
Liabilities:			
Other Accounts payable	(101,667)	6,269	(95,398)
Long-term payables and credit balances	(12,883)	(51,765)	(64,648)
Liabilities in respect of leases:			
Aircraft and engines	–	(500,490)	(500,490)
Real estate (including the El Al campus)	–	(124,456)	(124,456)
Vehicles	–	(238)	(238)
Total liabilities in respect of leases	–	(625,184)	(625,184)
Deferred tax liabilities	(71,746)	5,052	(66,694)
Total impact on liabilities		(665,628)	
Accumulated deficit	(169,220)	(18,763)	(187,983)

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Significant Accounting Policies (continued):

D. IFRS 16 - "Leases" (hereinafter – "the Standard") (continued):

(4) The influence on the Company's income statement and statement of cash flow for the year ending on December 31, 2019:

	<u>Aircraft</u>	<u>Real estate and vehicles</u>	<u>Total</u>
	<u>USD, million</u>		
Decrease in lease expenses under IAS 17	105.0	20.7	125.7
Increase in depreciation expenses under IFRS 16	<u>(82.1)</u>	<u>(15.6)</u>	<u>(97.7)</u>
Total increase in the operating income	<u>22.9</u>	<u>5.1</u>	<u>28.0</u>
 Increase in financing expenses under IFRS 16	(35.1)	(8.6)	(43.7)
Increase in financing in respect of exchange rate differences	<u>—</u>	<u>2.5</u>	<u>2.5</u>
Total increase in financing expenses, net	<u>(35.1)</u>	<u>(11.1)</u>	<u>(46.2)</u>
Total decrease in pre-tax profit	<u>(12.2)</u>	<u>(6.0)</u>	<u>(18.2)</u>
 Increase in cash flow from operating activities *	<u>69.9</u>	<u>12.0</u>	<u>81.9</u>

* The amounts set forth above, which led to an increase in cash flow from operating activities, were recorded as a decrease in cash flow from financing activities.

(5) Transitional provisions and additional implications:

- In accordance with the transitional provisions, for leases in effect as of January 1, 2019, the Company determined the discount rate based on the theoretical incremental cost of debt in respect of that lease **as of the initial application date**.
- The company partially applied the standard retrospectively, with the balance of the liability measured at the current date at the present value of the expected cash flows, while the right of use is measured at the reduced value, assuming, for the measurement of the asset, that the standard is applied to the lease from the beginning. The cumulative effect of the retrospective application as stated was recorded on the transition date to the Company's retained earnings, as set forth above.
- In accordance with the reliefs provided by the Standard, the Company chose not to recognize assets and liabilities in respect of leases with a period (or remaining period) as of January 1, 2019, of less than one year. Furthermore, leases with a low financial value, in line with the Company's policy in this matter, were also not taken into account, according to the outstanding amounts on the date of the transition and thereafter.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 2 – Significant Accounting Policies (continued):

D. IFRS 16 - "Leases" (hereinafter – "the Standard") (continued):

(5) Transitional provisions and additional implications (continued):

- The Company does not have financial covenants the compliance with which may be affected by the adoption of the Standard, and likewise, the adopting of the Standard is not expected to have any impact on the Company's commitments.
- Regarding the Standard's impact on compensation to officers - according to the Company's compensation policy, the Company's annual pre-tax profit is a significant parameter in determining the annual bonus to officers; a minimum amount of pre-tax profit constitutes a threshold condition for awarding an annual bonus as well as long-term deferred payments to the Company's officers; the annual bonus for the CEO and Chairman was determined as a percentage of the profit as stated. (see note 22 of the annual financial statements.) Since, as described above, the adoption of the new Standard has led to a decrease in the pre-tax profit compared to the pre-profit had it not been implemented, this could lead to a reduction in the annual bonus to the Company's officers and/or failure to meet the threshold conditions for bonuses. In this context, it is noted that according to the Company's compensation policy for 2019, the Audit and Compensation Committee is permitted to offset the implications of accounting changes on the Company's financial results; in accordance with the provisions of the this section, a discussion on this matter will take place at the end of the relevant year.

Note 3 – Cash and cash equivalents

Cash and cash equivalents include bank deposits available for immediate withdrawal as well as limited-term deposits the use of which is unrestricted and/or lacks defined designation, and whose term to maturity, at the time of investment, is no greater than three months. Deposits, whose redemption date on the investment date, exceeds three months and is no greater than one year are classified under short-term deposits.

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Cash and bank balances	48,126	45,936
Cash equivalents	181,134	147,161
Total cash and cash equivalents	229,260	193,097

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 4 – Deposits

Composed as follows:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Deposit due to surplus in a credit fund (1)	9,517	8,740
Deposits provided by the Company as security for aircraft lease agreements	25,514	4,287
Other	–	129
Total short term deposits	35,031	13,156
Long-term deposits	2,288	1,860
Deposits with service providers	4,887	4,122
Deposits provided by the Company as security for aircraft lease agreements	69,280	20,799
Total long-term deposits	76,455	26,781

- (1) A NIS-denominated deposit deriving from the proceeds of option exercises (Series 1) received by the Company as part of a public offering, as described in Note 14.C.(2).

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 5 – Trade and other receivables

A. Accounting policy:

Company trade receivables are reviewed at the end of each reporting period in order to identify any sign of impairment. Such impairment occurs when there is objective evidence that due to one or more events, the likelihood of collection of trade receivables has been negatively impacted. Such evidence may include, inter alia, significant financial challenges for the debtor, or failure to make current payments.

In case of impairment, the Company recognizes a provision for doubtful debt. The provision is calculated specifically (the Company does not recognize a general provision for reasons of materiality. Therefore, application on January 1, 2018 of the final part of IFRS 9 "Financial Instruments", concerning impairment of financial assets, had no material effect). When the Company believes that debt is definitely not collectible, the debt is written off against the provision.

B. Composed as follows:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Customers:		
Open accounts (see (3) below)	102,567	85,109
Credit card companies	42,420	37,540
	<u>144,987</u>	<u>122,649</u>
Less – provision for doubtful debts (mostly over 90 days)	(5,092)	(5,362)
	<u>139,895</u>	<u>117,287</u>
Other accounts receivable (see section E. below)	45,036	53,045
	<u>184,931</u>	<u>170,332</u>

Total trade and other receivables

- (1) The average credit period for provision of services by the Company is 25 days (in 2018: 25 days).
- (2) The average debt period for trade receivables past due as of December 31, 2019 is 60 days (as of December 31, 2018: 66 days).
- (3) The Group's receivables, includes several types of customers in Israel and abroad: IATA agents (agents that pay through the IATA bank clearance system) and business customers (private customers that purchase tickets through payments in cash or credit cards). The credit rating of IATA agents is established in accordance with the parameters of IATA's bank clearance system (BSP for passenger agents and CASS for cargo agents abroad). The entities in question require bank guarantees for these agents in accordance with IATA rules. In addition, the Company purchased insurance policies against the credit risk of IATA agents in Israel. These insurance policies do not cover the Company's entire exposure to credit risk.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 5 – Trade and other receivables (continued):

B. Composed as follows (continued):

In determining the reasonability of repayment of trade receivables, the Group examines changes in the quality of the customer's credit from the date of granting the credit and until the reporting date. The total credit risk is limited due to the large customer base, and its division into various sectors and geographical areas, as well the relatively short credit period.

C. Ageing of trade receivables:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Not overdue	123,029	107,605
Overdue up to 90 days	12,702	7,227
Overdue above 90 days	9,256	7,817
Total	144,987	122,649
Less – provision for doubtful debt (mostly over 90 days)	(5,092)	(5,362)
Total trade receivables	139,895	117,287

D. Changes in provision to doubtful debts

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Balance as of beginning of year	5,362	5,654
Loss from impairment of receivables, net	515	295
Amounts of doubtful debts written off	(785)	(587)
Balance of provision for doubtful debt	5,092	5,362

E. Other Receivables:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Government institutions	13,513	13,678
Accounts receivable with respect to overhaul of leased engines	8,048	15,908
Advances with respect to excess expenses tax	9,907	8,679
Other Receivables	13,568	14,780
Total balance of other accounts receivable	45,036	53,045

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 6 – Prepaid expenses

Prepaid expenses include, inter alia, commissions to agents and commissions with respect to credit cards attributable to un-earned revenues, which are charged as selling expenses on the income statement, concurrently with recognition of revenues from flights for which such commissions have been paid.

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Current expenses:		
Agent commissions	5,905	11,981
Credit card fees	3,492	2,671
Others	6,516	8,244
	<u>15,913</u>	<u>22,896</u>
Non-Current expenses:		
Aircraft leasing	–	7,141
	<u>–</u>	<u>7,141</u>

Note 7 – Inventory

Composed as follows:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Jet fuel consumption	6,191	6,763
Materials and food items	6,337	5,813
Chemicals	1,567	1,216
Duty free goods	1,876	2,423
	<u>15,971</u>	<u>16,215</u>

Note 8 – Long term investments

A. Composed as follows:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Associated companies (see Section B. below)	20,111	19,575
Investments at fair value (see Section C. below)	3,119	1,908
Total	<u>23,230</u>	<u>21,483</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 8 – Long term investments (continued)

B. Investments in associates:

An associate is an entity over which the Company has significant influence, but no control. Significant influence is the right to participate in decision making with regard to financial and operational policies of the associated company. In testing the existence of significant influence, potential voting rights, which can be realized or immediately converted to the shares of the investee, are taken into account. The Company holds 15% of the shares of "Cargo and Handling Terminals Ltd." (Maman). Since the Company has options for Maman shares which, if exercised, may lead to holdings of 25% of Maman's shares, and the Company is entitled to exercise them immediately and gain material influence, the Company recognizes Maman as an associated company.

The Group reviews the existence of indications of impairment of this investment, based on existence of objective evidence that future cash flows expected from this investment have been negatively impacted, and since Maman's shares are traded on the Tel Aviv Stock Exchange, such review is based on changes to the share price.

Component of the investments accounted for by the equity method:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Maman in respect of shares	15,452	15,492
Maman in respect of options	4,642	4,066
Others	17	17
Total	20,111	19,575

C. Fair value investments:

As of December 31, 2019, investments include capital ventures, operating in co-operation with the subsidiary Cockpit Innovation Ltd. (for more information see Note 21.A(6)) and in return, this subsidiary holds equity instruments in said ventures (mostly Start-Up companies).

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets

A. Composition of fixed assets:

The Company's fixed assets largely consist of the Company's aircraft and flight equipment (such as engines, including spare engines, spare parts and accessories, etc.) as detailed below. In addition to these, the fixed assets include the Company's buildings and facilities, transportation equipment, furniture and computers. Fixed asset items are presented in the balance sheet at cost, net of accumulated amortization.

(1) Composition of depreciated cost on the statement of financial position:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Amortized cost:		
Aircrafts and Flight Equipment	1,747,154	1,473,728
Other fixed assets and intangible assets (see Note 9.H)	94,443	94,636
	<u>1,841,597</u>	<u>1,568,364</u>

(2) Balances of cost, accumulated depreciation of Company aircrafts and flight equipment:

	Passenger planes	Engines	Payments On account Aircraft And engines	Accessories and spare parts	Total
	USD in thousands				
Cost:					
Balance to January 1, 2018	1,682,167	208,370	185,004	238,906	2,314,447
Classification	83,325	10,000	(93,325)	–	–
Additions	319,539	31,319	105,709	39,773	496,340
				(33,531)	
DE recognition	(4,035)	(17,408)	–	*	(54,974)
As of December 31, 2018	<u>2,080,996</u>	<u>232,281</u>	<u>197,388</u>	<u>245,148</u>	<u>2,755,813</u>
Classification	115,496	20,238	(135,734)	–	–
Additions	298,080	54,209	35,065	28,558	415,912
DE recognition	(445,083)	(18,390)	–	(45,729)	(509,202)
As of December 31, 2019	<u>2,049,489</u>	<u>288,338</u>	<u>96,719</u>	<u>(227,977)</u>	<u>2,662,523</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

A. Composition of fixed assets: (continued)

	Passenger planes	Engines	Payments On account Aircraft and engines	Accessories and spare parts	Total
	USD in thousands				
Accumulated depreciation:					
Balance to January 1, 2018	976,526	89,025	–	142,619	1,208,170
Depreciation during the year	83,738	16,380	–	11,312	111,430
DE recognition	(4,035)	(14,545)	–	(18,935) *	(37,515)
As of December 31, 2018	<u>1,056,229</u>	<u>90,860</u>	<u>–</u>	<u>134,996</u>	<u>1,282,085</u>
Depreciation during the year	82,443	11,190	–	20,235	113,868
DE recognition	(443,928)	(12,770)	–	(23,886)	(480,584)
As of December 31, 2019	<u>694,744</u>	<u>89,280</u>	<u>–</u>	<u>(131,345)</u>	<u>915,369</u>
Amortized cost:					
As of December 31, 2019	<u>1,354,745</u>	<u>199,058</u>	<u>96,719</u>	<u>96,632</u>	<u>1,747,154</u>
As of December 31, 2018	<u>1,024,767</u>	<u>141,421</u>	<u>197,388</u>	<u>110,152</u>	<u>1,473,728</u>

* Including issuance.

In general, Company aircraft and engines are pledged in favor of lenders by a first-ranked fixed specific lien; in some cases, the aircraft were purchased by loans obtained by special purpose companies ("SPC") established in conjunction with the financing transactions; thus, the legal position is that the aircraft are owned by the SPC, which then leases the aircraft to the Company for the duration of the financing term; after the lease term, the aircraft is transferred to the Company (either for payment or for no further consideration), including any potential associated rights, such as insurance. The Company may not transfer these assets, nor record any further liens there upon, without prior consent of the lenders. See also Note 13(C) below.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

B. Accounting policy for amortization and review for impairment of Company aircraft and flight equipment:

(1) Amortization of Company aircraft and engines thereof:

The cost of aircraft includes the costs necessary for the acquisition of the aircraft, including commissioning costs. Additional expenses incurred by the Company following the commissioning of new aircraft are included in "Cost of Company Aircraft", if they constitute an asset that will be used by the Company over several periods (significant addition or upgrade in the performance or shape of the aircraft). Current maintenance costs are recognized in the statement of income as incurred.

The Company's aircraft are depreciated while being separated into components with significant cost – mainly the fuselage and the general renovation cost component ("overhaul") of the aircraft engine, called "potential." The fuselage, is depreciated on a straight line over its anticipated useful life while taking into account the expected residual value at the end of the period, in accordance with the residual value of the expected date in which the management expects the Company's use of the same aircraft to end. The engine potential is depreciated based on the actual engine hours compared to the expected engine hours until the date of the next overhaul (or the date on which the engine is decommissioned, as applicable).

In cases where the Company has entered into engine overhaul agreements of an insurance nature, the Company records expenses (other than depreciation) as specified in the insurance agreements, and the cost of general overhaul is incurred by the insurer. In these cases, the potential component is not amortized, so that the separate component is its expected residual value at the end of the engine's projected use.

The Company's aircraft are depreciated over a period of 20 to 29 years. The residual values, depreciation methods and useful life are reviewed by the Company's management on an ongoing basis. Changes in these estimates are accounted for "prospectively". Regarding the decommissioning of the Company's Boeing 747-400 and 767-300 aircraft, see notes 9F and 9G below

In the fourth quarter of 2019, in view of current management plans, the Company extended the useful life of its Boeing 777 aircraft. Given this change in estimate, depreciation expenses decreased by USD 3.2 million per quarter as from the fourth quarter of 2019.

Depreciation expenses classified under Operating Expenses, amounting to USD 14.1 million and USD 13.4 million for the years ended December 31, 2018 and December 31, 2017, respectively, were mainly reclassified under General and Administrative Expenses, consistently with amortization expenses in respect of right to use leased assets, following the adoption of IFRS 16 "Leases".

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

B. Accounting policy for amortization and review for impairment of Company aircraft and flight equipment (continued):

(2) Accessories and spare parts:

The cost of spare parts and consumables is determined using the weighted moving average method and is expensed upon issuance. In addition, the Company recognizes a current provision for impairment of spare parts, in conformity with Company policy on this matter.

Spare parts, Rotables and Consumables are recognized at actual cost, and are depreciated over the useful life of the fleet to which they are assigned. Accessories and spare parts not attributable to any specific fleet are depreciated over the remaining average useful life of all Company aircraft.

(3) Impairment testing and estimation of the recoverable amount:

At the end of each reporting period, the Company examines whether there are any indications of impairment in the Company's aircraft fleet constituting, as a whole, a single cash-generating unit. The Company's management believes that the positive cash flows generated by the Company's aircraft fleet are not independent of the cash flows of other fleets, since the Company's aircraft fleet fly, in many cases, to the same destinations to which aircraft from other fleets travel, and therefore are largely alternatives and in any case all constitute part of the Company's network of routes that it manages as a whole.

The impairment testing primarily consists, among others, of a review of updated contributing data in relation to the data used in previous calculations of the recoverable amount, as reflected in the Company's updated. If such indications exist, the recoverable amount for the entire fleet is calculated, in order to determine whether impairment should be recognized and the amount thereof.

The recoverable amount is the higher of the fair value of the fleet and the value in use thereof. In assessing the value in use, the Company estimates the future cash flows that are expected from continued use of the aircraft (forecast contribution) and their disposal at the end of the period, and discounts them to their present value, using a discount rate that reflects the operational risk associated with the aircraft fleet, based on the Company's weighted discount rate.

As of June 30, 2019, indications of impairment were identified due to the decline in contribution relative to the data used to calculate the recoverable amount as of September 30, 2018. Therefore, the Company estimated the value-in-use of the aircraft fleet as of the date of its assessment in accordance with IAS 36.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

B. Accounting policy for amortization and review for impairment of Company aircraft and flight equipment (continued)

(3) Impairment testing and estimation of the recoverable amount (continued):

In assessing the value-in-use, the Company estimates the expected future cash flow from the continued use of its aircraft and discounts them to their current value, by using a discount rate that reflects the operating risk of its aircraft fleet, which is based on the Company's average weight discount rate. The value-in-use, including the discount rate, was calculated by an external appraiser.

It is noted that the methodology to assess the value-in-use and the relevant assets was significantly affected by the application of IFRS 16 pursuant to which leases (on the lessor's side) are accounted for in the same manner as the purchase of assets, such that the discounted value of future lease fees is recorded in the statement of financial position as a right-of-use asset and depreciated throughout the life of the lease. As a result, the said asset is added to the evaluated assets while the value-in-use did not include the negative cash flow arising from those leases (since, as stated, they are already included in the carrying amount of the assessed cash-generating unit). It is further noted that the application of IFRS 16 also affected the method of calculating the discount rate, mainly due to its impact on the rate of leverage.

Since the Company was, as of June 30, 2019, in the advanced stages of executing its procurement plan, in calculating the value-in-use the Company included the cash in respect of all the aircraft in the transaction, including the projected investments and negative cash flow as a result of commissioning these aircraft. The forecast period is approx. 25 years (from the average date of entry into service of the 787 fleet – on June 30, 2018) until the scheduled date of decommissioning of the Boeing 787-8 and 787-9 aircraft, which comprise the Company's main aircraft fleet. Accordingly, it was assumed, for the purpose of estimating the value-in-use, that from the date of decommissioning of the other fleets (737-900, 737-800 and 777-200) the Company would use leased aircraft of these models in order to maintain the continuity of operation of these aircraft fleet throughout the forecast period and accordingly, on those dates, the current value of the projected lease fees in respect of those leases was discounted, in line with AVAC's published list of leasing fees.

In addition, it was assumed that in each of the renewed leases, the Company will lease an aircraft such that the average age of the aircraft would not exceed 14 years, which is the average age of aircraft in the industry.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

B. Accounting policy for amortization and review for impairment of Company aircraft and flight equipment (continued)

(3) Impairment testing and estimation of the recoverable amount (continued):

The following are the main assumptions used in the valuation:

- The expected contribution from the aircraft fleet is based on the Company's forecasts for the second half of 2019 and for 2020 (net of theoretical tax, taking into account depreciation for tax purposes), and the Company's assessments regarding the development of its expected revenues and expenses in subsequent years, in line with the economic parameters during the forecast period.
- The operating income is based on the projected flight hours of these aircraft, taking into account the growth in revenue per hour in the years 2020 and 2021. The expected growth in revenue during these years will mainly result from an increase in the supply of seats, among others, due to the entry of new aircraft into service, the launch of new destinations and a higher number of seats in the Boeing 777-200 and 737-800 fleets.
- The residual value at the end of the aircrafts' useful life was calculated based on AVAC's forecasts, among other things, depending on the condition of the aircraft and engines when they are retired from service, amounts to USD 104 million (discounted values).
- The variable expenses taken into account in the forecast include fuel costs, aircrew wages, fees, catering, cargo expenses and other direct operating expenses. The fuel price was determined based on the fuel curve as of June 30, 2019, for the years 2019 and 2020, while fuel prices for 2020 were assumed for the entire forecast period, taking into account the Company's hedge policy, according to the Company's projected flight schedule in 2019 and 2020 and projected increases in some of these expenses.
- It was assumed that agreements with the government in connection with the financing of flight security, including the rate of participation in expenses and crew flight agreements would be renewed throughout the forecast period and their terms and conditions would remain unchanged.
- Indirect expenses include the Company's overhead costs, among others the wages of ground crews and operating staff.
- Discount rate: In order to discount the projected cash flows from the aircraft fleet and their residual values, a post-tax discount rate of 6.75% was used, which reflects a pre-tax discount rate of 8.25%. The discount rate reflects the operating risk of the aircraft fleet, based on the weighted average cost of capital of the Company.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

B. Accounting policy for amortization and review for impairment of Company aircraft and flight equipment: (continued)

(3) Review for impairment and estimation of recoverable amount: (continued)

- The NIS-USD exchange rate is based on the representative rate as of June 30, 2019.

It was determined that the recoverable amount of the aircraft fleet exceeds its depreciated cost in the Company's financial statements. Accordingly, the Company did not recognize a provision for impairment.

As of December 31, 2019, there were no indications of impairment and no change in the estimated contribution, which could also be indicative of impairment, in relation to the contribution used for the calculation that was conducted on the aforementioned date. However, due to the Corona Virus crisis, the Company intends to review the recoverable amount for its financial statements for the first quarter of 2020.

C. Procurement plan for the acquisition and lease of 787 wide-body aircraft:

As of the issue date of the statement of financial position, the Company has completed the procurement of 15 new Dreamliner aircraft, of which 8 leased 787-9 aircraft and 7 owned aircraft (four 787-9 aircraft and three 787-8 aircraft, of which the Company took delivery of one aircraft in February 2020, after the date of the statement of financial position). With regard to the leased aircraft, note that all lease terms are for 12 years; for some of these aircraft, the Company has an early exit point after 10 years, subject to giving advance notice and to payment of an exit fee, in conformity with terms and conditions set forth in each agreement.

Below are details of delivery dates of the aircraft received as of the issue date of the statement of financial position:

<u>Model</u>	<u>Ownership/ leasing</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>First quarter 2020</u>	<u>Total</u>
787-9	Leases	2	2	4	—	8
787-9	Owned	—	3	1	—	4
787-8	Owned	—	—	2	1	3
		<u>2</u>	<u>5</u>	<u>7</u>	<u>1</u>	<u>15</u>

The delivery date of the final 787-8 aircraft has been postponed due to the Corona Virus crisis. For more information see Note 13.B.10.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

C. Procurement plan for the acquisition and lease of 787 wide-body aircraft: (continued)

The total estimated cost of the procurement plan is USD 1.3 billion. Payment for each aircraft is made upon delivery to the Company, except for an advance payment at 30% of the estimated cost of each aircraft, which is paid earlier, in conformity with terms and conditions of the purchase agreement.

In the reported period, the Company paid, with respect to owned aircraft that are part of the procurement plan, a total of USD 337 million. For loans taken to finance the procurement plan, see Note 13 below.

Furthermore, the Company recognized an increase by USD 456.2 million in the right to use asset with respect to four new leased aircraft put into service in 2019.

The original procurement plan and changes therein:

(1) Aircraft acquisition:

On October 29, 2015, the Company and Boeing signed an agreement for purchase of 4 new Dreamliner 787-9 aircraft and 5 new Dreamliner 787-8 aircraft ("the purchase agreement"); when in November 2018, the Company informed Boeing that it was cancelling the acquisition of one Boeing 787-8 aircraft, as set forth in section 3 below, in conformity with the purchase agreement. The Company was also granted options to purchase up to 13 Boeing 787 aircraft ("the optional aircraft"), which may be converted into other aircraft in the 787 series. As of the date of publication of the report, the Company has two options to exercise. It should be noted that, if the Company decides to exercise any of the optional aircraft, upon each exercise date, the Company would be entitled to purchase another option to purchase a 787-10 aircraft ("the additional optional aircraft").

(2) Aircraft leasing:

In addition, close to the date of the purchase agreement, the Company signed agreements for the leasing of five new 787-9 and two 787-8 Dreamliner aircraft (which, in November 2018, were converted into Boeing 787-9 aircraft). In addition, the Company was granted an option for the leasing of two additional Boeing 787-9 aircraft pursuant to the terms stipulated in the agreement.

Also, in January 2018, ("the date of the additional agreement"), the Company entered into an agreement with a foreign company to lease an additional Boeing 787-9 Dreamliner aircraft (although according to the procurement plan, the Company had no intention of purchasing more than 16 aircraft) for a 12-year period, with an extension option pursuant to the terms stipulated in the agreement, whose planned delivery date is during the third quarter of 2019.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

C. Procurement plan for the acquisition and lease of 787 wide-body aircraft: (continued)

(3) Sale and lease-back:

In September 2016, the Company signed agreements with a foreign company pursuant to which two of the five 787-8 aircraft purchased by the Company as stated in section 1 above, will be sold to the foreign company upon their delivery from Boeing and leased back by El Al (Sale and Lease Back). It is noted that El Al has the right to terminate the Sale and Lease Back transactions upon the occurrence of certain conditions, as stipulated in the Agreement and subject to prior notice to the lessor.

As noted above, in November 2018, the Company informed Boeing of termination cancelation of the purchase of one Boeing 787-8 aircraft purchased in conjunction with the procurement plan, and accordingly, the Company gave notice to the foreign company which is party to the sale and lease back transaction, of termination of the transaction with regard to said aircraft.

In addition, on August 13, 2019, the Company informed the lessor of termination of the aforementioned agreement with regard to the second aircraft.

It is emphasized that the Company's agreement with Boeing in connection with the purchase of the Aircraft, as part of the procurement plan, remains in effect, and the Cancellation Notice was given to the lessor only, so that the Company is expected to purchase the aircraft from Boeing, with no Sale & Lease Back to the lessor.

D. Reception of Boeing 787 Aircraft Engines:

- (1)** In February 2019, the Company completed the purchase of a second reserve engine from Rolls Royce for its Boeing 787-9 aircraft fleet.
- (2)** In February 2016, the Company and engine manufacturer Rolls Royce signed an agreement for purchase of substitute engines;
 An agreement regarding benefits with respect to purchase of TRENT-1000 TEN engines (hereinafter: "**TEN engines**") (to be installed on aircraft owned or leased by the Company), as well as an agreement for engine maintenance. In the fourth quarter of 2017, Rolls Royce informed the Company of restrictions created in the manufacturing process of TEN engines. These are primarily regulatory restrictions with regard to engine parts, which may be subject to replacement sooner than planned. Note that in 2018, Rolls Royce informed the Company that some of these restrictions have been reduced. Rolls Royce, according to the notice provided, is considering potential solutions to eliminate and reduce the remaining restrictions, and would inform the Company of such solutions.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

D. Reception of Boeing 787 Aircraft Engines: (continued)

Furthermore, with regard to two Dreamliner 787-9 aircraft delivered to the Company in 2017, which came equipped with Rolls Royce TRENT-1000 PACK C engines, rather than the newer TEN engines (due to failure to obtain regulatory approvals for the TEN engines upon delivery of the first two aircraft), in February 2019 Rolls Royce completed the replacement of these engines by TEN engines.

According to information provided to the Company by Rolls Royce and Boeing, due to the aforementioned regulatory restrictions, there are world-wide delays in delivery of TEN engines for new Dreamliner 787 aircraft. Note, in this regard, the the Company took delivery of 15 Dreamliner 787 aircraft as scheduled.

In February 2019, the purchase of a second spare engine for the Dreamliner fleet from Rolls Royce- was completed. For more information about the financing agreement signed by the Company and a foreign bank, see Note 13.

In April 2019, Rolls Royce informed the Company that certain parts of the TEN engines installed on the Dreamliner 787 aircraft, which were received by the Company, would have to be replaced earlier than expected, in accordance with the restrictions published by the European Aviation Safety Authority (EASA) regarding the maximum operational utility of those parts. In addition, until their actual replacement, the frequency of inspection of these parts was increased, in accordance with the instructions of Rolls Royce and the EASA. Following the aforementioned inspections, in July 2019, findings have been detected in two of the TEN engines, which were subsequently replaced by two reserve engines of the Company and were then sent to Rolls Royce for spare part replacement. In view of these findings, in July 2019 Rolls Royce instructed the Company to advance the dates of replacement of the remaining spare parts, regardless of the restrictions published by EASA.

In view of the foregoing, the Company decided to bring forward the purchase of two additional reserve TEN engines, which were scheduled to be delivered in 2023 and 2024. These were delivered to the Company in August 2019.

Following the findings discovered in the TEN engines, Rolls Royce and the Company agreed on a plan for replacement of parts by Rolls Royce at its facilities; this plan was launched and is being adjusted from time to time; it is expected to be completed by end of 2021. The plan is expected to provide an adequate solution to the parts replacement, in line with the Company's use of its 787 aircraft and insofar as the EASA requirements remain unchanged and no additional findings are detected in these inspections. Note that the Company has four reserve TEN engines installed on its aircraft and used to support the aforementioned replacement plan. It should be noted that the Company is acting in accordance with the guidelines and directives of the EASA as well as the manufacturer's instructions.

In March 2020, the Company and Rolls Royce agreed that Rolls Royce would indemnify the Company for part of the expense incurred by the Company due to findings discovered in the engines and subsequent steps taken by the Company.

Note that since the Corona Virus crisis and its implications for Company operations resulted in a significant decrease in flights operated by the Company using its Dreamliner aircraft with TEN engines installed, and due to the Corona Virus crisis implications for current operations of Rolls Royce, changes may be made to the aforementioned replacement plan and dates thereof.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

E. Lease agreements for the NG 737-800 fleet:

In November 2019, the Company and a foreign company signed agreements for lease of three Boeing 737-800 passenger aircraft, for a term of six years as from the delivery date thereof; one of these aircraft was delivered to the Company in February 2020.

In March 2020, due to implications of the Corona Virus crisis for Company operations, the Company informed the lessor of termination of the lease agreements for the two remaining aircraft yet to be delivered to the Company. Consequently, the lessor informed the Company that it would not reimburse the advance payment made for these aircraft, whose amount is not material.

F. Decommissioning of the Boeing 767 aircraft fleet:

- (1) In February 2019, the Company decommissioned the last aircraft from this fleet and recognized an additional provision of USD 4 million (pre tax) in respect of an onerous contract.
- (2) During the second quarter of 2019, the Company recognized a USD 3.3 million capital loss (pre tax) on the sale of surplus spare parts, mainly for decommissioned aircraft fleets, which was classified under "Other income (expenses)".
- (3) In June 2019, the Company signed with a foreign company ("the Buyer") an agreement for the sale of a Boeing 767-300ER aircraft together with the aircraft's two Pratt & Whitney 4056-3 engines (hereinafter – "the Aircraft" and "Agreement", respectively). On September 27, 2019, the technical inspection of the aircraft was completed to the buyer's satisfaction, the Company received a consideration in respect thereof and recorded a capital gain of USD 4.9 million, which was classified under "Other Income (Expenses)" (in lieu of the estimated capital gain of USD 4.4 million).

G. Decommissioning of the Boeing 747 aircraft fleet:

- (1) In June 2019, prior to the expiry of the lease term in July 2019, the 747-400 aircraft dry lease by the Company - was decommissioned. Consequently, the Company decided that in addition to the transport of cargo on passenger aircraft (belly freight) cargo will be transported on a wet leased 747-400 cargo aircraft. Accordingly, the Company signed an agreement with a foreign company for the period from July 2019 to December 2019. In November, the Company signed an agreement with another foreign company, for the period from January 2020 through December 2020

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

G. Decommissioning of the Boeing 747 aircraft fleet: (continued)

- (2) In August 2019, the Company signed with a foreign company ("the Buyer") an agreement for the sale of four Pratt & Whitney 4056-3 engines that were originally purchased by the Company as part of the acquisition of Boeing 747-400 aircrafts (hereinafter – "the Engines" and "Agreement", respectively). In December 2019, the technical inspection of the engines was completed to the buyer's satisfaction, the Company received the consideration in respect thereof and recorded capital gain amounting to USD 6.6 million (before tax).
- (3) In November 2019, the Company and a foreign company ("the buyer") signed an agreement for sale of twelve Pratt & Whitney 4056-3 engines ("the engines" and "the agreement", respectively); According to the agreement, the sale is subject to completion of technical inspection of the engines and documentation thereof, to the buyer's satisfaction. Through the report date, inspection of one engine has been completed, and the Company has recognized capital gain of USD 1.9 million (before tax) with respect to the sale thereof. Through the report date, delivery of four more engines has been completed and the consideration for these received; with respect to this sale, the Company should recognize, in the first quarter of 2020, capital gain amounting to USD 11 million (before tax). In view of the Corona Virus crisis, the buyer has informed the Company of its wish to re-negotiate the actual sale of the remaining seven engines, which has yet to be completed as of the report issue date; concurrently, the Company has started negotiations with other potential buyers for some of these engines.

H. Depreciation of other fixed assets and intangible assets:

Other fixed assets of the Company are depreciated using the straight line method over the expected useful life for these assets or, in case of leasehold improvements, over the shorter of their useful life and the remaining lease term for the asset.

	As of December 31, 2019		
	Cost	Accumulated depreciation	Balance
	USD in thousands	USD in thousands	USD in thousands
Buildings and facilities at Ben Gurion Airport	103,993	69,389	34,604
Computers and office furniture	32,068	24,178	7,890
Machinery and ground equipment	64,081	49,411	14,670
Renovations of leased offices	27,094	25,462	1,632
Vehicles and garage equipment	8,325	6,057	2,268
Owned offices	3,237	2,964	273
Intangible assets (1)	76,912	43,806	33,106
	<u>315,710</u>	<u>221,267</u>	<u>94,443</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 9 – Aircraft, flight equipment, other fixed assets and intangible assets (continued)

H. Depreciation of other fixed assets and intangible assets: (continued)

	As of December 31, 2018		
	Cost	Accumulated depreciation	Balance
	USD in thousands	USD in thousands	USD in thousands
Buildings and facilities at Ben Gurion Airport	100,538	65,984	34,553
Computers and office furniture	30,483	22,084	8,399
Machinery and ground equipment	62,570	46,913	15,657
Renovations of leased offices	25,735	24,424	1,311
Vehicles and garage equipment	7,893	5,645	2,248
Owned offices	3,237	2,946	291
Intangible assets (1)	64,589	32,412	32,177
	<u>295,045</u>	<u>200,408</u>	<u>94,636</u>

(1) This balance primarily includes software purchased by the Company and their development cost.

Note 10 – Leases

A. General background and accounting policy:

As of December 31, 2019, the Company leased 17 aircraft. The remaining lease terms range between 1-12 years. Pursuant to agreement for the leasing of Boeing 737-800 aircraft, the Company pays the lessors a fixed monthly sum, with an additional amount paid for maintenance reserves, which are mainly derived from the extent of using the aircraft, which will be used by the lessor to finance any future repair of the aircraft. Pursuant to agreements for the leasing of Boeing 787-900 aircraft, the Company is not required to pay for a maintenance reserve. The Company makes provisions for the future repair of aircraft based on the estimated costs of works and spare parts under contractual obligations to the lessors with regard to aircraft maintenance. In addition, the Company's lease agreements also include leases for additional structures and facilities, including contracts with the Airport Authority, and vehicles that are leased by the Company and its subsidiaries.

Regarding IFRS 16 "leases", see note 2.D above.

B. Undertaking to pay future minimum lease fees for non-revocable operating leases:

Regarding details of payments for future minimum leasing fees in respect of the Company's operating leases, including leasing of Boeing 787 aircraft, see note 13.E below, as part of the Liquidity Risk Note.

C. In February 2019, the Company and a foreign company signed an extension for the lease of a Boeing 737-800 passenger aircraft, for an additional 47 months, as from March 2019.

D. In May 2019, the Company and two foreign companies signed extensions for leases of two Boeing 737-800 passenger aircraft, for an additional 29 months, as from May 2020.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 10 – Leases (continued)

The following is the composition of assets and liabilities in respect of leases as of December 31, 2019:

	<u>Aircraft</u>	<u>Real estate and vehicles</u>	<u>Total</u>
	<u>USD, million</u>		
Cost			
Balance as of January 1, 2019	493.9	111.4	605.3
Additions during the period with respect to new agreements	456.2	7.2	463.4
Changes to contracts during the period	7.8	4.4	12.2
Changes due to linkage	–	0.3	0.3
De-recognition with respect to expired leases	–	(0.9)	(0.9)
Exchange rate differentials	–	(0.2)	(0.2)
Balance as of December 31, 2019	<u>957.9</u>	<u>122.2</u>	<u>1,080.1</u>
Amortization and impairment losses			
Balance as of January 1, 2019	–	–	–
Depreciation during the year	82.1	15.6	97.7
Changes to agreements and others	–	(0.1)	(0.1)
De-recognition with respect to expired leases	–	(0.9)	(0.9)
Balance as of December 31, 2019	<u>82.1</u>	<u>14.6</u>	<u>96.7</u>
<u>Carrying amount</u>			
Balance as of January 1, 2019	<u>493.9</u>	<u>111.4</u>	<u>605.3</u>
As of December 31, 2019	<u>875.8</u>	<u>107.6</u>	<u>983.4</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 10 – Leases (continued)

The following is the composition of the lease liabilities as of December 31, 2019:

	<u>Aircraft</u>	<u>Real estate and vehicles</u>	<u>Total</u>
	<u>USD, million</u>		
Lease liability			
Balance as of January 1, 2019	500.5	124.7	625.2
Additions during the period with respect to new agreements	456.2	7.2	463.4
Changes to contracts during the period	7.8	4.1	11.9
Changes due to linkage	–	0.3	0.3
Current financing expenses	35.1	8.6	43.7
Payments during the period	(105.0)	(20.7)	(125.7)
De-recognition with respect to expired leases	–	–	–
Exchange rate differentials	–	2.5	2.5
Balance as of December 31, 2019	<u>894.6</u>	<u>126.7</u>	<u>1,021.3</u>
Current lease liabilities	<u>83.5</u>	<u>9.9</u>	<u>93.4</u>
Long-term lease liabilities	<u>811.1</u>	<u>116.8</u>	<u>927.9</u>

Maturities of lease liabilities (principal and interest payments):

	<u>USD, million</u>
Year 2020	142.1
Year 2021	136.7
Year 2022	132.3
Year 2023	123.5
Year 2024	119.2
The year 2025 onwards	668.7
Total	<u>1322.5</u>

Short-term lease expenses and leases of non-material amounts, for the year ended December 31, 2019

	<u>USD in thousands</u>
Short-term leases (up to 12 months)	45,168
Leases of non-material amounts	7,412
Variable lease payments	1,627
Total	<u>54,207</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 11 – Other Accounts payable

Current Liabilities:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Airport tax payable	46,474	38,449
Payables in respect of foreign companies' unrealized flight segments (1)	13,613	14,082
Government institutions	232	12,773
Interest payable	4,436	4,324
Deposits received with respect to passenger groups	7,384	6,557*
Provisions for future refurbishment of leased aircraft (see Note 10.A)	16,097	13,934
Other payables	7,694	11,548*
	<u>95,930</u>	<u>101,667</u>

- (1) This balance reflects the amounts of flight tickets sold by the Company, payable to foreign companies that would carry out these flights.

Non-Current Liabilities:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Credit balances due to leasing fee averaging	–	3,348
Provisions for future refurbishment of leased aircraft*	62,247	7,539
Other	1,091	1,996
	<u>63,338</u>	<u>12,883</u>

*For application of IFRS 16 "Leases", see Note 2.D.

Note 12 – Unearned revenue from flight tickets and Frequent Flyer Club points

(1) Background and accounting policy

Flight ticket sales are included as unearned revenue until the flight date, when they are charged to the statement of income. Air passenger revenues also include revenues where the service is provided by the Company, whereas flight tickets are sold by other airlines. Furthermore, air passenger revenues also include revenues due to collaboration agreements with other airlines. In these cases, when the service is provided by the other airlines while the sale is made by the Company, revenue is stated on a net basis, meaning that the Company collects the proceeds from the transportation of passengers, transfer to the other airline its share of the proceeds, and recognizes revenue for the difference between them. However, revenue from cargo transport will be recognized on a gross basis, meaning the sale to the customer will be recognized as full income, while payment to the other airline will be recognized as an expense, since in cargo transactions (in contrast to passenger flights) the Company is also the main supplier for the flight segments carried out by other airline companies.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 12 – Unearned revenue from flight tickets and Frequent Flyer Club points (continued)

Sale of airline tickets, whereby the Company awards customers with flight points in the Matmid frequent flyer club, which may later be converted into flights (or other products), are separated into performance obligations, with payment received from the customer allocated to the flight component and to the points component, based on the theoretical separate sale price per flight point, as estimated by the Company. The consideration attributed to club points would be recognized as revenues upon performance of the service provided by the Company in exchange for conversion of the points. Until such revenues are recognized, the Company recognizes a liability with respect to club points as unearned revenues.

The proceeds from the sale of the frequent flyer to business partners is recognized as unearned revenue and stated as income upon the execution of the service provided by the Company in consideration for conversion of the points.

Regarding critical accounting considerations and key sources for uncertainty estimates used in determining the value of the liability in the Financial Statements, see Note 2(c)(6).

B. Current Liabilities:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
From sale of airline tickets	247,967	225,641
In respect of frequent flyer club points	78,886	85,124
Grants from credit card companies (see section 12.D below)	16,189	—
Others	4,945	—
	<u>347,987</u>	<u>310,765</u>

C. Non-Current Liabilities:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
In respect of frequent flyer club points	58,096	32,296
Grants from credit card companies (see section 12.D below)	40,508	—
	<u>98,604</u>	<u>32,296</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 12 – Unearned revenue from flight tickets and Frequent Flyer Club points (continued)

Composition of liabilities with respect to Matmid frequent flyer club points

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Opening balance – liability in respect of current and non-current club points	117,420	103,632
Accruals	102,769	92,988
Realizations and expirations	(83,207)	(79,200)
Closing balance	<u>136,982</u>	<u>117,420</u>

D. Matmid frequent flyer club – new agreements contracted with credit card companies:

Further to note 12(D) of the annual financial statements for the year 2018, regarding a new agreement with Diners Club Israel Ltd and Israel Credit Cards Ltd. (the two jointly - "the ICC Group") for the issuance and operation of branded credit cards to members of the Frequent Flyer Club ("the FlyCard Agreement"), on September 2019, the Company signed a triple agreement with Mastercard Europe SA ("Mastercard") and the ICC Group ("the Triple Agreement"), which was approved by the board of directors. The Triple Agreement regulates the cooperation with mastercard in the implementation of the FlyCard Agreement: the issuance of Mastercard branded Flycard tickets (Premium and Bronze) and integrated tickets under the Mastercard and Diners brands; adds partial exclusivity to Mastercard in relation to different types of premium cards; Mastercard's support of marketing budgets as well as financial support and professional advise, the scope of which depends on compliance with certain goals throughout the term of the Agreement. The agreement is effective for a 10-year period commencing from September 1, 2019, where each party is entitled to terminate the agreement after a period of 7 years.

During the first quarter of 2019, the Company received grants from credit card companies in an aggregate amount of NIS 160 million (approx. USD 44 million) and in the fourth quarter of 2019, the Company received a signing grant of USD 15 million, which constitutes the unpaid balance of the grants.

The grants are recorded as unearned income and are expected to be recognized as income over a period of seven years once the agreement enters into force (in September 2019), representing the period of the agreement to which the grants are attributed (the period in which the agreement cannot be cancelled by any of the parties without a significant penalty).

Due to the theoretical financing component (pursuant to accounting rules) in some of the received grants, the Company recognizes theoretical interest expenses against an increase in the amount of unearned income which, in the future, will increase the amount to be recorded as income in the financial statements.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 12 – Unearned revenue from flight tickets and Frequent Flyer Club points (continued)

D. Matmid frequent flyer club – new agreements contracted with credit card companies: (continued)

Furthermore, as stated in the same note, the Company was awarded a "Phantom" option, which gives the Company economic rights in Visa Cal (equivalent to 8.75% of the increase in the value of Visa Cal) or in Diners (equivalent to 35% of the increase in the value of Diners). The option may only be exercised if one of these companies is sold or issued, pursuant to the conditions stipulated in the agreement with respect thereto, and shall be settled in cash. Since there is material uncertainty regarding the likelihood that these conditions will be met, the value of the option was assessed at an immaterial amount.

Note 13 – Loans from banking corporations and others

Loans obtained by the Company to finance aircraft purchases are initially recognized at the amount raised, net of transaction costs and fees paid, primarily with respect to guarantees provided to the Company by third parties, such as guarantees from the US Export Import bank (EXIM), the UK Export Finance Government agency (UKEF), and the Aircraft Finance Insurance Consortium (AFIC) (see below). Subsequent to initial recognition, loans are measured at amortized cost using the effective interest method.

A. Transactions and balances:

	Fixed- rate loans	Variable rate loans (LIBOR)	Loans to finance advance payments on aircraft (PDP)	Overdrawn accounts	Total
	USD in thousands				
For the year ending on December 31, 2019:					
Annual percentage rate	1.79-5.56	2.54-6.09	4.69-4.81	–	–
Balance as of January 1, 2019:					
Current maturities	27,654	135,975	102,230	27,306	293,165
Long-term loans	189,272 *	426,132 *	42,917	–	658,321
Total loans	<u>216,926</u>	<u>562,107</u>	<u>145,147</u>	<u>27,306</u>	<u>951,486</u>
Transactions during 2019:					
Receipt of long-term loans and					
Repayment of PDP loans B.(1)(3)(5)(7)	104,650	439,965	(102,230)	–	442,385
Receipt of PDP loans B(2)(4)(6)	–	–	19,107	–	19,107
Current repayments and changes in overdrawn accounts	(33,982)	(144,454)	–	(5,299)	(183,735)
Other changes	2,680	(17,637)	–	–	(14,957)
Total loans at December 31, 2019	<u>290,274</u>	<u>839,981</u>	<u>62,024</u>	<u>22,007</u>	<u>1,214,286</u>
Of which: current maturities	35,613	98,208	62,024**	22,007	217,852
Total long-term loans	<u>254,661</u>	<u>741,773</u>	<u>–</u>	<u>–</u>	<u>996,434</u>

*Reclassified

** The loan will be repaid upon receipt of the aircraft by taking a long-term loan

El Al Israel Airlines Ltd.**Notes to the consolidated financial statements****Note 13 – Loans from banking corporations and others (continued)****For the year ending on December 31, 2018:**

Annual percentage rate	2.44-4.90	2.37-6.79	4.78-5.31	–	–
Balance to January 1, 2018					
Current maturities	33,649	50,304	85,000	26,971	195,924
Long-term loans	188,153	213,906	–	–	402,059
Total loans	221,802	264,210	85,000	26,971	597,983
Transactions during 2018:					
Receipt of long-term loans and repayment of PDP loans B.(1)(3)(5)(7)	–	404,942	(85,000)	–	319,942
Receipt of PDP loans B.(2)(4)(6)	–	–	145,147	–	145,147
Current repayments and changes in overdrawn accounts	(38,583)	(65,431)	–	335	(103,679)
Other changes	4,338	(12,245)	–	–	(7,907)
Total loans at December 31, 2018	187,557	591,476	145,147	27,306	951,486
Of which: current maturities	27,654	135,975 *	102,230	27,306	293,165
Total long-term loans	159,903	455,501	42,917	–	658,321

* Includes an outstanding loan ("balloon") of USD 59 million to finance 777-200 aircraft, which were re-financed in 2019.

(2) Changes to Company loans in the reported period and after the date of the statement of financial position:

- (1) In January 2019, the Company received financing from a foreign bank totaling USD 19 million, to make advance payments for a Boeing 787-8 aircraft. The loan bears a variable LIBOR-based interest rate plus a spread, payable on a quarterly basis. Each loan will be paid off on the date of delivery of the aircraft through the receipt of long-term financing. As collateral for repayment of the loan, the Company has assigned to the foreign bank, inter alia, its rights to the aircraft pursuant to the purchase agreement with Boeing, and rights entitled to it pursuant to the agreement with Rolls Royce.
- (2) In March 2019, the Company signed an agreement with a foreign bank to finance a reserve engine for the Boeing 787-9 aircraft. The loan, amounting to USD 18 million, was provided to the Company for a period of 10 years. The loan bears a variable LIBOR-based interest rate plus a margin, and is payable (principal and interest) in quarterly installments.

Note 13 – Loans from banking corporations and others (continued)**B. Changes to Company loans in the reported period and after the date of the statement of financial position: (continued)**

- (3) In June 2019, the Company signed agreements to obtain financing in the amount of USD 145 million plus a commission (hereinafter – "the financing transaction") for the purchase of a Boeing 787-9 aircraft, which is the fourth aircraft purchased from Boeing by the Company, and the tenth of this model, was delivered to the Company in June 2019 as part of the procurement transaction.

The financing transaction was conducted through a legal structure called "Japanese Operating Lease with a Call Option" (JOLCO Lease with a Call Option) pursuant to which the aircraft is held by a special purpose company (SPC) in Japan, and after 10 years will be formally transferred to the Company's ownership subject to the payment of the outstanding debt at that time at an agreed and predetermined price of USD 68 million (including a Japanese yen hedge transaction, see below).

The financing consists of a loan totaling USD 116 million from the Japanese bank for a period of 12 years (hereinafter - "the Loan"), which was backed by an insurance policy AFIC Non-Payment Insurance ("insurance policy"), given by the AFIC Consortium (Aircraft Finance Insurance Consortium) which is Consortium of insurance companies that provides insurance policies to banks that purchase aircraft for a commission, and from an additional sum of USD 29 million that was provided to the SPC in Japanese yen ("the Additional Amount") by a Japanese company (see section 4 below, with respect to hedging the exposure to the Japanese yen).

The loan bears 3-month LIBOR-based interest rate plus a margin of 0.5-1.5%. In addition, the Company paid a commission as stated of USD 5 million on the loan origination date.

The financing transaction was secured, inter alia, through an insurance policy, a lien on the aircraft, an assignment of the Company's rights in connection with the aircraft insurance policies, the Company's rights in the lease agreement with the Japanese SPC, Boeing's warranty for the aircraft, and Rolls Royce's warranty for the aircraft's engines.

The agreements include customary clauses in these types of transactions, such as: an option for the financiers to pre-payment of the loan in the event of a breach specified in the agreements or in case the Company breached its obligations pursuant to other agreements in which an insurance policy is provided, or in case of a breach of other agreements above a certain amount, as agreed between the parties (cross-default). The agreements do not include an undertaking to comply with financial covenants.

The Company will not have a pre-payment option, except in cases that are customary in this type of transactions, such as: increased financing costs paid to the bank, changes in the tax imposed pursuant to the financing transaction, or breach by the Japanese SPC, subject to an agreed payment under the financing transaction.

Upon receipt of the said financing, the Company repaid a loan that was used as advance payment for the purchased aircraft, in the amount of USD 37 million.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 13 – Loans from banking corporations and others (continued)

B. Changes to Company loans in the reported period and after the date of the statement of financial position: (continued)

- (4) Upon the receipt of financing as stated in section (3) above, the Company entered into a SWAP agreement to swap the repayment in Japanese yen with a fixed dollar amount. This hedge transaction will cancel the Company's exposure to changes in the Japanese yen-US dollar exchange rate. The Company has designated the derivative as a cash flow hedge, such that the interest rate differences between the currencies are recognized as interest expenses, while the exchange rate differences in respect of Spot prices on the transaction report date will be recognized in profit and loss (and offset the price differences recognized in profit and loss in respect of the loan). Each period, a dollar interest expense in respect of the loan is recorded in the statement of income. The remaining revaluation of the hedge transaction is recognized in the other comprehensive income.
- (5) In May 2019, the Company took out a USD 30 million loan from a foreign bank, to pay for the continued upgrade of the aircraft fleet. The loan was provided to the Company at a variable LIBOR rate plus a margin. The loan and the interest thereon will be paid in quarterly installments over a period of 5 years.
- (6) In July 2019, the Company repaid, from its own resources, an outstanding loan ("balloon") in the amount of USD 60 million, which was originally taken to finance the purchase two Boeing 777-200 aircraft. In August 2019, the Company signed refinancing agreements with foreign lenders with respect to the two aircraft.

The total amount of the new loans is USD 50 million (USD 25 million each) while each loan consists of a senior debt for 6-year and 7-year periods and a subordinate debt for a 4-year period. The loans were taken at a fixed interest rate, except for the senior debt in one of the loans which bears a variable LIBOR interest rate plus a margin. During the loan repayment periods the aircraft will be held through Special Purpose Companies (SPC). The loans will be secured, inter alia, by means of a lien on the aircraft, assignment of Company's rights in connection with the aircrafts' insurance policies, assignment of the SPCs' rights in the lease agreements, and assignment of Boeing's warranty for the aircraft and Rolls Royce's warranty for the aircraft engines.

- (7) In November 2019, the Company signed an agreement with a foreign bank to finance two reserve engines for 787 aircraft, which were purchased as detailed in Note 9.F.(3). The amount of the loan is USD 38 million and it was provided to the Company for a period of 10 years. The loan bears a variable LIBOR-based interest rate plus a margin, and will be repaid (principal and interest) in quarterly installments.

Note 13 – Loans from banking corporations and others (continued)**B. Changes to Company loans in the reported period and after the date of the statement of financial position: (continued)**

- (8) In November 2019, the Company signed agreements to receive financing in the amount of USD 125 million plus a commission ("the Agreements" and "the Financing", respectively) for the purchase of a Dreamliner 787-8 aircraft, which is the fifth aircraft purchased from Boeing and the first of this model, which the Company will receive as part of the procurement of 16 Dreamliner aircraft and which is scheduled to be delivered during November 2019 ("the Aircraft").

The financing transaction will be conducted through a legal structure called "Japanese Operating Lease with a Call Option" (JOLCO) pursuant to which the aircraft is held by a special purpose company (SPC) in Japan, and after 10 years will be formally transferred to the Company's ownership, subject to payment of the outstanding debt at that time at a price agreed to and known in advance, which consists of a dollar component and a Japanese yen component, and which as of the transaction date, in the amount of USD 45 million. The financing will consist of a loan in the amount of USD 106 million from a foreign bank plus a commission of USD 8 million payable to United Kingdom Export Finance ("UKEF"- Governmental agency to promote export from England) for a period of 12 years ("the Loan") and an additional amount of USD 19 million in Japanese yen, which will be provided to the SPC by the Japanese company. The loan bears 3-month LIBOR-based interest rate plus a margin of 0% to 1% to be repaid in quarterly installments for a 12-year period from the loan origination date which, subject to the repayment of the outstanding debt, as stated, will mature after a period of 10 years. The loan will be secured by a UKEF guarantee and by a lien on the aircraft, assignment of the Company's rights in connection with the aircraft insurance, the Company's rights under the lease with the SPC and the warranty provided by Boeing for the aircraft and by Roll Royce for the engines. The loan does not include a commitment to meet financial criteria. The agreements include customary clauses in these types of transactions, such as: an option for the financiers to prepay the loan in the event of a breach specified in the agreements or in case the Company breached its obligations pursuant to other agreements (cross-default).

The Company will not have a pre-payment option, except in cases that are customary in this type of transactions, such as: increased financing costs paid to the bank, changes in the tax imposed pursuant to the financing transaction, or breach by the Japanese SPC, subject to an agreed payment under the financing transaction.

- (9) In December 2019, the Company signed agreements to receive financing in the amount of USD 122 million plus a commission ("the Agreements" and "the Financing", respectively) for the purchase of a Dreamliner 787-8 aircraft, which is the sixth aircraft purchased from Boeing and the second of this model, which the Company received as part of the procurement of 16 Dreamliner aircraft and which was delivered during December 2019 ("the Aircraft").

The financing transaction will be conducted through a JOLCO legal structure pursuant to which the aircraft is held by a special purpose company (SPC) in Japan, and after 10 years will be formally transferred to the Company's ownership, subject to payment of the outstanding debt at that time at a price agreed to and known in advance, which consists of a dollar component and a Japanese yen component, and which as of the transaction date, in the amount of USD 40 million.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 13 – Loans from banking corporations and others (continued)

B. Changes to Company loans in the reported period and after the date of the statement of financial position: (continued)

The financing consists of a loan amounting to USD 98 million from a foreign bank, backed by an insurance policy, AFIC Non-Payment Insurance ("the insurance policy") from Aircraft Finance Insurance Consortium (AFIC), a consortium of insurers that provides insurance policies to banks that finance the purchase of aircraft, plus a fee of USD 4 million to the insurance policy issuer, for a term of 12 years ("the loan"), and an additional USD 24 million, provided to the SPC in JPY by a Japanese company.

The loan bears 3-month LIBOR-based interest rate plus a margin of 0.5%-1.5% to be repaid in quarterly installments for a 12-year period from the loan origination date which, subject to the repayment of the outstanding debt, as stated, will mature after a period of 10 years.

The financing transaction will be secured, inter alia, through an insurance policy, a lien on the aircraft, an assignment of the Company's rights in connection with the aircraft insurance policies, the Company's rights in the lease agreement with the Japanese SPC, Boeing's warranty for the aircraft, and Rolls Royce's warranty for the aircraft's engines.

The agreements include customary clauses in these types of transactions, such as: an option for the financiers to pre-payment of the loan in the event of a breach specified in the agreements or in case the Company breached its obligations pursuant to other agreements in which an insurance policy is provided, or in case of a breach of other agreements above a certain amount, as agreed between the parties (cross-default). The loan does not include an undertaking to comply with financial covenants.

The Company will not have a pre-payment option, except in cases that are customary in this type of transactions, such as: increased financing costs paid to the bank, changes in the tax imposed pursuant to the financing transaction, or breach by the Japanese SPC, subject to an agreed payment under the financing transaction.

- (10) In February 2020, subsequent to the financial position statement date, the Company signed agreements to receive financing in the amount of USD 122 million plus a commission ("the Agreements" and "the Financing", respectively) for the purchase of a Dreamliner 787-8 aircraft, which is the eighth aircraft purchased from Boeing (the fourth of this model), and is the sixteenth and final aircraft expected to be delivered to the Company as part of the procurement plan in March 2020 ("the Aircraft"). Due to the Corona Virus crisis, by the report issue date, the Company has not taken delivery of the Aircraft.

The financing transaction will be conducted through a JOLCO legal structure, pursuant to which the aircraft is held by a special purpose company (SPC) in Japan, and after 10 years will be formally transferred to the Company's ownership, subject to payment of the outstanding debt at that time at a price agreed to and known in advance, which consists of a dollar component and a Japanese yen component, and which as of the transaction date, in the amount of USD 40 million.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 13 – Loans from banking corporations and others (continued)

B. Changes to Company loans in the reported period and after the date of the statement of financial position: (continued)

The financing will consist of a loan amounting to USD 98 million from a foreign bank, backed by an insurance policy, AFIC Non-Payment Insurance("the insurance policy") from Aircraft Finance Insurance Consortium (AFIC), a consortium of insurers that provides insurance policies to banks that finance the purchase of aircraft, plus a fee of USD 4 million to the insurance policy issuer, for a term of 12 years ("the loan"), and an additional USD 24 million, to be provided to the SPC in JPY by a Japanese company.

The loan bears 3-month LIBOR-based interest rate plus a margin of 0.5%-1.5% to be repaid in quarterly installments for a 12-year period from the loan origination date which, subject to the repayment of the outstanding debt, as stated, will mature after a period of 10 years.

The financing transaction will be secured, inter alia, through an insurance policy, a lien on the aircraft, an assignment of the Company's rights in connection with the aircraft insurance policies, the Company's rights in the lease agreement with the Japanese SPC, Boeing's warranty for the aircraft, and Rolls Royce's warranty for the aircraft's engines.

The agreements include customary clauses in these types of transactions, such as: an option for the financiers to pre-payment of the loan in the event of a breach specified in the agreements or in case the Company breached its obligations pursuant to other agreements in which an insurance policy is provided, or in case of a breach of other agreements above a certain amount, as agreed between the parties (cross-default).

The loan does not include an undertaking to comply with financial covenants.

The Company will not have a pre-payment option, except in cases that are customary in this type of transactions, such as: increased financing costs paid to the bank, changes in the tax imposed pursuant to the financing transaction, or breach by the Japanese SPC, subject to an agreed payment under the financing transaction.

The original aircraft delivery date was in March 2020. Due to the Corona Virus crisis, by the report issue date, the Company has not received this aircraft nor the loan for it, as of the report issue date, the Company is in negotiations with the lenders on this matter. The loan to finance advance payments paid by the Company for this aircraft was extended through June 30, 2020.

- (11) In February 2020, subsequent to the financial position statement date, the Company signed agreements to receive financing in the amount of USD 125 million plus a commission ("the Agreements" and "the Financing", respectively) for the purchase of a Dreamliner 787-8 aircraft, which is the seventh aircraft purchased from Boeing (the third of this model), and is the fifteenth aircraft that the Company received as part of the procurement of 16 Dreamliner aircraft and which was delivered during February 2020 ("the Aircraft").

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 13 – Loans from banking corporations and others (continued)

B. Changes to Company loans in the reported period and after the date of the statement of financial position: (continued)

The financing transaction will be conducted through a legal structure called "Japanese Operating Lease with a Call Option" (JOLCO) pursuant to which the aircraft is held by a special purpose company (SPC) in Japan, and after 10 years will be formally transferred to the Company's ownership, subject to payment of the outstanding debt at that time at a price agreed to and known in advance, which consists of a dollar component and a Japanese yen component, and which as of the transaction date, in the amount of USD 44 million.

The financing will consist of a loan in the amount of USD 106 million from a foreign bank plus a commission of USD 8 million payable to United Kingdom Export Finance ("UKEF"-Government agency to promote exports from England) for a period of 12 years ("the Loan") and an additional amount of USD 19 million in Japanese yen, which will be provided to the SPC by the Japanese company.

The loan bears 3-month LIBOR-based interest rate plus a margin of 0% to 1% to be repaid in quarterly installments for a 12-year period from the loan origination date which, subject to the repayment of the outstanding debt, as stated, will mature after a period of 10 years.

The loan will be secured by a UKEF guarantee and by a lien on the aircraft, assignment of the Company's rights in connection with the aircraft insurance, the Company's rights under the lease with the SPC and the warranty provided by Boeing for the aircraft and by Roll Royce for the engines.

The agreements include customary clauses in these types of transactions, such as: an option for the financiers to prepay the loan in the event of a breach specified in the agreements or in case the Company breached its obligations pursuant to other agreements (cross-default). The loan does not include an undertaking to comply with financial covenants.

The Company will not have a pre-payment option, except in cases that are customary in this type of transactions, such as: increased financing costs paid to the bank, changes in the tax imposed pursuant to the financing transaction, or breach by the Japanese SPC, subject to an agreed payment under the financing transaction.

C. Credit features, collateral and loan to collateral ratio:

Some of the credit agreements (which are not included under "reportable borrowing" pursuant to ISA directives) stipulate that the ratio of outstanding debt balance to the bank to the market value of the pledged aircraft may not exceed 80% (see table below). Compliance with this ratio shall be measured annually (for some of the agreements – semi-annually), based on certain international professional publications agreed with regard to market value of the aircraft. It was further stipulated that should the actual collateral ratio will be lower than the aforementioned, the Company would provide additional collateral or would repay early the liabilities to banking corporations, in order to meet the requisite ratio. As of December 31, 2019, the Company is in compliance with the required ratio of loans to collateral.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 13 – Loans from banking corporations and others (continued)

C. Credit features, collateral and loan to collateral ratio: (continued)

The Corona Virus crisis also resulted in lower valuations of aircraft world-wide. Therefore, the impairment of aircraft values, used as collateral to secure loans obtained by the Company from Israeli banks for purchase of aircraft (loans that do not constitute "reportable credit"), resulted in failure to comply with financial covenants for LTV ratio. In conformity with the loan agreements, failure to comply with the required ratio gives banks the right to receive deposits, estimated at USD 30 million as of the report issue date. The Company has applied to these banks for waiver requests for compliance with the aforementioned ratio for the duration of the crisis.

Below are details of the Company's financing sources, collateral provided against loans and, as applicable, required ratio of outstanding balance to collateral value:

<u>Financing source</u>	<u>Outstanding balance as of December 31, 2019 USD in thousands</u>	<u>Aircraft and reserve engines as collateral</u>	<u>Requirement for a ratio of outstanding balance to the value of collateral</u>
Local bank (1)	60,363	Three 777-200 aircraft	
Local banks	56,375	Three 737-800 aircraft	
		One 737-900 aircraft	80%
		Two 737-900 aircraft	80%
		Three 777-200 aircraft	
		Four spare engines	
		Two 787-9 aircraft	
Foreign banks	395,426	One upgrade to aircraft fleet	—
		One 737-900 aircraft	
		Three 737-800 aircraft	
Foreign banks (2)	289,406	One 787-9 aircraft	
		One 787-8 aircraft	—
		One 787-9 aircraft	
Foreign banks (3)	272,558	One 787-8 aircraft	—
Bonds issued by SPC (4)	93,470	Four 737-900 aircraft	—

- 1) A cross-default mechanism exists between the various loans of the same banking institution.
- 2) A cross-default mechanism exists between the loans provided by the different lenders and secured by EXIM or UKEF guarantees.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 13 – Loans from banking corporations and others (continued)

C. Credit features, collateral and loan to collateral ratio: (continued)

- 3) A cross-default mechanism exists between the loans secured by AFIC insurance policy from a consortium of insurers that provides insurance policies to banks that finance the purchase of aircraft.
- 4) Loans taken to finance aircraft and were financed by bonds issued by SPCs that are not owned by the Company, and are secured by EXIM, which is a bank owned by the US government, with the source of the liability being principal and interest payments made to the SPC by the Company. If the bonds are not adequately repaid by the Company, and the EXIM collateral is realized, EXIM shall dispose of the pledged aircraft and repay the outstanding balance of the bonds.

To the extent that the proceeds from the sale of the aircraft will be insufficient to cover the amount of the collateral, the Company will be required to repay the outstanding debt to EXIM. It is noted that there is a cross-default between these loans and the loans specified in comment (2) above.

It should be noted that some of the existing loans as of December 31, may be pre-paid by the Company, as is customary. Moreover, some of the loan agreements signed by the Company confer on the bank the right to call for immediate repayment of the outstanding balances of loans provided by said bank, upon occurrence of certain events such as a merger or transfer of control conducted without prior written consent of the banking corporation, or upon occurrence of other, standard events customary for financing transactions.

D. Fair value of long-term loans from banking corporations bearing fixed interest:

	Carrying value		Fair value (1)	
	As of December 31		As of December 31	
	2019	2018	2019	2018
	USD in thousands	USD in thousands	USD in thousands	USD in thousands
Long-term dollar loans with fixed interest	297,767	225,716 *	302,050	217,935 *

- (a) The fair value of these loans is calculated as the present value of cash flows discounted using an interest rate of 3.26% as of December 31, 2019 (as of December 31, 2018: 3.21%), which are the market rates for loans with similar characteristics (level 2 – based on observed data).

* Reclassified

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

E. Liquidity risk:

The table below lists the contractual maturities of Company obligations for purchasing fixed assets, principal and interest payments for loans and minimum leasing fees for aircraft leases and other leases. The table has been compiled based on non-discounted cash flows, based on the contractual date on which the Company is required to settle its obligations. For derivative financial instruments, see Note 18 below. For more information about the Company's capacity to repay its obligations, see Note 1.

	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025 onwards	Total
	USD, million						
Future liabilities for aircraft and engines not yet delivered as of the report date							
Future payments	186	—	—	—	—	—	186
Repayment of loans for financing advance payments for aircraft ("PDP")	62	—	—	—	—	—	62
Long-term loans received (1)	(259)	—	—	—	—	—	(259)
Total	(11)	—	—	—	—	—	(11)
Current principal payments for existing loans as of the report date							
Loans yet to be received as of the report date, see above	136	126	111	112	106	574	1,165
Total principal payments of outstanding loans taken to finance aircraft	145	143	128	129	124	755	1,424
Total principal payments with respect to lease liabilities	95*	94	94	90	90	570	1,033
Payments that will be included in the statement of income and therefore included in cash flow from operating:							
Interest payments on outstanding loans as of the report date	37	29	25	21	17	72	201
Interest payments on loans not yet received as of the report date	6	5	5	4	4	19	43
Interest payments with respect to lease liabilities	47	42	38	34	29	98	288
Total	90	76	68	59	50	189	532

(1) Long-term loans received for financing of the procurement plan, as set forth in Note 9 above.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits

A. Accounting policy:

(1) Post-employment benefits:

Post-employment benefits include severance pay liabilities, including retirement bonus for senior pilots, redemption of sick leave, adjustment bonus for senior employees and certain benefits for Company retirees. These benefits also include pension payments for certain local employees in the USA and in the UK. Some of the Company's post-employment benefits are defined contribution plans and some – defined benefit plans.

Expenses in respect of Company liability to deposit funds to a defined contribution plan are recognized on the income statement upon provision of employment services for which the Company is liable to make said deposit.

Expenses in respect of defined benefit plans are recognized on the income statement based on the projected unit credit method, using actuarial estimates. The present value of Company obligations in respect of defined benefit plans is determined by discounting the expected future cash flows from the plan by market yield of investment grade corporate debentures denominated in the currency in which the plan benefits would be paid, with a term to maturity approximately equal to the anticipated plan settlement dates.

In conformity with the Company's accounting policy, the net interest cost (after offsetting the return on plan assets) is recognized on the income statement under Payroll Expenses. Actuarial gain and loss are charged to other comprehensive income when incurred would not be re-classified to the income statement at a later date.

Assets of the various plans (such as the central severance pay fund) are measured at fair value. Interest income for plans' assets is determined based on the discount rate for the appropriate liabilities and is charged to the income statement under Net Interest Cost. The difference between interest income on plans' assets and the actual return on plans' assets is charged to other comprehensive income and would not be re-classified to the income statement at a later date.

(2) Other long-term employee benefits:

Other long-term employee benefits are benefits that are payable in over 12 months from the end of the period in which the qualifying service was provided.

Other employee benefits include utilization and redemption of paid leave and rest days, study bonus for employees' children and jubilee bonus. These benefits are recognized and measured in the same way as post-employment benefits, with actuarial gain and loss with respect thereto charged to the income statement when incurred, rather than to other comprehensive income.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

(3) Short-term employee benefits:

Short-term employee benefits that are expected to be fully settled within 12 months after the end of the year in which the employee rendered the qualifying service.

Short-term employee benefits at the Company include Company liability in respect of current wages. These benefits are charged to the income statement when incurred.

(4) Benefits with respect to early retirement programs:

Benefits with respect to early retirement programs are recognized when the Company is practically obligated to provide such benefits to employees, other than against material future service by said employees. The liability amount is determined based on the present value of cash flows expected with respect to said liability.

(5) Regarding critical accounting considerations and key sources for uncertainty estimates used in determining the value of the liability in the Financial Statements, see Note 2(c)(3).

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

B. Composed as follows:

	Reference	Currency	As of December 31, 2019			As of December 31, 2018		
			Current liabilities	Non-current liabilities	Non-current assets	Current liabilities	Non-current liabilities	Non-current assets
			USD in thousands	USD in thousands	USD in thousands	USD in thousands	USD in thousands	USD in thousands
Short-term benefits to employees:								
Payroll, salaries and social benefits		Mostly in NIS	68,456	–	–	64,594	–	–
Post-employment benefits:								
Benefit in respect of severance pay in Israel	C	NIS	–	16,057	78,172	–	9,817	66,902
Unused sick leave	D	NIS	–	42,635	–	–	33,258	–
Pension funds with respect to employees at Company's overseas offices:								
USA	E	USD	–	(441)	–	–	5,956	–
UK		GBP	–	7,933	–	–	7,665	–
Benefits to retirees	F	NIS	–	14,343	–	–	12,132	–
Other post-employment benefits	G	NIS	–	8,557	999	–	6,745	963
Other long-term benefits to employees:								
Liability with respect to paid leave and rest days*	J1	NIS	59,512	–	–	44,733	–	–
Other long-term benefits	J2	NIS	–	4,589	–	–	3,990	–
Severance pay benefits:								
Voluntary retirement programs	K	NIS	–	73	–	–	(569)	–
Total on statement of financial position			127,968	93,746	79,171	109,327	78,994	67,865

* It is noted that the liability in respect of vacation and rest days is presented in the statement of financial position as a current liability, although it is expected to be realized after a 12-month period from the report date (and is therefore defined as a long-term benefit), since the Company does not have an "unconditional right" to defer the settlement of the liability for this period; therefore, in accordance with the accounting rules, it is presented as a short-term liability.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

C. Severance pay benefits to employees in Israel:

(1) The Company's obligations in respect of severance pay in Israel (for permanent employees under the collective agreement):

The Company's work agreements, Israeli labor law and the Severance Pay Law, 1963 require that the Company pay severance pay to employees upon retirement or dismissal.

Regulation of retirement payments and severance pay of Company employees:

Beginning in September 1992, the social benefits of part of the Company's employees have been regulated within the context of a designated pension agreement. The agreement stipulates that the Company's payments to the pension fund and an approved fund (executive insurance or provident fund) for an employee joining the pension arrangement will come in lieu of its severance pay obligation to that employee, pursuant to Section 14 of the Severance Pay Law, 1963, for that part of the salary and for that period as to which the payments were made. Usually, employees who subsequently received permanent status in the Company were then obligated to join the plan. It is also noted that workers joining the Company starting September 1992 have signed Section 14 as noted above (whether they are regular employees, temporary or senior executives).

Defined deposit plan:

Accordingly, the current deposits in the pension funds and in policies in insurance companies exempt the Company from any additional obligations to employees, and regarding senior employees who joined the pension agreement in 1992 – the exemption in question is for periods for which deposits only were made.

Defined benefit plan:

Regarding the period between the start of the employee's work at the Company and the employee joining the pension plan, the employees are entitled to severance pay in accordance with their salary upon retiring from the Company for the number of years in the relevant period. Employees who had not joined the pension agreement as stated are entitled to severance pay to the level of their salaries upon retirement from the Company for all their years of employment at the Company.

(2) Arrangements and plans to secure retirement benefits and severance pay (plan's assets):

Pursuant to the provisions of the collective agreement, since January 1983, the Company deposits 8.33% of the current salary of employees in provident funds for severance at Israeli banks. The deposit is in the Company's name.

Since the Company did not make provisions for severance pay with a provident fund until January 1983, and as of January 1983 severance benefits were paid to retired employees (also for periods prior to the start of said provisions) from the money accrued in the provident funds for severance pay, prior to the date of the Company's privatization (in 2003), no balances remained in the severance provident funds as well as balances to secure payment of severance benefits to the Company's employees.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

C. Severance pay benefits to employees in Israel: (continued)

2) Arrangements and plans to secure retirement benefits and severance pay (plan's assets): (continued)

Eligible population and settlement with the State of Israel:

In June 2003, as part of the process of privatizing the Company, an agreement was signed between the State, the Company and the employees' association, in which the State and the Company agreed to take measures to cover the deficit created until that date (NIS 516 million) in addition to interest and linkage as of this date and until the date of deposit with the funds, and which is connected to the eligibility of workers who were employed by the Company in 1982 and who continued to be employed in June 2003 ("the Eligible Employees"). Under this agreement, the Company opened central compensation funds to which the State and the Company transferred the immediate proceeds that they received from the sale of securities in the pursuant to the 2003 Prospectus, including consideration of the exercise of the options issued by the State and the Company within the prospectus.

Following the deposits made by the State and the Company, the deficit in the fund for eligible employees, as defined in the agreement between the Company and the State that was signed on the eve of the Company's privatization, was covered in full.

After making the above deposits and fully covering the deficit in the severance pay fund, as required by the agreement, the Company deposited NIS 32.9 million (as of December 31 2019, including interest accrued up to the reporting date), which represents the difference between the proceeds of the issuance from the sale of the State's shares together with the proceeds from the issuance of the Company's shares and the deficit created in the central compensation funds for the aforementioned group of "eligible employees", in a separate account included in short-term deposits. On the other hand, the Company recognizes the provision for the obligation to the State of Israel at the same sum, due to the fact that the Company is studying the existence of limitations regarding its ability to make use of the above balance of the consideration according to the agreement with the State and with the workers' representatives.

On May 3, 2020, after the date of the statement of financial position, the Tel Aviv District Court for Labor Affairs issued a partial verdict, whereby the Court approved the Company's request to release part of the excess in the aforementioned central severance pay funds. In conformity with this partial verdict, the Court approved the release of NIS 105 million to the Company. Note that as of April 30, 2020, the excess in the central severance pay funds amounted to NIS 335 million, after completion of transfer of NIS 59 million from the central severance pay fund to individual severance pay funds of the eligible employees, to secure full payment of severance pay to which they would be entitled by law through termination of their employment (subject to keeping a non-material amount in the central funds, to make up the severance pay by law, should it be required, based on actuarial calculation, through termination of their employment). The eligible employees with respect to these funds are those employees who were employed by the Company in 1982 and remained thus employed in June 2003.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

C. Severance pay benefits to employees in Israel: (continued)

2) Arrangements and plans to secure retirement benefits and severance pay (plan's assets): (continued)

Today, the Company employs 250 eligible employees among all Company employees. On May 11, 2020, after the date of the statement of financial position, the National Labor Court issued a verdict, after the employee representation filed an appeal of the aforementioned interim verdict.

According to the verdict issued by the National Labor Court, an order was issued to the central severance pay fund, to transfer to the Company the aforementioned NIS 105 million. The fund withdrawal was approved by the Tax Assessor. Note that in 2014 and 2015, the State brought claims against the Company with regard to funds in these severance pay funds, as set forth in Note 15.B(24) below. The aforementioned release of NIS 105 million was made with consent of the State.

(2) Arrangements and programs to secure retirement and severance pay (plan assets): (continued)

Special collective agreement for long-term employees for the deposit of severance pay in a fund in the employee's name:

In accordance with the agreement signed on December 22, 2011, following a legislative arrangement that came into effect on January 1, 2011, and which no longer permits the deposit of severance pay in the main compensation fund, for long-term employees who had severance pay money deposited for them in a central fund as of December 31, 2010, money shall be deposited for them as of January 1, 2011 to the severance component in the provident fund in the employee's name

(3) Retirement bonus to veteran pilots:

Senior pilots reaching the age of 65, when they can no longer continue to serve as active pilots pursuant to the Aviation Regulations, and who do not serve as instructors and supervisors, conclude their employment with the Company and are entitled to a retirement bonus (in addition to the severance pay to which they are entitled by law), at the amounts specified in the agreement.

(4) Managers and senior officers:

Senior employees, including senior officers are employed under personal labor agreements, while long-term employees are entitled to additional severance pay on top of the severance benefits paid by law ("secondary severance") for the period of their employment, in excess of the severance pay required by law, equal to one month per year for the duration of their employment, based on their last wages. It is clarified that new senior officers joining the Company are not entitled to such additional compensation. This liability is funded by designated personal funds.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

C. Severance pay benefits to employees in Israel: (continued)

2) Arrangements and plans to secure retirement benefits and severance pay (plan's assets): continued

(5) The financing policy:

The Company's severance benefits are primarily paid from the plan's assets, i.e. from the central funds and the employees' personal funds. The Company's central funds as well as the personal funds of employees are managed by leading investment houses.

D. Redemption of sick leave:

Permanent employees (except for employees under personal contracts), upon their mandatory retirement from the Company, or retiring above the age of 45 under conditions that entitle them to compensation, are also entitled to redemption of sick days according to a conversion formula provided by the collective agreement. It is noted that the maximum permitted accrual of sick days for permanent employees is higher than that stipulated by the Law, and depends on the date they commence employment with the Company. This obligation is paid from the Company's resources.

E. Pension funds of some local Company employees in the USA and in the UK:

Some local employees of the Company in the USA and in the UK are enrolled in pension plans ("the plans") whereby the Company pays the pension cost of employees in those offices. The pension cost is calculated as the product of "eligibility years" for pension and a percentage of the effective salary for pension calculation. Typically, employees who retire aged 65 or higher are entitled to full benefits. The pension fund assets are managed by a special entity and are mostly invested in negotiable securities. The Company has committed to cover any potential shortfall in the value of fund assets compared to actuarial obligations.

As for the pension in the UK, as from 2005 this fund no longer accepts new employee enrollments, and no longer allows any additional accrual of rights in this fund. The pension fund in the USA is also closed for new enrollments, but rights may still be accrued for employees already enrolled.

Obligations are mostly financed by plans' assets, but in view of the current shortfall in the pension plans, the Company makes up certain amounts with respect to its obligations out of its own resources.

F. Benefits for pensioners:

Company employees are entitled, after retirement and subject to seniority, to airline tickets in conformity with Company policy and to holiday gifts.

G. Other post-employment benefits:

Other benefits include an adjustment bonus, to which some senior Company employees are entitled. Moreover, in some overseas Company offices, local Company employees are entitled to severance pay pursuant to local laws and pursuant to agreements with the Company. Other benefits also include liabilities with respect to severance pay for subsidiaries.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

D. Redemption of sick leave:

H. Multi-employer plan at subsidiary:

The subsidiary Bornstein Caterers Inc. (USA) participates in a multi-employer pension plan for some of its employees, to which the subsidiary contributed USD 425 thousand in 2019. The subsidiary's share of un-funded plan obligations amounts to USD 5.7 million, such that should the subsidiary cease to make current contributions, or should it retire from the plan, it would be liable for said amount. The subsidiary intends to continue making contributions to the plan, hence no liability with respect thereto was recognized on these financial statements.

I. Details of quantitative effect with respect to defined benefit plans on the financial statements:

	Severance pay in Israel USD in thousands	Unused sick leave USD in thousands	Pension funds USD in thousands	Benefits to retirees USD in thousands	Other benefits USD in thousands	Total USD in thousands
Amounts recognized on the income statement with respect to defined benefit plans:						
For the year ending on December 31, 2019:						
Current service cost	6,647	1,762	423	221	1,147	10,200
Interest cost	2,545	1,118	2,428	522	299	6,912
Return on plan assets based on discount rate	(4,430)	–	(2,113)	–	(145)	(6,688)
Real returns transferred from severance pay to benefits	113	–	–	–	–	113
Exchange rate differentials	(4,887)	2,837	397	835	265	(553)
Other changes	–	34	–	–	(35)	(1)
Total	(12)	5,751	1,135	1,578	1,531	9,983
For the year ending on December 31, 2018:						
Current service cost	7,272	1,786	570	221	806	10,655
Interest cost	1,997	891	2,323	453	228	5,892
Return on the plan's assets based on discount rate	(3,368)	–	(1,859)	–	(134)	(5,361)
Real returns transferred from severance pay to benefits	23	–	–	–	–	23
Exchange rate differentials	4,837	(2,901)	(459)	(819)	(236)	422
Other changes	–	(14)	–	(2)	19	3
Total	10,761	(238)	575	(147)	683	11,634

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

I. Details of quantitative effect with respect to defined benefit plans on the financial statements: (continued)

For the year ending on December 31, 2017:

Current service cost	8,600	1,997	550	325	721	12,193
Interest cost	2,785	1,046	2,544	375	247	6,997
Return on the plan's assets based on discount rate	(4,664)	–	(1,882)	–	(153)	(6,699)
Real returns transferred from severance pay to benefits	22	–	–	–	–	22
Exchange rate differentials	(6,420)	3,830	699	726	198	(967)
Other changes	(108)	–	–	–	276	168
Total	215	6,873	1,911	1,426	1,289	11,714

Expenses with respect to defined benefit plans are included under the following income statement items:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Operating expenses (see also section C(3) above)	9,093	10,481	10,665
Selling expenses	253	328	298
Administrative and general expenses	637	825	751
Total	9,983	11,634	11,714

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

I. Details of quantitative effect with respect to defined benefit plans on the financial statements: (continued)

	For the year ending on December 31, 2019				
	Severance pay in Israel USD in thousands	Unused sick leave USD in thousands	Benefits to retirees USD in thousands	Pension funds *** USD in thousands	Other benefits USD in thousands
Transaction in the present value of the commitment					
Opening balance – present value of commitment	73,617	33,258	12,132	68,331	9,575
Current service cost	6,647	1,762	221	423	1,147
Interest cost	2,545	1,118	522	2,428	299
Actuarial loss*	4,324	6,852	1,182	5,580	894
Benefits paid	(13,864)	(3,226)	(549)	(3,239)	(569)
Changes in exchange rate	6,098	2,837	835	842	477
Other changes	–	34	–	–	(35)
Closing balance – present value of commitment	79,367	42,635	14,343	74,365	11,788
Change in fair value of plan's assets:					
Opening balance – fair value of plan's assets	130,702	–	–	54,710	3,793
Return on plan's assets based on discount rate	4,430	–	–	2,113	145
Re-measurement with respect to difference between actual return on plan's assets and return calculated based on discount rate	4,868	–	–	8,232	198
Employer contributions	1,071**	–	–	4,612	21
Benefits paid	(10,461)	–	–	(3,239)	(139)
Real returns transferred from severance pay to benefits	(113)	–	–	–	–
Changes in exchange rate	10,985	–	–	445	212
Closing balance – fair value of plan's assets	141,482	–	–	66,873	4,230
Average duration of liabilities (in years)	8	8.7	18.2		
Discount rate in %	1.7	1.75	2.25-3.2		
Sensitivity analysis to 1% increase in discount rate	(2,505)	(2,970)	(2,550)		
Sensitivity analysis to 1% decrease in discount rate	2,831	3,438	2,550		

* The actuarial loss is primarily due to decrease in discount rates.

** The Company estimates expected contributions in 2020 at USD 1.1 million.

*** The discount rate for the USA pension plan is 3.15% and for the UK pension plan – 1.8%.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

I. Details of quantitative effect with respect to defined benefit plans on the financial statements: (continued)						
For the year ending on December 31, 2018						
	Severance pay in Israel USD in thousands	Unused sick leave USD in thousands	Benefits to retirees USD in thousands	Pension funds *** USD in thousands	Other benefits USD in thousands	Total USD in thousands
Movement in present value of commitment:						
Opening balance – present value of commitment	84,623	38,584	13,070	74,817	9,764	220,858
Current service cost	7,272	1,786	221	570	806	10,655
Interest cost	1,997	891	453	2,323	228	5,892
Actuarial gain*	(1,231)	(2,245)	(201)	(4,857)	(281)	(8,815)
Benefits paid	(12,827)	(2,843)	(590)	(3,289)	(513)	(20,062)
Changes in exchange rate	(6,217)	(2,901)	(819)	(1,233)	(448)	(11,618)
Other changes	–	(14)	(2)	–	19	3
Closing balance – present value of commitment	73,617	33,258	12,132	68,331	9,575	196,913
Change in fair value of plan's assets:						
Opening balance – fair value of plan's assets	149,836	–	–	56,763	4,202	210,801
Return on plan's assets based on discount rate	3,368	–	–	1,859	134	5,361
Re-measurement with respect to difference between actual return on plan's assets and return calculated based on discount rate	(672)	–	–	(4,325)	(249)	(5,246)
Employer contributions	1,221	–	–	4,476	16	5,713
Benefits paid	(11,974)	–	–	(3,289)	(98)	(15,361)
Real returns transferred from severance pay to benefits	(23)	–	–	–	–	(23)
Changes in exchange rate	(11,054)	–	–	(774)	(212)	(12,040)
Closing balance – fair value of plan's assets	130,702	–	–	54,710	3,793	189,205
Average duration of liabilities (in years)						
Discount rate in %	8	8.7	17.6			
Sensitivity analysis to 1% increase in discount rate	3.15	3.2	3.73-4.64			
Sensitivity analysis to 1% decrease in discount rate	(2,524)	(2,320)	(2,076)			
	2,852	2,685	2,076			

* Most of the actuarial loss stems from an increase in the discount interest rate.

*** The discount rate for the USA pension funds is 4.17% and for the UK pension plan – 2.6%.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

I. Details of quantitative effect with respect to defined benefit plans on the financial statements: (continued)

Other actuarial assumptions:

The principal actuarial assumptions (in addition to the interest rates applied to quantitative data as detailed above) used by the Company in order to estimate the commitments and quantitative impacts below as set forth above, are as follows:

- The projected rate of increase in wages is between 3%-5.5%.

Should the forecast wages increase rate be higher by one percentage point than the rate accounted for in calculating the obligation, post-employment benefit liabilities (other than pension) would increase by USD 16.7 million.

The aforementioned sensitivity analysis is based on reasonably potential changes to actuarial assumptions as of the end of the reported period.

The sensitivity analysis does not take into account any co-dependency between the assumptions.

- The turnover rate is estimated at between 1.1%-4.4%, depending on the age of the population (with no change from 2018).

J. Other long-term employee benefits:

(1) Paid vacation days:

In accordance with the Annual Vacation Law, 1951 and pursuant to the Company's employment agreements, Company employees are entitled to a number of paid vacation days for each work year. Employees who have left the Company prior to making use of the balance of his accrued vacation days are entitled to payment for the balance of these vacation days upon leaving. In addition, certain Company employees are entitled to days of rest they accumulate and that can also be accumulated and redeemed upon retirement. The Company's vacation commitments also include its commitments for these days.

(2) Other long-term benefits:

These benefits primarily include a bonus for academic studies of employees' children and jubilee bonus payable to employees who reach 20, 30 and 40 years of service with the Company, who are entitled to a gift presented at the annual "Decades Ceremony" held by the Company.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

J. Other long-term employee benefits: (continued)

(3) Details of quantitative effect with respect to other long-term employee benefits on the financial statements:

	Vacation and rest	Other long- term benefits
	USD in thousands	USD in thousands
For the year ending on December 31, 2019:		
Opening balance	44,733	3,990
Amounts recognized on the income statement with respect to defined benefit plans:		
Current service cost	46,369	188
Interest cost	1,417	142
Exchange rate differentials	3,856	337
Actuarial loss (gains)*	5,387	299
Total	57,029	966
Benefits paid	(42,250)	(367)
Closing balance	59,512	4,589
Average duration of liabilities (in years)	8.5	11.3
For the year ending on December 31, 2018:		
Opening balance	48,799	4,429
Amounts recognized on the income statement with respect to defined benefit plans:		
Current service cost	39,093	186
Interest cost	1,208	128
Exchange rate differentials	(3,491)	(306)
Actuarial loss (gains)	(2,322)	2
Total	34,488	10
Benefits paid	(38,554)	(449)
Closing balance	44,733	3,990
Average duration of liabilities (in years)	8.5	11.7
For the year ended on December 31, 2017:		
Opening balance	42,682	4,116
Amounts recognized on the income statement with respect to defined benefit plans:		
Current service cost	32,368	202
Interest cost	1,352	166
Exchange rate differentials	4,615	400
Actuarial loss (gain)	5,443	(51)
Total	43,778	717
Benefits paid	(37,661)	(404)
Closing balance	48,799	4,429
Average duration of liabilities (in years)	8.7	12.3

* The actuarial loss is primarily due to decrease in discount rates.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

J. Other long-term employee benefits: (continued)

- (4) Expenses with respect to paid leave and rest days are included under the following income statement items:**

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Operating expenses	45,794	27,694	35,154
Selling expenses	3,194	1,931	2,452
Administrative and general expenses	8,041	4,863	6,173
Total	57,029	34,488	43,779

K. Early retirement plans:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Obligation with respect to retirement plans	2,981	3,502
Plan assets for financing of obligation	(2,909)	(4,071)
Net liability (asset)	72	(569)

L. Additional information:

(1) Agreement with the pilots

On October 29, 2018, the Company, the employee representation and the New Histadrut HaOvdim Haclalit signed an agreement, reflecting the agreements reached by the Company and the pilots, effective as from November 1, 2018 through October 31, 2024 ("the agreement" and "the agreement term", respectively). These negotiations were due to the need for improved efficiency and adjustments to pilot operations, in view of the amendment of the Aviation Regulations (Aircraft operation and flying rules), 1981 ("the regulations"), issued on May 10, 2016, which became effective on October 29, 2018 ("the amendment to the regulations"). The amendment to the regulations adopts in Israeli Law the current stipulations existing in US regulations with regard to Flight and Duty Time Limitations (FTL), such as minimum rest periods between flights and so forth. The agreement stipulates measures that would allow for more efficient commercial operations in the new era of aviation regulation and for benefits – for both the Company and the pilots, and should allow Company operations to grow, Company operations to be more efficient, with adaptation to the requirements set forth in the regulations, as well as improvement to pilots' quality of living.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 14 – Liabilities with respect to employee benefits (continued)

L. Additional information: (continued)

(1) Agreement with the pilots (continued)

The agreement also stipulates arrangements with regard to pilot remuneration, including measures to hedge the budget framework for cost of pilots' wages, arrangements with regard to discontinuation of certain variable pay components (such as various compensation for flight operations), in exchange for increase in fixed pay, arrangements with regard to gross-up, establishment of incentives for pilots with respect to achievement of their personal flight plan and setting up measures for bonus and pay increase contingent on earnings. The agreement also stipulates a quota for wet leased aircraft, agreed by the pilots, mechanism for settlement of disputes, commitment by the pilots not to take any industrial action during the term of the agreement and so forth. The agreement was approved by the Company Board of Directors, the employee representation and the New Histadrut HaOvdim Haclalit after being approved by a majority of Company pilots.

Note that this agreement has no material effect on balances of liabilities with respect to employee benefits, primarily due to adjustment provisions in place in the agreement, that exclude the fixed pay raise, subject of this agreement, with regard to calculation of these liabilities.

- (2)** For more information about current liabilities with respect to employee benefits provided to key managers, see Note 22.E.

Note 15 – Provisions and contingent liabilities

In accordance with IAS 37, provisions are included with respect to lawsuits and legal proceedings, expected to be subject to negative cash flow (with a likelihood of 50% or higher) which Company management believes based, inter alia, on the opinion of legal counsel, to be appropriate under the circumstances.

Therefore, the financial statements include appropriate provisions with respect to such lawsuits and legal proceedings brought against the Company, which Company management believes are more likely than not to be upheld, even though the Company denies such claims.

Regarding critical accounting considerations and key sources for uncertainty estimates used in determining the value of the liability in the Financial Statements, see Note 2.C(2).

As of December 31, 2019, legal claims were filed against the Company in the total amount of USD 1,182 million, as well as unquantified legal claims in monetary amounts. For these claims, the Company recognized a provision in the financial statements in the amount of USD 23.7 million. In management's opinion, based on the opinion of its legal counsel, it is not expected that the Company will have exposure to additional loss in respect of the aforesaid claims above the amounts of provisions included in the financial statements.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 15 – Provisions and contingent liabilities (continued)

A. Changes in provisions:

	State of Israel with respect to dispute over excess in severance pay fund for eligible employees*	Other provisions	Total
	<u>USD in thousands</u>	<u>USD in thousands</u>	<u>USD in thousands</u>
Balance as of January 1, 2018	9,426	29,580	39,006
Additional provisions recognized (including adjustment of existing provisions)	–	3,213	3,213
Amounts used and de-recognized during the year	–	(22,671)	(22,671)
Effect of exchange rates	<u>(686)</u>	<u>(309)</u>	<u>(995)</u>
Balance as of December 31, 2018	8,740	9,813	18,553
Other provisions recognized (including updates to existing provisions)		7,659	7,659
Amounts used and de-recognized during the year		(3,569)	(3,569)
Effect of exchange rates	<u>777</u>	<u>321</u>	<u>1,098</u>
Balance as of December 31, 2019	<u>9,517</u>	<u>14,224</u>	<u>23,741</u>

* See Note 14.C.(2) with regard to liabilities in respect of employee benefits.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

No.	Lawsuit filed on	Lawsuit type / Court	Lawsuit subject	Lawsuit amount	Status	Accounting effects
1	February 2013	Motion for approval of class action status / Central District Court	The motion for approval alleges an extensive global restrictive trade practice for co-ordination of various price components for air transport of cargo, and in particular the fuel surcharge and the security surcharge. The motion was also brought against British Airways, Lufthansa and Swiss airlines.	NIS 473 million	In January 2020, after the date of the statement of financial position, the Court granted class action status. Pursuant to the ruling, class members are those directly impacted customers who shipped cargo to / from Israel (other than from / to the USA), from January 1, 2000 to the end date of the arrangement, but no sooner than February 14, 2006, as well as those indirectly impacted customers of the directly impacted customers, who purchased from the directly impacted customers cargo transportation services to / from Israel (other than from / to the USA) in the aforementioned period. The relief sought is compensation for damage incurred by class members, being the difference between the price actually charged due to the alleged co-ordination, including the fuel and security surcharges, and the price that would have been charged in a competitive market absent the alleged co-ordination. The Company intends to file a motion to appeal to the Supreme Court the ruling by the District Court granting class action status.	The Company recognized a provision on its 2018 financial statements with respect to this lawsuit, based on management assessment and based on the opinion of legal counsel.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

No.	Lawsuit filed on	Lawsuit type / Court	Lawsuit subject	Lawsuit amount	Status	Accounting effects
2	January 2015	Motion for approval of class action status / Central District Court	The motion alleges failure to reimburse airport fees and/or taxes charged by the Company to customers upon charging for airline tickets, in cases where passengers failed to show up for the flight.	NIS 60 million (NIS 257 for personal claim)	In September 2019, the Court granted class action status. Pursuant to the decision, the Group is defined as all the Company's customers that purchased a flight ticket from the Company during the seven-year period prior to the filing of the claim, who did not board the flight or the flight segment, and who have not received a refund for all the relevant airport taxes, directly or indirectly (including a refund through the travel agent from which the ticket was purchased), where the Company did not transfer to the different airports the amounts collected to that end or can claim their refund from the airport authorities. The remedies requested by the plaintiff include a refund of the amounts owed by the Company to members of the Group, with the addition of interest and linkage differences from the date on which said amounts should have been refunded and a court order instructing the Company to notify its customers of their rights for airport tax refund.	The Company recognized a provision on its financial statements for the third quarter of 2019 with respect to this lawsuit, based on management assessment and based on the opinion of legal counsel.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

No.	Lawsuit filed on	Lawsuit type / Court	Lawsuit subject	Lawsuit amount	Status	Accounting effects
3	April 2015	Class action lawsuit / Tel Aviv District Court	The lawsuit alleges that the Company has unilaterally modified the terms and conditions of the loyalty club plan, in several attributes which all significantly degrade terms and conditions of the loyalty club plan, with material economic impact to the value of points accumulated by class members.	NIS 1.3 billion (NIS 7,300 for personal claim)	In November 2017, the Court granted class action status. Pursuant to the decision, the Group is defined as all club members who, on the date of each of the changes in the club's program, held membership points whose value had declined due to said changes. In December 2017, the Company filed a motion to appeal to the Supreme Court the ruling by the Court granting class action status. Concurrently, the parties launched a mediation proceeding, which was concluded un-successfully in February 2019. The motion to appeal was denied in October 2019, and the parties agreed to re-launch the mediation proceeding.	The Company recognized a provision on its 2017 financial statements, and later on revised the provision in the fourth quarter of 2019, with respect to this lawsuit, based on management assessment and based on the opinion of legal counsel.
4	August 2016	Motion for approval of class action status / Central District Court	The motion alleges that the Company is engaged in advertising, marketing and sale of airline tickets in accordance with a flight schedule issued by the Company, whereas it does not have sufficient pilots and captains to execute this schedule in the first place.	Un-quantified	The Company has filed its response to the motion. After a pre-trial hearing of the motion, the plaintiff filed a motion to amend the original motion. The motion is in pre-trial proceedings.	Company's management believes, based on the opinion of its legal counsel, that it is more likely than not that the motion will be dismissed.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

No.	Lawsuit filed on	Lawsuit type / Court	Lawsuit subject	Lawsuit amount	Status	Accounting effects
5	December 2016	Motion for approval of class action status / Central District Court	The motion alleges that the Company charges customers who make changes to their flight ticket an additional fee, equal to the difference between the price of the original flight and the price of the alternative flight, when the alternative flight has a lower price.	NIS 92.3 million (USD 179.8 for personal claim)	The Company has filed its response to the motion. The parties have launched a mediation proceeding.	Company's management believes, based on the opinion of its legal counsel, that it is more likely than not that the motion will be dismissed.
6	December 2016	Motion for approval of class action status / Central District Court	The motion alleges discrimination in charging membership fees for the Matmid frequent flyer club.	NIS 60 million	The Company has filed its response to the motion. After discussions between the parties, in February 2020, after the date of the statement of financial position, a motion for approval of a settlement agreement was filed with the Court.	The settlement agreement amount is negligible.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

7	February 2017	Motion for approval of class action status / Central District Court	The motion alleges that in case of delay or cancellation of a flight, the Company acts in violation of the Aviation Services Act, 2012 as well as in breach of other obligations. The class specified in the motion consists, inter alia, of Company customers whose flights have been canceled and who were not reimbursed for the flight cost or offered an alternative flight, at their choice, Company customers who did not receive assistance services and information sheets with regard to their rights to benefits, and Company customers who have received a misleading response from the Company.	NIS 44,615 for personal claim	The Company has filed its response to the motion. The motion is in the summation stage.	The Company recognized a provision on its 2017 financial statements with respect to this lawsuit, based on management assessment and based on the opinion of legal counsel.
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El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

No.	Lawsuit filed on	Lawsuit type / Court	Lawsuit subject	Lawsuit amount	Status	Accounting effects
8	October and November 2017	Motion for approval of class action status / Central District Court	In November 2018, the plaintiff filed a joint motion for class action status, alleging that in many cases, in-flight service is not provided in full, as passengers do not get the promised entertainment services.	NIS 70 million	The Company has filed its response to the joint motion. The proceeding has a pre-trial hearing scheduled.	Company's management believes, based on the opinion of its legal counsel, that it is more likely than not that the motion will be dismissed.
9	October, 2017	Motion for approval of class action status / Central District Court	The motion states various allegations with regard to seats on aircraft that are subject to restriction of their reclined position.	NIS 33 million (NIS 577 for personal claim)	The Company has filed its response to the motion. The proceeding has a pre-trial hearing scheduled.	Company's management believes, based on the opinion of its legal counsel, that it is more likely than not that the motion will be dismissed.
10	February 2018	Motion for approval of class action status / Central District Court	The motion alleges that the Company has abused its position as a certified monopoly in the Tel Aviv-Mumbai route, by charging an unfairly high price to customers who are time-sensitive, further alleging that the fact that Indian airlines avoid entering the Tel Aviv-Mumbai route constitutes a restrictive trade practice.	NIS 321 million (NIS 11,250 for personal claim)	The Company has filed its response to the motion. After the pre-trial hearing, it was agreed that the cause of restrictive trade practice and the relief with regard to non-monetary damage would be removed from the motion and lawsuit. Moreover, the Company was allowed to file a complementary response, which was filed in February 2020, after the date of the statement of financial position; this proceeding has another pre-trial hearing scheduled.	Company's management believes, based on the opinion of its legal counsel, that it is more likely than not that the motion will be dismissed.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

11	March 2018	Amended motion for approval of class action status / Central District Court	The Company charges an unlawful "security fee".	NIS 612 million (NIS 371 for personal claim)	The Company has filed its response to the amended motion, as well as a motion to reject the motion out of hand. The proceeding has a pre-trial hearing scheduled.	Company's management believes, based on the opinion of its legal counsel, that it is more likely than not that the motion will be dismissed.
12	January 2019	Motion for approval of class action status / Central District Court	The motion alleges that the Company calculates different and misleading departure times, in order to reduce flight delays on record, designed to purposefully avoid payment of monetary compensation to passengers.	NIS 297 million (NIS 3,080 for personal claim)	The Company has filed a motion to reject the motion out of hand.	At this preliminary stage, it is impossible to assess the odds of the claim.
13	December 2019	Motion for approval of class action status / Central District Court	The motion alleges that the Company does not compensate passengers who have purchased a flight ticket consisting of two legs, where the first leg of the flight was delayed for less than 8 hours, which caused passengers to miss the subsequent leg, thereby causing them a delay longer than 8 hours.	NIS 60.8 million (NIS 3,120 for personal claim)	The Company has yet to file its response to the motion.	At this preliminary stage, it is impossible to assess the odds of the claim.

El Al Israel Airlines Ltd.

Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings:

Below are details of class action lawsuits brought against the Company:

Derivative lawsuit:

14	November 2018	Motion for approval of derivative lawsuit status / Central District Court	The plaintiff, who owns 247 ordinary Company shares, alleges that the motion was filed further to a criminal investigation of Mr. Pinchas Ginzburg, a former Board member and shareholder of the Company, alleging use of inside information available to him, based on his position and role with the Company, when entering into a transaction to sell part of his holding of Company shares in July 2017.	NIS 9 million	The Company received a verdict ordering the motion for document discovery to be erased; in June 2019, a motion for approval of derivative lawsuit status was filed with the Court. The Court ruled that this proceeding should be delayed until ISA (Israel Securities Authority) would file its position, no later than May 24, 2020. Therefore, the Company has yet to file its response with the Court.	At this preliminary stage, it is impossible to assess the odds of the claim.
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Other than the entries listed in the table above, other motions for class action status have been brought against the Company, as of December 31, 2019, amounting in total to NIS 79.2 million (about USD 22.9 million). With respect to all these motions, the Company has recognized a provision on its financial statements whose amount is non-material.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings: (continued)

Class action cases that have been concluded:

- (15) In February 2019, the Court issued a verdict confirming the motion to withdraw and denying the claim filed by the Israeli Consumer Affairs Council, amounting to USD 40.5 million, which alleged that the Company operated in contravention of the Airport Licensing Regulations (Transfer, assignment and redemption of transport document in scheduled flights), 1983, by setting restrictive conditions for some tickets with regard to ticket redemption, transfer or assignment. It is noted that in respect of this lawsuit, the Company did not recognize a provision in its financial statements and did not compensate the applicants or their attorneys for their withdrawal from the class action.
- (16) Further to Note 15.B.(3) to the 2018 financial statements, regarding a motion for class action status, amounting to NIS 83.5 million, alleging a breach of obligation pursuant to the Disabled Persons' Equality Act, to operate a hearing accessory system in the Ben Gurion Airport, in March 2019 a verdict was issued approving the settlement agreement filed by the parties, in a negligible amount.
- (17) Further to note 15(b)(14) of annual financial statements for 2018, in connection with a motion to certify a class action, in the amount of NIS 300 million, which claimed that the Company and Diners, in their advertisements, are deliberately misleading the holders of Diners Play Card, and do not specify that there is a limit on the monthly number of points that may be accumulated when using the Card to make payments to government ministries, in May 2019, subsequent to the financial position statement date, the court issued a verdict approving the motion to dismiss the certification motion in limine, which was filed by the Company and Diners and ordered that the motion be stricken and required the applicant to pay expenses.
- (18) Further to Note 15.B.(2) to the 2018 financial statements, regarding a motion for class action status, filed with and accepted by the district Court in Jerusalem, with respect to information on the Company's website regarding the conditions for changing and canceling airline tickets, in June 2019, the Court issued a verdict approving and validating the settlement agreement reached by the parties. As part of the settlement agreement approved by the court, it was agreed that the Company would make several changes in the process of purchasing airline tickets on its website, and the transmission of information to its customers at the end of the process. In addition, it was agreed that the Company would pay compensation to its customers, offer a discount on flight ticket changes and pay compensation to the plaintiff and attorney's fees to his lawyers, in the total amount of NIS 7 million ("the Total Settlement Amount"). It is noted that an appropriate provision in respect of the Total Settlement Amount was recognized in the Company's financial statements in previous years. The verdict does not have a significant impact on the Company's financial results.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings: (continued)

Class action cases that have been concluded:

- (19) Further to Note 15.B.(18) to the annual financial statements, regarding a motion for class action status, which was filed against the Company with the Tel Aviv-Jaffa Labor Court, amounting to NIS 131,609 for the personal claim and NIS 205 million for the class claim, which alleged that the Company's payment to its aircrew and flight attendants, in foreign currency, which is defined by the Company as reimbursement of meals and lodging expenses ("per-diem payments"), constitutes wages rather than reimbursement of costs, and the provisions of collective agreements defining per-diem payments as reimbursement of expenses which are not part of the wages, are unlawful and should be canceled, in September 2019 the Court issued a verdict granting the motion to withdraw, which was filed by the applicants and dismissed the lawsuit. It is noted that in respect of this lawsuit, the Company did not recognize a provision in its financial statements and did not compensate the applicants or their attorneys for their withdrawal from the class action.
- (20) Further to Note 15.B.(9) to the 2018 annual financial statements, regarding a motion for class action status, which was filed against the Company with the Tel Aviv District Court ("the Motion"), according to which the Company and/or its employees are deliberately delaying flights, while hurting consumers that are forced to waste time waiting on the aircraft or on the ground, and which claimed personal damages in the amount of NIS 3,000 and class damages estimated at dozens of million of shekels, in November 2019, subsequent to the financial position statement date, a verdict was issued in which the Court granted the motion to withdraw that was filed by the applicants (among others, due to the regulator's position, which was filed during the proceedings), dismissed the Motion and denied the personal damages claimed by the plaintiffs. Note that in respect of this lawsuit, the Company did not recognize a provision on its financial statements and did not compensate the applicants or their attorneys for their withdrawal from the class action.
- (21) Further to Note 15.B.(6) to the 2018 financial statements, regarding El Al flights which, due to various constraints, were conducted by wet lease (leasing an aircraft with its crew) from a foreign Company. In September 2019, a signed settlement agreement was filed for approval by the Court, whereby the parties agreed that for three years, details of flights that use a wet lease would be listed online, the Company would allow its customers, subject to certain conditions, to cancel with no fee payable flights announced that they would be conducted by wet lease, and agreed to allow class members to join the Matmid frequent flyer club at no cost, or to credit number of club points to class members who are already members of the Matmid frequent flyer club, at a negligible amount.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings: (continued)

Class action cases that have been concluded: (continued)

- (22) In October 2019, a motion for class action status was filed against the Company, amounting to NIS 150 million, alleging that one or more Company aircraft, including the aircraft named "Rishon LeZion", are allegedly old and un-maintained, used by the Company to transport paying passengers to several destinations, and that flight conditions in these aircraft materially differ from reasonable conditions and by comparison to other Company aircraft. In January 2020, after the date of the statement of financial position, the Court issued a verdict confirming the plaintiffs' withdrawal from the motion and rejected their personal claims. Note that in respect of this lawsuit, the Company did not recognize a provision on its financial statements.

Details of other major legal proceedings:

- (23) In February 2013, the Company received a statement of claim in the amount of NIS 56 million, which was filed against it with the Tel Aviv District Labor Court by 130 security workers who, as alleged in the statement of claim, were/are employed by the Company as assistant security officers sent to various destinations as needed, for flight security duties. The plaintiffs asked the Court to issue a declaratory relief which will determine that the collective work agreement regulating the rights of workers at the Company applies to the plaintiffs and to order monetary remedies for the various salary components. In April 2016 the Company received an amended statement of claim pursuant to which, inter alia, the amount of the claim was quantified as NIS 86 million, the components of the claim were updated and the number of plaintiffs was now 126. In July 2017, the court issued a verdict dismissing most of the plaintiffs' allegations, including their demand to issue a declaratory relief to determine that the collective work agreement regulating the rights of workers at the Company applies to the plaintiffs, and approved their entitlement for the payment of several wage components. In May 2019, a supplementary verdict was issued, determining the amount of wage differences to which the plaintiffs are entitled in connection with the arguments that were accepted by the Court. In May 2019, the Company filed an appeal against the verdict with the national court, with respect to the components imputed to the Company, and at the same time the plaintiffs filed an appeal with the national court concerning the dismissal of the declaratory relief, as stated, and regarding the components that were dismissed by the court. In respect of this claim, the Company recognized a provision based on management's estimate and the opinion of its legal counsels.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings: (continued)

Details of other major legal proceedings: (continued)

- (24) In August 2014 a lawsuit was filed against the Company by the State of Israel – Ministry of Finance with the Central District Court, in the amount of NIS 58 million. The lawsuit deals with the State's demand for the restitution of funds transferred as consideration from the Company's securities to cover a deficit in the severance pay fund of the Company's employees as part of the Company's privatization in 2003. It is noted that the deficit, as defined in the Agreement, was fully covered in 2007 and there remained a surplus amount between the proceeds of issuances carried out by the Company and the State and the amount deposited in the central severance fund for "entitled employees," as described in the Company's financial statements (see Note 14c.(2)). It was further claimed that the Company received additional proceeds from the issue of options to Company employees, which was to be transferred to the aforesaid severance pay fund. Furthermore, the lawsuit includes an injunction for the provision of accounts regarding the severance pay fund and the claimed deficit.

Regarding a provision made regarding the surplus in the proceeds of the issuance, see note 14(c)(2) above. In line with management's estimates, based on the opinion of its legal counsels, no additional provision was included in the financial statements.

In March 2015, the Ministry of Finance filed an additional claim against the Company with the Central District Court in Lod in the amount of NIS 77 million, regarding profits from the investment of money in the severance pay fund, plus surpluses deriving from accounting regulations (for a non-quantified amount).

In its lawsuit, the Ministry of Finance claimed that some of the surplus in the severance pay fund was created prior to the date on which the State was supposed to cover the deficit in the severance fund; consequently, the amount required by the State to cover the deficit should have been significantly lower than the amount paid in practice, due to reasons related to profits from investments in the fund and a change in IFRS. Therefore, a claim was filed for the reimbursement of these sums.

In March 2016, the Ministry of Finance filed an amended statement of claim against the Company with the Lod Central District Court in the amount of NIS 125 million. The amended statement of claim alleges excess deposits as a result of profits from investments in the severance pay fund and not (as contended in the second original claim from March 2015) excess deposits as a result of changes in the accounting standards. Regarding the additional claim, management estimates, based on the opinion of its legal counsels, that it is more likely than not that the claim will be dismissed.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 15 – Contingent liabilities and provisions (continued)

B. Details of major legal proceedings: (continued)

Details of other major legal proceedings (continued)

Furthermore, regarding the request of an entity known as the “El Al Workers’ Action Committee” to join the Ministry of Finance’s lawsuit as a defendant and the request made by the workers’ union and General Labor Federation in July 2016, the Court decided, with the parties’ consent, to dismiss the Action Committee’s motion to join and to grant the motion to join of the workers’ union and the General Labor Federation as formal defendants. The Court ruled that the workers’ union and the General Labor Federation will not be able to make claims regarding their entitlement to the funds vis-à-vis the Company

In May 2019, the Ministry of Finance filed an amended statement of claim against the Company with regard to the second claim, whereby the amount of the second claim was increased, from NIS 125 million to NIS 133 million, and adding as formal defendants the El Al employee representation and by the New Histadrut HaOvdim Haclalit as ruled by the Court in July 2016 with regard to adding these as formal defendants and further to the parties’ consent on this matter, without allowing the formal defendants to make any claims against the Company with regard to employee eligibility to funds. In August 2019, the Company filed an amended statement of claim. For a partial verdict dated May 3, 2020, after the date of the statement of financial position, approving the Company request to release part of the excess in central severance pay funds opened in conjunction with the privatization of the Company, see Note 14C.(2) above.

- (25) In November 2015, a lawsuit was filed against the Company with the Central District Court in the amount of USD 20 million. The main allegations in the lawsuit concern breach of contract, damages and unjust enrichment as part of a credit card joint venture in the United States between the Company’s frequent flyer club and Heritage Affinity Services Ltd., a company registered in the State of New York, with a wholly-owned subsidiary incorporated in Israel. The Company has submitted a statement of defense as well as a statement of claim in the amount of USD 1.9 million, in respect of HAS’ debts to the Company, in addition to temporary motions to deposit collateral and forfeiture. The evidentiary state of this proceeding has been completed, and it is now in the summation stage. The Company’s management believes, based on the opinion of its legal counsel, that it is more likely than not that the motion will be dismissed.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 16 – Income tax

Deferred taxes are recognized in respect of temporary differences between the value of assets and liabilities for tax purposes and their carrying amount in the financial statements. The deferred tax balances (assets or liabilities) are calculated using the tax rate expected to be in effect upon their realization, in accordance with tax laws substantively enacted as of December 31, 2019, as set forth below.

The calculation of deferred taxes does not take into account taxes that would apply in case of realization of investments in investees, since these temporary differences are under the Company's control and are not expected to reverse in the foreseeable future.

A. Deferred tax balances:

The composition of deferred tax assets (liabilities) are set forth below:

	Balance as of January 1, 2019	Recognized in profit and loss	Recognized on other comprehensive income	Balance as of December 31, 2019
	USD in thousands	USD in thousands	USD in thousands	USD in thousands
Timing differences:				
Fixed Assets	(181,038)	(24,129)		(205,167)
Derivative Financial Instruments	7,274	256	(6,498)	1,032
Provisions, doubtful debt and liabilities with respect to employee benefits	12,932	4,284	1,006	18,222
Total	<u>(160,832)</u>	<u>(19,589)</u>	<u>(5,492)</u>	<u>(185,913)</u>
Unutilized tax losses and benefits:				
Losses for tax purposes *	<u>94,138 **</u>	<u>37,252</u>	<u>–</u>	<u>131,390</u>
	(66,694)			
Total	<u>**</u>	<u>17,663</u>	<u>(5,492)</u>	<u>(54,523)</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 16 – Income tax (continued)

A. Deferred tax balances: (continued)

	Balance as of January 1, 2018 USD in thousands	Recognized in profit and loss USD in thousands	Recognized on other comprehensive income USD in thousands	Balance as of December 31, 2018 USD in thousands
Timing differences:				
Fixed Assets	(174,256)	(6,782)	–	(181,038)
Derivative Financial Instruments	(4,203)	–	11,477	7,274
Provisions, doubtful debt and liabilities with respect to employee benefits	19,321	(5,624)	(765)	12,932
Total	<u>(159,138)</u>	<u>(12,406)</u>	<u>10,712</u>	<u>(160,832)</u>
 Unutilized tax losses and benefits:				
Losses for tax purposes	<u>60,698**</u>	<u>28,388</u>	<u>–</u>	<u>89,086</u>
Total	<u>(98,440)**</u>	<u>15,982</u>	<u>10,712</u>	<u>(71,746)</u>

* The balance of the Company's carryforward tax losses at the end of 2019 was USD 571.1 million. For the entire amount, the Company recognized a tax asset in its financial statements (at the end of 2018: approx. USD 387.3 million).

** See Note 2.D. regarding the effect of adopting IFRS 16 on the balance of deferred tax balances.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 16 – Income tax (continued)

B. Effective tax:

	For the year ending on December 31		
	2019 USD in thousands	2018 USD in thousands	2017 USD in thousands
Profit (loss) before income tax and before the Company's share of associated companies' profits (but incl. revaluation of Maman options)	(77,830)	(68,568)	7,774
Statutory tax rate	23%	23%	24%
Tax expense (tax benefit) at statutory tax rates	(17,901)	(15,771)	1,866
Additional tax in respect of:			
Non-deductible expenses (see Note 15.B.(24) above)	636	271	1,049
Adjustments for changes in tax rates	—	—	(347)
Other provisions	304	(81)	480
Total income tax (tax benefit) presented in the statement of income	(16,961)	(15,581)	3,048

C. Tax laws applicable to the Company:

- (1) Pursuant to the Income Tax Regulations (Rules for Accounting for Foreign Investors Companies and Certain Partnerships and Setting their Taxable Income), 1986, the results of the Company and some of its subsidiaries are measured on a dollar basis for tax purposes. Some of the subsidiaries are assessed jointly with the Company.
- (2) The Company is deemed an industrial company under the Law for the Encouragement of Industry (Taxes), 1969 and, accordingly, is entitled to accelerated depreciation rates on aircraft and equipment. Pursuant to the Income Tax Regulations - Depreciation, 1941, the Company is entitled to depreciate the cost of these assets at an annual rate of 30% and for engines, to depreciate at an annual rate of 40%.

D. Final assessments:

The Company has received tax assessments considered final up to and including the 2002 tax year. In addition, the Company has tax assessments which are considered final up to and including the 2014 tax year.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 17 – Capital and surplus

A. The Company's share capital:

	Registered		Issued and paid up	
	Special share	Ordinary shares	Special share	Ordinary shares
	NIS 1 par value	NIS 1 par value	NIS 1 par value	NIS 1 par value
	NIS	NIS	NIS	NIS
Balance as of December 31, 2019 and 2018	<u>1</u>	<u>1,000,000,000</u>	<u>1</u>	<u>495,719,135</u>

B. The State's Special Share and the rights related thereto:

On May 18, 2003, the Company allocated a special share to the Government of Israel that cannot be sold or transferred. This share was designed to protect the State's vital interests, in accordance with the following Government resolutions:

- Maintaining the Company's existence as an Israeli company, subject to Israeli law;
- Maintaining the operating capability and the flight capability of carrying passengers, and cargo, above a minimum established level;
- Preventing any hostile interests or entities from harming the vital interests of the State, from being an interested party in the Company or having any impact in any other way on its management;
- Maintaining security and safety arrangements as determined by State bodies on behalf of the State.

In addition, the Government Companies Order (Declaration of Vital Interest to the State in El Al Israel Airlines Ltd.), 5765-2004, provides that the State has a vital interest in connection with the Company, to allow the effective use of essential assets (aircraft with a minimum flight capacity, as defined in the Company's articles of association), in emergency times or for safety purposes to secure the continued existence of activity that is essential to the security of the State and the Company will employ, at all times, Israeli air personnel, and in Israel, Israeli land personnel, that are trained and licensed as required for the operation of the essential assets - all in the number that is at least the number required for the continuous and simultaneous operation of all of the essential assets during an emergency or for security needs. As of the signing date of these consolidated financial statements, the provisions of the Order do not require the Company to make any change in the manner of operation or any change in the composition of its employees.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 17 – Capital and surplus (continued)

C. Dividends:

Pursuant to the Company's dividend distribution policy, the Company distributes dividends from time to time, at the discretion of the Board of Directors and subject to the Company's needs.

The implementation of this policy is subject to the provisions of any relevant law as well as assessments made by the Company's board of directors regarding the Company's ability to meet its existing and future liabilities and taking into account the Company's existing and future liquidity, business plans and activities. The adoption of this policy does not derogate from the authority of the Company's board of directors to decide on a change, amendment and/or abolition of the dividend policy that established in said resolution, and/or to approve additional distributions as permitted by the law and/or to decide on a reduction in distributions or to preclude them altogether, taking into account the Company's liquidity, activities and changing business condition from time to time.

Note 18 – Derivative financial instruments and hedge accounting

A. Management of financial risks and their origin:

The Company uses a range of derivative financial instruments to manage exposure to changes in the price of jet fuel, which has a direct impact on the Company's operating expenses, as well as exposure to exchange rates, largely arising from the Company's salary expenses, which are mostly in Israeli currency. The Company also has certain exposure, limited in scope, to other currencies, mainly due to the surplus of receipts over payments in these currencies.

The Company's board of directors is responsible for approving a market risk management policy and supervises the implementation of the policy through the Market Risk Management Committee. The Board of Directors is responsible for setting and revising policy. The Committee is responsible for defining and updating the policy, supervising the policy's implementation and issuing instructions/approvals for Company management to deviate from implementing the policy according to various developments (this Committee receives monthly reports from the CFO). The Company's CEO is responsible for making decisions regarding implementing hedging agreements in practice in accordance with the Committee's policy and guidelines.

The Company's finance division provides services to its business activities, provides access to local and international financial markets, supervises and manages the financial risks involved in the Company's activities by way of internal reports that analyze levels of exposure to risk according to their degree and strength.

As of December 31, 2019, the Company's derivative instruments are designated as cash flow hedges for accounting purposes. The hedging ratios are documented by the Company on the date of entry into the hedge transaction. The documentation identifies the hedging instrument, the hedged item, the hedged risk and the applied hedge strategy, and examines to what extent the strategy is consistent with the Company's hedging policy.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

B. Accounting policy:

The Company has made an early adoption of IFRS 9, and therefore the entry into effect of the standard in its entirety has no impact on the Company's accounting policy with respect to hedges. Accordingly, changes in the value of derivative financial instruments intended to hedge cash flows are first recognized in the statement of other comprehensive profit (and in the Company's equity) and are then charged to the profit and loss statement, with the projected hedged transaction listed in the profit and loss statement (for instance, the purchase of jet fuel). In particular, on the date of recognizing the results of the hedging transaction in the statement of income, the results of the jet fuel hedging transactions are recognized in operating expenses, while forward contracts for hedging against changes in the NIS/USD exchange rate are recognized in payroll expenses, which constitute the projected hedged transaction for these purposes.

When the hedging by options is made using their internal value only, the component of time in respect of these options will also be recognized in other comprehensive income (and presented in the statement of changes in equity in a separate capital reserve) and will be classified to profit and loss upon the occurrence of the hedged transaction or, under certain conditions, on prior dates.

Pursuant to the provisions of IFRS 9, the Company is permitted to hedge the changes in the prices of jet fuel also for the specific risk of changes in the raw material price (crude oil), for example. Furthermore, assessing the effectiveness of hedges is performed prospectively by means of a test based on "economic ratios". Note 18 – Derivative financial instruments and hedge accounting (continued)

C. Composition of derivative financial instruments on the statement of financial position:

	As of December 31, 2019			
	Contractual payment (receipt) date	Nominal amount	Current assets	Non- current assets
		USD in thousands	USD in thousands	USD in thousands
Derivative financial instruments designated as hedging items:				
Jet fuel hedging transactions	1/20-12/21	137,974	3,572	2,229
Interest hedging transactions *	8/20-8/30	469,066	3	4,024
Exchange rate hedging transactions	1/20-8/29	85,309	1,131	—
Total assets for derivative financial instruments			4,706	6,253

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

**C. Composition of derivative financial instruments on the statement of financial position:
(continued)**

As of December 31, 2019					
	<u>Contractual payment (receipt) date</u>	<u>Nominal amount</u>	<u>Current liabilities</u>	<u>Non- current liabilities</u>	<u>Total fair value</u>
USD in thousands					
Derivative financial instruments designated as hedging items:					
Jet fuel hedging transactions	1/20-12/21	137,974	(3,735)	–	2,066
Interest hedging transactions*	8/20-8/30	469,066	–	(7,158)	(3,131)
Exchange rate hedging transactions	1/20-8/29	85,309	–	(2,689)	(1,558)
Total assets for derivative financial instruments			<u>(3,735)</u>	<u>(9,847)</u>	<u>(2,623)</u>

As of December 31, 2018				
	<u>Contractual payment (receipt) date</u>	<u>Nominal amount</u>	<u>Current assets</u>	<u>Non-current assets</u>
USD in thousands				
Derivative financial instruments designated as hedging items:				
Interest hedging transactions *	7/19-1/30	342,373	895	795
Total assets for derivative financial instruments			<u>895</u>	<u>795</u>

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

**C. Composition of derivative financial instruments on the statement of financial position:
(continued)**

As of December 31, 2018					
	Contractual payment (receipt) date	Nominal amount	Current liabilities	Non- current liabilities	Total fair value
		USD in thousands	USD in thousands	USD in thousands	USD in thousands
Derivative financial instruments designated as hedging items:					
Jet fuel hedging transactions	1/19-12/20	146,987	(21,404)	(8,378)	(29,782)
Interest hedging transactions*	7/19-1/30	342,373	—	(2,369)	(679)
Exchange rate hedging transactions	2/19-8/19	167,045	(626)	—	(626)
Total assets for derivative financial instruments			(22,030)	(10,747)	(31,087)

* Reflects the nominal amount

D. Jet fuel derivatives:

The financial hedging of jet fuel prices is designed to guarantee a range of jet fuel purchase prices, in order to hedge the Company's exposure against changes in global jet fuel prices.

According to Company policy in this regard, jet fuel hedging will be carried out for a period of 12-24 months forward, on a monthly basis and at decreasing rates, as follows:

- For the coming month the Company shall hedge no less than 60% and no more than 80% of its jet fuel consumption.
- These percentages will decrease by 5% each month until the 12th month.
- For the 13-18th months, management will be given the option of hedging up to 25% of the Company's expected jet fuel consumption (with no minimum hedging obligation).
- For the 19-24th months, management will be given the option of hedging up to 15% of the Company's expected jet fuel consumption (with no minimum hedging obligation).

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)
D. Jet fuel derivatives: (continued)

Hedging is carried out using various financial instruments as decided by management (price fixing, options and various option structures), using appropriate base assets such as jet fuel, crude oil or refined oil, at the sole discretion of the Company's management.

When hedging jet fuel prices, the Company hedges the refining component only from the Company's engagements in jet fuel purchases, which also include other components such as refining and transportation margins. Since the refining component constitutes the most significant and primary component of these engagements, the hedging agreements are expected to be effective. On occasion, the Company chooses to hedge these transactions by hedging the crude oil component only (by entering into derivatives in which the base asset is crude oil). The crude oil price constitutes the primary component in setting the market price of the jet fuel (80%-85%), while the coefficient between the price of crude oil and the price of jet fuel is examined by the Company from time to time, in order to ensure that hedging the oil component in question constitutes and is expected to constitute effective hedging.

The Risk Management Committee is authorized to exceed the policy set forth above, including with respect to hedging. As of December 31, 2019, the volume of the Company's hedging transactions, as approved by the committee, exceeded the maximum levels defined in the aforementioned policy, for the period of December 2019 – November 2020. As of the reporting date, the Company had commitments for the hedging of jet fuel prices at about 43% of the consumption expected in 2020 and 18% of the consumption expected for 2021.

The following table presents the effect of jet fuel derivatives on the profit and loss, other comprehensive income, equity and cash flows of the Company.

In addition, the table also includes a sensitivity analysis explaining the changes in the Company's results and equity as a result of changes in the value of jet fuel derivatives. The fair value of jet fuel hedging transactions as of the date of the statement of financial position was determined by using of standard forward pricing curves (level 2- quoted prices and observable prices).

As of the report date, the market price for jet fuel was 187 cents per gallon, while as of soon prior to the approval date of this report, the price dropped significantly, to 48 cents per gallon; moreover, some framework agreements with hedging entities also require the Company to provide collateral (interest-bearing monetary deposit) when the fair value exceeds the threshold specified in each framework agreement. The sharp decline in prices of crude oil and jet fuel resulted in the fair value of these hedging transactions, soon prior to the report approval date, being USD 143 million in debit for the Company (hedging transactions for part of the expected consumption for 2020-2021); total collateral the Company was required to provide amounted to USD 48 million. Collateral is increased / decreased daily, based on fluctuations in fair value of the transactions with each of the hedging entities.

Changes to values of derivative financial instruments designated as cash flow hedges are initially recognized on the statement of other comprehensive income, and are later charged to the income statement, when the anticipated hedged transaction (purchase of jet fuel) is charged to the income statement. Since Company business volume is significantly lower than originally planned for 2020, the jet fuel hedge is not effective. Therefore, the outcome of such hedge would be charged to the income statement in 2020.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)
D. Jet fuel derivatives: (continued)

	<i>Effect on profit and loss for the year</i>	<i>Effect on other comprehensive income for the year</i>	<i>Total effect on the Company's equity</i>	<i>Cash flows in respect of derivatives</i>	<i>Increase in asset/ decrease in liability (decrease in asset / increase in liability)</i>
	<u>USD in thousands</u>	<u>USD in thousands</u>	<u>USD in thousands</u>	<u>USD in thousands</u>	<u>USD in thousands</u>
For the year ending on December 31, 2019					
Jet fuel derivatives:					
Balance of jet fuel derivatives as of January 1, 2019					(29,782)
Revaluation of transactions designated as hedging instruments for accounting purposes	–	32,363	32,363	–	32,363
Proceeds in respect of transactions designated as hedging instruments for accounting purposes	2,919	(2,919)	–	2,919	(2,919)
Loss on premiums due to expiry of derivatives designated as hedging instruments	(1,195)	1,195	–	–	–
Payment of premiums for hedging instruments	–	–	–	(2,404)	2,404
Total changes in jet fuel derivatives	<u>1,724</u>	<u>30,639</u>	<u>32,363</u>	<u>515</u>	<u>31,848</u>
Balance of jet fuel derivatives as of December 31, 2019					<u>2,066</u>
Potential effect of a 15% increase (decrease) in jet fuel price on fair value of derivatives as of the end of the year (USD in million)	–	(30.7)/33.5	(30.7)/33.5	–	(30.7)/33.5
For the year ending on December 31, 2018					
Jet fuel derivatives:					
Balance of jet fuel derivatives as of January 1, 2018					16,640
Revaluation of transactions designated as hedging instruments for accounting purposes	–	(23,884)	(23,884)	–	(23,884)
Proceeds in respect of transactions designated as hedging instruments for accounting purposes	24,751	(24,751)	–	24,751	(24,751)
Loss on premiums due to expiry of derivatives designated as hedging instruments	(1,661)	1,661	–	–	–
Payment of premiums for hedging instruments	–	–	–	(2,213)	2,213
Total changes in jet fuel derivatives	<u>23,090</u>	<u>(46,974)</u>	<u>(23,884)</u>	<u>22,538</u>	<u>(46,422)</u>
Balance of jet fuel derivatives as of December 31, 2018					<u>(29,782)</u>
Potential effect of a 15% increase (decrease) in jet fuel price on fair value of derivatives as of the end of the year (USD in million)	–	(31.4)/31.4	(31.4)/31.4	–	(31.4)/31.4

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

E. Currency risk:

Most of the Company's income and expenses are in dollars, which is its functional currency. The Company is exposed to changes in the US dollar's rate compared to other currencies in which it has revenues and expenses, primarily in respect of payroll expenses paid in NIS in Israel. Accordingly, a change in the NIS /USD exchange rate affects the Company's NIS expenses in USD terms.

The Company also has balance sheet exposure to the weakening of the USD compared to the NIS and other currencies, due to excess of financial liabilities over financial assets (mainly due to employee benefit liabilities, see Note 14), denominated in currencies other than the dollar (primarily the NIS). Thus, a 10% decline in the exchange rate would lead to an expense of USD 8.8 million, due to the revaluation of balances in the statement of financial position. From time to time the Company reviews the need to use derivative instruments to reduce currency risk exposure.

According to its policy, the Company hedges up to 75% of its estimated cash flow exposure to the NIS for the 12 months ahead. As from 2019, the Company revised its hedging policy, by determining minimum hedging ratios for the estimated cash flow exposure to the NIS as follows: 40% for the next 3 months, 30% for months 4-6 and 15% for the months 7-9, on a monthly basis. As of December 31, 2019, the Company hedged on average 7% of the anticipated cash flow exposure to NIS in 2020. This deviation from the minimum requirement was approved by the Risk Committee.

The fair value of jet fuel hedging transactions as of the date of the statement of financial position was determined based on commonly used forward price curves (level 2 – quoted prices and observable prices).

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

E. Currency risk: (continued)

Below is the effect of the Company's NIS-USD derivatives on the profit and loss, other comprehensive profit, equity and cash flows for 2018.

	Effect on profit and loss for the year	Effect on other comprehe nsive income for the year	Total effect on the Company's equity	Cash flows in respect of derivatives	Increase in asset/decrease in liability (decrease in asset / increase in liability)
	USD in thousands	USD in thousands	USD in thousands	USD in thousands	USD in thousands
For the year ending on December 31, 2019					
Exchange rate derivatives:					
USD/NIS derivatives balance as of January 1, 2019					(626)
Revaluation of transactions designated as hedging instruments for accounting purposes	–	6,574	6,574	–	6,574
Payment of transactions designated as hedging instruments for accounting purposes	5,361	(5,361)	–	5,361	(5,361)
Revaluation of loan hedging transactions in Japanese yen (see note 13(b)(3))	(95)	(2,143)	(2,238)	–	(2,238)
Interest rate in respect of loan hedging transactions in Japanese yen (see note 13(b)(3))	(451)	–	(451)	–	(451)
Cost of premiums in respect of the expiry of derivatives designated as hedges, which was recognized in profit and loss upon the expiry thereof	(441)	441	–	–	–
Payment of premiums for hedging instruments	–	–	–	(544)	544
Total changes in foreign exchange derivatives	4,374	(489)	3,885	4,817	(932)
USD/NIS derivatives balance as of December 31, 2019					(1,558)
Potential effect of 10% decrease/ (increase) in the interest rate on the fair value of derivatives at the end of the year (in USD million)	–	(9.4)/11.7	(9.4)/11.7	–	(9.4)/11.7

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

E. Currency risk: (continued)

For the year ending

on December 31, 2018

Exchange rate derivatives:

USD/NIS derivatives balance

as of January 1, 2018

—

Revaluation of transactions designated
as hedging instruments for accounting
purposes

— (3,978) (3,978) — (3,978)

Payment of transactions designated as
hedging instruments for accounting
purposes

(3,352) 3,352 — (3,352) 3,352

**Total changes in foreign exchange
derivatives**

(3,352) (626) (3,978) (3,352) (626)

USD/NIS derivatives balance

as of December 31, 2018

(626)

Potential effect of 10% decrease/
(increase) in the interest rate on the fair
value of derivatives at the end of the
year (in USD million)

— (10.5)/12.8 (10.5)/12.8 — (10.5)/12.8

F. Interest risk:

The Company is exposed to interest risk deriving from loans at variable interest rates. The risk is managed by the Company which maintains a proper ratio between floating interest loans and fixed interest loans, and uses interest rate derivatives. Hedges are assessed regularly in order to match them to forecasts regarding interest rates and the desired hedged risk. An optimal hedging strategy is ensured by adapting the Company's loan mix and performing back-to-back hedging vis-à-vis the amortization schedules of existing loans.

In accordance with the Company's policy, the Company hedges its cash flow exposure to the LIBOR interest rate (exposure arising from Company loans), at a rate of up to 50% of its total exposure for a period of up to five years. As of 2019 the hedging policy was revised so that the hedging period will correspond to the duration of the loan.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

F. Interest risk: (continued)

Below is the impact of the Company's interest rate derivatives on the profit and loss, other comprehensive profit, equity and cash flows for 2019.

The fair value of interest rate hedges as of the financial position statement date was determined using standard interest curves (Level 2).

	Effect on profit and loss for the year	Effect on other comprehensive income for the year	Total effect on the Company's equity	Cash flows in respect of derivatives	Increase in asset/decrease in liability (decrease in asset / increase in liability)
	USD in thousands	USD in thousands	USD in thousands	USD in thousands	USD in thousands
For the year ending on December 31, 2019:					
Interest rate derivatives:					
Balance of interest rate derivatives as of January 1, 2019					(679)
Revaluation of transactions designated as hedging instruments for accounting purposes	–	(1,259)	(1,259)	–	(1,259)
Proceeds in respect of transactions designated as hedging instruments for accounting purposes	1,193	(1,193)	–	1,193	(1,193)
Total changes in interest rate derivatives	1,193	(2,452)	(1,259)	1,193	(2,452)
Balance of interest rate derivatives as of December 31, 2019					(3,131)
Potential effect of a 50% increase (decrease) in interest rate on fair value of derivatives as of the end of the year (USD in million)	–	(22.4)/21.0	(22.4)/21.0	–	(22.4)/21.0

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 18 – Derivative financial instruments and hedge accounting (continued)

F. Interest risk: (continued)

For the year ending on

December 31, 2018:

Interest rate derivatives:

Balance of interest rate derivatives as of January 1, 2018					1,645
Revaluation of transactions designated as hedging instruments for accounting purposes	–	(1,494)	(1,494)	–	(1,494)
Proceeds in respect of transactions designated as hedging instruments for accounting purposes	830	(830)	–	830	(830)
Total changes in interest rate derivatives	830	(2,324)	(1,494)	830	(2,324)
Balance of interest rate derivatives as of December 31, 2018					(679)
Potential effect of a 50% increase (decrease) in interest rate on fair value of derivatives as of the end of the year (USD in million)	–	(9.2)/9.2	(9.2)/9.2	–	(9.2)/9.2

The effect of the Corona Virus crisis on the global economy resulted in significant decrease in long-term interest rates after the date of the statement of financial position, hence the fair value of hedging transactions conducted by the Company prior to the issue date of this report amounted to USD 49 million in debit for the Company. According to framework agreements with hedging entities, the Company is required to provide collateral (in the form of interest-bearing deposit) when the fair value exceeds the threshold specified in each framework agreement. As of the date of the report's approval, the Company was required to provide collateral against hedging transactions for interest rates and for JPY, amounting in total to USD 23 million. Collateral is increased / decreased daily, based on fluctuations in fair value of the transactions with each of the hedging entities.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 19 – Supplementary information on the statement of income

A. Operating income:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Revenue from passenger aircraft:			
Revenue from passengers in regular Company flights	1,887,773	1,835,361	1,784,688
Revenue from cargo transport in the belly of passenger planes	97,520	102,461	88,352
Revenue from Sun D'or flights	93,225	97,161	94,189
Total revenue from passenger aircraft	2,078,518	2,034,983	1,967,229
Revenue from cargo transport in cargo planes	35,018	42,774	64,454
Total revenue from passenger and cargo transport (1)	2,113,536	2,077,757	2,031,683
Other revenue (2)	64,461	64,236	65,315
	2,177,997	2,141,993	2,096,998

(1) Below is a breakdown of Company revenues from passenger and cargo transport by geographic regions:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
America	790,418	770,586	702,138
Europe	1,035,675	1,006,942	1,012,430
Asia and Africa	287,443	300,229	317,115
Total revenue from passenger and cargo transport (1)	2,113,536	2,077,757	2,031,683

(2) Other revenue mainly include income from the sale of Duty Free products, flight food services, maintenance services for other entities, passenger club membership fees, loading and unloading services, among others.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 19 – Supplementary information on the statement of income (continued)

B. Operating expenses:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Fuel	479,803	523,400	426,842
Payroll and related expenses	489,579	454,960	440,184
Airport fees and services	212,523	223,745	212,132
Aircraft maintenance, flight equipment and ground equipment	127,166	109,810	112,415
Air passage and aerial communications	85,284	90,255	89,782
Depreciation – owned equipment	119,309	117,459 *	129,794 *
Right-of-use asset	92,685	–	–
Leasing fees for planes and engines	45,399	144,818	116,499
Food and provisions	61,764	59,464	57,225
Air crew expenses	64,447	68,329	64,188
Security expenses less State participation (1)	4,303	4,434	4,028
Other operating expenses	52,542	49,063	82,179
Total	1,834,804	1,845,737	1,735,268

(1) Participation in security expenses - the percentage of the State's participation in the Company's security expenses in 2019, 2018 and 2017 was 97.5%.

* Re-classified - see Note 9.B.1.

C. Selling expenses:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Commissions to agents and credit card companies	94,794	108,793	106,636
Payroll and related expenses	50,690	51,808	51,455
Advertising and public relations	25,096	19,306	18,382
Expenses in respect of distribution systems	25,633	21,122	20,015
Other selling expenses	17,589	14,087 *	12,736 *
Total	213,802	215,116	209,224

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 19 – Supplementary information on the statement of income (continued)

D. Administrative and general expenses:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Payroll and related expenses	68,581	68,455	70,022
Professional services	7,484	10,803	8,193
Media	1,891	2,412	3,111
Rent and office maintenance	6,410	8,532	7,582
Insurance	2,410	1,805	2,050
Depreciation – owned equipment	15,590	13,925 *	13,264 *
Right-of-use asset	3,573	–	–
Others	33,351	26,529	22,578
Total	139,290	132,461	126,800

E. Other income, net:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Expenses with respect to employee retirement plans, net (see Note 14.K)	701	540	731
Capital gain from realized fixed assets and compensation with respect to damage to aircraft (see Notes 9.F and 9.G)	(13,190)	(14,541)	(3,998)
Others	(9)	–	(4)
Total	(12,498)	(14,001)	(3,271)

* Re-classified - see Note 9.B.1.

F. Financing expenses:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Interest on loans	33,831	26,118	19,078
Interest with respect to lease liabilities *	43,630	–	–
Loan raising fees and other banking expenses	6,450	5,118	4,907
Exchange rate differentials with respect to non-USD balances	2,883	718	–
Total	86,794	31,954	23,985

* See Note 2(D) regarding the application of IFRS 16 "Leases"

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 19 – Supplementary income statement information (continued)

G. Financing income:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Interest on short-term bank deposits	2,747	3,007	2,040
Exchange rate differentials with respect to non-USD and other balances	3,042	194	1,443
Total	5,789	3,201	3,483

Note 20 – Segment Reporting

During February 2018, following the appointment of Mr. Gonen Usishkin as Company CEO, there were changes in the information reviewed by him, as the Company's Chief Operating Decision Maker (CODM), for the purpose of allocating resources on a continued basis. In line with the new review format, the Company has a single operating segment, the objective of which is to maximize the Company's overall profitability. As a result, the Company's results are no longer presented by operating segments.

Note 21 – Subsidiaries

A. Details on the companies owned by the Company

(1) Sun D'or International Airlines Ltd. ("Sun D'or"):

The Group's charter flights are carried out by Sun D'or (a company wholly owned by El Al). Sun D'or is a tour operator for wholesalers and individuals and markets charter flights and regular flights, by chartering entire aircrafts to a third party or portions of aircrafts to a number of partners at pre-agreed prices, or through direct sales.

Starting 2011, Sun D'or has to serve as a tourism organizer, while preserving the "Sun D'or" label for charter flights it markets and which are carried out by the Company (on weekdays) and by other airlines (on weekend and holiday flights).

(2) Tamam Tamam Aircraft Food Industries (Ben Gurion Airport) Ltd.

Tamam (a company wholly-owned by El Al) is primarily engaged in the production and supply of prepared kosher airline meals. The company has recently expanded its non-aviation activity and it supplies, inter alia, institutional catering services. Tamam is located in Israel. Its factory and offices are located in Ben Gurion Airport. The Company is the principal customer of Tamam.

In December 2016, Tamam signed a licensing agreement with the Airport Authority for the production, transport, unloading, loading and supply of food, beverages, and related products to airplanes in Ben Gurion Airport. In August 2016 Tamam won a tender published by the Airport Authority for the receipt of up to three licenses for the production, transport, unloading, loading and supply of food, beverages and related products to airplanes ("the Tender").

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 21 – Subsidiaries: (continued)

A. Details on the companies owned by the Company: (continued)

In accordance with the terms of the tender, Tamam will build and operate a facility, in lieu of the existing facility, for the supply of airplane food for a period of 25 years. The investment in the construction of the above facility, its maintenance and the annual licensing fees which Tamam will be required to pay to the Airport Authority are in immaterial amounts.

In December 2017, Tamam was notified by the Airport Authority that the government has given its approval for the budget, which was a suspensive condition for the commencement of activity, by virtue of the tender, and it began designing the facility. Pursuant to the aforementioned agreement, Tamam is required to complete construction of the facility by end of 2020. Note that due to implications of the Corona Virus crisis on Company operations, the Company did not continue the process of constructing this facility, and this project has been put on hold. The Company has applied to Israel Airport Authority to further discuss this matter after the end of this crisis.

(3) Bornstein Caterers Inc. (USA) ("Bornstein"):

Borenstein (a wholly-owned subsidiary of the Company), which was incorporated in the United States and operates out of New York's JFK airport, deals mostly in the production and delivery of prepared Kosher meals for airlines and other institutions. The Company is Borenstein's primary customer.

(4) Superstar Holidays Limited (UK) ("Superstar"):

Superstar (a wholly-owned subsidiary of the Company), is a tourism wholesaler which markets tour packages to travel agents and individual travelers, and sells airline tickets on Company routes at reduced prices. Superstar has operations in other countries besides the UK.

(5) Katit Ltd. ("Katit"):

Katit (a wholly-owned subsidiary of the Company) operates several restaurants for Company employees at Ben Gurion Airport, cafeterias in the Company's office buildings and catering for the King David Lounge at Ben Gurion Airport.

(6) Cockpit Innovation Ltd" ("Cockpit"):

Cockpit was established in 2016 by the Company to be its operating arm as an incubator for investment projects related to the aviation field, both in terms of financial support and in terms of collaboration with the Company for the promotion of the projects.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 21 – Subsidiaries (continued)

A. Details on the companies owned by the Company (continued)

(6) Cockpit Innovation Ltd" ("Cockpit");(continued)

In December 2018, Cockpit, the Company and Gate Gourmet Switzerland GmbH (hereinafter – "Gate Gourmet"), a subsidiary of the Gate Group (a leading global airline catering company) entered into a share allocation agreement, pursuant to which Gate Gourmet was allocated 10.2% of Cockpit's shares (on a fully diluted basis), in return for Gate Gourmet's USD 2.5 million investment in Cockpit. As of the reporting date, the Company holds 80.9% of Cockpit's shares while Boeing and Gate Gourmet hold 8.9% and 10.2% (on a fully diluted basis), respectively. In respect of this transaction, the Company recognized equity attributable to owners in the amount of USD 1.8 million and non-controlling interests in the amount of USD 0.7 million. It is noted that the loss attributable to Cockpit's non-controlling interests is negligible.

(7) Fly In, a Limited Partnership ("Fly In")

The Company holds 50.09% of Fly In, while the remaining interests are held by the Phoenix Insurance Agencies 1989 Ltd. ("the Phoenix"), a wholly-owned subsidiary of the Phoenix Insurance Company Ltd., and a company established by the Phoenix, which serves as the general partner (0.02%) ("The Partnership"). The Partnership will operate an insurance agency that will engage in the sale and marketing of travel insurance and other insurance products, among others, to the Company's frequent flyer club customers. It is noted that as of the date of approval of the report, the insurance agency has not yet obtained the license for its independent operation and there, as of this date, its activities are carried out by the Phoenix Insurance Agency and a licensed agency related thereto.

B. Translation of financial statements of investees whose functional currency is other than USD:

In order to present the consolidated financial statements, the assets and liabilities of these companies are presented in US dollars according to the exchange rates in effect as of the end of the reported period, and income and expense items are translated according to the average exchange rates in the reported period. The translation differences are recognized in other comprehensive earnings under "exchange rate differences from the translation of foreign operations," and will be classified to profit or loss on the date of disposal of the foreign operation in respect of which the translation differences were created.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 21 – Subsidiaries (continued)

C. Material transactions and agreements with the subsidiaries: (continued)

As stated in Note 2(a), the Company did not include separate financial information in its periodic reports for 2017 and 2016 in accordance with Regulation 9(c) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, due to the negligibility of the added information. The Company has agreements with investee companies as follows:

Company	Activity type	Scope of activity	
		For the year ending on December 31	
		2019	2018
		USD in thousands	USD in thousands
Sun D'or	Leasing planes and provision of related services	82,558	88,060
Tamam	Purchase of food for Company flights from Ben Gurion Airport	31,402	29,196
Bornstein	Purchase of food for Company flights from New York	7,468	6,290
Superstar	Sale of airline tickets and land arrangements	6,386	5,346
Catit	Catering for employees and food services at the King David Lounge in Terminal 3	5,212	5,243

Note 22 – Transactions with interested parties and affiliates

A. The Company's controlling shareholder:

As of January 2005, Knafaim Holdings (**hereinafter – "Knafaim"**), which is controlled by the Borovitz family and additional shareholders, is the Company's controlling shareholder. As of December 31, 2019, Knafaim held 38.33% of Company shares.

The following is a general description of the transactions with Knafaim and companies in which the controlling shareholders of the Company have a personal interest, their characteristics and their scope:

Operating revenues in 2019, 2018 and 2017 include revenues from a company controlled by Knafaim, amounting to USD 1,151 thousand, USD 1,244 thousand and USD 792 thousand, respectively.

Operating expenses in 2019, 2018 and 2017 include transactions with Knafaim and companies in which the controlling shareholders of the Company have a personal interest, amounting to USD 401 thousand, USD 645 thousand and USD 813 thousand, respectively.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

A. The Company's controlling shareholder: (continued)

Selling expenses in 2019, 2018 and 2017 include transactions through a third party with advertising companies in which the controlling shareholders of the Company have a personal interest, amounting to USD 241 thousand, USD 247 thousand and USD 781 thousand, respectively.

General and administrative expenses in 2019, 2018 and 2017 include expenses with respect to Board member liability insurance, amounting to USD 87 thousand, USD 87 thousand and USD 141 thousand, respectively.

For group insurance agreement, see section B(2)(b) below.

B. Transactions with interested parties and affiliates:

1. Transactions with a controlling shareholder:

- (a) Group Board members and officers are covered by Board member and officer liability insurance, under a group insurance policy obtained by Knafaim for officers of Knafaim, subsidiaries and affiliates thereof, pursuant to a framework transaction approved by the annual and special General Meeting of Company shareholders on November 29, 2017 and in conformity with the Company's remuneration policy ("the **Framework Transaction**") for joint purchase of Board member and officer liability insurance policy in the Company and in subsidiaries thereof (including with respect to controlling shareholders of the Company serving as Board members and officers), as they may be from time to time, for an additional 3-year period from December 28, 2017 through December 27, 2020.

On August 11, 2019, the Audit and Remuneration Committee approved, and on August 13, 2019 the Company Board of Directors approved continued contracting, through Knafaim, with Menora Mivtachim Insurance Ltd., to renew the Board member and officer liability insurance policy, including Board members considered to be controlling shareholders of the Company, serving from time to time the Company, subsidiaries and affiliates thereof, for an additional period from August 1, 2019 through July 31, 2020, pursuant to the Framework Transaction. The liability limit in the insurance policy obtained is in conformity with terms and conditions of the Framework Transaction, at USD 100 (one hundred) million. In addition to the aforementioned liability limit, insured parties are eligible to reasonable legal expenses beyond the aforementioned liability limit, pursuant to the Insurance Contract Act, 1981.

In accordance with the terms of the policy and the Framework Transaction, the Company's share of the insurance premium fees is USD 123,750 thousand per year, representing 70% of the total premium fees for the group insurance policy, as recommended by the insurance advisors, taking into account the various parameters examined by them – shareholders' equity, balance sheet and experience in claims (Knafaim incurs the additional 30% of the premium fees). The deductible ranges between USD 10-75 thousand, based on the type and nature of the claim.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

B. Transactions with related parties and other interested parties: (continued)

The Audit and Remuneration Committee approved, in conformity with Regulation 1B1 of the Corporate Regulations (Relief for transactions with interested parties), 2000 ("the **Relief Regulations**"), that the contracting terms are in line with the Company's remuneration policy. Furthermore, the Audit and Remuneration Committee and the *Company Board of Directors* approved this contracting pursuant to provisions of Regulation 1(3) and 1B(5) of the Relief Regulations, and determined that this contracting is in line with terms and conditions set forth in the Framework Transaction.

Furthermore, the Audit and Remuneration Committee and the Board of Directors confirmed that this contracting is identical for all Company officers, including officers who are controlling shareholders, as they may have been or will be from time to time, is at market terms and may not materially impact Company earnings, assets or liabilities.

(b) On November 29, 2017, the annual and special General Meeting of Company shareholders approved the issue of letters of indemnification to Company Board members, including Board members who are controlling shareholders of the Company (currently: Tamar Moses-Borowitz and Sophia Kimmerling), for a three-year period as from December 29, 2017, as well as amendment of letters of indemnification to all Company officers.

(c) On December 11, 2018, Nimrod Borowitz, CPA ("**Nimrod**") was appointed VP, Strategy, Aircraft Procurement and Business Development.

Nimrod is the son of Mr. David Borowitz (a controlling shareholder of Knafaim, the controlling shareholder of the Company, who is the husband of Tamar Moses Borowitz, Deputy Chairperson of the Board of Directors and a controlling shareholder of Knafaim) and nephew of Professor Israel (Izzy) Borowitz, a controlling shareholder of Knafaim. Therefore, this agreement was approved as a transaction in which the controlling shareholder has a personal interest.

On January 15, 2020, an extraordinary General Meeting of Company shareholders, after receiving approvals by the Audit and Remuneration Committee and by the Company Board of Directors, approved Nimrod's revised terms of employment, as follows: Increase of their gross monthly salary to NIS 61 thousand (linked to the CPI) and revision of their other terms of employment, to be similar to those of other VPs at the Company, effective as from February 1, 2020. For reduction in Nimrod's salary due to the Corona Virus crisis, see Note 1 to the financial statements.

Nimrod has been employed by the Company since March 2009 in various roles.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

B. Transactions with related parties and other interested parties: (continued)

Nimrod's previous terms of employment, as approved by the General Meeting of Company shareholders on June 28, 2017 (after receiving approvals from the Audit and Remuneration Committee and from the Company Board of Directors), upon their appointment to the position of Deputy VP, Strategy, Aircraft Procurement and Business Development of the Company, were as follows:

(a) Gross monthly salary of NIS 48 thousand, linked to the CPI; (b) Contributions towards retirement insurance and study fund, as customary for the Company, and provision of a Company car; and (c) eligibility for airline tickets as customary at the Company.

(d) Ms. Dganit Palti ("**Dganit**") has been serving as CFO of the Company since March 2014. On May 23, 2017, following the approval of the audit and compensation committee, the Company's board of directors approved the revisions made in the employment agreement with Ms. Dganit Palti ("**Dganit**"), Company CFO, and her salary increase to NIS 88,000 as of April 2017. Dganit's other terms of employment are similar to those of other VPs, in conformity with the Company's officer remuneration policy. Dganit's husband is a director in Knafaim, the Company's controlling shareholder, and there are business ties between a company owned by Mr. and Mrs. Palti and companies owned by Mrs. Tamar Moses-Borowitz, deputy chairman of the board and one of the controlling shareholders of Knafaim. Therefore, this contracting was approved as a transaction in which a controlling shareholder has a personal interest, classified as a non-exceptional transaction. For reduction in Dganit's salary due to the Corona Virus crisis, see Note 1 to the financial statements.

(e) On March 6, 2018, an extraordinary General Meeting of Company shareholders, after receiving approvals by the Audit and Remuneration Committee and by the Company Board of Directors, approved extension of the employment contract of Ms. Dalit Moses ("**Dalit**") by the Company for a 3-year period as from June 1, 2018 and revision of her terms of employment as set forth below. Dalit is the wife of Mr. Arnon (Noni) Moses, brother of Ms. Tamar Moses Borowitz, who serves as Deputy Chairperson of the Company and is a controlling shareholder of the Company. Therefore, this agreement was approved as a transaction in which the controlling shareholder has a personal interest. As approved by the General Meeting, Dalit's employment terms were revised for a three-year period, as follows: (a) Dalit was promoted by one rank, to Unit Manager at the Matmid frequent flyer club, and is entitled to a gross monthly salary of NIS 8,000 for 50% full-time equivalent position, plus car expenses as customary at the Company; (b) should Company employees be paid a bonus, Dalit would be entitled to an annual bonus for each year between 2017-2019, not to exceed the average annual bonus amount (in terms of gross pay for 50% full-time equivalent position) payable to employees up to her rank, and subject to additional conditions as specified. Dalit is also entitled to social benefits (retirement insurance and study fund), paid leave and sick leave as customary at the Company, as well as to benefits and discounts with regard to airline tickets with tax gross-up, as customary at the Company and in conformity with Company procedures. As of the publication date of this report, Dalit is on furlough.

El Al Israel Airlines Ltd.**Notes to the consolidated financial statements****Note 22 – Transactions with interested parties and affiliates (continued)**

- (f) On December 3, 2019, the General Meeting of Company Shareholders approved, in conjunction with approval of the Company's officer remuneration policy for 2020-2022, the remuneration for Company Board members for a further three-year period, including Board members who are controlling shareholders of the Company, except for the Chairperson of the Board of Directors, whose remuneration was specifically approved. Note that external and independent Board members are entitled to remuneration for attending meetings and to annual remuneration, as set forth in the remuneration policy, and are not entitled to benefits with regard to airline tickets. Note that for calculation of the benefit value of airline tickets as set forth above, the flight ticket value was calculated based on its value for tax purposes, based on customary Company tariffs. For reduction in remuneration of Board members due to the Corona Virus crisis, see Note 1 to the financial statements.
- (g) Entitlement of the retiring Chairperson of the Board of Directors, Professor Israel (Izzy) Borowitz, to airline tickets with the Company for them and for family members thereof – Professor Israel (Izzy) Borowitz is a controlling shareholder of Knafaim, the controlling shareholder of the Company. The transaction was approved by the Audit Committee, by the Company Board of Directors and by the General Meeting of Company shareholders held on December 30, 2008.

2. Negligible transactions or non-exceptional transactions with controlling shareholder:**Non-exceptional and non-negligible transactions with controlling shareholder**

- a) From time to time, the Company enters into aviation insurance agreements with insurers. As from 2006, soon after Knafaim became the controlling shareholder of the Company, Knafaim joined the Company's aviation insurance policy and the terms of contracting between the parties were covered by the aviation insurance agreement, which was renewed every three years ("**Aviation Insurance Agreement**"). Upon termination of the extension of this agreement (on November 25, 2017), a decision was made to revise the contracting of the Aviation Insurance Agreement, such that Global Leasing Knafaim Ltd. ("**Global Leasing**"), a public company controlled by Knafaim, would contract the Aviation Insurance Agreement with the Company of Knafaim and it was further decided to obtain separate insurance policies for the Company and for Global Leasing, rather than a single insurance policy as has been the case to date. On November 19, 2017 and on November 21, 2017, the Audit and Remuneration Committee and the Company Board of Directors, respectively, approved contracting by the Company with Global Leasing of an agreement for three years through November 25, 2020 ("**the Revised Agreement**"), at terms and conditions similar to those of the original agreement signed by the parties in July 2006 and extended from time to time. Pursuant to the agreement, Global Leasing pays to El Al an administrative fee for El Al's handling of the aforementioned insurance policies.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

Approval of the Revised Agreement by the Audit and Remuneration Committee and by the Board of Directors is granted for a three-year period, and the Company may terminate this agreement upon occurrence of certain events, as set forth in the Revised Agreement. Moreover, either party has the right to terminate the agreement, for any reason and at its discretion, provided that the other party was notified 60 days in advance.

Pursuant to Section 117(1a) of the Corporate Act, 1999 ("the **Corporate Act**"), the Audit and Remuneration Committee has classified the agreement with Global Leasing as a "non-exceptional transaction", and has determined that it was contracted in the normal course of Company business, at market terms and may not materially impact the Company's earnings, assets or liabilities. The Company Board of Directors approved the agreement with Global Leasing and resolved that this agreement is in the Company's best interest.

- b) The Company Board of Directors approved contracting by the Company with Yedioth Aharonoth Group as follows: (1) Contracting the purchase of advertising space in various media owned by Yedioth Aharonoth Group (approved in December 2017); (2) Contracting the purchase of newspapers and magazines in Israel (approved in December 2020) and in New York (approved in December 2017) from Yedioth Aharonoth Group, for distribution to passengers on Company flights; (3) Contracting the purchase of subscriptions to newspapers of Yedioth Aharonoth Group for Company managers (approved in November 2018); (4) Contracting with a third party provider of a platform for in-flight reading newspapers and magazines owned, inter alia, by Yedioth Aharonoth Group (approved in April 2019, this contracting is not in effect); (5) Contracting by Tour Air Israel Ltd. "**Airtour**") with website "Big Deal", owned by YNET (of Yedioth Aharonoth Group), whereby the website Big Deal would distribute for Airtour airline tickets, at similar terms to Airtour co-operations with other entities (approved in February 2018). Note that the Company holds 50% of Airtour shares.

Contracts with Yedioth Aharonoth Group were classified as transactions in which a controlling shareholder of the Company has a personal interest, since Yedioth Aharonoth Group is controlled by the brother of Ms. Tamar Moses Borowitz, Deputy Chairperson of the Company Board of Directors and a controlling shareholder of Knafaim, the controlling shareholder of the Company.

The Audit and Remuneration Committee has determined that these agreements are not exceptional transactions. The Company Board of Directors has reviewed these agreement and concluded that they are in the Company's best interest.

- (c) (1) In April 2017, the Company Board of Directors approved the Company contracting with QAS Israel Ltd. ("**QAS**"), whereby the Company provides line maintenance services to airlines represented by QAS in Israel, and QAS provides such services to the Company as required. Knafaim owns 50% of the issued and paid-in share capital of QAS, and Mr. Shlomo Hanel, who is a Board member of the Company and Chairman of the Board of Directors of Knafaim, serves as Chairman of the Board of Directors of QAS. Therefore, Company contracts with QAS were classified as contracts in which a controlling shareholder of the Company has a personal interest. The Audit and Remuneration Committee has determined that these agreements are not exceptional transactions and has approved these agreements. The Company Board of Directors has reviewed these agreement and concluded that they are in the Company's best interest.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

- (2) In August 2019, the Company Board of Directors approved and ratified the Company contracting with QAS, whereby the Company has been providing to QAS, since 2010, repair and maintenance services for various tools owned by QAS ("**Ground Equipment Maintenance Services**" or "**the Contract**"), pursuant to a price list agreed by the parties. Due to human error, the Contract was not previously brought for approval by the Company organs as required by law. The Audit and Remuneration Committee has determined that the Contract is not an exceptional transaction and has approved the Contract. The Company Board of Directors has reviewed the Contract and concluded that it is in the Company's best interest. Furthermore, the Company Board of Directors approved that contracting with QAS in 2019 is a negligible transaction, as defined below. Note that the Company's financial statements for 2010-2018 included, in the Note regarding Company revenues from transactions with interested parties, all revenues from QAS for maintenance services, i.e. both revenues from provision of Ground Equipment Maintenance Services to QAS (which were not approved in time) and from line maintenance services (which were approved in time), as noted above.

In December 2019, the Company Board of Directors approved the extension of Company contracting with QAS for provision of Ground Equipment Maintenance Services, from January 1, 2020 through December 31, 2022, as set forth above, after the Audit and Remuneration Committee had determined that these agreements do not constitute exceptional transactions and had approved these agreements. The Company Board of Directors has reviewed these agreement and concluded that they are in the Company's best interest.

Note that all the agreements listed above in section B2(a) through B2(c)(2) are not material relative to Company revenues and/or expenses, as the case may be. These agreements are included in financial data below.

Non-exceptional negligible transactions with controlling shareholder

"Negligible transaction"

On March 18, 2014, the Company Board of Directors set the guidelines and rules for classification of a transaction by the Company, a subsidiary or an associate thereof, with an interested party therein as a "negligible transaction". These rules and guidelines are used by the Company to determine the extent of disclosure in the periodic report and in the prospectus (including in shelf proposal reports) as regards transactions by the Company, a corporation under its control, its subsidiary or associate, with a controlling shareholder or in which the controlling shareholder has a personal interest in its approval as defined in Article 22 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 and Article 54 of the Securities Regulations (Prospectus Details and Prospectus Draft – Structure and Form), 5729-1969 ("Prospectus Details Regulations") (the types of transactions set in the Financial Statements Regulations, the Periodic Report Regulations and the Prospectus Details Regulations denoted above, shall be called "Transactions with Interested Parties").

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

Accordingly, the Board of Directors has determined that in absence of special qualitative considerations arising from all circumstances of the matter, an Interested Party Transaction conducted in the normal course of Company business, at market terms and with no material effect on the Company, would be considered a "negligible transaction" if all of the following conditions are met:

- (a) The annual contract value (per calendar year) stated therein is up to NIS 1 million. Should the Company not own all of the rights and obligations in the transaction, the transaction shall be evaluated pro-rata to the Company's share of the transaction.
- (b) The Company is not required to issue an immediate report of the transaction pursuant to the Periodic and Immediate Reports regulations, or to any other law.
- (c) The transaction does not concern terms of office and employment of an interested party or relative thereof (as defined in the Corporate Act, 1999, hereinafter: "the Corporate Act").

In general, any interested party transaction would be separately reviewed for classification as a negligible transaction, based on the relevant benchmarks on the Company's most recent audited consolidated annual financial statements. Relevant benchmarks for review of transactions include the following: (1) Total sales subject of the interested party transaction; (2) Total cost of sales subject of the interested party transaction; (3) Total assets subject of the interested party transaction; (4) Total liabilities subject of the interested party transaction; or (5) Total expenses or consideration subject of the interested party transaction.

In cases where, at the Company's discretion, all of the aforementioned benchmarks are not relevant for review of negligibility of the interested party transaction, the transaction would be deemed negligible in conformity with another relevant benchmark to be determined by the Company, provided that the relevant benchmark calculated for the transaction would not exceed NIS 1 million per calendar year.

Notwithstanding the foregoing, separate transactions that are part of the same contracting or continuous transactions or highly similar recurring transactions, shall be reviewed as a single transaction for each calendar year, in order to review its classification as a negligible transaction, and in such cases, the aggregate contract value per calendar year shall not exceed NIS 1 million.

In the reported period and through submission of this report, the Company had transactions with entities in which controlling shareholders of the Company have a personal interest and which constitute negligible transactions, of the following types and features:

Contracting for transportation of cargo (newspapers) from Ben Gurion Airport to Kennedy Airport in New York; provision of flight ticket benefits to Yedioth Aharonoth in conformity with a business customer agreement; obtaining advertising services regarding billboard advertising; providing and obtaining transportation services for passengers to/from aircraft; co-operation in mutual hosting of VIP customers of the Company at the Dan lounge and VIP customers of foreign companies at the lounge operated by the Company in Ben Gurion Airport; flight ticket discounts in conformity with a business customer agreement; control over the Company website; sponsorship of

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

conferences; provision of various food services by the subsidiary, Tamam; and provision of Ground Equipment Maintenance Services to QAS.

The aforementioned contracts were approved by the Board of Directors as "negligible transactions", after they were classified by the Audit and Remuneration Committee as non-exceptional transactions, in conformity with the aforementioned benchmarks.

3. Transactions with interested parties:

(b) Exceptional transactions with interested parties:

- (1) In November 2018, the Audit and Remuneration Committee and the Company Board of Directors approved the amendment and extension of the Company's framework agreement with Maman Cargo Warehousing Ltd. ("Maman"), signed in February 2010 and amended and extended in May 2016 ("the **Framework Agreement**" and "the **Letter of Amendment and Extension**", respectively). The Framework Agreement stipulates contracting terms for terminal services provided by Maman to the Company, including cargo handling, transportation and warehousing. In conformity with the Letter of Amendment and Extension, (a) the contracting period with Maman, due to expire on December 31, 2019, was extended through December 31, 2022; (b) the exercise period for options granted by Maman to the Company, exercisable for up to 10% of the issued share capital of Maman, fully diluted, was extended through December 31, 2022 (with no changes made to terms and conditions of these options); and (c) non-material revision of the payment mechanism stipulated in the Framework Agreement. Note that the effect of revision of option terms and conditions and of the payment mechanism on the Company's financial statements, business standing and operating results is not material.
- (3) In December 2019, the Audit and Remuneration Committee and the Company Board of Directors approved the extension of the agreement with Maman, signed in August 1990 ("the **Agreement**"), which was extended from time to time and amended in February 2015 ("the **Letter of Amendment and Extension of the Agreement**"). The Agreement and the Letter of Amendment and Extension stipulate contracting terms with regard to loading and off-loading services ("**Loading and Off-loading Services**") of the cargo aircraft used by the Company, conducted by the Company using heavy transportation equipment owned by the Company, and with regard to provision of Loading and Off-loading Services by the Company to other airlines (including irregular cargo) referred to the Company by Maman, in cases where Maman does not have available labor and equipment to provide such services. In conformity with the Letter of Amendment and Extension, the Company was given the option to extend the contract by another year (which was exercised), from January 1, 2020 through December 31, 2020, whose exercise was subject to approval by the Audit and Remuneration Committee and by the Company Board of Directors.

Contracts with Maman were classified as transaction in which an interested party in the Company has a personal interest, since Mr. Yehuda (Yudi) Levi, Deputy Chairperson of the Company Board of Directors, serves as Board member of Maman on behalf of the Company. Note that these contracts were classified and approved as "exceptional transactions".

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

(c) Non-exceptional transactions with interested parties:

The Company has contracts in which interested parties in the Company have a personal interest and which are non-exceptional, as set forth below. Note that all of these contracts are not material relative to Company revenues and/or expenses, and that they are included in financial data below. Provision of flight ticket benefits in conformity with a business customer agreement; leasing of office space; and provision of various food services by the subsidiary, Tamam.

The Company has a non-material contract with Harel Insurance, regarding dental insurance for Company employees, which is not included in the financial data. Moreover, the Company has contracts with Harel Insurance with regard to insurance as listed below, which are included in the financial data: Elementary insurance for the Company; insurance for construction of Tamam facility; employer liability and professional liability insurance; overseas travel insurance for business travel by Company employees; and healthcare insurance for Company employees stationed overseas and their family members.

(d) Contracts with interested parties pursuant to holdings:

Note that the Company has contracts with interested parties pursuant to holdings only, of non-material scope, including: (1) contracts with HaPhoenix Group for healthcare insurance for Company employees, which are not included in the financial data. (2) communication with Mr. Pinhas Ginzburg (hereinafter: "**Ginzburg** ") or anyone on his behalf (including corporations under his control) as detailed below: (1) connections with Y. Hilel (travel agency owned by Mr. Ginzburg and relatives thereof) for purchase of airline tickets for Company flights and for flights marketed by Sun d'Or and for leasing charter flights marketed by Sun d'Or; (3) contracts to purchase airline tickets and for provision of outsourcing services by Airtour (in which Ginzburg is a shareholder and Board member), for bookings and provision of ground services; and (4) contracts regarding transport of passengers and cargo, including code sharing and inter-line agreements, and purchase of airline tickets from Thai Airways ("Thai"), which Mr. Ginzburg represents as their general sales agent in Israel. Moreover, since Mr. Ginzburg is Thai's general sales agent in Israel, in 2019 Mr. Ginzburg and his wife received complimentary airline tickets from the Company, pursuant to IATA resolution 788 and to Company procedures. These agreements are included in financial data below.

C. Services agreement with Chairman of the Company Board of Directors:

On June 1, 2017, Mr. Eli Defes assumed the position as chairman of the Company's board of directors.

On June 28, 2017, the General Meeting of Company shareholders resolved to approve the terms of office of Defes as Executive Chairman of the Company Board of Directors. Mr. Defes provides chairman services to the Company equivalent to a 70% part-time position (130 management hours a month).

The management agreement is effective from June 1, 2017 and until the day in which Mr. Defes ceases to serve as chairman of the Company's board of directors, for any reason whatsoever ("**the management agreement**"). Each party (Mr. Defes or the Company) may terminate the management agreement by giving a 3-month prior notice.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

In the event of dismissal under special circumstances, the Company may terminate the management agreement immediately.

Mr. Defes is entitled to monthly management fees of NIS 81,900 plus VAT (against a tax invoice, as required by law), linked to the CPI, which will be updated once a year on January based on the rate of increase in the CPI in the preceding year. For reduction in Defes' salary due to the Corona Virus crisis, see Note 1 to the financial statements.

Mr. Defes is entitled to a company car with a maximum value of NIS 300,000. The Company also bears all operating and maintenance costs of the car (including tax gross-up of the usage value up to NIS 6,000 per month).

In addition, Mr. Defes is entitled to an annual bonus of no more than 63% of the annual bonus paid to the Company's CEO, as shall be from time to time and which, in any case, shall not exceed NIS 1.89 million, all in accordance with the Company's remuneration policy, as shall be from time to time, which includes threshold terms for receipt of the bonus, long-term deferred bonus, as well as reduction of the bonus amount by the Company's board of directors and refund of amounts paid, if paid, based on data that turned out to be misleading and restated in the Company's financial statements, and subject to the approvals required by law ("**the annual bonus**"). It is noted that according to the terms of the current remuneration policy, the annual bonus to the Company's CEO is up to 2% of the Company's pre tax annual profit, and no more than NIS 3 million. The percentage of bonus to Mr. Defes (63% of the CEO's bonus) is derived from the percentage of the part-time position (70%) times 90% (according to the limit specified in the Company's remuneration policy). The annual bonus will be paid with the addition of VAT, against a tax invoice. For 2017-2019, Mr. Defes was not entitled to an annual bonus. Mr. Defes is entitled to benefits in the form of Company airline tickets, for him and for his family members, as set forth in the management agreement. Moreover, should Mr. Defes complete 3 years in office as Chairman of the Company Board of Directors, he would be entitled to benefits in the form of airline tickets for him and for his family members, for five years after his retirement.

D. Contracting with Mr. Gonen Usishkin ("Gonen") as Company CEO:

As from February 15, 2018, Gonen serves as Company CEO, after the Company Board of Directors approved his appointment on January 8, 2018. Gonen has served the Company in various role since 2004; from January 2017 through his start date in office as CEO, he served as VP, Trade and Aviation Relations.

Through February 15, 2018, Mr. David Maimon served as Company CEO. Note that the Company employed Mr. Maimon through March 31, 2019, as he was on sick leave.

On March 6, 2018, the General Meeting of Company shareholders approved Gonen's terms of office and employment as Company CEO. The employment agreement signed by Gonen and by the Company is effective as from February 15, 2018, for an un-specified term, during which he would serve as Company CEO in a full time position ("**the Employment Agreement**"). Either party may terminate the Agreement by 6 months' advance notice.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

Gonen is entitled to a gross monthly salary of NIS 120,000 ("Base Salary"). The Base Salary is linked to the Consumer Price Index. For reduction in Gonen's salary due to the Corona Virus crisis, see Note 1 to the financial statements.

Gonen is entitled to an annual bonus equal to 2% of the Company's annual earnings (before tax), capped at NIS 3 million, in conformity with terms and conditions, restrictions and provisions set forth, now or in future, in the remuneration policy, as it may be from time to time, including provisions with regard to minimum conditions for bonus eligibility, long-term deferred compensation and with regard to reduction of the bonus amount by the Company Board of Directors. Also note that pursuant to the remuneration policy, in any year when no bonuses were distributed for any reason whatsoever (including if the minimum conditions for bonus distribution, as set forth in the remuneration policy ("Minimum Conditions") have not been fulfilled, the Audit and Remuneration Committee and the Company Board of Directors may resolve, at their discretion, to pay Gonen a special bonus of up to 3 months' Base Salary (as it was in the year for which the special bonus is paid). The Audit and Remuneration Committee and the Company Board of Directors may resolve to pay Gonen a special bonus even in a year in which the Minimum Conditions were fulfilled, provided that in total, the annual bonus and special bonus would not exceed NIS 3 million. For 2018-2019, Gonen was not entitled to an annual bonus.

Gonen is entitled to social benefits, such as contributions to retirement insurance or pension fund, disability insurance and study fund, as customary for senior Company officers, as well as to payment of the value of car maintenance (including tax gross-up). Gonen is also entitled to reimbursement of per diem expenses in Israel and overseas, in conformity with Company procedures and subject to rates and amounts applicable at the Company from time to time.

Gonen and his family members are entitled to benefits in the form of airline tickets during his employment by the Company, as set forth in the employment agreement. Should Gonen actually complete 3 years in office as Company CEO (excluding any notice period), he would be entitled to receive airline tickets for five years after concluding his term in office as Company CEO, in conformity with terms and conditions set forth in the employment agreement. Note that in any case, Gonen would be entitled to airline tickets as a retiring VP (to which he was entitled prior to being appointed CEO), as customary at the Company.

Gonen is entitled to paid leave, sick leave and vacation pay as follows: (a) For each full year of service with the Company (including any notice period), Gonen would be entitled to 22 days' paid leave, which may be accumulated during his term in office with no limitations; (b) The Company would pay Gonen for up to 30 days' sick leave for each year of service with the Company, which may be accumulated with no limitations nor caps (Base Salary and other amounts and benefits to which he would have been entitled had he worked for the Company during the sick leave period), which may not be redeemed for cash payment; (c) For each full year of service with the Company, Gonen would be entitled to 14 days of vacation pay, at the rate customary at the Company. Note that the employment agreement stipulates that provisions of this agreement shall not derogate from any rights accrued by Gonen since his start date with the Company (April 19, 2004) through the effective start date of the agreement. Nevertheless and in conformity with the foregoing, upon termination of Gonen's service with the Company, he would be entitled to redeem in cash the accrued balance of paid leave with respect to his service with the Company prior to being appointed CEO (72 days); the redeemable value of each such paid leave day would be based on his most recent salary as VP, prior to being appointed CEO.

El Al Israel Airlines Ltd.**Notes to the consolidated financial statements****Note 22 – Transactions with interested parties and affiliates (continued)****E. Remuneration OF key managerial personnel:**

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Short term benefits	4,709	5,738	5,833
Post-employment benefits	102	126	26
Total	4,811	5,864	5,859

F. Benefits provided to interested parties:

	For the year ending on December 31		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Services of Chairman and management fee (including benefit with respect to options) to interested parties employed by the Company	276	273	323
Number of beneficiaries	1	1	1
Remuneration for Board member not employed by the Company	368	441	482
Number of beneficiaries	9	9	10

G. Balances with Interested parties and affiliates:

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Interested parties / other related parties		
Under Current Assets:		
Customers:		
Related party – associate	445	808
Related party and interested party	449	446
	895	1,254
 Total highest debit balance during account period	 3,703	 4,687

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

G. Balances with Interested parties and affiliates: (continued)

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Under Current Liabilities:		
Interested party	62	852
Current liabilities in respect to employee benefits:		
Interested party	244	191*
Non-current severance pay liabilities:		
Interested party	530	542*

* Reclassified

	As of December 31	
	2019	2018
	USD in thousands	USD in thousands
Associates:		
Under Non-current Financial Assets:		
Investment in shares and options	20,111	19,575

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 22 – Transactions with interested parties and affiliates (continued)

G. Balances with Interested parties and affiliates: (continued)

	<i>For the year ending on December 31</i>		
	2019	2018	2017
	USD in thousands	USD in thousands	USD in thousands
Interested parties / related parties:			
Income from interested and related parties:			
Airline tickets (1)	22,319	29,945	31,663
Cargo shipment (1)	310	641 *	955 *
Other revenue	1,314	1,172 *	595 *
Operating expenses	1,028	2,503	1,561
Selling expenses:			
Mostly commissions and marketing fee to interested parties	1,728	1,951	2,528 *
Advertising services from interested parties	241	247	781
Administrative and general expenses:	2,810	2,300*	2,266*

* Reclassified.

- (1) Note that the amount shown in this table includes, for the sake of caution, the total turnover values for transactions for which commissions are payable at different rates to related parties or to the Company, as the case may be.

Note 23 Events during the reported period

The agreement signed by the Company and by the State of Israel, which governs the Israeli aviation security system ("the **Agreement**") whereby, inter alia, the State's participation in security expenses of Israeli airlines is 97.5%, was extended through June 30, 2020. The Company is negotiating with the relevant regulatory officials to regulate the matter.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 24 - Events subsequent to the financial position statement date

1. For implications of the Corona Virus crisis, subsequent to the date of the statement of financial position, see Note 1.

In conjunction with action taken by the Company to address the material implications of the Corona Virus crisis, on April 23, 2020, the Company signed an MOU with a foreign company, for sale and lease-back of three Boeing 737-800 aircraft manufactured in 2009 and six engines thereof ("the Aircraft" and "the Transaction", respectively).

According to the Transaction, the Aircraft would be sold to the foreign company for USD 76 million ("the Sale Proceeds"), and would be leased back by the Company for a term of 8 years, after which they would be returned to the foreign company, subject to fulfillment of conditions for such return, as stipulated in the agreement to be signed by the parties.

Of the Sale Proceeds, USD 21 million would be deposited with the Buyer to cover refurbishment of the Aircraft during the term of the Agreement. The Company would gradually receive amounts equal to 75% of the aforementioned deposit, later in 2020 and through 2021, subject to actual refurbishment of the engines, with the balance to be gradually reimbursed to the Company through 2026, in conformity with refurbishments to be carried out in that period. The amounts to be reimbursed to the Company would be used for Aircraft and engine maintenance.

Should the Transaction close in the format and for the price stipulated in the MOU, the Company is expected to record upon the sale date capital loss estimated at USD 3.7 million (before tax) in conformity with GAAP.

Closing of the Transaction and receipt of the consideration are subject to conditions set forth in the MOU, including the following: Receiving financial or other support from the State of Israel, to secure continued viability of the Company to the foreign company's satisfaction; release of existing liens on the Aircraft; obtaining internal approvals by the foreign company; physical inspection of the Aircraft and relevant paperwork by the foreign company; delivery of financial and operating information with regard to the Company, as required by the foreign company; and signing the transaction documents.

Note that closing of this transaction, subject to the aforementioned conditions or otherwise, is uncertain at this time.

2. On May 11 and 13, 2020, the Audit and Remuneration Committee and the Company Board of Directors, respectively, confirmed that the Company would act to exercise the option set forth in the group insurance policy obtained by Knafaim Holdings Ltd. ("Knafaim"), the controlling shareholder of the Company, for officers of Knafaim, subsidiaries and affiliates thereof ("the Group Insurance Policy"), pursuant to terms and conditions of the framework transaction (as defined in Section 1(3) of the Corporate Regulations (Relief for transactions with interested parties), 2000 ("the Relief Regulations")) between the Company and Knafaim, for joint purchase of a Board member and officer liability insurance policy, as approved by the General Meeting of Company shareholders on November 29, 2017 ("the Framework Transaction"), and in conformity with the officer remuneration policy of the Company, as approved by the General Meeting of Company shareholders on December 1, 2016 ("the Remuneration Policy"), allowing for purchase of insurance coverage with respect to an extended

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 24 - Events subsequent to the financial position statement date (continued)

seven-year run-off period, from August 1, 2020 through July 31, 2027 ("Purchase of Run-off Coverage").

Upon exercise of the aforementioned option, the insurance coverage for the run-off period would be provided to all Board members and officers of Knaftaim and subsidiaries thereof, including the Company (including Board members and officers who are controlling shareholders of the Company) and to officers on behalf of the Company while serving with affiliates and to other managers at the Company.

The decision to exercise the aforementioned option was made after receiving the position of insurance advisors and their assessment of the anticipated deterioration in insurance renewal terms across the insurance market, and in particular for the aviation industry due to the challenges it faces at this time. Purchase of the run-off coverage is contingent on a resolution by Knaftaim to do so, and the Company would ask Knaftaim to act to exercise the aforementioned option.

Terms and conditions of insurance coverage with respect to the run-off period are in line with terms and conditions of the Framework Transaction and with provisions of the Remuneration Policy, including with regard to insurance premium sharing by the Company and by Knaftaim which, as recommended by the insurance advisors, would remain as in the current insurance policy, with the Company liable for 70% of the insurance premium for the run-off period, i.e. USD 322,070 for the entire 7-year insurance period.

Pursuant to Regulation 1B1 of the Relief Regulations, the Company's Audit and Remuneration Committee confirmed that contracting terms for purchase of the run-off coverage are in line with the Company's Remuneration Policy, are at market terms and may not materially impact the Company's earnings, assets or liabilities.

Pursuant to Regulation 1(3) of the Relief Regulations, the Audit and Remuneration Committee and the Company Board of Directors confirmed that contracting for purchase of run-off coverage is in line with terms and conditions of the Framework Transaction, and further confirmed pursuant to Regulation 1B(a)(5) of the Relief Regulations, that contracting for purchase of the run-off coverage is identical for all Company officers, including officers who are controlling shareholders, as they may have been or will be from time to time.

Below is a summary of reasons cited by the Audit and Remuneration Committee and by the Company Board of Directors for approval of the purchase of run-off coverage:

- A. Purchase of the run-off coverage is in the Company's best interest, as it would allow Board members, officers and other managers of the Company to properly discharge their office, noting that upon renewal of insurance, its terms and conditions may be significantly worse, in particular for the aviation industry at this time, and considering the risk involved in their office and the responsibility imposed by law on Board members and officers.
- B. By obtaining the aforementioned insurance coverage, the Company may reduce payments that may be payable by the Company in conjunction with its commitment to indemnify Board members and officers, pursuant to letters of indemnification provided by the Company to Board members and officers.
- C. Subject to precedence, the aforementioned coverage would also provide insurance coverage for the Company (as distinct from officers thereof) with respect to claims involving breach of securities laws, thereby reducing the Company's risk in this regard.
- D. This contracting involves exercise of an option granted by the insurers in an insurance policy purchased pursuant to the Framework Transaction with Knaftaim, as approved by the General Meeting of Company shareholders.

El Al Israel Airlines Ltd.
Notes to the consolidated financial statements

Note 24 - Events subsequent to the financial position statement date (continued)

- E. This transaction is in line with the Company's Remuneration Policy, which explicitly allows for purchasing of such coverage, stipulating a maximum payment for such coverage of USD 1,500 thousand, whereas in this case, the amount payable is much lower.
- F. The contracting terms and conditions are identical for all Company officers, including officers who are controlling shareholders, as they may have been or will be from time to time.
- G. Contracting of the insurance policy is at market terms, as set forth above, and in conformity with the opinion of insurance advisors, given the fact that the coverage purchased is for a 7-year term, and may not materially affect Company profitability, assets or liabilities.

2019 שנת ה'תש"פ
מחזורי הכסף והאגרות

התאגדות החינוך של

אָדער אַזוי אַז אַלע אַרבעטן זענען געווען געטון דורך אַלע אַרבעטערס און אַלע אַרבעטערס זענען געווען געטון דורך אַלע אַרבעטן.

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ELZALTA
העליונות של המערכת

המחלקה נוסדה בשנת 1980, והיא אחראית על כלל המעורבות של ישראל עם הממשלה, הציבור והתקשורת. המחלקה אחראית גם על כלל המעורבות של ישראל עם הממשלה, הציבור והתקשורת.

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- טעם מוצלח מוצלח, טעם מוצלח / 8 / טעם מוצלח, טעם מוצלח

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שנה	2018	2019
הכנסות מהפעולה	2,142	2,178
2%		
(1%)	1,846	1,835
הוצאות הפעולה		
16%	296	343
17%	260	305
13%	(68)	(77)
14%	(52)	(60)
הפסד לשונה		

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סלימא סחורא

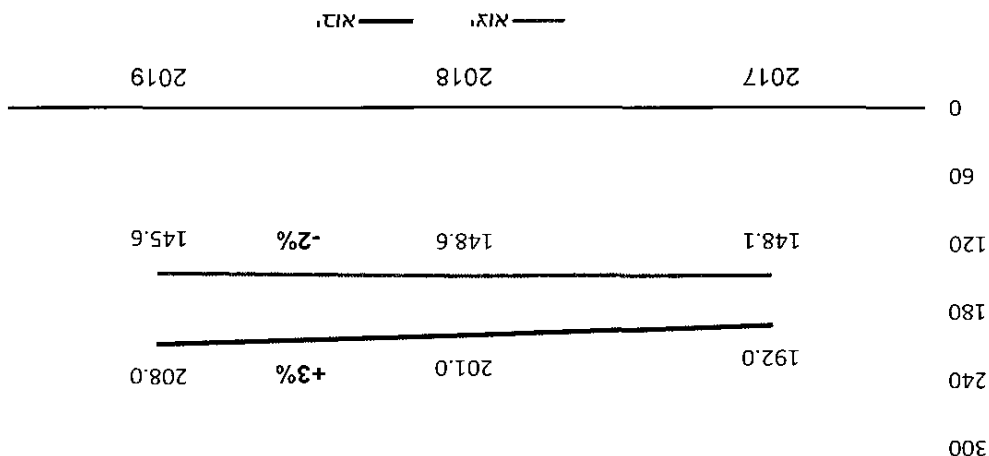
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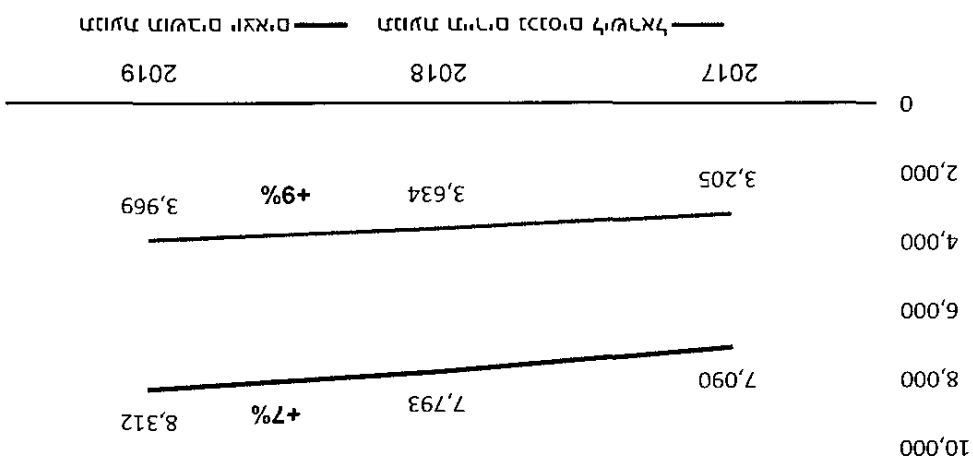
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המקור: נתוני משרד המבחן
המקור: נתוני משרד המבחן



היבט: יוצא ויבט: יוצא (באחוזים) 3



תלמידי תיכון (באחוזים) 2

המקור: נתוני משרד המבחן
המקור: נתוני משרד המבחן

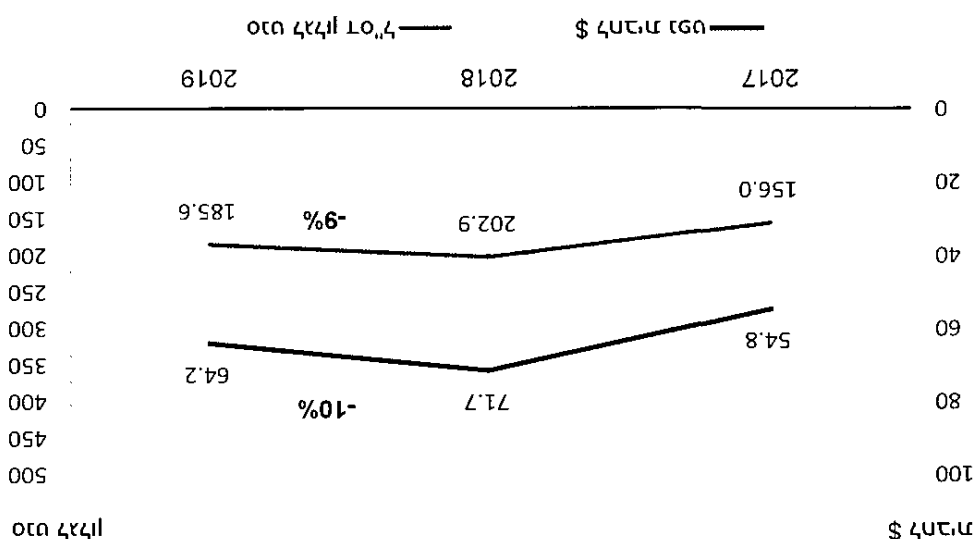
לשנה השנייה של תלמידי תיכון

המקור: נתוני משרד המבחן

המקור: נתוני משרד המבחן

Year	Value
2017	3.60
2018	3.59
2019	3.56

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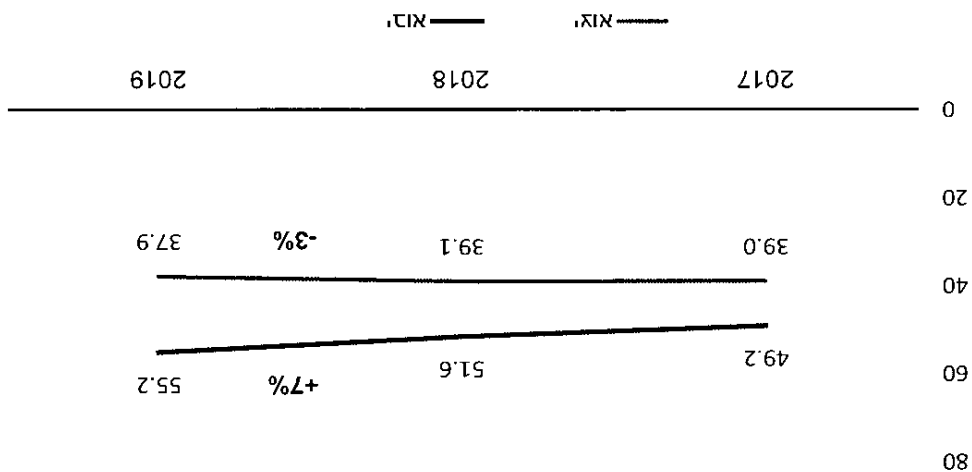
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לְיוֹמָה אֵלֶּיךָ יְיָ אֱלֹהֵינוּ, וְלֹא לְאִשְׁתֵּי מַלְאָכֵינוּ.

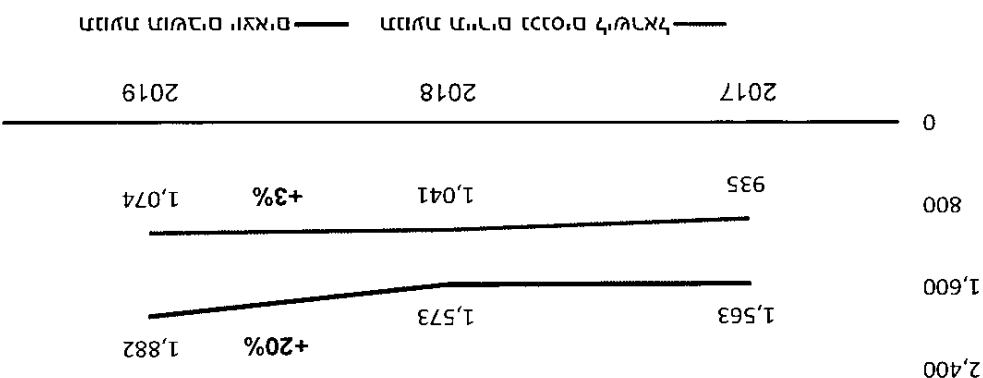
י. ביחסים אלה, הסכסוך האמלץ מונח למאבק אסטרטגי, הוטל מומעמטט ונחלץ: אקטואל וביטואל.

உதவி செய்து:

הקדמה: המידע המוצג הוא למטרות מידע בלבד.
המקור: הלשכה המרכזית לסטטיסטיקה.



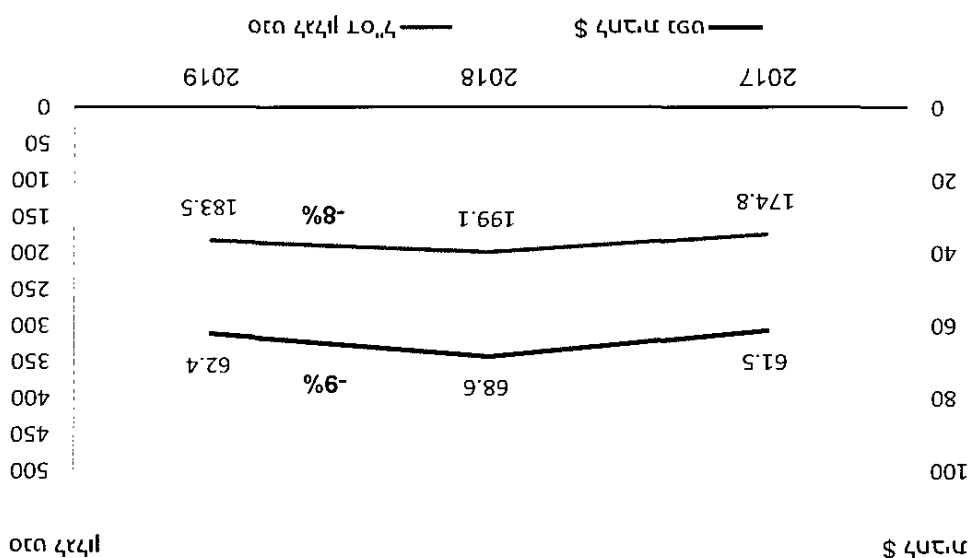
6 (באילוף סטטיסטי) (המספר הכולל של תיירים זרים שביקרו בישראל)



7 (באילוף סטטיסטי) (המספר הכולל של תיירים זרים שביקרו בישראל)

המספר הכולל של תיירים זרים שביקרו בישראל בשנת 2019 הוא 1,074 מיליון, לעומת 1,563 מיליון בשנת 2017. השינוי הוא +3%.

המחלקה הכלכלית: נתונים



7. תחשיב אומדן המלצה למחלקה הכלכלית

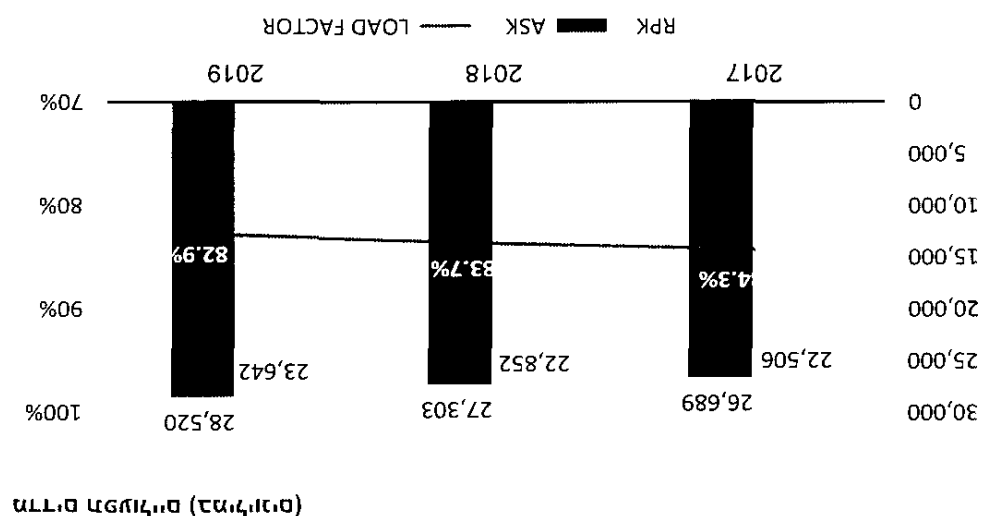
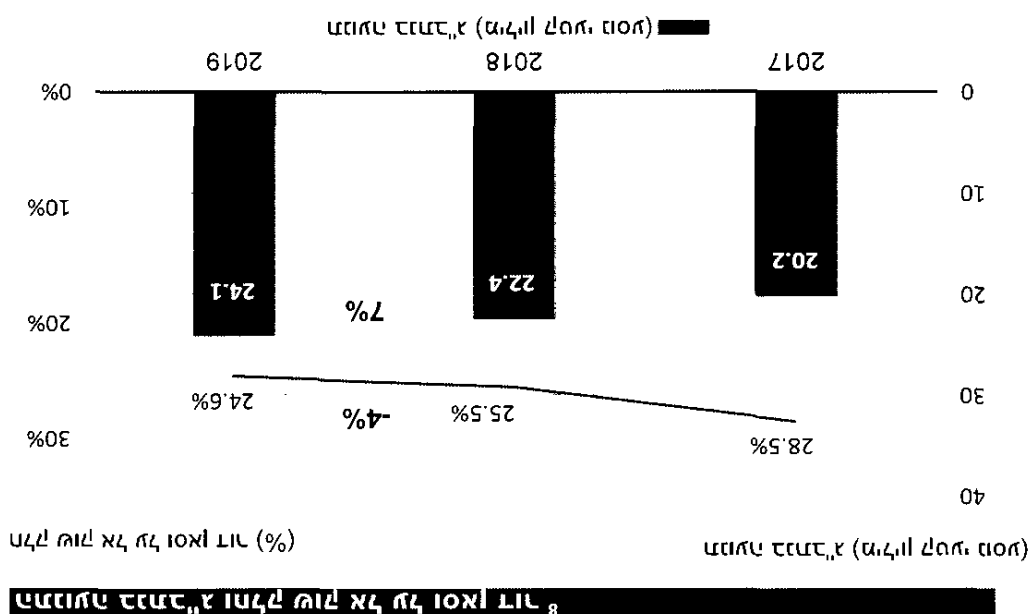
המחלקה הכלכלית ממליצה להקטין את ההוצאות על מחלקה הכלכלית בשנת 2018 ב-8% של 2019. המחלקה הכלכלית ממליצה להקטין את ההוצאות על מחלקה הכלכלית בשנת 2019 ב-9% של 2018. המחלקה הכלכלית ממליצה להקטין את ההוצאות על מחלקה הכלכלית בשנת 2018 ב-8% של 2019.

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שם המכשיר	מחיר (ש"ח)	מחיר (דולר)	מחיר (אירו)
מכשיר מדידת לחץ דם (RPA)	1,258	1,333	6.0%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	25.0%	23.4%	(6.4%)
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	5,285	5,593	5.8%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	6,373	6,735	5.7%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	82.9%	83.0%	0.2%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	39.6	41.2	4.1%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	8.2	8.3	0.9%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	17.6	18.0	2.4%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	109.3	112.5	3.0%
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	7.5	7.4	(0.9%)
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	8.0	7.8	(2.4%)
מכשיר מדידת לחץ דם (RPA) - (באפליקציה)	6.2	6.2	1.5%

ՀԱՅԿԱՆ ԹՎԱԿԱՆ ՄԱՍԻՆ ԲԵՐՈՒՄԻՆ ԵՄԵՆ ԵՐԱՅԵՐ

ELI LILLY
מחקר ופיתוח

ק"מ (ASK).

- גידול ברווחים ממוצע של 4.5% על פני כל המגזרים הממוצע.
- גידול ברווחים ממוצע של 35% על פני כל המגזרים הממוצע.

המחיר:

המחיר הממוצע של 2018, המחיר הממוצע של 2019, המחיר הממוצע של 2019, המחיר הממוצע של 2019.

המחיר הממוצע של 2018, המחיר הממוצע של 2019, המחיר הממוצע של 2019, המחיר הממוצע של 2019.

המחיר הממוצע של 2018, המחיר הממוצע של 2019, המחיר הממוצע של 2019, המחיר הממוצע של 2019.

שנים	2018	2019	2019
1.7%	36,004	2,141,993	100%
0.6%	10,933	(1,845,737)	(84.2%)
15.8%	46,937	296,256	15.8%
0.6%	1,315	(215,116)	(9.8%)
5.2%	(6,829)	(132,461)	(6.4%)
10.7%	(1,503)	14,001	0.6%
107.0%	39,919	(37,320)	0.1%
10.7%	(52,252)	(81,005)	
3.518	(1,675)	1,844	
(8,815)	(67,748)	(76,562)	
1,380	15,581	16,961	
(7,435)	(52,167)	(59,601)	

לשנת 2019, המחיר הממוצע של 2018, המחיר הממוצע של 2019, המחיר הממוצע של 2019.

המחיר הממוצע של 2018, המחיר הממוצע של 2019, המחיר הממוצע של 2019, המחיר הממוצע של 2019.

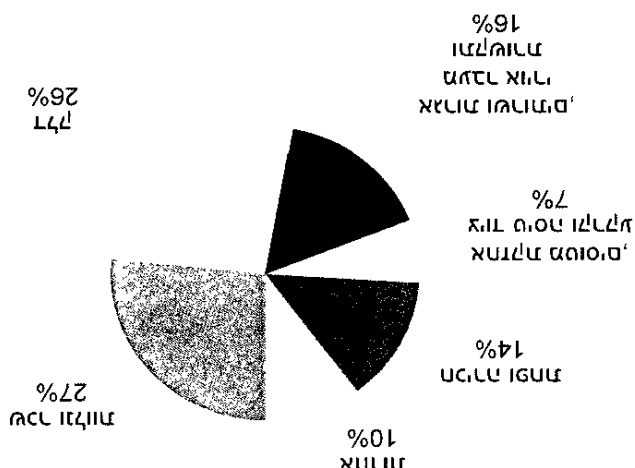
המחיר הממוצע של 2018, המחיר הממוצע של 2019, המחיר הממוצע של 2019, המחיר הממוצע של 2019.

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הפרי	2018	2019	
(65.0)	546.5	481.5	הפרי (לפי השפעת גידור)
21.4	(23.1)	(1.7)	השפעת עסקאות גידור על רווח הפרי
(43.6)	523.4	479.8	סה"כ הוצאות פרי (לרבות השפעת גידור)
(9.5)	247.3	237.8	הוצאות פרי (במיליון שקלים)

מזלזל 'מלחמה מואבית' לא יסלח לנו משהם לא מנצח את המלחמה
(לול, יוא, יוא, יוא) מלחמה מואבית

ל"ס"ט



ԱՆՃՀԱՆԱՅԻՆ ԱՆՏՐԱՍՏԱՆԻ ԿՈՄԻՏԵ

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2018 שנת

הפסד לפסד 52.2-2 של כ-59.6-6 בפסד 2019 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 17.0-0 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 15.6-6 שנת בסיס מאחר לאירוע הפסד 17.0-0 שנת בסיס מאחר לאירוע הפסד

2018 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד

הפסד לפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד 76.6-6 שנת בסיס מאחר לאירוע הפסד

4000 6000000 18 71000

2017		2018	
%	אלפי דולר	%	אלפי דולר
2.1%	44,995	100%	2,141,993
6.4%	(111,134)	(83.4%)	(1,859,794)
19.0%	(66,139)	16.6%	282,199
2.8%	(5,888)	(10.0%)	(214,984)
4.4%	(5,000)	(5.4%)	(118,536)
328.0%	10,730	0.2%	14,001
	(66,297)	1.4%	(37,320)
	(8,251)		(28,753)
	(1,918)		(1,675)
	(76,466)	8,718	(67,748)
	18,629	(3,048)	15,581
	(57,837)	5,670	(52,167)

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מסמכים מוגשים להגנה, ייתכן שהגנה תגיש טענות נגד המאגן, אך המאגן יישלל את הטענות. המאגן יגיש טענות נגד המאגן, אך המאגן יישלל את הטענות. המאגן יגיש טענות נגד המאגן, אך המאגן יישלל את הטענות.

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לְעֵלֶּנּוּ אֶל אֱלֹהֵינוּ אֲנִי וְכָל יִשְׂרָאֵל בְּיָמֵינוּ

לש מוסד חינוכי, ולילד 31.5-5 צבא סתם 2019 שיש לו חינוך בסיס חיל מילואים
 ולמשא גלגל ומועד לילד ולילד 31.5-5

סמל מדינת ישראל

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אומלענדיגער שטאט פארשטייט זיך אויסצוגלייבן און צו גלייבן

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מחשבות מואלמות (אגף, אגף, אגף)

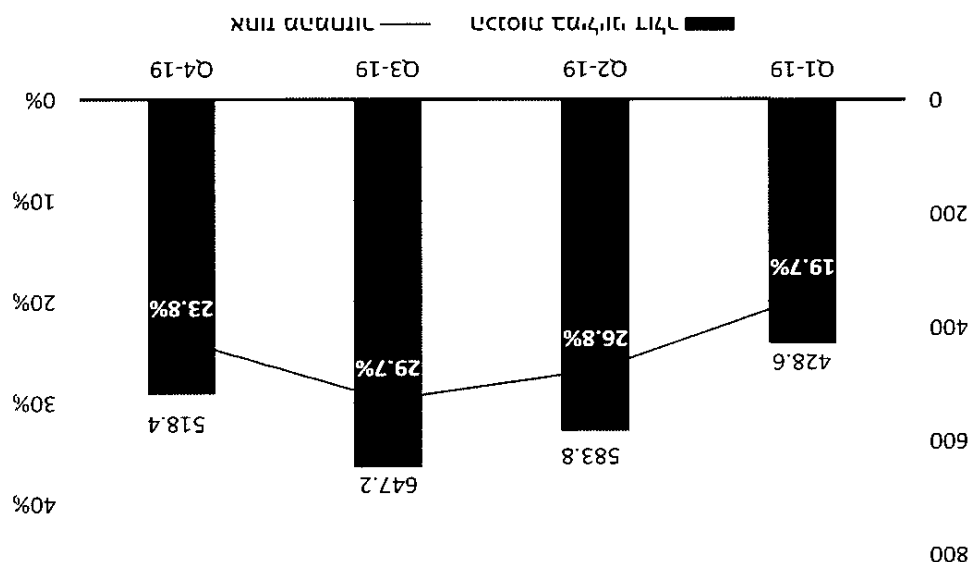
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Year	2018	2019
Net Income	1,174,146	1,146,146

8102 תשפ"ח לערך 8102 לבחור ב' סוף שנת הלימודים תשפ"ח, תשפ"ח

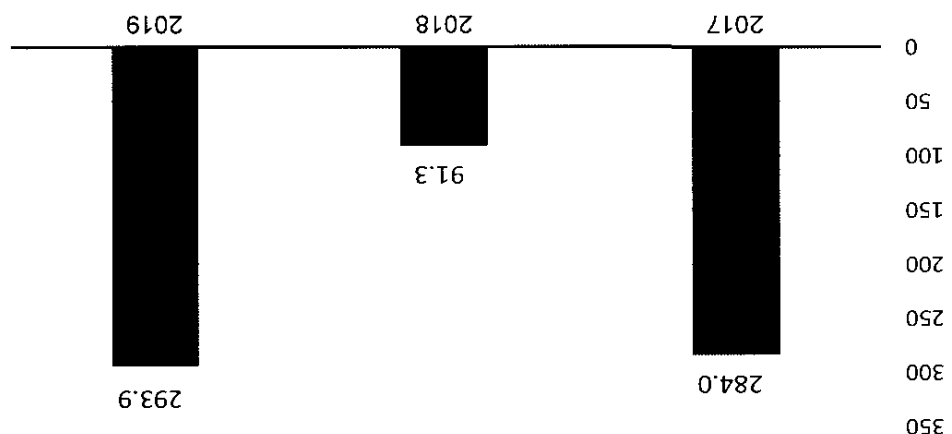
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עוועב. 47

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747-400, יא, יחזקאל רביעית, 'מזל טוב' וכו'. מלחמה, 1948-49, 1949-50, 1950-51, 1951-52, 1952-53, 1953-54, 1954-55, 1955-56, 1956-57, 1957-58, 1958-59, 1959-60, 1960-61, 1961-62, 1962-63, 1963-64, 1964-65, 1965-66, 1966-67, 1967-68, 1968-69, 1969-70, 1970-71, 1971-72, 1972-73, 1973-74, 1974-75, 1975-76, 1976-77, 1977-78, 1978-79, 1979-80, 1980-81, 1981-82, 1982-83, 1983-84, 1984-85, 1985-86, 1986-87, 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 2025-26, 2026-27, 2027-28, 2028-29, 2029-30, 2030-31, 2031-32, 2032-33, 2033-34, 2034-35, 2035-36, 2036-37, 2037-38, 2038-39, 2039-40, 2040-41, 2041-42, 2042-43, 2043-44, 2044-45, 2045-46, 2046-47, 2047-48, 2048-49, 2049-50, 2050-51, 2051-52, 2052-53, 2053-54, 2054-55, 2055-56, 2056-57, 2057-58, 2058-59, 2059-60, 2060-61, 2061-62, 2062-63, 2063-64, 2064-65, 2065-66, 2066-67, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75, 2075-76, 2076-77, 2077-78, 2078-79, 2079-80, 2080-81, 2081-82, 2082-83, 2083-84, 2084-85, 2085-86, 2086-87, 2087-88, 2088-89, 2089-90, 2090-91, 2091-92, 2092-93, 2093-94, 2094-95, 2095-96, 2096-97, 2097-98, 2098-99, 2099-00, 2100-01, 2101-02, 2102-03, 2103-04, 2104-05, 2105-06, 2106-07, 2107-08, 2108-09, 2109-10, 2110-11, 2111-12, 2112-13, 2113-14, 2114-15, 2115-16, 2116-17, 2117-18, 2118-19, 2119-20, 2120-21, 2121-22, 2122-23, 2123-24, 2124-25, 2125-26, 2126-27, 2127-28, 2128-29, 2129-30, 2130-31, 2131-32, 2132-33, 2133-34, 2134-35, 2135-36, 2136-37, 2137-38, 2138-39, 2139-40, 2140-41, 2141-42, 2142-43, 2143-44, 2144-45, 2145-46, 2146-47, 2147-48, 2148-49, 2149-50, 2150-51, 2151-52, 2152-53, 2153-54, 2154-55, 2155-56, 2156-57, 2157-58, 2158-59, 2159-60, 2160-61, 2161-62, 2162-63, 2163-64, 2164-65, 2165-66, 2166-67, 2167-68, 2168-69, 2169-70, 2170-71, 2171-72, 2172-73, 2173-74, 2174-75, 2175-76, 2176-77, 2177-78, 2178-79, 2179-80, 2180-81, 2181-82, 2182-83, 2183-84, 2184-85, 2185-86, 2186-87, 2187-88, 2188-89, 2189-90, 2190-91, 2191-92, 2192-93, 2193-94, 2194-95, 2195-96, 2196-97, 2197-98, 2198-99, 2199-00, 2200-01, 2201-02, 2202-03, 2203-04, 2204-05, 2205-06, 2206-07, 2207-08, 2208-09, 2209-10, 2210-11, 2211-12, 2212-13, 2213-14, 2214-15, 2215-16, 2216-17, 2217-18, 2218-19, 2219-20, 2220-21, 2221-22, 2222-23, 2223-24, 2224-25, 2225-26, 2226-27, 2227-28, 2228-29, 2229-30, 2230-31, 2231-32, 2232-33, 2233-34, 2234-35, 2235-36, 2236-37, 2237-38, 2238-39, 2239-40, 2240-41, 2241-42, 2242-43, 2243-44, 2244-45, 2245-46, 2246-47, 2247-48, 2248-49, 2249-50, 2250-51, 2251-52, 2252-53, 2253-54, 2254-55, 2255-56, 2256-57, 2257-58, 2258-59, 2259-60, 2260-61, 2261-62, 2262-63, 2263-64, 2264-65, 2265-66, 2266-67, 2267-68, 2268-69, 2269-70, 2270-71, 2271-72, 2272-73, 2273-74, 2274-75, 2275-76, 2276-77, 2277-78, 2278-79, 2279-80, 2280-81, 2281-82, 2282-83, 2283-84, 2284-85, 2285-86, 2286-87, 2287-88, 2288-89, 2289-90, 2290-91, 2291-92, 2292-93, 2293-94, 2294-95, 2295-96, 2296-97, 2297-98, 2298-99, 2299-00, 2300-01, 2301-02, 2302-03, 2303-04, 2304-05, 2305-06, 2306-07, 2307-08, 2308-09, 2309-10, 2310-11, 2311-12, 2312-13, 2313-14, 2314-15, 2315-16, 2316-17, 2317-18, 2318-19, 2319-20, 2320-21, 2321-22, 2322-23, 2323-24, 2324-25, 2325-26, 2326-27, 2327-28, 2328-29, 2329-30, 2330-31, 2331-32, 2332-33, 2333-34, 2334-35, 2335-36, 2336-37, 2337-38, 2338-39, 2339-40, 2340-41, 2341-42, 2342-43, 2343-44, 2344-45, 2345-46, 2346-47, 2347-48, 2348-49, 2349-50, 2350-51, 2351-52, 2352-53, 2353-54, 2354-55, 2355-56, 2356-57, 2357-58, 2358-59, 2359-60, 2360-61, 2361-62, 2362-63, 2363-64, 2364-65, 2365-66, 2366-67, 2367-68, 2368-69, 2369-70, 2370-71, 2371-72, 2372-73, 2373-74, 2374-75, 2375-76, 2376-77, 2377-78, 2378-79, 2379-80, 2380-81, 2381-82, 2382-83, 2383-84, 2384-85, 2385-86, 2386-87, 2387-88, 2388-89, 2389-90, 2390-91, 2391-92, 2392-93, 2393-94, 2394-95, 2395-96, 2396-97, 2397-98, 2398-99,

[illegible]

ס'לדאזע זענען אים מיטגעגעבן און (ס'זענען שוין צוויי מאל) 91

2018 72873 31 017 41.1% - 72873, 44.9% - 72873

6.10.0 142.0

[illegible]

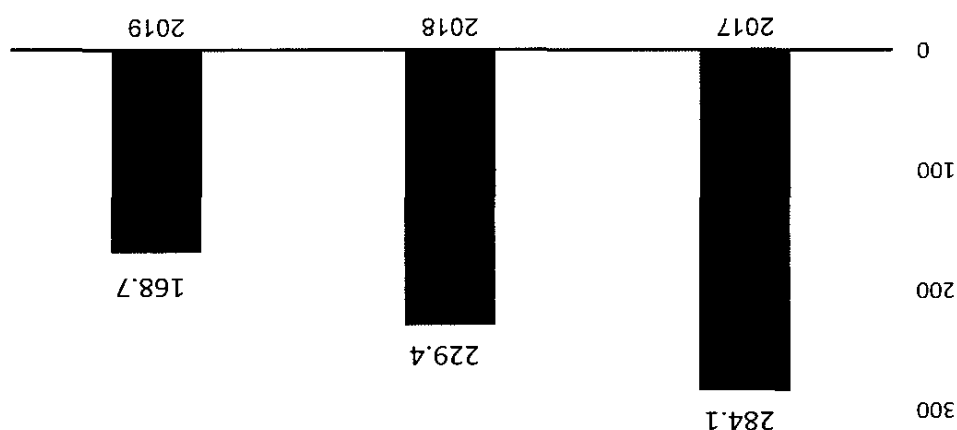
2018 31 יוני

הוצאות	1,014,595	1,082,917	הוצאות	416,591	485,812	הוצאות	3,010,124	3,495,936	הוצאות
הוצאות	864,987	2,244,367	הוצאות	1,692,429	3,010,124	הוצאות	2,109,020	2,109,020	הוצאות
הוצאות	229,438	168,652	הוצאות	3,495,936	3,495,936	הוצאות	2,109,020	2,109,020	הוצאות
הוצאות	2,109,020	3,495,936	הוצאות	2,109,020	2,109,020	הוצאות	2,109,020	2,109,020	הוצאות

x9.

החברה נהנת מיתרון פיננסי משמעותי, הנתמך על ידי מדיניות פיננסית שמטרתה להגדיל את הרווחים. המדיניות נשענת על שני עקרונות: ראשון, להחזיר את הרווחים למחזיקי המניות, ונכון לסוף 2019, החברה חזרה להחזיר את הרווחים למחזיקי המניות. שני, להחזיר את הרווחים למחזיקי המניות, ונכון לסוף 2019, החברה חזרה להחזיר את הרווחים למחזיקי המניות.

החברה נהנת מיתרון פיננסי משמעותי



החברה נהנת מיתרון פיננסי משמעותי (במיליוני דולר)

החברה נהנת מיתרון פיננסי משמעותי, הנתמך על ידי מדיניות פיננסית שמטרתה להגדיל את הרווחים. המדיניות נשענת על שני עקרונות: ראשון, להחזיר את הרווחים למחזיקי המניות, ונכון לסוף 2019, החברה חזרה להחזיר את הרווחים למחזיקי המניות. שני, להחזיר את הרווחים למחזיקי המניות, ונכון לסוף 2019, החברה חזרה להחזיר את הרווחים למחזיקי המניות.

(החברה נהנת מיתרון פיננסי משמעותי, הנתמך על ידי מדיניות פיננסית שמטרתה להגדיל את הרווחים.)

החברה נהנת מיתרון פיננסי משמעותי, הנתמך על ידי מדיניות פיננסית שמטרתה להגדיל את הרווחים. המדיניות נשענת על שני עקרונות: ראשון, להחזיר את הרווחים למחזיקי המניות, ונכון לסוף 2019, החברה חזרה להחזיר את הרווחים למחזיקי המניות. שני, להחזיר את הרווחים למחזיקי המניות, ונכון לסוף 2019, החברה חזרה להחזיר את הרווחים למחזיקי המניות.

[illegible][illegible]

יְיָ וְיִשְׂרָאֵל וְיִשְׂרָאֵל וְיִשְׂרָאֵל

החלטתו של בית דין לענין פיקוח נפש אינה יכולה להיגזר על ידי שופט בלבד אלא על ידי שופטים או שופט אחד בשם בית דין.

הגורמים הבאים יגורמו לנזק ולפגיעה בבריאות, לכן יש להימנע מהם:

החלטתו של בית דין זה היא סופית, ואין להעלות עליו ערעור. כל מי שיש לו טענות או שאלות בנוגע לתוצאות הבדיקה, יוכל לפנות אל מנהל המבחן, או אל מנהל המבחן, או אל מנהל המבחן, או אל מנהל המבחן.

התוצאות מראות כי 61.07% מהמשתתפים מעריכים את המערכת החדשה, בעוד ש-38.93% מעריכים את המערכת הישנה. תוצאות אלו מצביעות על כך שהמערכת החדשה נתפסת כמשתפרת על פני המערכת הישנה.

[illegible]

% OF-

9	4	4	-9
התאגדות המעבידים	87%	60	-50%
התאגדות העובדים		30	-25%
התאגדות המעבידים והעובדים		30	25%
התאגדות המעבידים והעובדים והממשלה		60	50%

אל ללא

[illegible][illegible][illegible]

2019 ב'תשפ"ט 31 סיון תשפ"ט 18 לראשית, ראשית, ראשית

טוילע, מאגאט 'סעקולערע פאמיליע, וואס קומט פון אונזערע וואלדער, און ער האט געמאכט
 אונזערע וואלדער, אונזערע פאמיליעס, אונזערע פאמיליעס, אונזערע פאמיליעס, אונזערע פאמיליעס,
 אונזערע פאמיליעס, אונזערע פאמיליעס, אונזערע פאמיליעס, אונזערע פאמיליעס, אונזערע פאמיליעס,

סְגוּלָּה, כֶּלֶל וְלֹא יִזְכָּר שְׂמִיחָה ד'

1. **החברה** היא חברה בע"מ, הוקמה ב-1997, והיא אחת מחברות ה**בנק הפועלים**.
 2. **החברה** היא חברה בע"מ, הוקמה ב-1997, והיא אחת מחברות ה**בנק הפועלים**.

שנה	מספר תלמידי תיכון	מספר תלמידי תיכון
2010	1.0	0.3
2011	0.3	0.3
2012	0.3	0.3
2013	0.3	0.3
2014	0.3	0.3
2015	0.3	0.3
2016	0.3	0.3
2017	0.3	0.3
2018	0.3	0.3
2019	0.3	0.3
2020	0.3	0.3
2021	0.3	0.3
2022	0.3	0.3
2023	0.3	0.3
2024	0.3	0.3
2025	0.3	0.3
2026	0.3	0.3
2027	0.3	0.3
2028	0.3	0.3
2029	0.3	0.3
2030	0.3	0.3
2031	0.3	0.3
2032	0.3	0.3
2033	0.3	0.3
2034	0.3	0.3
2035	0.3	0.3
2036	0.3	0.3
2037	0.3	0.3
2038	0.3	0.3
2039	0.3	0.3
2040	0.3	0.3
2041	0.3	0.3
2042	0.3	0.3
2043	0.3	0.3
2044	0.3	0.3
2045	0.3	0.3
2046	0.3	0.3
2047	0.3	0.3
2048	0.3	0.3
2049	0.3	0.3
2050	0.3	0.3
2051	0.3	0.3
2052	0.3	0.3
2053	0.3	0.3
2054	0.3	0.3
2055	0.3	0.3
2056	0.3	0.3
2057	0.3	0.3
2058	0.3	0.3
2059	0.3	0.3
2060	0.3	0.3
2061	0.3	0.3
2062	0.3	0.3
2063	0.3	0.3
2064	0.3	0.3
2065	0.3	0.3
2066	0.3	0.3
2067	0.3	0.3
2068	0.3	0.3
2069	0.3	0.3
2070	0.3	0.3
2071	0.3	0.3
2072	0.3	0.3
2073	0.3	0.3
2074	0.3	0.3
2075	0.3	0.3
2076	0.3	0.3
2077	0.3	0.3
2078	0.3	0.3
2079	0.3	0.3
2080	0.3	0.3
2081	0.3	0.3
2082	0.3	0.3
2083	0.3	0.3
2084	0.3	0.3
2085	0.3	0.3
2086	0.3	0.3
2087	0.3	0.3
2088	0.3	0.3
2089	0.3	0.3
2090	0.3	0.3
2091	0.3	0.3
2092	0.3	0.3
2093	0.3	0.3
2094	0.3	0.3
2095	0.3	0.3
2096	0.3	0.3
2097	0.3	0.3
2098	0.3	0.3
2099	0.3	0.3
2100	0.3	0.3

[illegible]

המחבר מודה לרבותן שסייעו לו במחקר זה, במיוחד לפרופ' ד"ר יצחק שניידר (Zvi Shindler) ופרופ' ד"ר יצחק שניידר (Zvi Shindler) ופרופ' ד"ר יצחק שניידר (Zvi Shindler).

ה'תשס"ח, 8.8-7 למסד מנהלית מנהלית.

[illegible]

- ሂ፩፡ ሂ፡፪፣ ፲፪፻፲ ል፲፭፡፮ ፍ፲፡፮፣ ፲፱፻፲፯ ል፲፱፡፮

[illegible][illegible]

י' אב תשס"א

[illegible]

ALL:

[illegible]

	שנת 2018	שנת 2019
צו"ט	662	641
שירותי צדקה	12,338	11,052
שירותי חירום	299	261
שירותי ייעוץ ופיקוח	2,716	1,673
שירותי ניהול	363	380
שירותי אחרים	9,622	9,379
בסך הכל		

[illegible][illegible]

ՆԵՐՍԷԱՆ ԱՄԵՐՈՒՄ ԷԿԱՄՈՒՄ ԱՍԿԵՆ ԵՆՈՒՄ ԳԵՐՈՒ ՄԵՐԿՆԵՐ ԱՌԵՐԱՆ ԳԵՐԱՆՈՒՄ:

[illegible][illegible]

יְהוָה יִשְׁלַח מִן הַשָּׁמַיִם אֵשׁ וְחֵטְא וְחַטָּאת יִשְׂרָאֵל וְיִשְׁלַח מִן הַשָּׁמַיִם אֵשׁ וְחֵטְא וְחַטָּאת יִשְׂרָאֵל

[illegible]

0.831
31.12, 24.11, 28.10, 19.9, 11.8, 24.7, 17.6, 26.5, 7.4, 17.3, 25.2, 17.2, 14.2, 21.1

[illegible]

10.2	בשנת 2019, הפיק המבקר הפנימי 41 דוחות בקורות הביטוח האנושי ל"ר הדיסקרטיוני.
10.1	דוחות המבקר הפנימי חגגו את כרמם.
10	המבקר הפנימי 41 דוחות בקורות הביטוח האנושי ל"ר הדיסקרטיוני.

[illegible][illegible][illegible][illegible]

המאמר מביא את המסקנות של המחקר, וכן את המסקנות של המחקר. המסקנות של המחקר הן:

[illegible]

(אזאל סתם קוצען זיין זאל)

הפסוק והוא, "וְאֵלָּהֵינוּ יָשָׁר הַדֶּרֶךְ" (שמות 10:10) – מורה על כך שהדרך הישירה היא זו שבה אנו צריכים ללכת. הדבר נובע מן העובדה שיש לנו משימה אחת, והיא להשיג את המטרה. לכן, עלינו ללכת בדרך הישירה, ללא תחבולים וללא פחדים. הדבר נובע גם מן העובדה שיש לנו משימה אחת, והיא להשיג את המטרה. לכן, עלינו ללכת בדרך הישירה, ללא תחבולים וללא פחדים.

מטען מלא
ELITALIA

[illegible]

המחשבה של פוסק דגל, הנגיד מרכזי של המערכת המשפטית, נחשבת לאחד מהמחשבות המשפיעות ביותר. המחשבה של פוסק דגל, הנגיד מרכזי של המערכת המשפטית, נחשבת לאחד מהמחשבות המשפיעות ביותר.

[illegible][illegible]

הוֹלֵל וְעוֹלֵל, הוֹלֵל וְעוֹלֵל

[illegible]

[illegible][illegible]

פוסטלס אונטער צוואנג לאזן זיך פארשטיין דורך אים וואס ער האט געשריבן אין זיין ברייף.

[illegible][illegible]

לסוף אולי

[illegible]

ס.ס.ס. מונומל זי לואיד נאל יא ליסאס טלדטט זי א טאגלי אהט יאזי ס.ס.ס.מאטט מולדט זי.

שְׁמֵי שָׁמַיִם וְעוֹלָמוֹת

לע. מערער זאגן זיך אפ און אים אנטקעגן, און אים אנטקעגן.

נספח א' לדוח הדירקטוריון על מצב ענייני התאגיד

הלוואות מהותיות של החברה בשנה שנסתיימה ביום 31/12/2019

לוח סילוקין										מאפייני המלווה
תאריך פירעון סופי של ההלוואות	תאריך תחילת ההלוואות	יתרת בלון (אלפי דולר)	היקף החזר קרן (אלפי דולר)	תדירות פירעון קרן וריבית	ריבית	בטוחות	יתרה בלתי מסולקת (אלפי דולר)	היקף ההלוואות (אלפי דולר)	הלוואות בגין מטוסים	
25/06/2026	26/11/2013	-	3,935	רבעוני	קבועה- 2.45% - 2.623%	4 מטוסי 737-900	97,405	188,894	737-900	שוק ההון האמריקאי בערבות EXIM
01/03/2030	01/03/2018	-	3,250	רבעוני	משתנה ליבור + מרווח - 1.5%-2.5%	מטוס 787-9	112,250	135,000	787-9	מוסדות בנקאים זרים
30/06/2028	27/06/2018	52,000	2,500	רבעוני	משתנה ליבור + מרווח - 1%-2%	מטוס 787-9	133,553	145,000	787-9	מוסד בנקאי זר ומשקיעים יפניים
10/08/2030	10/08/2018	-	2,600	רבעוני	משתנה ליבור + מרווח - 0%-1%	מטוס 787-9	114,244	125,000	787-9	מוסד בנקאי זר בערבות UAE
30/08/2029	18/06/2019	50,530	2,556	רבעוני	משתנה ליבור + מרווח - 0.5%-1.5%	מטוס 787-9	145,994	149,872	787-9	מוסד בנקאי זר ומשקיעים יפניים
31/10/2029	27/11/2019	44,873	2,293	רבעוני	משתנה ליבור + מרווח - 0%-1%	מטוס 787-8	132,894	132,894	787-8	מוסד בנקאי זר ומשקיעים יפניים
18/12/2029	18/12/2019	40,392	2,213	רבעוני	משתנה ליבור + מרווח - 0.5%-1.5%	מטוס 787-8	126,099	126,099	787-8	מוסד בנקאי זר ומשקיעים יפניים

שינויים במצבת ההלוואות המהותיות של החברה מיום 01/1/2020 ועד למועד הסמור הסמוך למועד פרסום הדוחות הכספיים

לוח סילוקין									
תאריך פרסום סופי של ההלוואות	תאריך תחילת ההלוואות	יתרת בלון (אלפי דולר)	היקף החזר קרן (אלפי דולר)	תדירות פירעון קרן וריבית	ריבית	בטוחות	יתרה בלתי מסולקת (אלפי דולר)	היקף ההלוואות (אלפי דולר)	הלוואות בגין מטוס
31/01/2030	19/02/2020	44,615	2,299	רבעוני	משתנה ליבור + מרחות - 0%-1%	מטוס 787-8	132,650	132,650	787-8
						מאפייני המלווה			
						הלוואות בגין מטוס			
						מוסד בנקאי זר ומשקיעים מוסד בנקאיים יפניים			

מ"ט לארשיל ריוא יביטז לז לא
2019 שנה לטפולט טוד

2019 שנה לטפולט
סילטואט סייסכ טוטול
זילט

13-ג - 94-ג	סידור מחדש של המסמכים
11-ג - 12-ג	דוחות ממוינים על ידי הממונים
8-ג - 10-ג	דוחות ממוינים על ידי הממונים
7-ג	דוחות ממוינים על ידי הממונים
6-ג	דוחות ממוינים על ידי הממונים
4-ג - 5-ג	דוחות ממוינים על ידי הממונים
	הדוחות הממוינים:
1-ג - 3-ג	דוחות ממוינים על ידי הממונים

עמוד

תוכן העניינים

דוחות מסמכים מאוחדים לשנת 2019

אל על נתיבי האוויר לישראל בע"מ

המחברת והמחברים לא יאחזקו אחריות כלשהי למעלה מ-15 שנים לאחר תאריך הדיווח. המחברת והמחברים לא יאחזקו אחריות כלשהי למעלה מ-15 שנים לאחר תאריך הדיווח. המחברת והמחברים לא יאחזקו אחריות כלשהי למעלה מ-15 שנים לאחר תאריך הדיווח.

תל אביב, 13 במאי, 2020

בריסטול אלקטרוניקס וזרועות
ראשי חשבון
A Firm in the Deloitte Global Network

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ת"ע ישראל איירליינס
יפסקה 16 של חוק המסחר עם ישראל

ליום 31 בדצמבר		2018	2019	ביאור
אלפי דולר		אלפי דולר	אלפי דולר	
נכסים				
נכסים שוטפים	193,097	229,260	3	מזומנים ומזומנים מקבילים
הקדמות לקניין	13,156	35,031	4	
הקדמות לקניין	170,332	184,931	5	הקדמות לקניין
הקדמות לקניין	895	4,706	18	הקדמות לקניין
הקדמות לקניין	22,896	15,913	6	הקדמות לקניין
הקדמות לקניין	16,215	15,971	7	הקדמות לקניין
הקדמות לקניין	416,591	485,812		הקדמות לקניין
הקדמות לקניין				
הקדמות לקניין	7,141	-	6	הקדמות לקניין
הקדמות לקניין	795	6,253	18	הקדמות לקניין
הקדמות לקניין	26,781	76,455	4	הקדמות לקניין
הקדמות לקניין	21,483	23,230	8	הקדמות לקניין
הקדמות לקניין	-	983,418	1.2	הקדמות לקניין
הקדמות לקניין	1,568,364	1,841,597	9	הקדמות לקניין
הקדמות לקניין	67,865	79,171	14	הקדמות לקניין
הקדמות לקניין	1,692,429	3,010,124		הקדמות לקניין
הקדמות לקניין				
הקדמות לקניין	2,109,020	3,495,936		הקדמות לקניין
הקדמות לקניין				

הקדמות לקניין. הקדמות לקניין. הקדמות לקניין. הקדמות לקניין. הקדמות לקניין.

ישראל, 2020, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861

2018		2019		ביאור
אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	
ליום 31 בדצמבר				
293,164	217,852	93,408	172,296	13
-	-	159,089	101,667	11
101,667	95,930	347,987	23,741	12
310,765	37,987	18,553	3,735	15
22,030	127,968	109,327	127,968	18
109,327	1,014,595	1,082,917	1,082,917	14
התפוסות שוטפות				
293,164	217,852	93,408	172,296	13
-	-	159,089	101,667	11
101,667	95,930	347,987	23,741	12
310,765	37,987	18,553	3,735	15
22,030	127,968	109,327	127,968	18
109,327	1,014,595	1,082,917	1,082,917	14
התפוסות שלא שוטפות				
658,321	996,434	927,875	98,604	13
-	927,875	927,875	98,604	12
32,296	98,604	98,604	98,604	12
12,883	63,338	63,338	63,338	11
78,994	93,746	93,746	93,746	14
10,747	9,847	9,847	9,847	18
71,746	54,523	54,523	54,523	16
864,987	2,244,367	2,244,367	2,244,367	16
1,879,582	3,327,284	3,327,284	3,327,284	17
התפוסות שלא שוטפות				
1,879,582	3,327,284	3,327,284	3,327,284	17
155,012	155,012	260,368	260,368	17
242,808	242,808	260,368	260,368	17
(169,220)	(169,220)	(247,643)	(247,643)	17
228,600	228,600	167,737	167,737	17
838	838	915	915	17
229,438	168,652	168,652	168,652	17
2,109,020	3,495,936	3,495,936	3,495,936	17
התפוסות והתפוסות				
2,109,020	3,495,936	3,495,936	3,495,936	17

וְכָל הַיּוֹם יִשְׁמְעוּ אֶת הַקּוֹל
וְיִשְׁמְעוּ אֶת הַקּוֹל

יִשְׂרָאֵל מִלְּפָנֶיךָ יְיָ אֱלֹהֵינוּ וְעַתָּה מִלְּפָנֶיךָ יְיָ אֱלֹהֵינוּ וְעַתָּה מִלְּפָנֶיךָ יְיָ אֱלֹהֵינוּ

*1.2.6 תואר כללי - אולן

[illegible]

אָדער אַזוי אַז אַלע זייערע אַרבעטן זענען געווען
אין אַזוי אַז אַלע זייערע אַרבעטן זענען געווען

ישראל מלחמה על ארצות האויב

שנת 2017			שנת 2018			שנת 2019		
מחיר	מחיר	מחיר	מחיר	מחיר	מחיר	מחיר	מחיר	מחיר
1,767	(1,146)	933	1,767	(1,109)	299	1,767	(1,109)	299
(3,662)	(37,235)	20,931	(3,662)	(37,235)	20,931	(3,662)	(37,235)	20,931
(3,597)	(36,602)	17,560	(3,597)	(36,602)	17,560	(3,597)	(36,602)	17,560
2,073	(88,769)	(42,041)	2,073	(88,769)	(42,041)	2,073	(88,769)	(42,041)

אָדער ער האט אים געזאגט
און ער האט אים געזאגט

אל על נתיבי אויר לישראל בע"מ

דוחות מאוחדים על השינויים בהון

לשנה שנסתיימה ביום 31 בדצמבר 2019

ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין	ק"ר הון בגין
מדידות מחדש של ההתחייבות נטו בגין הטבה מגוררת אלפי דולר	ק"ר הון בגין הפרשי תרגום של פעילויות חוץ אלפי דולר	ק"ר הון בגין גידור תדרימי מזומנים - ערך זמן אלפי דולר	ק"ר הון בגין גידור תדרימי מזומנים אלפי דולר	קרנות הון אחרות אלפי דולר	פרמיה על מניות אלפי דולר	הון מניות אלפי דולר	ק"ר הון בגין ההתחייבות נטו בגין הטבה מגוררת אלפי דולר	ק"ר הון בגין הפרשי תרגום של פעילויות חוץ אלפי דולר	ק"ר הון בגין גידור תדרימי מזומנים - ערך זמן אלפי דולר
229,438	838	(169,220)	(9,177)	46	(932)	(23,433)	240,750	35,554	155,012
(18,745)	18	(18,763)	-	-	-	-	-	-	-
210,693	856	(187,983)	(9,177)	46	(932)	(23,433)	240,750	35,554	155,012
(59,601)	59	(59,660)	-	-	-	-	-	-	-
17,560	-	-	(4,603)	933	299	20,931	-	-	-
(42,041)	59	(59,660)	(4,603)	933	299	20,931	-	-	-
168,652	915	(247,643)	(13,780)	979	(633)	(2,502)	240,750	35,554	155,012
ס"ה כ	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר

יתרה ליום 1 בינואר 2019

השפעה מצטברת בגין יישום תקן

דיווח נכסי בינלאומי IFRS 16 (ראה ביאור

7.2)

יתרה ליום 1 בינואר 2019 לאחר השפעה

מצטברת בגין יישום תקן דיווח נכסי

בינלאומי IFRS 16

רווח (הפסד) לשנה

רווח (הפסד) כולל אחר

ס"ה כ רווח (הפסד) כולל לשנה

ס"ה כ הון ליום 31 בדצמבר 2019

הביאורים המצורפים לדוחות הנכסיים המאוחדים מהווים חלק בלתי נפרד מהם.

דוחות מאוחדים על השינויים בהון

לשנה שנסתיימה ביום 31 בדצמבר 2018

יתרה ליום 1 בינואר 2018
השפעה מצטברת בגין יישום תקן
דיווח כפי: בינלאומי IFRS 15
יתרה ליום 1 בינואר 2018 לאחר השפעה
מצטברת בגין יישום תקן דיווח כפי:
בינלאומי IFRS 15

(המשך)

לשנה שנסתיימה ביום 31 בדצמבר 2017

	קרן הון בגין	מדידות מחדש של ההתחייבות נטו בגין הטבה מוגדרת	קרן הון בגין הפרשי תרומות של פעילויות חוץ	קרן הון בגין גידור מדרימי מזומנים - ערך זמן	קרן הון בגין גידור מדרימי מזומנים	קורות הון אחרות	פרמיה על מניות	הון מניות אלפי דולר
סכ"כ	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר
יתרה ליום 1 בינואר 2017	-	(10,186)	(575)	-	17,464	237,122	35,554	155,012
רווח (הפסד) לשנה רווח (הפסד) כולל אחר	5,670 (3,597)	(6) -	5,676 -	(1,879)	1,767	-	-	-
סה"כ רווח (הפסד) כולל לשנה	2,073	(6)	5,676	(1,879)	1,767	-	-	-
הנפקת מניות בחברת בת	2,001	212	-	-	-	1,789	-	-
דיבידנד ששולם	(9,935)	-	(9,935)	-	-	-	-	-
סה"כ הון לדצמבר 2017	278,190	206	(154,599)	(12,065)	1,192	177	13,802	238,911

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ס'תענוגות יג'לוע א' ס'טואט עוטול

אז א' ז'י'א ל'חא י'ד'י'א אז א'

אל על ביטוחים ופנסיה
דוחות ממוזגים על ידי מנהל המכירות

לשנה שנסתיימה ביום 31 בדצמבר	2017	2018	2019
אלפי דולר			
אלפי דולר			
אלפי דולר			

הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על

הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על

הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על

הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	158,854	152,852	167,727
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	97,659	-	-
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	59,394	-	1,733
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	(17,529)	(15,967)	39,797
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	20,226	(25,289)	(3,998)
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	(11,791)	(7,664)	(130)
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	(1,311)	(523)	(3,662)
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	(1,522)	2,856	1,708
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	2,236	2,198	278,300
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	353,452	143,396	41,832
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	44,136	(6,616)	46,813
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	17,192	33,573	3,678
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	244	(1,553)	(4,245)
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	7,917	(1,098)	10,627
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	(22,253)	10,627	(12,953)

הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על

הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	77,105	25,079	19,139
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	2,712	3,278	2,100
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	436	945	493
הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על	579	741	1,138

הערה: שטחים ממוזגים על ידי מנהל המכירות - אל על

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מלכותו יתברך שמו לעולם ועד.

327-540

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המחלקה החדשה של המערכת, המכונה "מחלקת המידע", תהיה אחראית על כל המידע המגיע למערכת, וכן על כל המידע המגיע למערכת. המחלקה תהיה אחראית על כל המידע המגיע למערכת, וכן על כל המידע המגיע למערכת. המחלקה תהיה אחראית על כל המידע המגיע למערכת, וכן על כל המידע המגיע למערכת.

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המחברת, ד"ר חגית גורן, היא מנכ"לית ומנהלת מחקר בכירה במחלקת המחקר של משרד החינוך, ובעבר הייתה מנכ"לית מחקר במחלקת המחקר של משרד הבריאות. היא מחזיקה תואר דוקטורט במדע החינוכי, ותואר שני במנהל ומינהל. היא פרסמה מאמרים בכתבי עת מקצועיים, וכן ספרים בנושאי חינוך, בריאות ופיתוח קהילה. היא נשואה ואם לשלושה ילדים.

[illegible]

ELITALIA
02 47 41 11 11

ELTVALTÉZ
LÉGI TÁJÉKOZTATÓ

[illegible]

דאָס פּאַרלעמאַנט האָט דעם 17טן יאנואַר 1918 דעם פּאַרלעמאַנטאָרישן פּאַרטיקולאַרן פּאַרעאָרדנעט פאַרשטאַטט. דער פּאַרלעמאַנט האָט דעם 17טן יאנואַר 1918 דעם פּאַרלעמאַנטאָרישן פּאַרעאָרדנעט פאַרשטאַטט.

אָז' אַ טוהל' פֿאַרן געטעמט פֿאַר וואָס ער האָט

מוטעט סייטוט סייטוט (8) 6'ט לאנדטאל 'מוטעט' וואו ערלעבט אומא ערלעבט מוטעט, יאז

[illegible]

(f) 6' ילד לא יטול אף טעם מואצוץ וטעם

לְוָלְיָהּ מִיִּצְחָק אֵלֶּיךָ אֲדֹנָיִם וְאַתָּה לֹא עָלִיתָ לְוָלְיָהּ מִיִּצְחָק אֵלֶּיךָ אֲדֹנָיִם

[illegible]

14. לא יואב יאמר, ויגדל עושיא ויחזקו

[illegible]

¹⁶ ש' ואב יאד ,רא' 2019' ב'מצד 31 ס'יל ע'תיוול ת'תובו"ח טעמטל ווארפטל ווארפל ל'פ'ורל

ՀԱՅԳՈՒ ԵՊՈՒՄ ԱՍԻՄ, Ո՛Ր ԱԴԵՆ ԵՐՈՐ, Ո՛Ր ԱՊՈՒՄ ԳՈՐԶԻՄ, Ո՛Ր ԵՍԵՆՍ՝

[illegible]

צ' (למעט): סייחילל סילטואו סייטוט סייאזאטט אלל יוליו

ז'ואל ז - טסו,ס זאזאז טטוטוט טטוטוט (טאז)

ס'טונאטל ס'קאסל און זיין קאמפאני

אל אל יצחיק אלו ללחלח תא.ו

[illegible][illegible][illegible]

לפיכך, יש להבחין בין שני סוגי פיקציות: פיקציות "מחייבות" ופיקציות "מאפשרות". פיקציות "מחייבות" הן פיקציות שבהן המחוקק קובע את התוצאה של הפיקציה, ואילו פיקציות "מאפשרות" הן פיקציות שבהן המחוקק קובע את התוצאה של הפיקציה, אך לא בהכרח.

[illegible]

1.

ס.ל.ט.א.ט.ל ס.ה.ס.ט.ל ט.ט.ט.ל ט.ט.ט.ל
 ט.ט.ט.ל ט.ט.ט.ל ט.ט.ט.ל ט.ט.ט.ל

השפעה	מאגרת	שיל ישראלי	אלפי דולר
י"פ	י"פ	י"פ	י"פ
IFRS 16	IFRS 16	IFRS 16	IFRS 16
106,468	117,287	111,177	111,177
934	7,141	238	238
86,991	26,781	605,307	605,307
19,857	21,483	493,892	493,892
(1,626)	(6,207)	111,177	111,177
60,210	7,141	238	238
19,857	21,483	605,307	605,307
86,991	26,781	493,892	493,892
111,177	111,177	111,177	111,177
238	238	238	238
605,307	605,307	605,307	605,307
106,468	117,287	111,177	111,177
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60,210	7,141	238	238
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86,991	26,781	493,892	493,892
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(1,626)	(6,207)	111,177	111,177
60,210	7,141	238	238
19,857	21,483	605,307	605,307
86,991	26,781	493,892	493,892
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106,468	117,287	111,177	111,177
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(1,626)	(6,207)	111,177	111,177
60,210	7,141	238	238
19,857	21,483	605,307	605,307
86,991	26,781	493,892	493,892
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106,468	117,287	111,177	111,177
934	7,141	238	238
86,991	26,781	605,307	605,307
19,857	21,483	493,892	493,892
(1,626)	(6,207)	111,177	111,177
60,210	7,141	238	238
19,857	21,483	605,307	605,307
86,991	26,781	493,892	493,892
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106,468	117,287	111,177	111,177
934	7,141	238	238
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19,857	21,483	493,892	493,892
(1,626)	(6,207)	111,177	111,177
60,210	7,141	238	238
19,857	21,483	605,307	605,307
86,991	26,781	493,892	493,892
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60,210	7,141	238	238
19,857	21,483	605,307	605,307
86,991	26,781	493,892	493,892
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106,468	117,287	111,177	111,177
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605,307	605,307	605,307	605,307
106,468	117,287	111,177	111,177
934	7,141	238	238
86,991	26,781	605,307	605,307
19,857	21,483	493,892	493,892
(1,626)	(6,207)	111,177	111,177
60,210	7,141	238	238
19,857	21,483	605,307	605,3

[illegible]

(ד) וְלִפְתָּח בֶּן-חֲנָנִי, מֵעַמְּךָ הַזֶּה, וְעָלְתָּ בָּהֶם, וְשִׁפְטָהֶם:

(למטה): (,,ולמעט: לזל) „טרמיט“ - 96 \$XJ-61, ומואלד, COG טווח ולזל

זלזל (מחשבים) - מחשבים, מחשבים, מחשבים

סִימְיוֹנִי וְיִצְחָק בֶּן־יִצְחָק
 אֲבִי הַמֶּלֶךְ הַזֶּה

[illegible][illegible][illegible]

הוא מנסה להסביר את המצב הנוכחי של ישראל, ואת הסיבות לכך, ואת הדרך בה ניתן להשיג את המטרה. הוא מנסה להסביר את המצב הנוכחי של ישראל, ואת הסיבות לכך, ואת הדרך בה ניתן להשיג את המטרה.

[illegible][illegible][illegible]

31. מדיניות הממשלה היא להעניק זכויות אזרחיות לזרעם של היהודים.

(למעט) - מאזרחות ויזלזות - זלזול

אל אל יעזבנו ואל לילא תפ

[illegible]

ללא אגף מונופליסטי	76,455	26,781
סיסטם ערבי, ימס"ט עדות ה' והדסה' מונופליסטי	69,280	20,799
מינימום לא מונופליסטי	4,887	4,122
ללא אגף מונופליסטי	2,288	1,860

	13,156	35,031
סגור	-	129
סיכום שווי, כולל חובות ופיקדונות ממשלתיים	4,287	25,514
(1) סכומי הפיקדונות הממשלתיים	8,740	9,517

2019	2018
2019	2018
2019	

ULCT:

מחזוריות - תיאור

מזומנים ויחידות בבעלות	45,936	48,126
מזומנים	147,161	181,134
הס"ס	193,097	229,260

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[illegible]

טוֹלָלָה - אֲנִי מְחַיֵּה הַמֵּתִים

סִלְטוּאָט פֿון ס׳העגן שולחן סילואד

אַזאַרעלע לוי יצחק זינגער

[illegible]

סי.מ.י. 09-6 איז 2019 פארעברייט און ערשטער טאג פונעם יאר.

(ס.מ., צ-87: 8107 עמוד) ס.מ., צ-87: 5916 עמוד, ירושלים ומועד פאנאליט, ארמאט ופולצ

[illegible]

ט' לילכות:

[illegible]

Տ՝ ԱԼԵՈՒՄ ԿՈՅԻՆԱԿ:

סיכום הדיון - חלק א'

סימטואטי סייסגולוויטל סימאזי

אל אל ידיליא לילאלי תא..א

(המשל) לקוחות ותיכונים אחרים (המשל) - 5 יאור

ג. גיל חובות לקוחות:

2018	2019
אלפי דולר	אלפי דולר
107,605	123,029
7,227	12,702
7,817	9,256
122,649	144,987
(5,362)	(5,092)
117,287	139,895

א. גיל חובות לקוחות:
א. גיל חובות לקוחות:
א. גיל חובות לקוחות:
א. גיל חובות לקוחות:
א. גיל חובות לקוחות:
א. גיל חובות לקוחות:
א. גיל חובות לקוחות:

2018	2019
אלפי דולר	אלפי דולר
5,654	5,362
295	515
(587)	(785)
5,362	5,092

ב. גיל חובות לקוחות:
ב. גיל חובות לקוחות:
ב. גיל חובות לקוחות:
ב. גיל חובות לקוחות:
ב. גיל חובות לקוחות:

2018	2019
אלפי דולר	אלפי דולר
13,678	13,513
15,908	8,048
8,679	9,907
14,780	13,568
53,045	45,036

ג. גיל חובות לקוחות:
ג. גיל חובות לקוחות:
ג. גיל חובות לקוחות:
ג. גיל חובות לקוחות:
ג. גיל חובות לקוחות:

12,271,310.74	2018	7,117,157.84
2019	7,117,157.84	
6,763	5,813	1,216
2,423	1,876	15,971
16,215	15,971	

ԱՄԷ, ԼԻՈՒ, ԳԼ,
ԸԱՆՎԻՍ
ՍՄԵԼԻՍ ԱՄԷ, ԱՄԷ
ԷՎՍԻՍ, ՀԱՄԷ

UULCT:

УДК 62-50 - 62

2018	2019
11,981	5,905
2,671	3,492
8,244	6,516
22,896	15,913
7,141	-
7,141	-

ԼՃԱ ՔԱՆԿԱՆՈՒՄ
ԿԱ ՔԱՆԿԱՆՈՒՄ:

אָמאָן
 אַלמאן און אַלמאן
 אַלמאן און אַלמאן
 אַלמאן:

[illegible]

טויל 9 - טויל אדאס

סִלְטוֹאטִיל סִיגִסוֹטִיל מוֹטוֹלִיל סִיגִסוֹטִיל
טִיגִסוֹטִיל מוֹטוֹלִיל סִיגִסוֹטִיל טִיגִסוֹטִיל

(Start-Up לעגל חרש (עלמא) סימנא

[illegible]

יז. יאזוט וואס מוזאלסט

[illegible]

התאגדות אגודת חסידי חב"ד

[illegible]

לפיכך, נראה כי המדיניות הכלכלית של ישראל, אשר נשענת על מודל של גידול כלכלי מתמיד, אינה תואמת את המציאות הכלכלית והחברתית של ישראל. המדיניות הזו, אשר נשענת על מודל של גידול כלכלי מתמיד, אינה תואמת את המציאות הכלכלית והחברתית של ישראל. המדיניות הזו, אשר נשענת על מודל של גידול כלכלי מתמיד, אינה תואמת את המציאות הכלכלית והחברתית של ישראל.

ד' אַזאַלעס וואס ער האט געוואלט:

[illegible]

Α' ΨΥΛΟΤ:

לולא וגל עוללה - 8 לואי

1. התאחדות העובדים
 2. התאחדות העובדים

[illegible]

א' אַזאַלע מוילען דאָס

(1) **לכל מי שיש לו זכות להגיש תביעה לפי חוק זה, יש להגיש תביעה לפי חוק זה.**

12018	1,473,728	1,568,364
2018	94,636	94,443
2019	1,747,154	1,841,597

[illegible]

אברהם
אברהם
אברהם

[illegible]

GULF OILFIELD:

1,208,170	142,619	-	-	89,025	976,126	2018
111,430	11,312	-	-	16,380	83,738	2018
(37,515)	*(18,935)	-	-	(14,545)	(4,035)	2018
1,282,085	134,996	-	-	90,860	1,056,229	2018
113,868	20,235	-	-	11,190	82,443	2018
(480,584)	(23,886)	-	-	(12,770)	(443,928)	2018
915,369	(131,345)	-	-	89,280	694,744	2018
1,747,154	96,632	96,719	199,058	1,354,745		2018
1,473,728	110,152	197,388	141,421	1,024,767		2018

* **ז'לדע זיגט:**

[illegible]

[illegible]

(2) **אָדער אַנדערע אַרבעט:**

[illegible][illegible]

ה'תשנ"ח - 1997: 1-19, 20-29, 30-40, 41-49, 50-59, 60-69, 70-79, 80-89, 90-99, 100-109, 110-119, 120-129, 130-139, 140-149, 150-159, 160-169, 170-179, 180-189, 190-199, 200-209, 210-219, 220-229, 230-239, 240-249, 250-259, 260-269, 270-279, 280-289, 290-299, 300-309, 310-319, 320-329, 330-339, 340-349, 350-359, 360-369, 370-379, 380-389, 390-399, 400-409, 410-419, 420-429, 430-439, 440-449, 450-459, 460-469, 470-479, 480-489, 490-499, 500-509, 510-519, 520-529, 530-539, 540-549, 550-559, 560-569, 570-579, 580-589, 590-599, 600-609, 610-619, 620-629, 630-639, 640-649, 650-659, 660-669, 670-679, 680-689, 690-699, 700-709, 710-719, 720-729, 730-739, 740-749, 750-759, 760-769, 770-779, 780-789, 790-799, 800-809, 810-819, 820-829, 830-839, 840-849, 850-859, 860-869, 870-879, 880-889, 890-899, 900-909, 910-919, 920-929, 930-939, 940-949, 950-959, 960-969, 970-979, 980-989, 990-999, 1000-1009, 1010-1019, 1020-1029, 1030-1039, 1040-1049, 1050-1059, 1060-1069, 1070-1079, 1080-1089, 1090-1099, 1100-1109, 1110-1119, 1120-1129, 1130-1139, 1140-1149, 1150-1159, 1160-1169, 1170-1179, 1180-1189, 1190-1199, 1200-1209, 1210-1219, 1220-1229, 1230-1239, 1240-1249, 1250-1259, 1260-1269, 1270-1279, 1280-1289, 1290-1299, 1300-1309, 1310-1319, 1320-1329, 1330-1339, 1340-1349, 1350-1359, 1360-1369, 1370-1379, 1380-1389, 1390-1399, 1400-1409, 1410-1419, 1420-1429, 1430-1439, 1440-1449, 1450-1459, 1460-1469, 1470-1479, 1480-1489, 1490-1499, 1500-1509, 1510-1519, 1520-1529, 1530-1539, 1540-1549, 1550-1559, 1560-1569, 1570-1579, 1580-1589, 1590-1599, 1600-1609, 1610-1619, 1620-1629, 1630-1639, 1640-1649, 1650-1659, 1660-1669, 1670-1679, 1680-1689, 1690-1699, 1700-1709, 1710-1719, 1720-1729, 1730-1739, 1740-1749, 1750-1759, 1760-1769, 1770-1779, 1780-1789, 1790-1799, 1800-1809, 1810-1819, 1820-1829, 1830-1839, 1840-1849, 1850-1859, 1860-1869, 1870-1879, 1880-1889, 1890-1899, 1900-1909, 1910-1919, 1920-1929, 1930-1939, 1940-1949, 1950-1959, 1960-1969, 1970-1979, 1980-1989, 1990-1999, 2000-2009, 2010-2019, 2020-2029, 2030-2039, 2040-2049, 2050-2059, 2060-2069, 2070-2079, 2080-2089, 2090-2099, 2100-2109, 2110-2119, 2120-2129, 2130-2139, 2140-2149, 2150-2159, 2160-2169, 2170-2179, 2180-2189, 2190-2199, 2200-2209, 2210-2219, 2220-2229, 2230-2239, 2240-2249, 2250-2259, 2260-2269, 2270-2279, 2280-2289, 2290-2299, 2300-2309, 2310-2319, 2320-2329, 2330-2339, 2340-2349, 2350-2359, 2360-2369, 2370-2379, 2380-2389, 2390-2399, 2400-2409, 2410-2419, 2420-2429, 2430-2439, 2440-2449, 2450-2459, 2460-2469, 2470-2479, 2480-2489, 2490-2499, 2500-2509, 2510-2519, 2520-2529, 2530-2539, 2540-2549, 2550-2559, 2560-2569, 2570-2579, 2580-2589, 2590-2599, 2600-2609, 2610-2619, 2620-2629, 2630-2639, 2640-2649, 2650-2659, 2660-2669, 2670-2679, 2680-2689, 2690-2699, 2700-2709, 2710-2719, 2720-2729, 2730-2739, 2740-2749, 2750-2759, 2760-2769, 2770-2779, 2780-2789, 2790-2799, 2800-2809, 2810-2819, 2820-2829, 2830-2839, 2840-2849, 2850-2859, 2860-2869, 2870-2879, 2880-2889, 2890-2899, 2900-2909, 2910-2919, 2920-2929, 2930-2939, 2940-2949, 2950-2959, 2960-2969, 2970-2979, 2980-2989, 2990-2999, 3000-3009, 3010-3019, 3020-3029, 3030-3039, 3040-3049, 3050-3059, 3060-3069, 3070-3079, 3080-3089, 3090-3099, 3100-3109, 3110-3119, 3120-3129, 3130-3139, 3140-3149, 3150-3159, 3160-3169, 3170-3179, 3180-3189, 3190-3199, 3200-3209, 3210-3219, 3220-3229, 3230-3239, 3240-3249, 3250-3259, 3260-3269, 3270-3279, 3280-3289, 3290-3299, 3300-3309, 3310-3319, 3320-3329, 3330-3339, 3340-3349, 3350-3359, 3360-3369, 3370-3379, 3380-3389, 3390-3399, 3400-3409, 3410-3419, 3420-3429, 3430-3439, 3440-3449, 3450-3459, 3460-3469, 3470-3479, 3480-3489, 3490-3499, 3500-3509, 3510-3519, 3520-3529, 3530-3539, 3540-3549, 3550-3559, 3560-3569, 3570-3579, 3580-3589, 3590-3599, 3600-3609, 3610-3619, 3620-3629, 3630-3639, 3640-3649, 3650-3659, 3660-3669, 3670-3679, 3680-3689, 3690-3699, 3700-3709, 3710-3719, 3720-3729, 3730-3739, 3740-3749, 3750-3759, 3760-3769, 3770-3779, 3780-3789, 3790-3799, 3800-3809, 3810-3819, 3820-3829, 3830-3839, 3840-3849, 3850-3859, 3860-3869, 3870-3879, 3880-3889, 3890-3899, 3900-3909, 3910-3

[illegible][illegible][illegible]

(ג) **סימולאציען, סוואט און אפגעטע**

[illegible]

טבלה 6 - (משולש) משולש המכיל את המידע המצוי בטבלה 5

[illegible]

EL AL

2020.

[illegible]

ՀԱՆՐԱՊԵՏԱՆԻ ԴԱՏԱՆԻ ԿԵՆՏՐԱԼ ԿՈԼԼԵԿԿԻՅԱՆ ԿՈՄԻՏԵ

זל' סאטער טעגס, ס'וועט זיין א שטארקע און גוטע צייט צו גיין צו אונזערע שולן און צו אונזערע קינדער, און אונזערע אלע קינדער וועלן זיין געזונט און געלעבן. און אונזערע אלע קינדער וועלן זיין געזונט און געלעבן.

- [illegible]

החוקים והמנהלים המעטים

(ג) תוֹשֵׁב הָאָרֶץ יִשְׂרָאֵל וְהַגֵּר הַיָּשׁוּן בְּתוֹכָהּ יִשְׁמְרוּ אֶת הַחֻקִּים הָאֵלֶּה (למחל)

ט' (למעט): ילידי סיוט וזוילן זענען יסודות פאר א גוטע און געזונטע לעבן.

טווח 6 - טווחים: 0,001 ל 0,01 (טווח)

מ.ל.ט.א.ט.ל. מ.ה.ס.ט.ט.ל. מ.ל.ט.א.ט.ל.

አፈ ሥራ ስር ለሚገኙት ሰራተኞች ስራ ስራ ስራ

ה'תשנ"ח (1997) - חוק המעורבות של הציבור במערכת המשפט, המארגן את המעורבות של הציבור במערכת המשפט, וכולל את המעורבות של הציבור במערכת המשפט, וכולל את המעורבות של הציבור במערכת המשפט.

שנה	רבעון ראשון 2020	2019	2018	2017	תחילת / בעלות	דגם
15	1	7	5	2		
3	1	2	-	-	בעלות	787-8
4	-	1	3	-	בעלות	787-9
8	-	4	2	2	תחילת	787-9

הערה: כל מונח מסווג כאן מוגדר ומונח על ידי המונחים המוגדרים במסמך זה.

[illegible]

87: סעלע און יעדע סינסטאז לא טראכטן שוין וואס זאל מען האנדלען מיט דער צי

(למעט) יחידות, נקודות מוצא וטא מוצא ל'סיוח לוח' סיוסוח - 6 לוח

[illegible]

[illegible][illegible][illegible]

287: צמאוד סעלע סיסווע לודא סימאזע עטילי

למכירתה ומכירתה חזרה (Sale & Lease Back)

[illegible]

סוֹמָא וְיֹאזָא סִימָא בְּלִסְמָא לְזִמְתָּא דְּלִילָא דְּלִילָא דְּלִילָא

[illegible]

ל'אטעמאלע שולן זאלן נישט אומגעבליבענע זיין.

המחיר הממוצע של המניות בשנת 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2

(Զ) ԱՇԽԱՏԱՆԻ ԱՄՆԹ:

2019 מיליון 610 יחידות אוויר

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אחל ואל תסח'.

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(2) **ህርሷ ለጠባቢዎች፡**

01-281 ("ԱՌՈՒՄ, ԼՔԱԳՆԱԼ ԵՐԵՐԵՄ"):

[illegible]

(1) **ՀԱՌԱ ԱՌՈՒՄ:**

שם וטעם ספרותי, מילולי ומחזיק

(למשל): 782' מציג לנו יחידה מסוימת של מיליארד שילינגים ופונקציה של זמן

(למשל) יחידות העזר, המכשירים והכלים - סיסטמטי

מ.ל.ט.א.ט.ל מ.ס.ס.ט.ל ו.ט.ט.ל מ.ל.א.ט.

[illegible]

המחקר נערך על ידי פרופ' דוד גורן, מנהל המרכז למחקר ולמדיניות, ומר' דוד גורן, מנהל המרכז למחקר ולמדיניות, במסגרת תוכנית המחקר "המחקר והמדיניות" של משרד החינוך. המחקר נערך בשנת 2019, והתבצע באמצעות סקר שאלון. המחקר נערך על ידי פרופ' דוד גורן, מנהל המרכז למחקר ולמדיניות, ומר' דוד גורן, מנהל המרכז למחקר ולמדיניות, במסגרת תוכנית המחקר "המחקר והמדיניות" של משרד החינוך. המחקר נערך בשנת 2019, והתבצע באמצעות סקר שאלון.

- 1' 197: 74 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 1045 1046 1047 1048 1049 1050 1051 1052 1053 1054 1055 1056 1057 1058 1059 1060 1061 1062 1063 1064 1065 1066 1067 1068 1069 1070 1071 1072 1073 1074 1075 1076 1077 1

ל. :737-800 NF יאזל וכו' ,סוסי

ל' (למטה): 287 ציאות סגול מסיכומא ודא סימאזא פהילא

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1.

TAXIL 6 -

סיגטווארס און סטאטעס פארשטאנד

LEI TCHU TAILO

יחידות: מיליון שקלים. נתונים עד סוף דצמבר 2018. נתונים עד סוף דצמבר 2019.

(1) נתונים עד סוף דצמבר 2018. נתונים עד סוף דצמבר 2019.

יחידות	אלפי דולר	אלפי דולר	אלפי דולר
יחידות	אלפי דולר	אלפי דולר	אלפי דולר
2018	200,408	295,045	94,636
2019	32,412	64,589	32,177
2020	2,946	3,237	291
2021	5,645	7,893	2,248
2022	24,424	25,735	1,311
2023	46,913	62,570	15,657
2024	22,084	30,483	8,399
2025	65,984	100,538	34,553

יחידות	אלפי דולר	אלפי דולר	אלפי דולר
יחידות	אלפי דולר	אלפי דולר	אלפי דולר
2019	221,267	315,710	94,443
2020	43,806	76,912	33,106
2021	2,964	3,237	273
2022	6,057	8,325	2,268
2023	25,462	27,094	1,632
2024	49,411	64,081	14,670
2025	24,178	32,068	7,890
2026	69,389	103,993	34,604

נתונים עד סוף דצמבר 2019.

נתונים עד סוף דצמבר 2019. נתונים עד סוף דצמבר 2020. נתונים עד סוף דצמבר 2021. נתונים עד סוף דצמבר 2022. נתונים עד סוף דצמבר 2023. נתונים עד סוף דצמבר 2024. נתונים עד סוף דצמבר 2025. נתונים עד סוף דצמבר 2026.

נתונים עד סוף דצמבר 2019. נתונים עד סוף דצמבר 2020. נתונים עד סוף דצמבר 2021. נתונים עד סוף דצמבר 2022. נתונים עד סוף דצמבר 2023. נתונים עד סוף דצמבר 2024. נתונים עד סוף דצמבר 2025. נתונים עד סוף דצמבר 2026.

(השמה) שוטף. נתונים עד סוף דצמבר 2019. נתונים עד סוף דצמבר 2020. נתונים עד סוף דצמבר 2021. נתונים עד סוף דצמבר 2022. נתונים עד סוף דצמבר 2023. נתונים עד סוף דצמבר 2024. נתונים עד סוף דצמבר 2025. נתונים עד סוף דצמבר 2026.

אלפי דולר. נתונים עד סוף דצמבר 2019. נתונים עד סוף דצמבר 2020. נתונים עד סוף דצמבר 2021. נתונים עד סוף דצמבר 2022. נתונים עד סוף דצמבר 2023. נתונים עד סוף דצמבר 2024. נתונים עד סוף דצמבר 2025. נתונים עד סוף דצמבר 2026.

ELZALZ
סלולר מוביל

סה"כ	נדל"ן ורכבים	מיליוני דולר	מטוסים
93.4	9.9	83.5	התחייבויות שוטפות בגין תכירה
927.9	116.8	811.1	התחייבויות לזמן ארוך בגין תכירה
1,021.3	126.7	894.6	יתרה ליום 31 בדצמבר 2019
2.5	2.5	-	רשימת
-	-	-	גרידית בגין הסכמי תכירה שהתחייבנו
(125.7)	(20.7)	(105.0)	התקופה בהתקופה
43.7	8.6	35.1	הוצאות מיזם שוטפות
0.3	0.3	-	הוצאות מהצמדה
11.9	4.1	7.8	הוצאות בהתקופה
463.4	7.2	456.2	הוצאות בהתקופה בגין הסכמים מחדשים
625.2	124.7	500.5	יתרה ליום 1 בינואר 2019
			התחייבויות בגין תכירה

להלן הרבה יותר התחייבויות בגין הסכמים ליום 31 בדצמבר 2019:

983.4	107.6	875.8	ליום 31 בדצמבר 2019
605.3	111.4	493.9	ליום 1 בינואר 2019
הערך בפסדים			
96.7	14.6	82.1	יתרה ליום 31 בדצמבר 2019
(0.9)	(0.9)	-	גרידית בגין הסכמי תכירה שהתחייבנו
(0.1)	(0.1)	-	הוצאות בהסכמים ואחרים
97.7	15.6	82.1	הוצאות השנה
-	-	-	יתרה ליום 1 בינואר 2019
			הפחיתו והפסדים מירידת ערך
1,080.1	122.2	957.9	יתרה ליום 31 בדצמבר 2019
(0.2)	(0.2)	-	רשימת
(0.9)	(0.9)	-	גרידית בגין הסכמי תכירה שהתחייבנו
0.3	0.3	-	הוצאות מהצמדה
12.2	4.4	7.8	הוצאות בהתקופה
463.4	7.2	456.2	הוצאות בהתקופה בגין הסכמים מחדשים
605.3	111.4	493.9	יתרה ליום 1 בינואר 2019
			עלות

להלן הרבה יותר הנכסים בגין הסכמים ליום 31 בדצמבר 2019:

תכירות (המשל) - ביאור 10

אל על נתיבי אוויר לישראל בע"מ
ביאורים לדוחות הכספיים המאוחדים

7,412	תכנית
1,627	תכנית
54,207	תכנית
45,168	תכנית
אל"ף	תכנית

המלך משה וסגן המלך משה
2019 שנה טובה

מיליוני דולר	
142.1	שנת 2020
136.7	שנת 2021
132.3	שנת 2022
123.5	שנת 2023
119.2	שנת 2024
668.7	שנת 2025 ואילך
1322.5	סה"כ

(עזריאל לז, יטקלמז) טיכט אדזשעוועטעט זי אומאג, לאזט

(למטה) מולדת - ילד יליד

[illegible]

(9) ז.ז. ח.א.ל. ל.ר.מ., ס' 607

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מאידע זינט שטענדיג אונזער פארשטיינגס-און פארשטייטליכקייט וואס ער האט געווען א

CUCIOU ULAKA:

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א' אַזאַלענע שטאטן

לוגעט אסאך אונזערע שטודענטן אונטער אונזערע שולעס - זיין אונז

* לפרטים נוספים על פרויקט זה, אנא פנו למרכז המידע של משרד החינוך, 052-5080000.

2018	2019	2020
12,883	63,338	1,091
7,539	62,247	1,996
3,348	-	1,996
12,883	63,338	1,091
7,539	62,247	1,996
3,348	-	1,996

לעבן און ארום:

אין אונזערע

(1) אלו הן המילים המופיעות בכתב היד, כפי שהן מופיעות בכתב היד.

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שוכד מורטוים סאכד - ךך ךך ךך

ס.ל.מ.א.ט.ל. ס.ה.ס.ט.ל. ו.ט.ל.ל. ס.ל.א.ד.

አፍሪካ ስለሚገኝ የግልጽ ጥያቄ

12,345,678	2018	717,974	103,632	92,988	(79,200)	117,420
2019	717,974	117,420	102,769	(83,207)	136,982	

[illegible]

דיגעטעל אסעט אולאט מובילז איז מודיעט דאס

72,310	2018	72,310	2019
32,296	2018	32,296	2019
-	2018	40,508	2019
32,296	2018	98,604	2019

([ל.ל. 1717] כ"ח ט"ז) יאטא ווארטט סיגמאט
ווארטט ווארטט

י' אמונתו לא יחזיק:

2018	2019
717,974	717,974
225,641	247,967
85,124	78,886
-	16,189
-	4,945
310,765	347,987

מחלקת
(מחלקת לידה ופיקוח)
מחלקת מנהל
מחלקת מנהל

ד' לעבן, און אונזער:

(למעט) להעמיד אסוציאציות מורכבות מסיוע וסיוע מאת מוסדות - זל לואי

סיטואציעס פון אונזערע שולן

א. צווישן שולן און געמיינדע

מרכז המידע
ELITALIA

ס.טאן סוואלד, לייזער פארמאנענט

א' אַלעמאָנעלע:

41-2-2019

מלכותו יתברך יתקן לנו שנה טובה ומועדים שמחים.

סומעט לודא טאקווא לאא שטילט אונזיך פארמיינען זאלן דאס 'לוצא' אונזער געדולד סא

[illegible][illegible]

ההסכמים אינם כוללים התחייבות לעמידה באמות מידה פיננסיות. (Cross Default) בין הצדדים.

[illegible]

שְׁמוֹנָה עָשָׂר יוֹם לַחֹדֶשׁ הַזֶּה

[illegible]

מחלקת המבחנים והמיון

המחירים יורדים, בנקים, 1.5%-0.5% שווקים ממוזגים LIBOR 3-7 חודשים יורדים במסגרת מדיניות ההלוואה הינה ברירת היורד.

(ישראל, ההגנה וההגנה) (לפי המידע)

[illegible]

(לְהַלְלָהּ שָׂאֵל 'הִנֵּה הִיא מְחַסֵּת עֲלֵיהָ מִשְׁכָּסָה מְדֻלָּדָה) 89 - מְחַסֵּת מְדֻלָּדָה

[illegible]

מלפני מלחמת 6102, היו חמושי ללחמה ולמלחמה 'יג' מלחמה, להימנעו, אלא מלחמה מלחמה

(3) 145-C של שר הפנים ("המסמכים") לקבלת מידע על חברת המעורבים, 2019, יוני. מודיעין בלתי

[illegible]

(ז) 6-78' סעיף 6, סמכות אדם, דבר אחר ומוציא כסף אל גלגל פה שלטון שטח '6102' אל מלווא

ՀԱՆՐԱՊԵՏՈՒԹՅԱՆ ԱՊՏԱՆԻ ԿՈՒՆՈՒՄԵՐԱՐԻ

[illegible][illegible][illegible]

(למעט) סילטאס סייאלנד סיגיאטע טאוועל - על לאוי

[illegible]

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[illegible][illegible]

המחלקה לבריאות הציבור, משרד הבריאות, מודיעת כי מחלת הכולרה, הנגרמת כתוצאה משימוש במים שאינם בטוחים, היא מחלה מסכנת חיים, ויש להיזהר מפניה. המחלקה ממליצה לשתות מים בטיחות, ולקחת אמצעים להגנה מפני זיהום המים.

[illegible]

(אוקט.), שאולי מלפני ימיו אוויליג 69-57 של סיינאוואליה היסטורולוגיה ולדוטל יחיד פ'ר, 2018. יהי המוסד

[illegible][illegible]

(למטה) מילואים, מילואים, מילואים - על פי

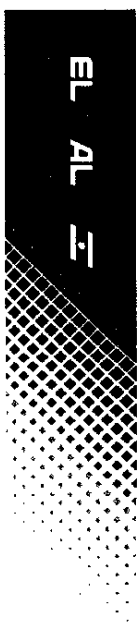
(01)

(6)

(למשל) סילטאן סוואליח, סוואליח, סוואליח - סוואליח

EL AL

EL VALLE



אל על נתיבי אויר לישראל בע"מ
ביאורים לדוחות הכספיים המאוחדים

ביאור 14 - התייבויות בגין הטבות לעובדים (המשך)

ב. ההרכב:

ליום 31 בדצמבר 2018		ליום 31 בדצמבר 2019		מטבע	התכנית	הפנייה
התייבויות נכסים לא שוטפים	התייבויות לא שוטפות אלפי דולר	התייבויות נכסים לא שוטפים	התייבויות לא שוטפות אלפי דולר			
-	64,594	-	68,456	בעיקר ש"ח		הטבות עובד לטווח קצר: שכר עבודה, משכורת וסוציאליות
66,902	9,817	78,172	16,067	ש"ח	ג	הטבות לאחר סיום העסקה: הטבה בגין פיצויי פרישה ופיטורין בישראל
-	33,258	-	42,635	ש"ח	ד	פדיון ימי מחלה
-	5,956	-	(441)	דולר	ה	קרנות פנסיה בגין עובדים בנציגויות החברה בחו"ל: אוצות הברית
-	7,665	-	7,933	ליש"ט		אנגליה
-	12,132	-	14,343	ש"ח	ו	הטבות לגמלאים
963	6,745	999	8,557	ש"ח	ז	הטבות אחרות לאחר סיום העסקה
-	-	44,733	-	ש"ח	י ¹	הטבות עובד אחרות לטווח ארוך: התייבויות בגין ימי חופשה ומנוחה*
-	3,990	-	4,589	ש"ח	י ²	הטבות אחרות לטווח ארוך
-	(569)	-	73	ש"ח	יא	הטבות בגין פיטורין: תכניות פרישה מראון
67,865	78,994	109,327	79,171			סך הכל בדוח על המצב הכספי

* יצוין, כי התייבויות בגין חופשה ומנוחה מוצגת בדוח על המצב הכספי, כהתייבויות שוטפות, אף על פי שצפויה להתמשש לאחר תקופה של 12 חודשים ממועד הדיווח (ועל כן מוגדרת כהטבה לטווח ארוך), זאת מהטעם שאין לחברה "זכות בלתי מותנית" לדחות את סילוק ההתייבויות לתקופה זו, ועל כן על פי כללי החשבונאות מוצגת ההתייבויות בתוך הקצר.

100%
 100%

[illegible]

ALLIUM

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מסמט ומתלמא סמטוס (ול ג, ח סמאכ סט סט, חא אלוט, ט וו, חא) סמאכ זמאכ

[illegible]

L TIDAL LION LIGT GAMES ZONE YOUNG AND OLD CAN PLAY

[illegible][illegible]

UNCLAS

[illegible]

יְהוָה אֱלֹהֵינוּ יִשְׁמַר עָמָם וְיִבְרַךְ אֶת הָאָדָם

[illegible]

(למשל): תאליס, סילדון, למ ולווינסון שמיאל ויוסף אהרן זוסמן

(למעט) סידורו של עובד לא צוה"ח - כלל לא

אין אים איז געווען א סאטעמאט, און ער האט געזאגט, אז ער וויל זיך אויסגעבן און אונזעם אונזערע קינדער אונזערע שולעס און אונזערע קהילות אונזערע געזעלשאפטן און אונזערע לעבן און אונזערע שטעט און אונזערע לענדער און אונזערע וועלט. און ער האט געזאגט, אז ער וויל זיך אויסגעבן און אונזעם אונזערע קינדער אונזערע שולעס און אונזערע קהילות אונזערע געזעלשאפטן און אונזערע לעבן און אונזערע שטעט און אונזערע לענדער און אונזערע וועלט.

[illegible]

סימני יחל וכו' ולדטט מוהיגמז סאמטט סוהו יסוהלל (למנוול סופסד) סממלס סמלל סמלל וסלסו

[illegible][illegible][illegible][illegible]

(למטה) סלדועל עובטל, יאז עיוובייטעט - 14 יאיר

סך הכל

הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)
הוצאות מכירת
הוצאות הנדסה וכלכלה

2017	2018	2019
אלפי דולר	אלפי דולר	אלפי דולר
11,714	11,634	9,983
751	825	637
298	328	253
10,665	10,481	9,093

לשנה שנסתיימה ביום 31 בדצמבר

הוצאות בגין תכנית מוצר חדש: הוצאות מוצר חדש בסיסיים וכלכליים

סך הכל

הוצאות מכירת
הוצאות הנדסה וכלכלה
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)
הוצאות מכירת
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)
הוצאות מכירת
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)

2017	2018	2019
אלפי דולר	אלפי דולר	אלפי דולר
11,714	11,634	9,983
168	276	-
(967)	198	726
22	-	-
(6,699)	(153)	-
6,997	247	375
12,193	721	325
8,600	1,997	550
2,785	1,046	2,544
(4,664)	-	(1,882)
6,873	3,830	699
215	(108)	-

סך הכל

הוצאות מכירת
הוצאות הנדסה וכלכלה
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)
הוצאות מכירת
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)
הוצאות מכירת
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)

2017	2018	2019
אלפי דולר	אלפי דולר	אלפי דולר
11,634	11,634	9,983
3	19	-
422	(236)	(819)
23	-	-
(5,361)	(134)	-
5,892	228	453
10,655	806	221
7,272	1,786	570
1,997	891	2,323
(3,368)	-	(1,859)
4,837	(2,901)	(459)
23	-	-
10,761	(238)	575

סך הכל

הוצאות מכירת
הוצאות הנדסה וכלכלה
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)
הוצאות מכירת
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)
הוצאות מכירת
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)

2017	2018	2019
אלפי דולר	אלפי דולר	אלפי דולר
9,983	1,531	1,578
(1)	(35)	-
(553)	265	835
113	-	-
(6,688)	(145)	-
6,912	299	522
10,200	1,147	221
6,647	1,762	423
2,545	1,118	2,428
(4,430)	-	(2,113)
2,837	2,837	397
34	-	-
(12)	5,751	1,135

הוצאות מכירת
הוצאות הנדסה וכלכלה
הוצאות הפעלה (ראו גם סעיף ג' (3) לעיל)

2017	2018	2019
אלפי דולר	אלפי דולר	אלפי דולר
11,634	11,634	9,983
3	19	-
422	(236)	(819)
23	-	-
(5,361)	(134)	-
5,892	228	453
10,655	806	221
7,272	1,786	570
1,997	891	2,323
(3,368)	-	(1,859)
4,837	(2,901)	(459)
23	-	-
10,761	(238)	575

הוצאות מכירת מוצר חדש: הוצאות מוצר חדש בסיסיים וכלכליים

(המשך) - 14 אור 14

הוצאות מכירת מוצר חדש: הוצאות מוצר חדש בסיסיים וכלכליים
הוצאות מכירת מוצר חדש: הוצאות מוצר חדש בסיסיים וכלכליים

אל על נתיבי אויר לישראל בע"מ
באורים לדוחות הכספיים המאוחדים

באור 14 - החתיכויות בגין הטבות לעובדים (המשך)

ט. פירוט ההשפעות הכמותיות בגין תכניות להטבה מוגדרת על הדוחות הכספיים: (המשך)

לשנה שנמשכת ביום 31 בדצמבר 2019

ס"ח אלפי דולר	הטבות אחרות אלפי דולר	קרנות פנסיה*** אלפי דולר	הטבות לגמלאים אלפי דולר	פריון ימי מחלה אלפי דולר	פיצוי פיטורין בישראל אלפי דולר
196,913	9,575	68,331	12,132	33,258	73,617
10,200	1,147	423	221	1,762	6,647
6,912	299	2,428	522	1,118	2,545
18,832	894	5,580	1,182	6,852	4,324
(21,447)	(569)	(3,239)	(549)	(3,226)	(13,864)
11,089	477	842	835	2,837	6,098
(1)	(35)	-	-	34	-
222,498	11,788	74,365	14,343	42,635	79,367
189,205	3,793	54,710	-	-	130,702
6,688	145	2,113	-	-	4,430
13,298	198	8,232	-	-	4,868
5,704	21	4,612	-	-	**1,071
(13,839)	(139)	(3,239)	-	-	(10,461)
(113)	-	-	-	-	(113)
11,642	212	445	-	-	10,985
212,585	4,230	66,873	-	-	141,482
			18.2	8.7	8
			2.25-3.2	1.75	1.7
			(2,550)	(2,970)	(2,505)
			2,550	3,438	2,831

התנועה בערך הנכחי של המחויבות:
יתרת פתיחה - ערך נכחי של המחויבות
עלות שירות שוטף
עלות הריבית
הפסדים אקטואריים*
הטבות ששולמו
שינויים בשער חליפין
שינויים אחרים

יתרת סגירה - ערך נכחי של המחויבות

שינוי בשווי הוגן של נכסי התכנית:

יתרת פתיחה - שווי הוגן של נכסי התכנית
תשואה על נכסי התכנית על פי שיעור ההיוון
מידות מחדש בגין הפרש בין התשואה בפועל על נכסי התכנית לבין התשואה
המוחשבת על פי שיעור ההיוון
הפקדות על ידי המעסיק
הטבות ששולמו
תשואה ריאליט שהועברה מסעף הפיצויים לסעף התגמולים
שינויים בשער חליפין

יתרת סגירה - שווי הוגן של נכסי התכנית

משך חיים ממוצע של המחויבות (בשנים)

שיעור ההיוון באחזים

ניתוח רגישות לגידול של 1% בשיעור ההיוון

ניתוח רגישות לקטונו של 1% בשיעור ההיוון

* עיקר ההפסד האקטוארי נובע מקטונו בשיעורי הריבית להיוון.

** אומדן החברה להפקדות הצפויות בשנת 2020 היום סך של כ- 1.1 מיליון דולר.

*** שיעור ההיוון עבור הפנסיה בארה"ב 3.15% ועבור הפנסיה באנגליה 1.8%.

אל על נתיבי אויר לישראל בע"מ
באזורים לדוחות הכספיים המאוחדים

ביאור 14 - התחייבויות בגין הטבות לעובדים (המשך)

ט. פירוט ההשפעות הכמותיות בגין תכניות להטבה מוגדרת על הדוחות הכספיים: (המשך)

לשנה שנסתיימה ביום 31 בדצמבר 2018

פצ"ו	פדיון ימי מחלה	הטבות לגמלאים	קרנות פנסיה**	הטבות אחרות	סה"כ
אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר
84,623	38,584	13,070	74,817	9,764	220,858
7,272	1,786	221	570	806	10,655
1,997	891	453	2,323	228	5,892
(1,231)	(2,245)	(201)	(4,857)	(281)	(8,815)
(12,827)	(2,843)	(590)	(3,289)	(513)	(20,062)
(6,217)	(2,901)	(819)	(1,233)	(448)	(11,618)
-	(14)	(2)	-	19	3
73,617	33,258	12,132	68,331	9,575	196,913
149,836	-	-	56,763	4,202	210,801
3,368	-	-	1,859	134	5,361
(672)	-	-	(4,325)	(249)	(5,246)
1,221	-	-	4,476	16	5,713
(11,974)	-	-	(3,289)	(98)	(15,361)
(23)	-	-	-	-	(23)
(11,054)	-	-	(774)	(212)	(12,040)
130,702	-	-	54,710	3,793	189,205
8	8.7	17.6	-	-	-
3.15	3.2	3.73-4.64	-	-	-
(2,524)	(2,320)	(2,076)	-	-	-
2,852	2,685	2,076	-	-	-

התנועה בערך הנכחי של המחויבות:
יתרת פתיחה - ערך נכחי של המחויבות
עלות שירות שוטף
עלות הריבת
רווחים אקטואריים*
הטבות ששולמו
שנתיים בשער חליפין
שנתיים אחרים

יתרת סגירה - ערך נכחי של המחויבות
שינוי בשווי הוגן של נכסי התכנית:

יתרת פתיחה - שווי הוגן של נכסי התכנית
תשואה על נכסי התכנית על פי שיעור ההיוון
מדידות מחדש בגין הפרש בין התשואה בפועל על נכסי התכנית לבין התשואה
המחושבת על פי שיעור ההיוון
הפקדות על ידי המעסיק
הטבות ששולמו
תשואה ריאליזציה שהועברה מסעף הפיאזים לסעף התגמולים
שנתיים בשער חליפין
יתרת סגירה - שווי הוגן של נכסי התכנית

משך ח"ים ממוצע של המחויבות (בשנים)
שיעור ההיוון באחוזים
ניתוח רגישות לגידול של 1% בשיעור ההיוון
ניתוח רגישות לקיצוץ של 1% בשיעור ההיוון
עיקר הרווח האקטוארי נובע מגידול בשיעורי הריבית להיוון.
*** שיעור ההיוון עבור הפנסיה בארה"ב 4.17% ועבור הפנסיה באנגליה 2.6%.

EL AL

יחסי ההוצאה והכנסות מכלול המכשירים והתקנים הנ"ל *

הוצאות (בשנים) (בשנים)	12.3	8.7
הוצאות	4,429	48,799
הוצאות שוטפות	(404)	(37,661)
הוצאות	717	43,778
הוצאות (אקסטרנליות) (אקסטרנליות)	(51)	5,443
הוצאות	400	4,615
הוצאות	166	1,352
הוצאות	202	32,368
הוצאות	4,116	42,682
הוצאות שוטפות	11.7	8.5
הוצאות	3,990	44,733
הוצאות שוטפות	(449)	(38,554)
הוצאות	10	34,488
הוצאות (אקסטרנליות) (אקסטרנליות)	2	(2,322)
הוצאות	(306)	(3,491)
הוצאות	128	1,208
הוצאות	186	39,093
הוצאות	4,429	48,799
הוצאות שוטפות	11.3	8.5
הוצאות	4,589	59,512
הוצאות שוטפות	(367)	(42,250)
הוצאות	966	57,029
הוצאות (אקסטרנליות) (אקסטרנליות) *	299	5,387
הוצאות	337	3,856
הוצאות	142	1,417
הוצאות	188	46,369
הוצאות	3,990	44,733
הוצאות שוטפות	אלפי דולר	אלפי דולר
הוצאות	למאות אלפי דולר	למאות אלפי דולר
הוצאות	למאות אלפי דולר	למאות אלפי דולר

הוצאות שוטפות: (3) (3)

הוצאות שוטפות: (המשל) (המשל)

הוצאות שוטפות: (המשל) (המשל) - 14 -

הוצאות שוטפות: (המשל) (המשל)

הוצאות שוטפות: (המשל) (המשל)

הוצאות שוטפות: (המשל) (המשל)

EL AL

תוצאות	2018	2017	2016
הוצאות	39,006	29,580	9,426
הכנסות	3,213	3,213	-
הוצאות	(22,671)	(22,671)	-
הכנסות	(995)	(309)	(686)
הוצאות	18,553	9,813	8,740
הכנסות	7,659	7,659	-
הוצאות	(3,569)	(3,569)	-
הכנסות	1,098	321	777
הוצאות	23,741	14,224	9,517

[illegible]

טאג'ס סעקסועלער ווארט פאר אונזערע שטימען איז "פראגע".

[illegible][illegible][illegible]



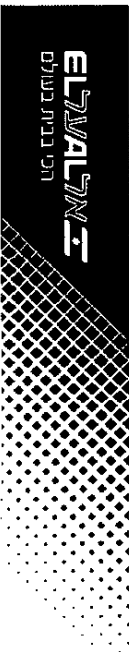
אל על נתיבי אויר לישראל בע"מ
ביאורים לדוחות הכספיים המאוחדים

ביאור 15 - הפרשות והחטיבויות תלויות (המשך)

ב. פירוט עיקרי ההליכים המשפטיים:

להלן מפורטות התובענות הייצוגיות אשר הוגשו כנגד החברה:

מס'	מועד התביעה	סוג התביעה/ ערכאה	נושא התביעה	סכום התביעה	סטטוס	השפעות חשובות
1	פברואר 2013	בקשה לאישור יייצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה להסדר כובל עולמי רחב היקף לתיאום רכיבים שונים של מחירי שילוח מטענים בהסטה, וכפרט של תוספת הדלק ותוספת הבטחון. הבקשה הוגשה גם כנגד חברות התעופה בריטיש איירווייס, לפסהמה וסוויס.	473 מיליון ש"ח	בנואר 2020, לאחר מועד הדוח על המצב הכספי, אישר בית המשפט לנהל את התובענה ייצוגית. בהתאם להחלטה, חברי הקבוצה הם נפגעים ישירים שהם כל הלקוחות אשר שילחו מטענים לישראל או מישראל (למעט מארה"ב/לארה"ב) מיום 1.1.2000 ועד מועד סיום ההסדר שהינו לכל המקדמים 14.2.2006, וכן נפגעים עקיפים שהם כל הלקוחות של הנפגעים הישירים, אשר רכשו מהנפגעים הישירים שירותי שילוח מטענים לישראל או מישראל (למעט מארה"ב/לארה"ב) בתקופה הנ"ל. הסעד הנתבע הוא פיצוי בגין הנזק שנגרם לחברי הקבוצה המהווה את הפער בין המחיר שגבה בפועל לאור התיאום הנטען, לרבות תוספות הדלק והביטחון, לבין המחיר שהיה גובה בתנאי שוק תחרותי אלמלא התיאום הנטען. בכונות החברה להגיש בקשת רשות ערעור לבית המשפט העליון על ההחלטה של בית המשפט המחוזי לאשר את התובענה ייצוגית.	החברה הכירה בהפרשה בדוחותיה הכספיים לשנת 2018, על פי הערכת ההנהלה ובהתבסס על חוות דעת יועציה המשפטיים, בגין התביעה.
2	ינאר 2015	בקשה לאישור יייצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה לאי השבת אגרות ואז מיסי נמל אותם גובר החברה מהתוסעים במועד חיוב כרטיסי הטיסה במקרים בהם התוסעים לא התייצבו לטיסה.	60 מיליון ש"ח (סכום אישי 257 ש"ח)	בספטמבר 2019 אישר בית המשפט לנהל את התובענה ייצוגית. בהתאם להחלטה, חברי הקבוצה הם כל הלקוחות של החברה אשר רכשו מהחברה כרטיס טיסה בשבע השנים שטרם הגשת התובעה ולא התייצבו לטיסה או לקטע טיסה, ושהחברה נמנעה מלהשיב להם את כל מיסי הנמל במישרין או בעקיפין (לרבות השבה באמצעות סוכן הנסיעות באמצעות השוטים נרכש הכרטיס) מקום בו החברה לא העבירה לא הנמל' התעופה השונים את הסכומים שגובתה לשם כך, או שהוא יכולה לתבוע את השבת מרשויות הנמל. הסעדים המבוקשים הם השבת הסכומים שהחברה חייבת בהשבתם לחברי הקבוצה, בצירוף הפרשי הצמדה וריבית מהמועד בו היה עליה להשיבם וצויין על החברה לפעול לייצוג ללקוחותיה בדבר זכותם להשבת מיסי הנמל.	החברה הכירה בהפרשה בדוחותיה הכספיים לשנת 2017 ובהמשך עדכנה את הפרשה ברבעון הרביעי לשנת 2019, על פי הערכת ההנהלה ובהתבסס על חוות דעת יועציה המשפטיים, בגין התביעה.
3	אפריל 2015	תביעה יייצוגית/מחוזי תל אביב	בבסיס התביעה עומדת טענה, כי החברה שינתה באופן חד צדדי את תנאי תכנית המועדון במספר מאפיינים אשר כולם מהווים הרעה משמעותית של תנאי המועדון בערך הנקודות שנצברו על ידי הקבוצה.	1.3 מיליארד שקל (סכום אישי של 7,300 ש"ח)	בנובמבר 2017, אישר בית המשפט לנהל את התובענה ייצוגית. בהתאם להחלטה, חברי הקבוצה הם כלל חברי המועדון אשר במועד כל אחד מהשניים שנרכשו בתכנית המועדון, החזיק בנקודות ושערך נקודותיהם פחת בשל השינויים. החברה הגישה בדצמבר 2017 בקשת רשות ערעור לבית המשפט העליון על ההחלטה לאשר את התובענה ייצוגית. במקביל, הצדדים פנו להליך גישור אשר הסתיים ללא הצלחה בפברואר 2019. בקשת רשות הערעור נדחתה באוקטובר 2019 והצדדים הסכימו על פנייה מחדשת להליכי גישור.	



אל על נתיבי אויר לישראל בע"מ
באורים לדוחות הכספיים המאוחדים

באור 15 - הפרשות והתחייבויות תלויות (המשך)

ב. פירוט עיקרי ההליכים המשפטיים:

להלן מפורטות התובעות הייצוגיות אשר הוגשו כנגד החברה: (המשך)

מס'	מועד התביעה	סוג התביעה/ ערכאה	נושא התביעה	סכום התביעה	סטטוס	השפעות חשבונאיות
4	אוגוסט 2016	בקשה לאישור כייצוגית/ מחוזי מרכז	בבסיס בקשת האישור עומדת טענה כי החברה מפרסמת, משווקת ומוכרת כרטיסי טיסה על פי לוח טיסות המפורסם על ידיה, בעוד שמלכתחילה אין לה די טייסים וקברניטים לביצוע לוח הטיסות כאמור.	לא מוכמת	החברה הגישה את תגובתה לבקשת האישור לאחר דיון מקדמי בבקשת האישור, המבקשת הגישה בקשה לתיקון בקשת האישור, בקשת האישור נמצאת בשלב של הליכים מקדמיים.	הנהלת החברה מעריכה, בהתבסס על חוות דעת יועציה המשפטיים, כי יותר סביר מאשר לא, כי דיון התביעה להידחות.
5	דצמבר 2016	בקשה לאישור כייצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה כי החברה גובה מלקוחות המבצעים שינוי כרטיס הטיסה, תשלום נוסף שהינו ההפרש בין מחיר הטיסה המקורי לבין מחיר הטיסה החלופית, זאת במקרים בהם הטיסה החלופית זולה יותר.	92.3 מיליון ש"ח (סכום אישי של 179.8 דולר)	החברה הגישה את תגובתה לבקשת האישור הצדדים פנו להלך גישור.	הנהלת החברה מעריכה, בהתבסס על חוות דעת יועציה המשפטיים, כי יותר סביר מאשר לא, כי דיון התביעה להידחות.
6	דצמבר 2016	בקשה לאישור כייצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה להפליה פסולה בגביית תשלום דמי חבר למועדון הנסע המתמדי.	60 מיליון ש"ח	החברה הגישה את תגובתה לבקשת האישור לאחר הללי הידברות שהתקיימו בין הצדדים, בפברואר 2020, לאחר מועד הדוח על המצב הכספי, הוגשה לבית המשפט בקשה לאישור הסכם פשרה.	הסכם הפשרה היוו בסכום זניח.
7	פברואר 2017	בקשה לאישור כייצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה כי בעת ביטול או עיכוב טיסה, החברה פועלת תוך הפרת חוק שירותי תעופה, התשע"ב-2012, וחובות נוספות. הקבוצה המומדנת בבקשה הינה, בין היתר, לקוחות החברה אשר טיסתם בוטלה ולא קיבלו השבה של דמי הכרטיס או טיסה חלופית לבחירתם, לקוחות החברה שלא קיבלו שירותי סיוע ודפי מידע בגין זכויותיהם להטבות וכן לקוחות החברה אשר קיבלו מהחברה מענה מטעה.	סכום אישי של 44,615 ש"ח	החברה הגישה את תגובתה לבקשת האישור בקשת האישור מציור בשלב הסיכומים.	החברה הנירה בהפרשה בדוחותיה הכספיים לשנת 2017, על פי הערכת ההנהלה ובהתבסס על חוות דעת יועציה המשפטיים, בגין התביעה.

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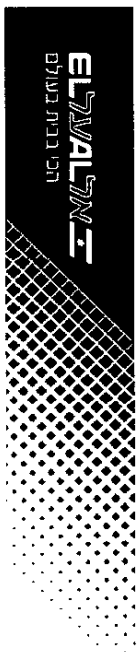
ביאורים לדוחות הכספיים המאוחדים

ביאור 15 - הפרשות והתחייבויות תלויות (המשך)

ב. פירוט עיקרי ההליכים המשפטיים:

להלן מפורטות התובעות הייצוגיות אשר הוגשו כנגד החברה: (המשך)

מס'	מועד התביעה	סוג התביעה/ערכאה	נושא התביעה	סכום התביעה	סטטוס	השפעות חשבונאיות
8	אקטובר ונובמבר 2017	בקשה לאישור כייצוגית/מחוזי מרכז	בנובמבר 2018, הוגשה מטעם המבקשים בקשה מאוחדת לאישור תובענה ייצוגית, שבבסיסה הטענה שבמקרים רבים חווית השירות בטיסה אינה מספקת במלואה מאחר והנוסע אינו מקבל את שירותי הבידור המובטחים.	70 מיליון ש"ח	החברה הגישה את תגובתה לבקשת האישור המאוחדת. ההליך קבוע לדיון מקדמי.	הנהלת החברה מעריכה, בהתבסס על חוות דעת יועציה המשפטיים, כי יותר סביר מאשר לא, כי דין התביעה להידחות.
9	אקטובר 2017	בקשה לאישור כייצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדות טענות שונות בקשר למושבים במטוס אשר קיימת בהם מגבלת הטייה לאחר.	33 מיליון ש"ח (סכום אישי של 577 ש"ח)	החברה הגישה את תגובתה לבקשת האישור. ההליך קבוע לדיון מקדמי.	הנהלת החברה מעריכה, בהתבסס על חוות דעת יועציה המשפטיים, כי יותר סביר מאשר לא, כי דין התביעה להידחות.
10	פברואר 2018	בקשה לאישור כייצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה, כי החברה ניצלה את מעמדה לרעה כמונפול מוכרז בקו תל אביב- מומבאי בדרך של גביית מחיר בלתי הוגן גבוה מנוסעים רגילי זמן וכן נטען, כי הימנעות חברת תעופה הודית מניסיה לקו תל אביב- מומבאי מחוזה הסדר סובל.	321 מיליון ש"ח (סכום אישי של 11,250 ש"ח)	החברה הגישה את תגובתה לבקשת האישור בתום דיון מקדמי, הוסכם כי מבקשת האישור ומהתובענה יימחקו עילה של הסדר סובל והסעד לעניין נזק בלתי ממוני. כמו כן, ניתנה להגשה זכות להגיש תשובה משלימה, וזו אכן הוגשה בפברואר 2020, לאחר מועד הדוח על המצב הכספי, ההליך קבוע לדיון מקדמי נוסף.	הנהלת החברה מעריכה, בהתבסס על חוות דעת יועציה המשפטיים, כי יותר סביר מאשר לא, כי דין התביעה להידחות.
11	מרץ 2018	בקשה מתקנת לאישור כייצוגית/מחוזי מרכז	החברה גובה תשלום "היטל בטחון" שלא כדן.	612 מיליון ש"ח (סכום אישי של 371 ש"ח)	החברה הגישה את תגובתה לבקשת האישור המתקנת וכן בקשה לסיילק בקשת האישור על הסף. ההליך קבוע לדיון מקדמי.	הנהלת החברה מעריכה, בהתבסס על חוות דעת יועציה המשפטיים, כי יותר סביר מאשר לא, כי דין התביעה להידחות.



אל על נתיבי אויר לישראל בע"מ
באורים לדוחות הכספיים המאוחדים

באור 15 - הפרשות והתחייבויות תלויות (המשך)
ב. פירוט עיקרי ההליכים המשפטיים:

להלן מפורטות התובעות הייצוגיות אשר הוגשו כנגד החברה: (המשך)

מס'	מועד התביעה	סוג התביעה/ ערכאה	נושא התביעה	סכום התביעה	סטטוס	השפעות חשבונאיות
12	ינואר 2019	בקשה לאישור כיצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה, כי החברה מחשבת, לכאורה, זמני המראה שונים ומטעים, על מנת לקצר ברשומותיה את זמני עיכוב טיסותיה לשם הימנעות מכוחות מתשלום פיצוי כספי לנסעים.	297 מיליון ש"ח (סכום אישי של 3,080 ש"ח)	החברה הגישה בקשה לסילוק בקשת האישור על הסף.	בשלב מקדמי זה, טרם ניתן להעריך את סיכויי התביעה להתקבל.
13	דצמבר 2019	בקשה לאישור כיצוגית/מחוזי מרכז	בבסיס בקשת האישור עומדת טענה, כי החברה אינה מפצה נסעים אשר רכשו ממונה כרטיס טיסה הכולל שני מקטעים, ובמסגרת המקטע הראשון של הטיסה חל עיכוב שהיה קצר מ-8 שעות, אשר גרם לנסעים להחמיץ את טיסת ההמשך ונפועל יוצא מכך לעיכוב העולה על 8 שעות.	60.8 מיליון ש"ח (סכום אישי של 3,120 ש"ח)	החברה טרם הגישה את תשובתה לבקשת האישור.	בשלב מקדמי זה, טרם ניתן להעריך את סיכויי התביעה להתקבל.

תביעה נגזרת:

14	נובמבר 2018	בקשה לאישור תביעה נגזרת/ מחוזי מרכז	לטענת המבקש, המחזיק ב-247 מניות רגילות של החברה, הוגשה הבקשה בהמשך לחקירה הפלילית שנפתחה בענייניו של מר פתם גיזזבורג, דירקטור לשעבר ובעל מניות בחברה, ולטענה כי נעשה לכאורה שימוש במידע פנים שהיה מצוי ברשותו, מתוקף מעמדו ותפקידו בחברה, בעת שכרת עסקה למכירת חלק ממניותיו בחברה בחודש יולי 2017.	9 מיליון ש"ח	התקבל אצל החברה פסק דין אשר הורה על מחיקת הבקשה לגילוי מסמכים וביוני 2019 הוגשה לבית המשפט בקשה לאישור תביעה נגזרת. בית המשפט קבע, כי ההליך יושב עד לקבלת עמדת רשות יירות ערך שתינתן עד ליום 24 במאי 2020. בהתאם, החברה טרם הגישה את תגובתה לבית המשפט.	בשלב מקדמי זה, טרם ניתן להעריך את סיכויי התביעה להתקבל.
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מעבר למפורט בטבלה לעיל, כנגד החברה הוגשו בקשות נוספות לאישור תובעות ייצוגיות ליום 31 בדצמבר, 2019 בסך כולל של כ- 79.2 מיליון ש"ח (כ-22.9 מיליון דולר). בגין בקשות אלו, היורה החברה בהפרשה בסכום לא מהותי בדוחות הכספיים.

(oz)

(61)

(81)

(21)

(91)

(51)

(למטע) מוהלע מוהד, יטעלע אומלעט - פ' לאנד

[illegible]

התעוררות זו, שהתחילה ב-1970, הייתה תוצאה של שני גורמים: מצד אחד, התגברות המודעות הציבורית לבעיות הסביבה, ומצד שני, התפתחות המודעות הציבורית לבעיות הכלכליות. בשנות ה-70, התחילה התנועה הירוקה להתגבש, והיא הייתה אחת מהתנועות הראשונות שהתמקדה בבעיות הסביבה. התנועה הירוקה הייתה תנועה רחבת היקף, והיא כללה אנשים מכל שכבות החברה. התנועה הירוקה הייתה אחת מהתנועות הראשונות שהתמקדה בבעיות הסביבה, והיא הייתה אחת מהתנועות הראשונות שהתמקדה בבעיות הכלכליות. התנועה הירוקה הייתה אחת מהתנועות הראשונות שהתמקדה בבעיות הסביבה, והיא הייתה אחת מהתנועות הראשונות שהתמקדה בבעיות הכלכליות.

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(למטע) מוילעז מוירט, ייטעלען אומלעט - 59 אראד

7.7157(2).214 71411

[illegible][illegible]

המחלוקת בין שני הצדדים היא על סוגיית המעורבות של הממשלה בניהול המערכת. הממשלה טוענת כי היא אחראית על כך שהמערכת תהיה שקופה ופועלת לטובת הציבור. לעומת זאת, המערכת טוענת כי היא פועלת באופן עצמאי ונאמנותה היא לציבור ולא לממשלה.

[illegible]

(למטע) מוהזע מוהזע, מוהזע מוהזע - ש' מוהזע

[illegible]

הפסדים	10,712	15,982	(98,440)**
89,086	-	28,388	60,698**
(71,746)	10,712	15,982	(98,440)**
12,932	(765)	(5,624)	19,321
(160,832)	10,712	(12,406)	(159,138)
7,274	11,477	-	(4,203)
(181,038)	-	(6,782)	(174,256)
אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר
2018	הכולל האחר	הפסד	2018
31 בדצמבר	הכר ברוח	הכר ברוח	1 בינואר
יתרה ליום	יתרה ליום	יתרה ליום	יתרה ליום
(54,523)	(5,492)	17,663	(66,694)**
131,390	-	37,252	94,138**
(54,523)	(5,492)	17,663	(66,694)**
18,222	1,006	4,284	12,932
(185,913)	(5,492)	(19,589)	(160,832)
1,032	(6,498)	256	7,274
(205,167)	(24,129)	(181,038)	(181,038)
אלפי דולר	אלפי דולר	אלפי דולר	אלפי דולר
2019	הכולל האחר	הפסד	2019
31 בדצמבר	הכר ברוח	הכר ברוח	1 בינואר
יתרה ליום	יתרה ליום	יתרה ליום	יתרה ליום

ללכת (למשל, ללכת) לכו, ואתם תלכו וגילו, כלללל:

א' :סוטלז פיסט עולען

[illegible]

ה'תשנ"ח - 97 תמוז

שנת ה'תשס"ד.

[illegible]

L' **ᐅᐱᐱᐱ ᐅᐱᐱᐱ:**

47% לא יתנו לוחמים מוטעגל סימונא ואצו 30% לא יתנו לוחמים, ולא מוכל יחידא מוטעגל

[illegible]

י'טלעטל סא דאמאט אונאומי אונטוואטל מולדעטל ז'לט י'ללול סיסט לא אלא מולד

[illegible]

יז: טעטע און סוף טעטע און

2017	2018	2019
1,866	(15,771)	(17,901)
24%	23%	23%
7,774	(68,568)	(77,830)
אילן דלי	אילן דלי	אילן דלי
2017	2018	2019
1,049	271	636
(347)	-	-
480	(81)	304
3,048	(15,581)	(16,961)

השנים 2017 עד 2019

ט' ז.ו.ה.ל.ט.א.ט.א.

טאג - 91 יאר (למל)

[illegible]

Է՝ ԱԼԼԵԿ ՍԹԵՐՆԱՆ:

וְאַתָּה יְיָ אֱלֹהֵינוּ שׂוֹמֵר הַבְּטָחָתְךָ לְפָנֵינוּ
 וְשׂוֹמֵר הַכְּבוֹדִיתְךָ לְפָנֵינוּ וְשׂוֹמֵר הַחַיִּים לְפָנֵינוּ

הנהגתו של מנחם בגין, ראש הממשלה, והנהגתו של יצחק מרדכי, שר החינוך, לא היו אלא תוצאה של ההנהגה הכללית של ממשלת ישראל, שהייתה מונעת על ידי האידיאולוגיה של "התנועה הליברלית".

א' סוללות הסיוע:

81 - אחרי שיש להם את המידע, הם יודעים

* יולגט סוכס זא גלחט

[illegible]

ס.ג.ל. סניף 6, מילואים 17.0.01, ס.ג.ל. סניף 6

2018 31 בדצמבר ליום			
אלג'ס	נכסים	נכסים	נכסים
שטחים	שטחים	שטחים	שטחים
אלג'ס	נכסים	נכסים	נכסים
795	895	342,373	7/19-1/30
<p>מסלול: 795</p> <p>מסלול: 895</p> <p>מסלול: 342,373</p> <p>מסלול: 7/19-1/30</p>			

6.1.10.0 242.0

לכא סר	תחובביחית	תחובביחית	מסוס	מועד תשלום
מאות יחוש	מאות פשוט אל	מאות פשוט אל	מאות פשוט אל	מאות פשוט אל
2,066	(2,689)	(3,735)	137,974	1/20-12/21
(1,558)	(7,158)	-	469,066	8/20-8/30
(3,131)	-	-	85,309	1/20-8/29
(3,222)	(3,222)	(3,222)	-	-

סלישטאן און סיסטאן סלישטאן

סילגז סייסזג, מילומא און סיסזג, ס

[illegible]

כ" שְׁלֵשׁ אֲחֵי הַיָּדָא הָיוּ שְׂרָפָה וְרַבְרָב וְרַבְרִי:

ט"ז אדר א' - ארבעה עשרה יום אחרים (שבת)

. . . מִלְּטוֹאֲמָא וְעוֹגְמִי וְסוֹלָא.
 אֲנִי תְּחַלְּלֶנְךָ יְיָ וְיִשְׂרָאֵל יְיָ


 EL AL
 מְדִינַת יִשְׂרָאֵל

בשנת 1984, לאחר שחזרה לארץ, התגלתה אצל שרה סרטן בשלב מתקדם. היא נפטרה ב-1987. בתקופה זו, שרה הייתה בת 54, והיא הייתה אחת מהנשים הראשונות שחזרו לארץ לאחר שהיו בחו"ל. היא הייתה אחת מהנשים הראשונות שחזרו לארץ לאחר שהיו בחו"ל. היא הייתה אחת מהנשים הראשונות שחזרו לארץ לאחר שהיו בחו"ל.

י'טלדטט לא ס'האונגט ס'האונדן אויט 'לטא לזאט טוול 'סלפט טוולט לא ז.ס.ז, ו'נצא אפאמט |לזל

[illegible][illegible][illegible]

80% מיליון ל"ל ו-9% ממחיר המכירה

[illegible][illegible]

(המשך) דוחות אוויר נתיבי אויר לישראל בע"מ - 18 מאי

ד. (המשך) דוחות אוויר נתיבי אויר לישראל בע"מ

גידול בנסיונות במחלקות (קטן) בנסיונות במחלקות בנסיונות במחלקות	אל על בנסיונות במחלקות בנסיונות במחלקות	אל על בנסיונות במחלקות בנסיונות במחלקות	אל על בנסיונות במחלקות בנסיונות במחלקות	אל על בנסיונות במחלקות בנסיונות במחלקות	אל על בנסיונות במחלקות בנסיונות במחלקות
2,066	31,848	515	32,363	30,639	1,724
2,404	(2,404)	-	-	-	-
-	-	-	-	1,195	(1,195)
(2,919)	2,919	-	(2,919)	2,919	-
32,363	-	32,363	32,363	-	-
(29,782)					
לשנה שנסתיימה ביום 31 בדצמבר 2019 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2019 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2019 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2019 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2019 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2019 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות
16,640					
(23,884)	-	(23,884)	(23,884)	-	-
(24,751)	24,751	-	(24,751)	24,751	-
-	-	-	1,661	(1,661)	-
2,213	(2,213)	-	-	-	-
(46,422)	22,538	(23,884)	(46,974)	23,090	-
(29,782)					
31,4/(31,4)	-	(31,4)/(31,4)	(31,4)/(31,4)	-	-
לשנה שנסתיימה ביום 31 בדצמבר 2018 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2018 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2018 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2018 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2018 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות	לשנה שנסתיימה ביום 31 בדצמבר 2018 נתיבי אויר לישראל בנסיונות במחלקות בנסיונות במחלקות

EL AL 3

[illegible][illegible]

5. **סיכום הדיון: (למלא)**

(למעט) לוחץ מואזר/מנוע מלגז מניסיון מילומיט - 81 לוחץ

[illegible]

[illegible]

(2) (b)

מוקדלעט געדייטע מוסקא. און דעלע, פסעט דאט אן עטלעכע געדייטע אונזערע מאלסטא גא אונטער וויסל
2019 אונזערע מוסקא גא פארגעסעט פארגעט וויסל, אטא קאזע טויר, אפסטע טוירס אן געדייטע, רינגע אפמאכט אונטער

יטאוועקט זאם סיניטל אראפ געדינט מיט, אונזער לעבנס צווייטע זאמלונג 6102 זאמט

[illegible]

מאגיסטריס מואוויז גרלינזיסט ערשטע זאגט

[illegible]

1. **0.01 0.02 0.03**

ט"ז, י"ח - אב"מ, ג' אב"מ, י"ח, י"ח, י"ח (אב"מ)

EL AL

97.5% על 2017 ו-2018, 2019

השנה הסתיימה ביום 31 בדצמבר		
2017	2018	2019
אלפי דולר	אלפי דולר	אלפי דולר
426,842	523,400	479,803
440,184	454,960	489,579
212,132	223,745	212,523
112,415	109,810	127,166
89,782	90,255	85,284
* 129,794	* 117,459	119,309
-	-	92,685
116,499	144,818	45,399
57,225	59,464	61,764
64,188	68,329	64,447
4,028	4,434	4,303
82,179	49,063	52,542
1,735,268	1,845,737	1,834,804

כ"ס

הוצאות הפעלה

הוצאות הביטוח (1)

הוצאות אחר

מזון ואיד

דמי חכירה מסועים ומעונם

פחת נכס שמוש

פחת ציוד

מעבר אווירי ומשלוחות

אחזקת מטוסים, ציוד ופיסד וציוד קרקע

אחזקת ושיפוץ נכס

שכר ונלוות

דלק

ד' **לואאז לטאזל:**

[illegible]

2017	2018	2019
אלפי דולר	אלפי דולר	אלפי דולר
702,138	770,586	790,418
1,012,430	1,006,942	1,035,675
317,115	300,229	287,443
2,031,683	2,077,757	2,113,536

הוצאות על פיקודת המבחן

(1) החוק ייקרא: חוק המערכת המשפטית.

שנת 2017			שנת 2018			שנת 2019		
מיליון ₪	מיליון ₪	מיליון ₪	מיליון ₪	מיליון ₪	מיליון ₪	מיליון ₪	מיליון ₪	מיליון ₪
1,784,688	1,835,361	1,887,773	1,784,688	1,835,361	1,887,773	1,784,688	1,835,361	1,887,773
88,352	102,461	97,520	88,352	102,461	97,520	88,352	102,461	97,520
94,189	97,161	93,225	94,189	97,161	93,225	94,189	97,161	93,225
1,967,229	2,034,983	2,078,518	1,967,229	2,034,983	2,078,518	1,967,229	2,034,983	2,078,518
64,454	42,774	35,018	64,454	42,774	35,018	64,454	42,774	35,018
2,031,683	2,077,757	2,113,536	2,031,683	2,077,757	2,113,536	2,031,683	2,077,757	2,113,536
65,315	64,236	64,461	65,315	64,236	64,461	65,315	64,236	64,461
2,096,998	2,141,993	2,177,997	2,096,998	2,141,993	2,177,997	2,096,998	2,141,993	2,177,997

Կ՝ ԵՐԵՎԱՆԻ ԱՆՈՒՄԱՆ:

ט.ז.א. 61 - געלויבטע, לויט אונזערע

(המשך) לטבלת הנתונים הכלכליים - 19 ביאור

ג. הוצאות ממוזגות:

2019	2018	2017
אלפי דולר	אלפי דולר	אלפי דולר
106,636	108,793	94,794
51,455	51,808	50,690
18,382	19,306	25,096
20,015	21,122	25,633
* 12,736	* 14,087	17,589
209,224	215,116	213,802

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ד. הוצאות ממוזגות:

2019	2018	2017
אלפי דולר	אלפי דולר	אלפי דולר
70,022	68,455	68,581
8,193	10,803	7,484
3,111	2,412	1,891
7,582	8,532	6,410
2,050	1,805	2,410
* 13,264	* 13,925	15,590
-	-	3,573
22,578	26,529	33,351
126,800	132,461	139,290

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ה. הוצאות ממוזגות:

2019	2018	2017
אלפי דולר	אלפי דולר	אלפי דולר
731	540	701
(3,998)	(14,541)	(13,190)
(4)	-	(9)
(3,271)	(14,001)	(12,498)

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הוצאות ממוזגות

* סכום ממוזג - 1.9 ביאור

[illegible]

התאחדות המורים – התאחדות המורים היא ארגון שמטרתו להגן על זכויות המורים ולקדם את מעמדם המקצועי. ההתאחדות מייצגת את המורים בפני הרשות השכלית ופועלת למען טובתם.

[illegible][illegible][illegible][illegible][illegible][illegible]

א' גילגול וולטע: (מאט)

[illegible]

היקף הפעילות		2018	2019
השנה הסגורה ליום 31 בדצמבר		אלפי דולר	אלפי דולר
מכירת	המכירת דרך המלך בטרקסד וזמני שירותים לבעלים והפעילות	5,243	5,212
מכירת	מכירת קרקע, הודיסו וסיטי סיטי	5,346	6,386
מכירת	מכירת קרקע, הודיסו וסיטי סיטי	6,290	7,468
מכירת	מכירת קרקע, הודיסו וסיטי סיטי	29,196	31,402
מכירת	מכירת קרקע, הודיסו וסיטי סיטי	88,060	82,558
מכירת	מכירת קרקע, הודיסו וסיטי סיטי	2018	2019
מכירת	מכירת קרקע, הודיסו וסיטי סיטי	2018	2019

הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר.

הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר. הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר.

ג. תחילת הפעילות של השנה הסגורה ליום 31 בדצמבר:

הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר. הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר.

ד. תחילת הפעילות של השנה הסגורה ליום 31 בדצמבר:

הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר. הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר.

(7) (א) תחילת הפעילות של השנה הסגורה ליום 31 בדצמבר:

א. (א) תחילת הפעילות של השנה הסגורה ליום 31 בדצמבר:

(א) תחילת הפעילות של השנה הסגורה ליום 31 בדצמבר:

הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר.

הפעילות היא הפעילות של השנה הסגורה ליום 31 בדצמבר.

[illegible]

4-92. אף על פי שהמחלוקת בין המדינה לבין החברה החדשה היא מחלוקת ערכים, היא אינה מחלוקת ערכים טהורה. היא מחלוקת ערכים שיש בה גם מרכיב של מחלוקת עובדות. המחלוקת העובדתית היא: האם החברה החדשה היא חברה שיש לה זכות להגדרת ערכיה, או שהיא חברה שיש לה זכות להגדרת ערכיה רק באופן שיהיה תואם לערכיה של המדינה? המחלוקת העובדתית היא: האם החברה החדשה היא חברה שיש לה זכות להגדרת ערכיה, או שהיא חברה שיש לה זכות להגדרת ערכיה רק באופן שיהיה תואם לערכיה של המדינה? המחלוקת העובדתית היא: האם החברה החדשה היא חברה שיש לה זכות להגדרת ערכיה, או שהיא חברה שיש לה זכות להגדרת ערכיה רק באופן שיהיה תואם לערכיה של המדינה?

[illegible][illegible]

(א) מלשם שיש להם, ואמרו, סלול, מולטא מולד, סטודט שזדלז למעט, ואמרו, סלול, (א)

ד' סמינאריא דמלכות מילואי סיגולא סח עולאס:

0-7717, 97X 141-0187, 87-0

מלש'ס, סיוט'ס, וז'ט מואאט וזלל'ס 2017-ו-2018, 2019, סיוט'ס מואאט וזלל'ס וז'ט מואאט וזלל'ס

[illegible]

מסמך זה נמצא בבעלות משרד המשפטים, תל אביב, ישראל. כל העתקה או הפצה ללא אישור מראש של משרד המשפטים, תל אביב, ישראל, היא עבירה על חוק.

[illegible]

5- בתאריך 1.1.151, 1.244, 1.792-101, 1.244, 1.151-5.

ללא סיווג מיוחד, לטעם מוסמך נכלל 2017-2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2

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ԼՍԴԼՍ՝

מחצית מ-38.33% ש-2019 בלבד 31 סוף וכן 'החלטת המחלוקת' של, 'מסמך' מחלוקת

[illegible]

א' תלמוד בבלי:

סיכומי הדיווחים, לראשית, ולסוף - זלזל

[illegible][illegible][illegible]

(ד) וְהָיָה כִּי יִשְׁמַע ה' אֶת הַקּוֹל וְהָיָה אֲנִי וְכָל הָעָם וְהָיָה כִּי יִשְׁמַע ה' אֶת הַקּוֹל וְהָיָה אֲנִי וְכָל הָעָם וְהָיָה כִּי יִשְׁמַע ה' אֶת הַקּוֹל וְהָיָה אֲנִי וְכָל הָעָם

[illegible]

ԸՆԴՀԱՆՈՒՐ ԵՄԵԼ ԶՈՒՄ ԵՄԵԼՆԵՐ

רמאטל ס.ג. 99 טוטל זעמט זיך אן אלוואטל וועלכע וועט זיך

ԱԼ ԵԾԸՆՈՒՄ ԼԱՄԱՆՈՒՄ՝

[illegible]

(7) יְהוָה לֹא יִשְׁכַּח אֶת אֵל זָר וְלֹא יִשְׁכַּח אֶת אֵל זָר

8007

(1) Երկու կողմերն էլ համաձայնեցին, որ չեն փոխարկվում իրենց համայնքի օրինական իրավունքները, որոնք պահպանվում են իրենց համայնքի տարածքում:

[illegible][illegible]

[illegible][illegible][illegible][illegible][illegible]

התאגדות זו היא חברה בע"מ, המיושבת על ידי 100% של חבריה, אשר כולם תושבי ישראל. החברה אינה חברה בבורסה, והיא אינה נמצאת תחת פיקוח רגולטורי של רשות המסים או של רשות אחרת. החברה אינה חברה בבורסה, והיא אינה נמצאת תחת פיקוח רגולטורי של רשות המסים או של רשות אחרת. החברה אינה חברה בבורסה, והיא אינה נמצאת תחת פיקוח רגולטורי של רשות המסים או של רשות אחרת.

[illegible]

מבחינתו, למעשה מדובר על שני סוגים של מדיניות: מדיניות של "מדיניות של מדיניות" (מדיניות של מדיניות) ומדיניות של "מדיניות של מדיניות" (מדיניות של מדיניות). מדיניות של "מדיניות של מדיניות" (מדיניות של מדיניות) היא מדיניות של "מדיניות של מדיניות" (מדיניות של מדיניות) ומדיניות של "מדיניות של מדיניות" (מדיניות של מדיניות) היא מדיניות של "מדיניות של מדיניות" (מדיניות של מדיניות).

[illegible][illegible][illegible]

יְדוּלֵל וְאֵלֶּה אֲחֵי טָהָר (יְדוּלֵּל וְאֵלֶּה אֲחֵי טָהָר)

- 441 - 666 א-ה'מזל 'מולדתו למוט סעלוצאנער) טלסאטן שווע, יאצט עלסטא שווע, טאטא טלסאט

G. L. J. XULI*

ד' אָדער אַסאך אַנדערע אַרבעטן, וואָס זייערע אַרבעטסגעבן אָרגאַניזאַציעס זענען אַנטוואָרטלעך פֿאַר, וואָס זיי זענען אַנטוואָרטלעך פֿאַר, וואָס זיי זענען אַנטוואָרטלעך פֿאַר.

[illegible]

(למשל) סלולר, סלולר, ללא סלולר - 22 לואי

EL AL 3

[illegible][illegible]

(למחש) ס.לומל ס.לדלו ו.לחל סח שואלסח - 22 לואח

שטח אזורי

התחייבויות לא שוטפות בגין הטבות לעובדים:
על עניין

התחייבויות שוטפות בגין הטבות לעובדים:
על עניין

במסגרת ההתחייבויות שוטפות:
על עניין

542*	530
191*	244
852	62
2018	2019
אפריל, 2018	אפריל, 2019
ליום 31 בדצמבר	

אובדן החובות בגין השקעות בנכס:

במסגרת הנכסים השוטפים:
לקוחות:
אד קשר - חברה כללית
אד קשר על עניין

הנכסים השוטפים השקיעו/על עניין:

4,687	3,703
1,254	895
446	449
808	445
2018	2019
אפריל, 2018	אפריל, 2019
ליום 31 בדצמבר	

י. יתרות עם עניין/על עניין השקיעו/על עניין:

(המשל) הנכסים השוטפים השקיעו/על עניין - 22 יאור

הנכסים השוטפים השקיעו/על עניין
אל על ביטוח לאומי

ה'תשס"ט, כ"ג טבת

[illegible]

3. 0112 44100

[illegible]

ט' סיומל סילגאן לילא, לילא סא עואלסא

[illegible]

(למעט): סילומל סילללל ללללל, לללל סל סלללל.

(למשל) סילומל סילמל ויהא זעז סז מואלס - 22 מואל

7.

1.

טוול טעגליכע און זונטיג - 7.00 ₪

[illegible]

(למחשבו) יסודות דאגות על טווחי דמוסטרטיוו - זלזול