

September 11, 2025

To:

Israel Securities Authority
Via the MAGNA system

Tel Aviv Stock Exchange Ltd.
Via the MAGNA system

Dear Sir/Madam,

Subject: Submission of a First Draft Prospectus to the Israel Securities Authority for a Wholly-Owned Subsidiary to Include Three Income-Producing Assets in Poland

Further to the provisions of section 1.3 of the company's Board of Directors' report as of June 30, 2025, as included in the company's quarterly report as of June 30, 2025, which was published on August 17, 2025, ¹⁰¹ regarding the examination of establishing a new legal entity to consolidate under it three income-producing assets in Poland with a total value of approximately 450 million euros, as well as the examination of realizing most of the company's holdings in the said entity while continuing to provide management services to the entity, the company is honored to report that:

- 1.** The company has established a dedicated corporation named Orion Commercial Properties Ltd. ("Orion").
- 2.** On September 10, 2025, a first draft of a prospectus for a sale offer and/or a dividend in kind of Orion shares, as well as an initial public offering of Orion bonds ("the offering"), was submitted to the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd. ("the Exchange").
- 3.** According to the prospectus and subject to the completion of the offering, three income-producing assets owned by G CITY EUROPE LTD (a wholly-owned subsidiary of the company), known as Dominikańska Galeria, Biała, and Mall Focus, will be transferred as part of a restructuring to the (indirect) ownership of Orion.

For details about the transferred assets, see the presentation published by the company on September 2, 2025 (Reference No.: 2025-01-066214).

4. As part of the planned offering: (a) the company intends to sell and/or distribute in kind its shares in Orion, so that its holding in Orion upon completion of the offering will not exceed 24.99%, thus ceasing to be the controlling shareholder in Orion, in order to comply with the provisions of the Law for the Promotion of Competition and Reduction of Concentration, 2013; and (b) Orion intends to raise debt by issuing one or more series of bonds to the public.

5. For the avoidance of doubt, it is emphasized that at this stage, the structure of the offering, the sale offer and/or the distribution in kind of Orion shares, the bond raising, their timing, scope, and terms have not yet been determined. There is no certainty that the offering and/or the sale offer and/or the distribution in kind and/or the debt raising will be carried out, as they depend, among other things, on external factors beyond the control of the company and Orion, including the existence of suitable market conditions, agreements with financial institutions, obtaining approvals and permits according to law and/or from the competent authorities, including the Israel Securities Authority's permit to publish the prospectus and the Exchange's approval for listing Orion's securities for trading, as well as final approval by the organs of the company and Orion. It is further clarified that the company and Orion will be entitled to cancel the offering and/or the sale offer and/or the distribution in kind and/or the debt raising, postpone them and/or change their terms, for any reason and at their sole discretion, and that the public offering, if made, will be carried out as stated within the framework of the prospectus, if published, which will detail, among other things, the scope of the public offering and other terms.



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Alt: Signature

4. This report does not constitute a commitment to carry out an offering and/or sale of securities and does not constitute an offer to the public or an invitation to purchase securities.

Respectfully,

G CITY LTD

By:

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Mr. Chaim Katzman, Deputy Chairman of the Board and CEO

Mr. Gil Kotler, CFO



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FOOTNOTE:

¹⁰¹ Reference No.: 2025-01-060848.