



AZRIELIGROUP

AZRIELI GROUP

Conference Call Presentation

Financial Statements December 31, 2019



AG

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- › With respect to some of the development projects, no decision has yet been made regarding carrying out their construction and occupancy in several stages.
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- › The Company's estimations regarding the growth figures are based on actual rent income, and in some cases include expansions made at the relevant center. These figures are unaudited, are not according to GAAP, and were prepared according to the past experience and professional knowledge accumulated by the Company and in good faith. Such information is presented below for the sake of convenience only, but is not a substitute for the information provided by the Company in its financial statements or in connection therewith, and therefore should not be relied on solely in itself.
- › The financial information in the presentation which is attributed to the extended standalone statement is neither audited nor reviewed by the Company's auditors. The extended standalone statement presents a summary of the Company's consolidated statement figures according to IFRS, with the exception of the Company's investment in Granite Hacarmel and Azrieli E-Commerce which is presented based on the equity method, in lieu of consolidation with the Company's statements.
- › The terms "FFO attributed to the Real Estate Business" and "weighted average cap rate" relate to the Group's income-producing real estate business only. Anyone reading the presentation must read such figures in conjunction with the Board's explanations in the Board of Directors' report as of December 31, 2019, Sections 2.6 and 2.7, including the methods of calculation and the underlying assumptions thereof.
- › The information included in this presentation is similar to the information included in the reports and/or immediate reports of the Company and does not include new material information. However, some of the data included in the presentation are presented in a different manner and/or breakdown and/or are differently edited. In any event of inconsistency between the reports and/or immediate reports of the Company released to the public and the information contained in this presentation, the information released to the public as aforesaid shall prevail.
- › All numbers and figures are approximate.

Convenience Translation from Hebrew // Important Notice



- › The following English translation of Azrieli Group's presentation for the conference call of March 25, 2020 (the "**Presentation**") is provided for convenience. Please note that this document should not be regarded as a substitute for reading the full original Hebrew version of the Presentation. This translation was neither prepared nor checked by the Company. Accordingly, the Company does not warrant that the translation fully, correctly or accurately reflects the Presentation and its contents.
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Azrieli Group // Business Card

Traded on the capital market since 2010, the **6th largest company⁽¹⁾** on the Tel Aviv Stock Exchange

Market cap of **NIS 23.2 billion⁽¹⁾**

Listed in all leading **indices**: TA-35, TA-125, TA-Real Estate

The only Israeli company included in the **EPRA** Index

The Company owns income-producing properties with a total leasable area of **1,219,000 m²**, **11 additional projects under construction**, and **6 projects under renovation and extension**

Average **occupancy rate** in Israel is **99%⁽²⁾**

90% of the value of investment and under-construction income-producing properties (on a consolidated basis) is attributed to real estate in Israel

Rating: AA+ (Ma'alot S&P); **Aa1** (Midroog Moody's)

Leverage ratio is only **24%**, and equity to assets ratio is **53%**



(1) As of March 24, 2020

(2) Excluding completed properties in the first stages of occupancy.

Azrieli Group // Financial Strength⁽¹⁾ during the CoronaVirus Crisis



Business

Diversification	Diversification over several real estate sectors
Tenant diversity	Very broad (approx.. 2,800 tenants)
Portfolio	High-quality properties in prime locations
Occupancy rate	Close to 100% in all operating segments in Israel
Contracts	Long term, 3-5-10 years

Financial

Cash and cash equivalents ⁽²⁾	NIS 2.9 billion. Including Bank Leumi shares NIS 4 billion.
FFO	NIS 1.16 billion. Including senior housing NIS 1.3 billion
Low leverage	24% net debt to assets and 53% ⁽²⁾ equity to assets
Unencumbered assets	NIS 23 billion
Debt	Long duration and Balanced payment schedule
Financing	Average interest rate of 1.6% and average duration of 5.3 years



(1) As of December 31, 2019.

(2) As of the date of the report release date NIS 2 billion.

(3) Including deferred taxes – 62%.

Income-Producing Properties Map



Malls and Retail Centers

Ayalon Mall	Jerusalem Mall	Holon Mall	Akko Mall
Hod Hasharon Mall	Modi'in Mall	Ramla Mall	Kiryat Ata Mall
Herzliya Outlet	Azrieli Mall	Azrieli Ra'anana	Or Yehuda Outlet
Givatayim Mall	Azrieli Holon Center	Haifa Mall	HaNegev Mall
Sarona Mall	Rishonim Mall		

Offices and Others in Israel

Azrieli Towers	Modi'in	Givatayim
Azrieli Sarona	Modi'in Residences	Kiryat Ata
Azrieli Holon Center	Petach Tikva	Hanegev
Caesarea	Jerusalem	Rishonim
Herzliya	TOWN building E	

18 malls 349,100 m²

14 office properties 547,500 m²

3 senior homes 76,000 m² 794 residential units

8 office properties overseas 246,400 m²

Total 1,219,000 m² (1)

Senior Homes

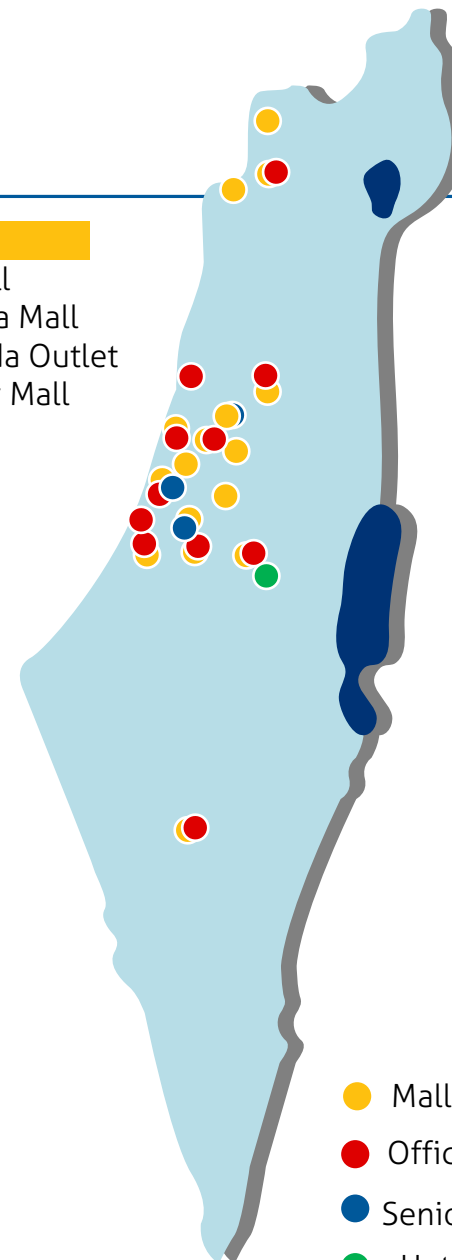
Palace Tel Aviv
Palace Ra'anana
Palace Modi'in

Hotels

Mount Zion Jerusalem (2)

Overseas

Galleria
Plaza
8 West
3 Riverway
1 Riverway
Aspen II
San Clemente
Leeds

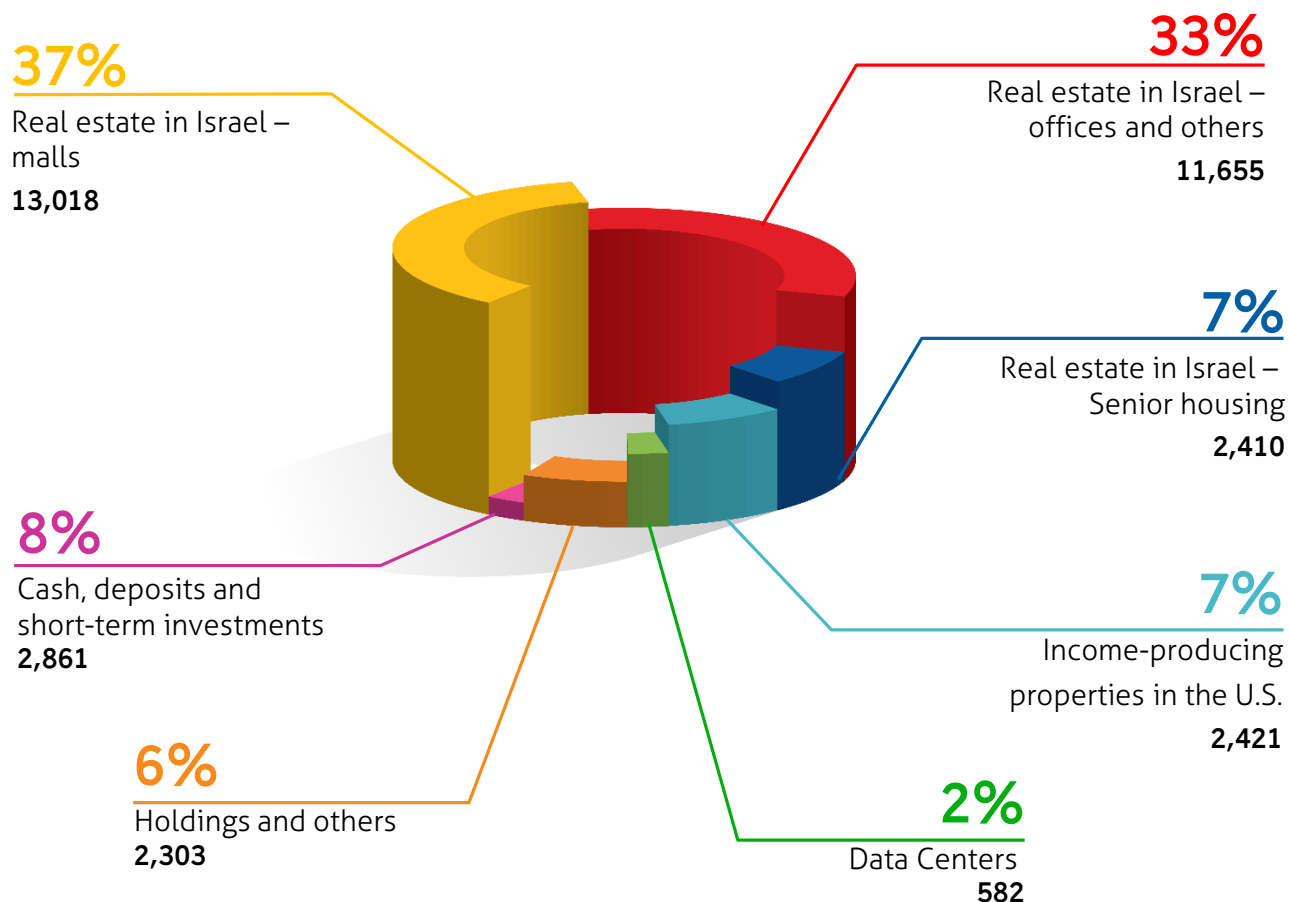


- Malls
- Offices
- Senior Homes
- Hotels

(1) As of December 31, 2019.

(2) Purchased after the balance sheet date.

Azrieli Group // Breakdown of Properties⁽¹⁾



% of Total Properties
Book Value (NIS in millions)

(1) Consolidated, as of December 31, 2019. For details regarding the Company's structure, see Section 1.2.1 of Chapter A of the Annual Report.

Highlights for Y2019 and for Q4/2019⁽¹⁾

Financial Highlights

- > NOI totaled NIS 408 million, up 5% compared with Q4/2018.
- > Same Property NOI – a 3% increase in the quarter.
- > FFO totaled **NIS 314 million**, compared with NIS 443 million in Q4/2018. **Excluding Senior Housing, FFO totaled NIS 286 million**, compared with NIS 293 million in Q4/2018.

Continued Momentum of Development, Betterment and Acquisitions

- > Over the course of Q4/2019, **the Group invested NIS 466 million** in investment properties, the redevelopment of existing properties, and the development of new properties.
- > In 2019, **the Group invested NIS 1 billion** in investment properties, the redevelopment of existing properties, and the development of new properties.

Investment in Compass Data Centers

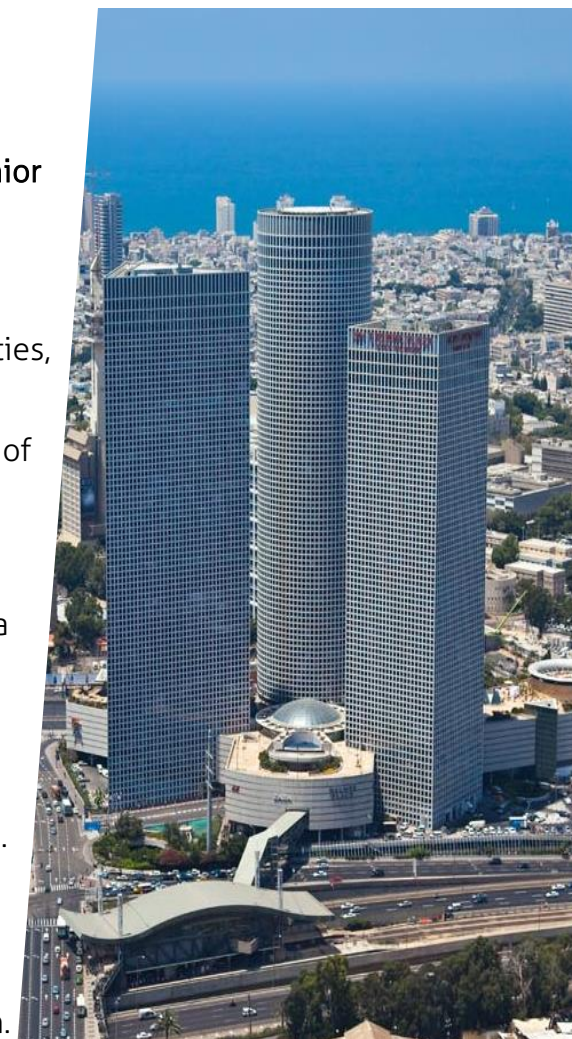
- > As of the report release date, the Group holds approx. 21%⁽²⁾ of the stock of Compass, a U.S. company operating in the data centers industry in North America, after an investment of approx. \$164 million.

Closing of the Sale of Granite

- > In November 2019, the Group closed the sale of Granite (which wholly owns SuperGas).
- > The Group recorded a post-tax capital gain of NIS 373 million.

An agreement for the Sale of GES

- > In January 2020, the Group signed an agreement for the sale of GES for NIS 110 million.



(1) Some of the highlights present data and events as of the report release date.

(2) The Company has an option to increase its holdings up to 33% according to current value against future investments in development.

Disposal of Granite and its subsidiaries and Leumi Card



Sold for an aggregate amount of NIS 2 billion⁽¹⁾

Sold for
NIS 600 million⁽²⁾

Aggregate Profit of NIS 1.2 Billion

- (1) Including a transaction for the sale of the wastewater treatment business in the sum of approx. NIS 110 million that has not yet been closed, and dividends received during the period.
(2) Including compensation received for a settlement agreement, and dividends received during the period.



Development During and After the Quarter

Azrieli Group // Purchase of Land in Modi'in

LOT 10

- >The acquisition was completed in **December 2019**.
- > Land area - Approx. **17,300 sqm**
- > Approved zoning plan - approx. **37,000 sqm** and underground parking.
- > The Group intends to develop an **office and retail complex** according to the permitted uses.
- > Purchase cost - **NIS 88 million**
- > The land is **adjacent to Azrieli Modi'in mall** and Lot-21, which are owned by the Group, in the CBD of Modi'in.

--- Land purchased

— Existing income-producing property

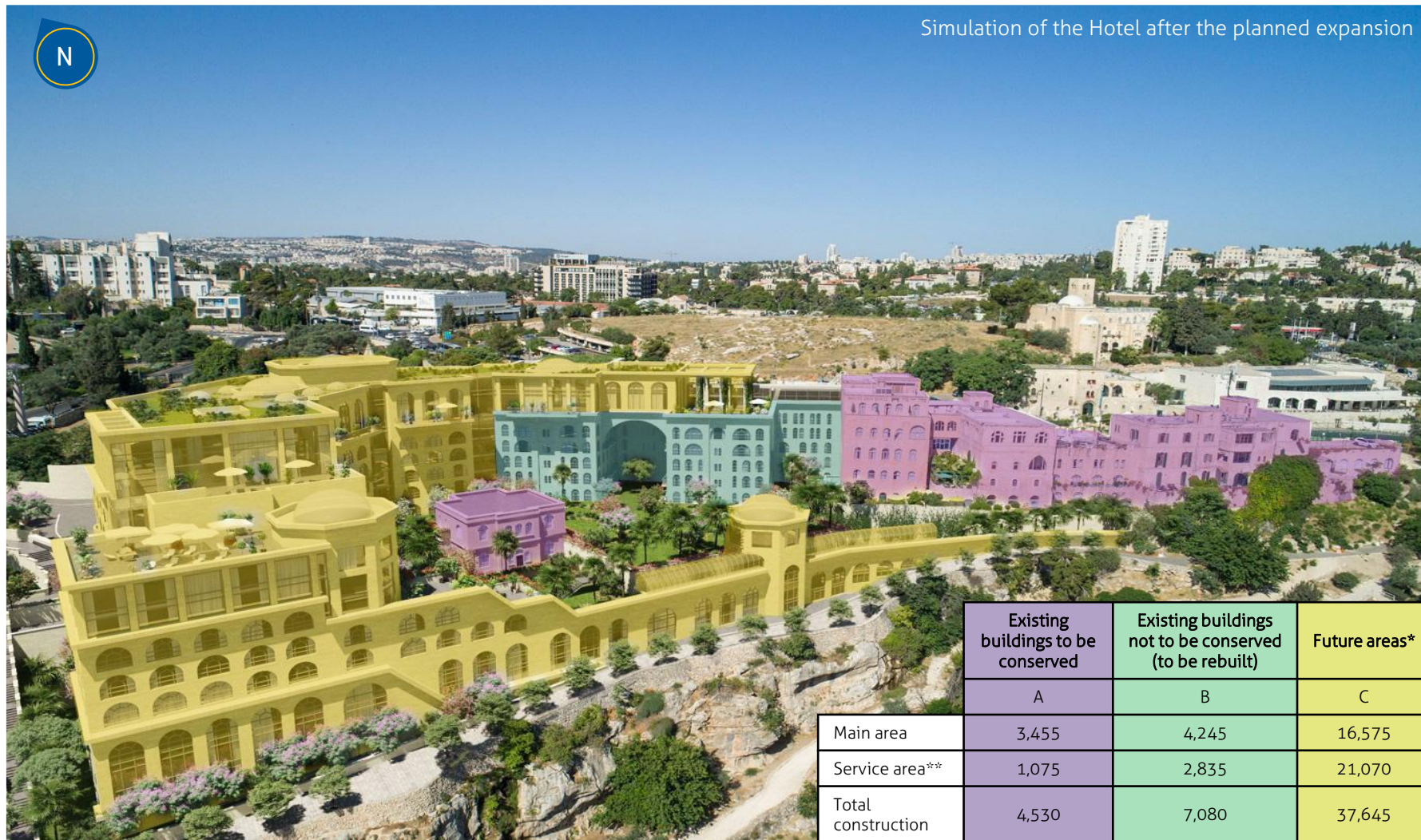


Azrieli Group // Purchase of Mount Zion Hotel, Jerusalem

- > The acquisition was completed in February 2020.
 - > Land area: approx. 13,000 sqm.
 - > Current area: 11,600 sqm.
 - > Approved zoning plan: an addition of approx. 22,400 sqm aboveground and 15,200 sqm of underground parking.
 - > Acquisition cost: NIS 275 million.
 - > Expected expansion and renovation cost: approx. NIS 500-600 million.
-
- > The Group intends to renovate (from B rating to A+ rating) and expand the hotel in accordance with the lot's applicable zoning plan.
 - > Additional uses: parking, restaurants, a spa, a health club, function and reception halls, a swimming pool, and the Cable Car Museum.



Azrieli Group // Purchase of Mount Zion Hotel, Jerusalem



* Including additional construction also in the existing buildings

** Including 15,225 sqm for underground parking

Azrieli Group // Malls and Retail Centers

NOI in 2019 – **NIS 831 million**, compared with NIS 820 million in 2018, an increase of 1.3%.

GLA – **349,100 m² ⁽¹⁾**

Average occupancy rate – **98%**

Book value – **NIS 13 billion**

Innovation and Upgrade

- > Azrieli E-Commerce
- > Azrieli Gift Card
- > Azrieli App
- > Betterment and upgrade of malls and retail centers



(1) GLA (gross leasable area) is based on the Company's share as of December 31, 2019.

Azrieli Malls Group // Revenues and Rent to Revenue Ratio

2019
Vs.
2018

9-12 / 2019 ⁽¹⁾
Vs.
9-12 / 2018 ⁽¹⁾

Total Increase in Azrieli Group
Malls Revenues

+ 1.83%

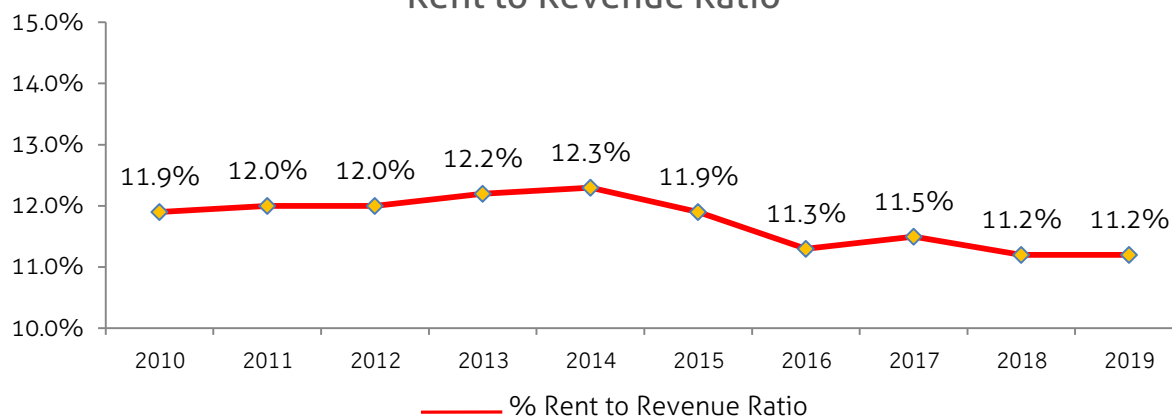
+ 1.95%

Total Increase in Azrieli Group
Malls Revenues
Same properties

+ 1.78%

+ 1.90%

Rent to Revenue Ratio



(1) The revenue figures presented are for 4 months in order to neutralize the timing of the High Holidays which fell in October of 2018 and in September of 2019.

Development Projects // Expansion of Azrieli Jerusalem Mall

Expansion of the Azrieli Jerusalem Mall

The group is promoting a plan for expansion of the area of the Azrieli Jerusalem mall by approx. 100,000 sqm gross above ground.

If the zoning plan is approved, it will **enlarge the retail areas** by approx. 22,000 sqm and the office areas by approx. 36,000 sqm.

As part of the plan, a **senior home** will be built adjacent to the mall, on an area of approx. 40,000 sqm gross (up to 300 residential units).

Concurrently with the expansion of the areas of the mall, work is expected to progress on **construction of the blue line of the Jerusalem Light Rail**, in which a light rail station will be built near the mall, further improving transportation access to the area.

Progress Update

In January 2020, the local committee held a discussion on the objections. The local committee recommended to the district committee to approve the plan as submitted, subject to minor amendments, while denying all of the third-party objections. A discussion in the district committee has yet to be scheduled.



Azrieli Group // Office and Other Space (Israel)

NOI in 2019 – **NIS 594 million**, compared with NIS 517 million in 2018, an increase of 14.9%.

GLA of **547,500 m²** ⁽¹⁾

Average occupancy rate – **99%**

Book value – **NIS 11.7 billion**

Innovation and Upgrading

- > Community
- > Technology
- > Betterment and upgrading of the office towers



(1) GLA (gross leasable area) is based on the Company's share as of December 31, 2019.

Palace Senior Housing Chain

Operating Homes

Palace Tel Aviv: 231 residential units + 4 LTC units

Palace Ra'anana: 324 residential units + 2 LTC units

Palace Modi'in: 239 residential units + 136 LTC beds

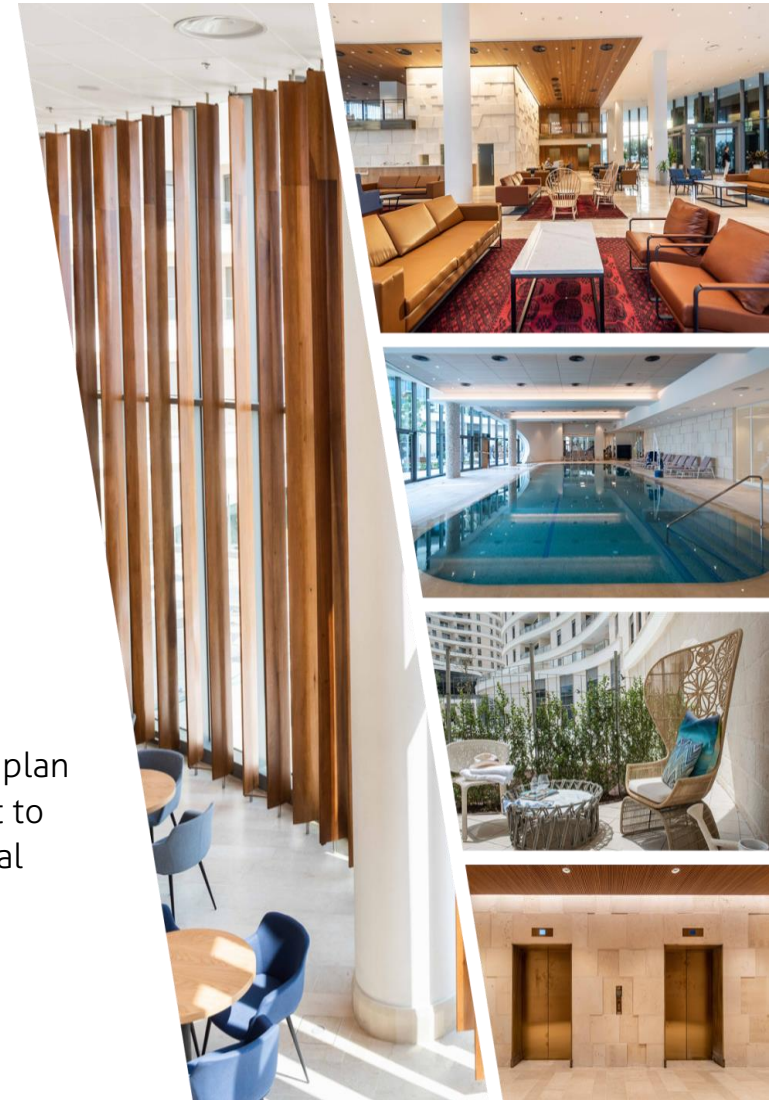
Homes under Development

Palace Lehavim: 350 residential units + 72 LTC beds

Palace Rishon Lezion: 275 residential units + 1 LTC unit + 3,000 m² retail space







Developments

- > With respect to the Azrieli Jerusalem Mall, the Group is promoting a plan for the development a new senior home which will be built adjacent to the mall, on a gross area of approx. 40,000 sqm (up to 300 residential units and 4 LTC units).



Existing Properties // Expansion and Betterment

The following projects are undergoing betterment and various statutory proceedings:

Name of the Property	Location	Project in the Property	Status	Gross Area	Timeframe for completion of the statutory proceeding
Azrieli Jerusalem mall	Jerusalem	Increasing retail and office space; Construction of senior home 	Zoning plan	100,000 sqm	Medium-term
Petach Tikva land	Petach Tikva	Addition of offices 	Zoning plan	200,000 ⁽¹⁾ sqm	Long-term
Azrieli TOWN	Tel Aviv	Addition of offices 	Zoning plan	24,000 sqm	Medium-term
Azrieli Rishonim	Rishon Lezion	Addition of offices 	Zoning plan	21,000 sqm	Medium-term
Modi'in land (Lot 21)	Modi'in	Addition of offices 	Zoning plan	8,000 sqm	Medium-term
Herzliya Business Park	Herzliya	Addition of offices and retail 	Zoning plan	4,000 sqm	Medium-term
Total				357,000 sqm	

(1) Some of the building rights are attributed to an existing asset owned by the Company.



Development Pipeline

Azrieli Group // Development Pipeline



Expansion of Azrieli Mall and
the Spiral Tower, Tel-Aviv

150,000 m² (1)(3)



Azrieli Town E Building
Tel-Aviv Center

21,000 m² (4)



Azrieli Town, Tel Aviv

75,000 m² (1)(5)



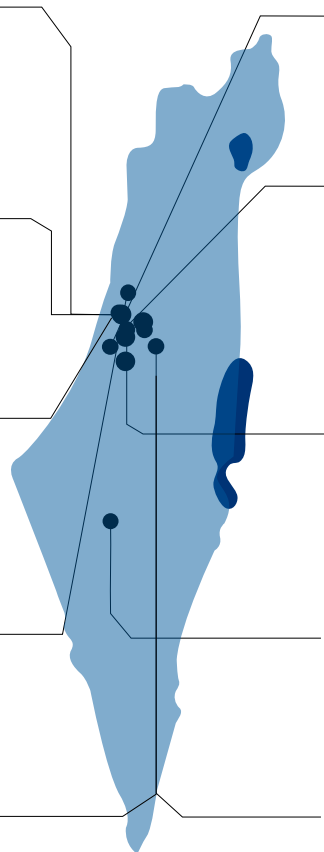
Land for Development
Petach Tikva

53,000 m² (2)



Lot 10
Modi'in

37,000 m²



Palace Rishon Lezion
Senior Home

37,300 m² (1)(3)

Holon 3 Project
(formerly Lodzia)

250,000 m²

Holon HaManor project

28,000 m²

Palace Lehavim
Senior Home

44,000 m² (1)












Lot 21
Modi'in

20,000 m² (1)(2)



(1) The figure is the scope of building rights in sqm | (2) The Company is working to increase the building rights by approx. 200,000 sqm in Petach Tikva and by approx. 8,000 sqm in Modi'in. | (3) A plan was published and validated. | (4) Rights for additional construction purchased in May 2018 in the context of acquisition of the income-producing property Mivney Gazit. | (5) The Company is working to increase the building rights in the project to approx. 99,000 sqm.

Development Projects // The Growth Engine

Name of Property	Location	Use	GLA ⁽²⁾	Estimated Completion Date	Estimated Construction Cost, including Land (NIS in millions) ⁽¹⁾
Short-term constructions projects					
Palace senior housing	Lehavim		Stage A - 32,000	Stage A – Q1/2020	400-410
			Stage B - 12,000	Stage B - TBD	
Azrieli Town ⁽⁴⁾	Tel Aviv		Offices 50,000	Q4/2020	1,080-1,130
			Retail 4,000 Residence 21,000 (210 Residential Units)	2022	
Holon HaManor	Holon		28,000	Q3/2020	220-240
Azrieli Akko Mall	Akko		8,000	2020	70-75
Total			155,000		1,770-1,855
Medium-term construction projects					
Modi'in, Lot 21	Modi'in		20,000 ⁽⁶⁾	2023	340-370
Palace Rishon Lezion	Rishon Lezion		37,300 ⁽⁷⁾	2024	490-510
Expansion of Azrieli Mall and Spiral Tower	Tel Aviv		150,000 ⁽⁵⁾	2025	2,300-2,500
Total			207,300		3,130-3,380
Total			362,300		4,900-5,235
Development projects in the planning phase					
Holon 3 (formerly Lodzia)	Holon		250,000 ⁽⁸⁾	TBD	TBD
Petach Tikva land	Petach Tikva		53,000 ⁽⁶⁾	TBD	TBD
Azrieli TOWN Building E	Tel Aviv		21,000 ⁽⁹⁾	TBD	TBD
Modi'in, Lot 10	Modi'in		37,000	TBD	TBD
Total			361,000		Projects whose construction cost is yet to be determined
Total			723,300		

(1) Cost without capitalizations and without tenant adjustments | (2) Senior housing and/or residences rights are stated in sqm | (3) The Company is promoting an increase of rights for the addition of office and hospitality areas totaling approx. 24,000 sqm (gross). | (4) A plan was published and validated. | (5) The Company is working to increase the building rights to approx. 250,000 sqm in Petach Tikva and to approx. 28,000 sqm in Modi'in | (6) GLA increased due to consolidation of plots of land. | (7) Additional building rights which were purchased in May 2018 in the context of the purchase of the income-producing property Mivney Gazit.

Development Projects // Expected Contribution* to NOI and FFO

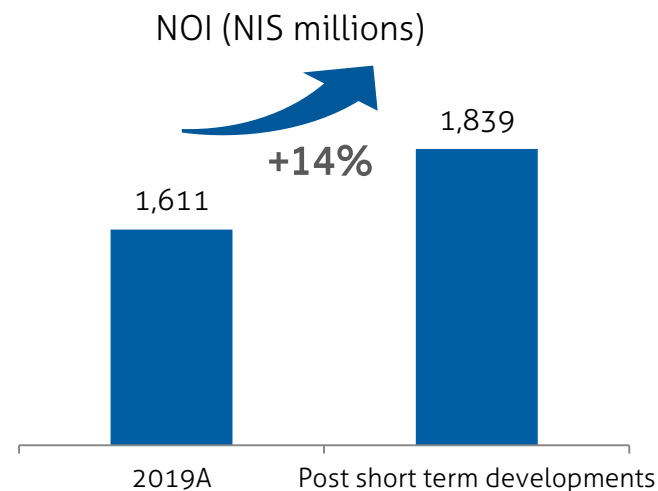


Actual NOI in 2019	1,611
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> Additional NOI from development projects ⁽¹⁾	142
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> Annualized additional NOI from existing properties ⁽²⁾	86
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Projected NOI after lease-up of short-term projects under development	1,839
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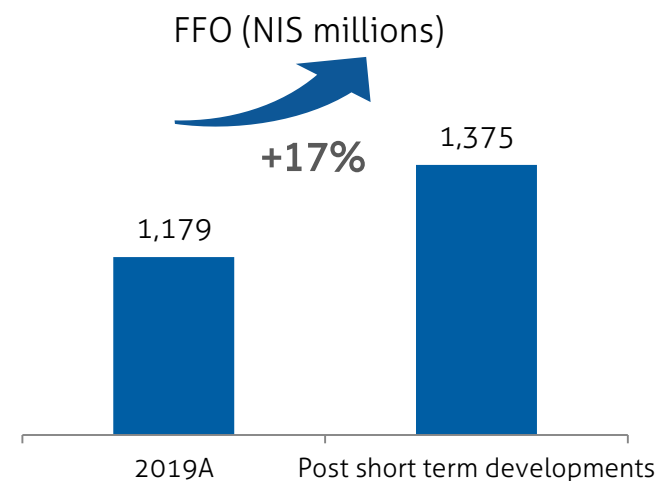
Actual FFO in 2019	1,313
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> Excl. first-time deposits from Palace Modi'in senior home	(134)
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Actual FFO in 2019 excl. first time deposits from Palace Modi'in	1,179
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> Additional FFO from cash flow	196
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Projected FFO after lease-up of short-term projects under development	1,375
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* The main assumptions in the calculations are: full lease-up of the projects under development, NOI and FFO of senior housing in steady state (excluding first time occupation), a tax rate of 23%.

(1) NOI from projects under development includes Azrieli TOWN, Palace Modi'in, Palace Lehavim, Holon HaManor, NIS 22 million from leasing of residential units in TOWN project and Akko offices and excludes expansion of Azrieli Center Tel Aviv, Holon 3 project (Lodzia), Rishonim senior housing land and land in Petach Tikva, Modi'in Lots 21 and 10

(2) Annualized additional NOI from existing properties includes Azrieli Sarona offices and retail, Azrieli Holon Center and Azrieli Rishonim, Azrieli TOWN building E acquired in May 2018, Data Centers activity acquired in July 2019 and Palace Modi'in opened in October 2018.

Azrieli Group // The CBD of Tel-Aviv



Development Projects // Expansion of Azrieli Mall and the Spiral Tower, Tel Aviv

Land area – **8,400 m²**

GLA – **150,000 m²**

including 13,000 m² of retail space
for expansion of the Azrieli Tel Aviv Mall

Cost of land – **NIS 374 million**

Estimated construction cost, including land –
NIS 2.3-2.5 billion

Uses –    

Estimated date of completion – **2025**

Progress Update

The Group is carrying out excavation and shoring work on the site.

In January 2020, a discussion was held in the local committee, and the committee decided to grant conditional approval for the design plan. The Company is working to receive final approval of the design plan.



Development Projects // Azrieli Town

Land area - **10,000 m²**

GLA ⁽¹⁾ - **50,000 m²** of offices
4,000 m² of retail space
21,000 m² residential (**210 units**)

Estimated construction cost, including land -
NIS 1,080-1,130 million

Estimated date of completion – Offices – **Q4 2020**
 Residences and Retail – **2022**

Use –   
 RENT

Progress Update

The Group is carrying out finishing work on the office tower, and structure work on the residential tower. The Group is promoting increasing rights for the addition of office and hospitality areas totaling approx. 24,000 m² (gross).

Marketing

To date, lease contracts have been signed for ~100% of the office space, including with a leading technology company, the law firm Fischer Behar Chen, the accounting firm PwC, and WeWork.
The projected annual NOI from the office building is NIS 67 million, and the construction cost (land and development including TI) is NIS 677 million.



Illustration

(1) Figures refer to the current zoning plan.

Development Projects // Palace Lehavim Senior Home

Land area – **28,000 m²**, in the southern part of the town of Lehavim, not far from the train station

Building rights

Phase A - **32,000 m²**

Phase B - **12,000 m²**

350 Residential Units + 72 LTC Beds

Use –  

Estimated construction cost, including land – **NIS 400-410 million**

Estimated date of completion – **Phase A – Q1 2020**
Phase B – TBD

Progress Update

The Group is carrying out finishing work on the site.

Marketing

As of the report release date, **109 preliminary applications** (for 45% of Phase A) have been signed, of which 104 have led to signed contracts.






Development Projects // Azrieli Holon HaManor

Land area – 6,200 m²

GLA – Office space: **28,000 m²**

Estimated completion date – **Q3 2020**

Use – 

The land is adjacent to the Holon 3 project land (formerly Lodzia) and close to the **Azrieli Holon Center**.

Progress Update

The Group is carrying out finishing work on the site.

Marketing

To date, the Group has leased 100% of the office space in the project, to Bezeq (20,000 sqm plus approx. 900 parking spaces, of which 600 parking spaces are in the Azrieli Holon 3 project) and for a technology company (8,000 sqm plus approx. 160-210 parking spaces, of which 50 parking spaces are in the Azrieli Holon 3 project).

The projected annual NOI is NIS 26 million, and the construction cost (land and construction including TI) is NIS 336 million.

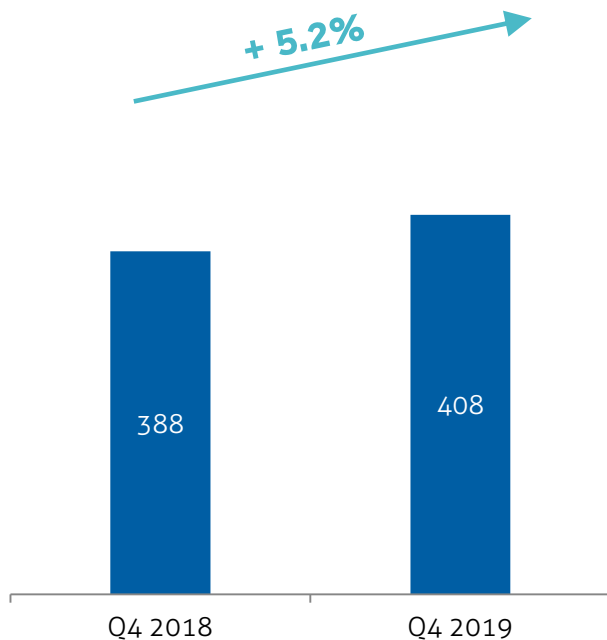




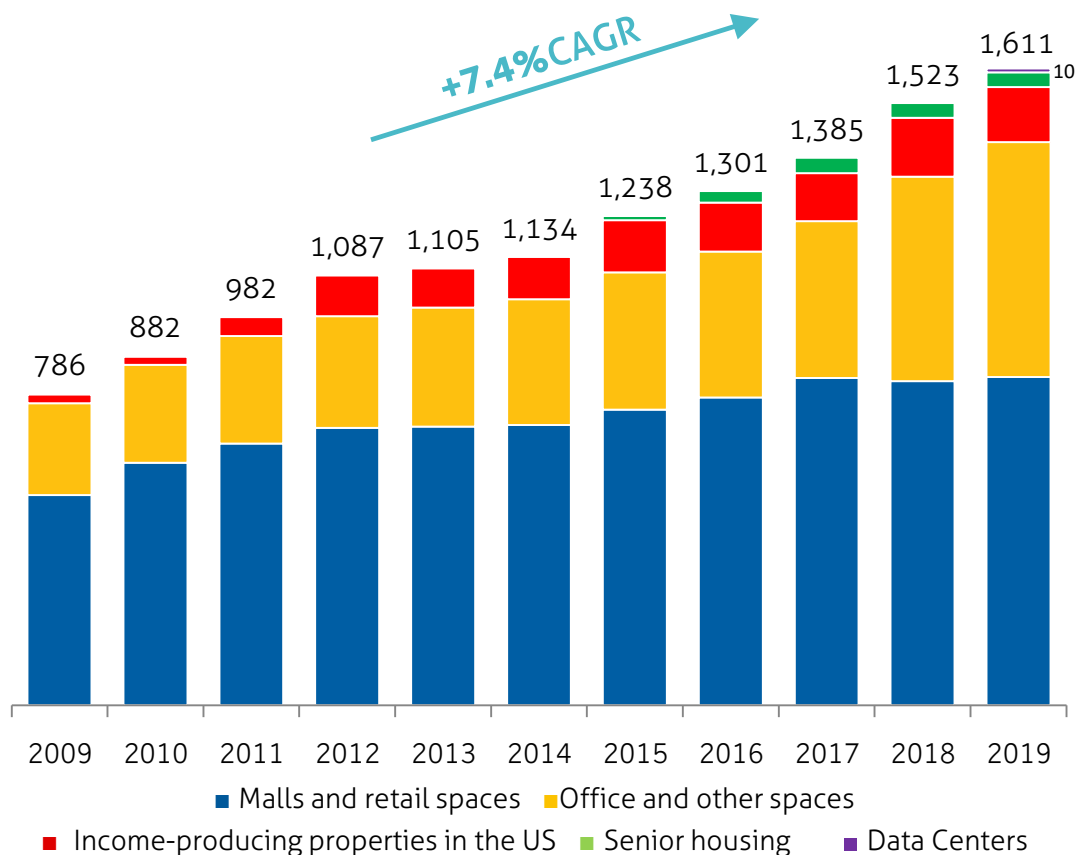
Financials Highlights

Constant NOI Growth

Quarterly NOI
(NIS in millions)



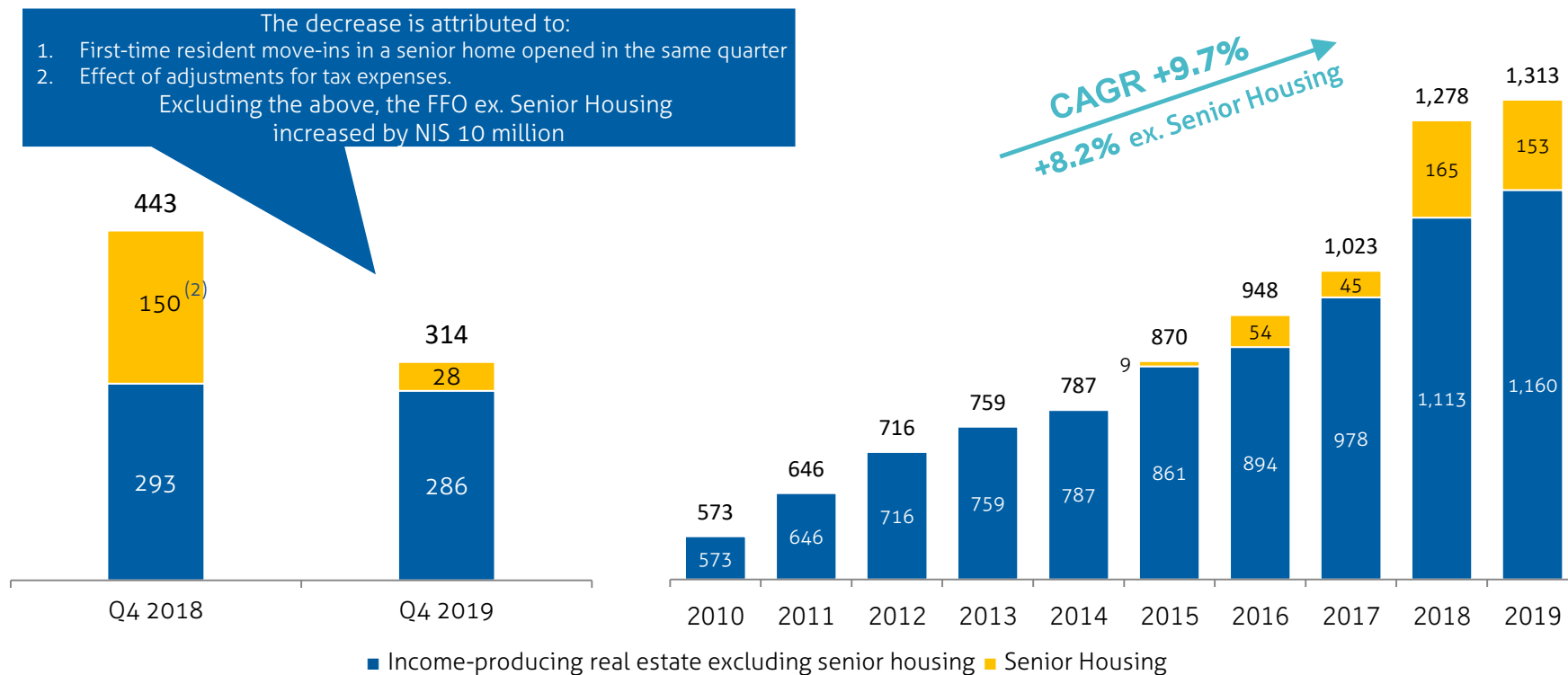
Annual NOI
(NIS in millions)



Constant FFO⁽¹⁾ Growth

4.2% increase in FFO, excluding senior housing, compared with 2018

FFO attributed to the Real Estate Business⁽¹⁾ (NIS in millions)

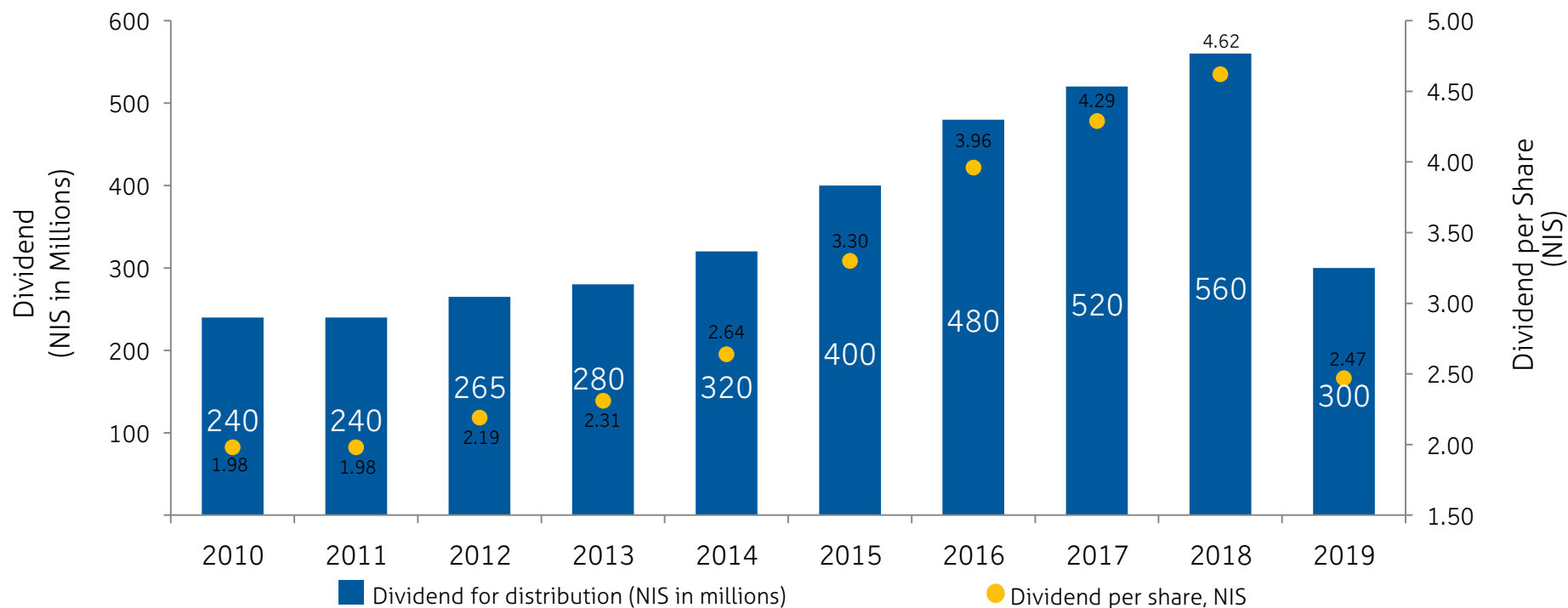


(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

(2) It is noted that in Q4/2018 and Y2019, a large number of new units were occupied for the first time in Palace Modi'in, which the Group inaugurated in October 2018.

Constant and Increasing Dividend Distribution

A dividend distribution of NIS 300 million for 2019. ⁽¹⁾



(1) Notwithstanding the financial soundness of the Company, for the sake of caution, including in view of the uncertainty surrounding the impact of the spread of Coronavirus, the Board decided to distribute NIS 300 million only, and to re-discuss a distribution of up to NIS 300 million more during the year.

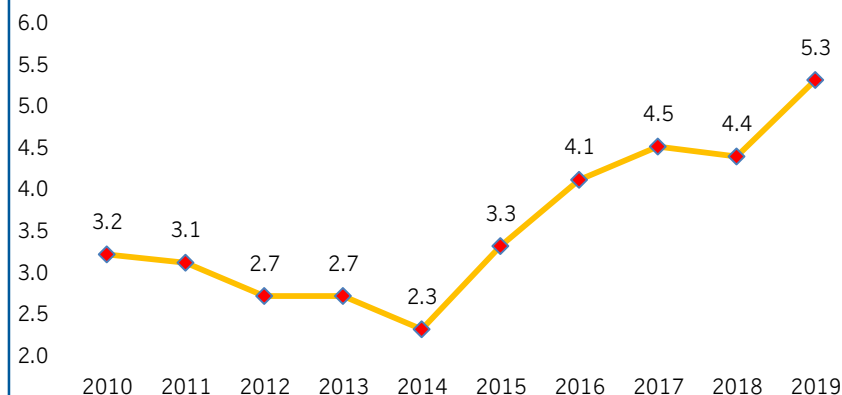


Extension of the Duration and Reduction of the Cost of Debt

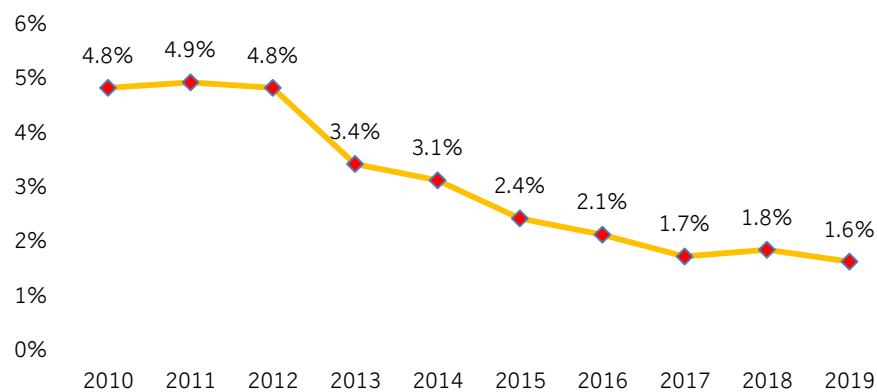
Financial Strength⁽¹⁾

- > Low leverage – net financial debt to assets ratio of **24%**
- > Equity to assets ratio of **53%**
- > Cash and cash equivalents total **NIS 2.9 billion**
- > Unencumbered assets total **NIS 23 billion**

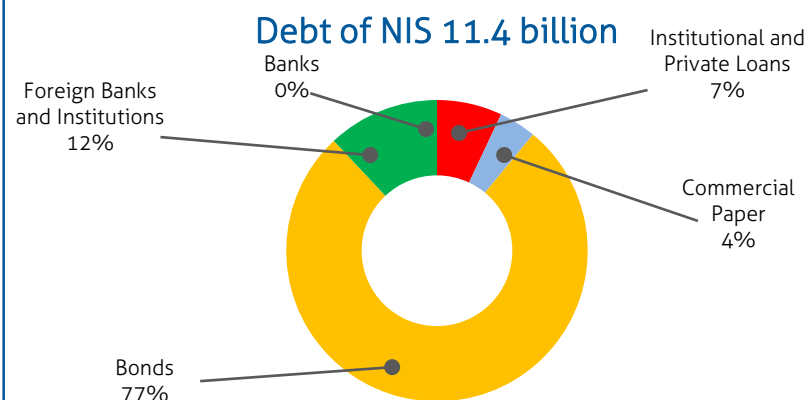
Extension of Average Duration of Debt ⁽²⁾



Average Effective Interest Rate Decrease through the Years ⁽²⁾



Debt Breakdown by Lender

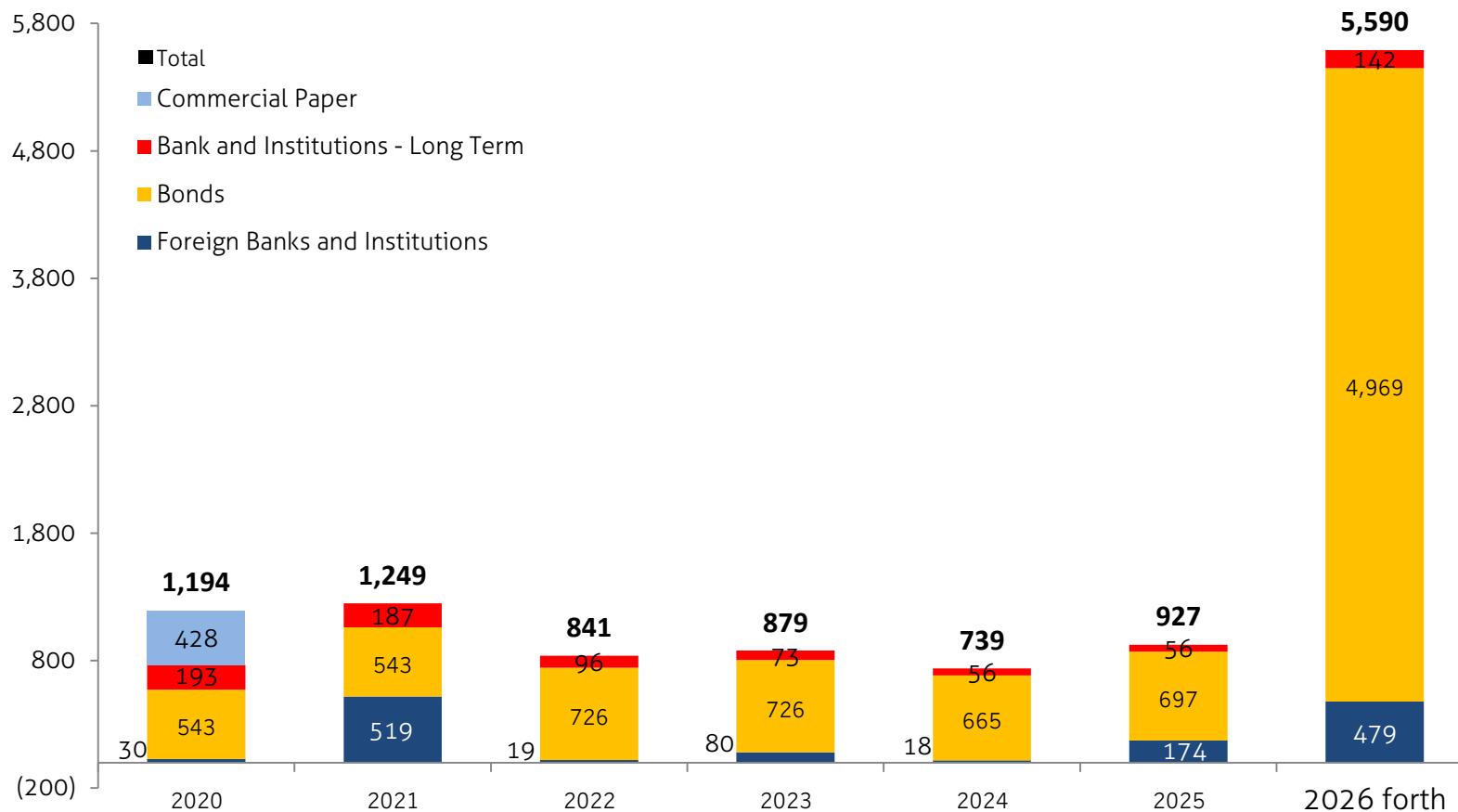


(1) As of December 31, 2019.

(2) Figures are as of the last day of the year / the reported period.

Payment Schedule (Principal Only)

Consolidated as of December 31, 2019



Summary of Financial Results (NIS in millions)

	Consolidated Q4 2019	Consolidated Q4 2018	Consolidated 2019	Consolidated 2018
Revenues from rent, maintenance, management fees and sales	560	546	2,235	2,101
NOI	408	388	1,611	1,523
Same-property NOI	402	390	1,572	1,511
FFO attributed to the real estate business ⁽¹⁾	414	443	1,313	1,278
Change in the value of investment properties ⁽²⁾	559	196	694	168
Net profit, including minority interests	1,107	460	2,097	1,219
Net profit, attributable to the shareholders	1,109	459	2,099	1,218
Comprehensive income, attributable to the shareholders	1,116	431	2,003	1,321



(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

(2) Net, after tax.

Summary of Balance Sheet Data (NIS in millions)

	Consolidated December 31, 2019	Extended Standalone December 31, 2018
Cash, securities and deposits	2,861	646
Gross financial debt	11,419	9,569
Net financial debt ⁽¹⁾	8,558	8,923
Net financial debt to assets	24%	28%
Financial assets (mainly Bank Leumi shares)	1,167	1,677
Fair value of investment properties and properties under construction	29,145	27,452
Equity (excluding minority interests)	18,534	17,077
Equity to assets	53%	54%
Total assets	35,239	31,439
Equity per share (NIS)	152.8	140.8
EPRA NAV per share (NIS) ⁽²⁾	183	168



(1) Excluding financial assets (Bank Leumi shares).

(2) Excluding part of the expected profit component in respect of development projects.

(3) The Company is not presenting an extended standalone statement as of December 31, 2019 since Granite was sold in 2019.

Average Cap Rate and FFO of the Income - Producing Real Estate Business

Weighted average cap rate - 7.04%

NIS in millions

Total investment properties, as of December 31, 2019	27,279
Net of the value attributed to land reserves, properties under construction and senior housing	(5,136)
Total income-producing properties	24,143
Actual NOI Q4/2019 ⁽¹⁾	393
Future quarterly NOI addition	32
Total standardized NOI Q4/2019	425
Proforma annual NOI	1,700
Weighted cap rate derived from income-producing investment properties, including vacant space	7.04%

Annual FFO ⁽²⁾ attributed to the real estate business - NIS 314 million

NIS in millions

Net Operating Income (NOI)	408
Overheads excl. management fees from Granite	(52)
Depreciation	3
EBITDA	359
Net interest expenses	(43)
Tax	(46)
Cash flow from senior housing deposits excl. depreciation	25
Excluding financial expenses attributed to development projects	18
Total FFO attributed to the income-producing real estate business	314

(1) Excluding senior housing, (the weighted cap rate of the senior housing as of the report date is 8.75%) and excluding Data Centers which appears in the statements according to the method of investments in companies accounted for by the equity method. | (2) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report. | (3) The FFO calculation also includes cash-flow financing expenses in connection with projects under construction, calculated according to the credit costs capitalized to qualified properties and investment property under construction

Conclusion – Leadership, Innovation and Strength



Continued growth in the key parameters of the core business (NOI, FFO)

Consistent high occupancy rate



Exceptional financial soundness and strength

Significant growth engines:

- Internal growth
- Enterprise and development of new properties
- Acquisition of income-producing properties and land for future development
- New real-estate operating segments
- Innovation



Business focus in Israel

