

COMPANY PRESENTATION

30.6.2023

REIT 1 – THE FIRST AND LEADING REAL ESTATE INVESTMENT TRUST IN ISRAEL

REIT 1

THE FIRST REAL ESTATE INVESTMENT TRUST IN ISRAEL



DISCLAIMER

This presentation contains forward-looking information as defined in the Securities Law, 1968 ("Securities Law"). This information includes, among others, various forecasts, assessments and estimates by the Company - as well as information presented through schemes and/or graphs and/or tables. The materialization of this information, in whole or in part, is uncertain and outside the Company's control, and may take a form different, or substantially different, from the way in which it is presented in the presentation.

This information rests, among other factors, on the estimates of the Company's management and their subjective view based, among others, on their experience and professional know-how and on analysis of information concerning the current state of the Company's businesses, work plans, as well as on macroeconomic facts and data, all as known to the Company's management at the time of preparing this presentation.

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This presentation does not constitute, and shall not be construed as, an offer to the public or an invitation to the public to buy Company securities or an invitation to receive such offers, and is solely intended for informative purposes. The content of this presentation does not constitute a recommendation or an opinion or a substitute for investor discretion, nor does it pretend to cover all the information that might be relevant for making any kind of investment decision regarding the Company's securities. The information in this presentation is a summary and does not serve to substitute the complete information about the Company as provided in its periodic, quarterly and immediate reports.

This presentation does not substitute the financial statements which include the full financial information. The binding version is the one in Hebrew.

OVERVIEW

- * According to the number of shares on the resolution date and is subject to board of directors' approval prior to each distribution.
- ** Dividend and FFO yields are relative to share price as of August 10, 2023. FFO, according to management approach, for ISA's approach see slide 21.

- Based on expanded consolidated statements.
- 82,000 sqm that are under renovation in Ra'anana are not included in the total GLA and the occupancy rate.

ESTABLISHMENT

Established in 2006 as Israel's first Real Estate Investment Trust

INCOME PRODUCING PROPERTIES

Total assets' value NIS 7.7 billion
591,000 sqm, 97.1% occupancy rate

CAP RATE

Weighted average cap rate - 6.54%

EQUITY

Financially resilient, total equity - NIS 3.8 billion
(NIS 19.67 per share)

STOCK EXCHANGE

Traded on TASE since 2006
Included in the following indices: TA - 125, TA - Real Estate, TA - Israeli CRE, Tel Div and Tel Bond 40

RATING

ilAA/Negative
Maalot S&P

DIVIDENDS

Quarterly dividend distribution policy
Minimum dividend for 2023: NIS 159 million
(NIS 0.82 per share* vs. NIS 0.80 in 2022)
Dividend yield - 5.0%**
Dividends distributed since inception - NIS 1.3 billion

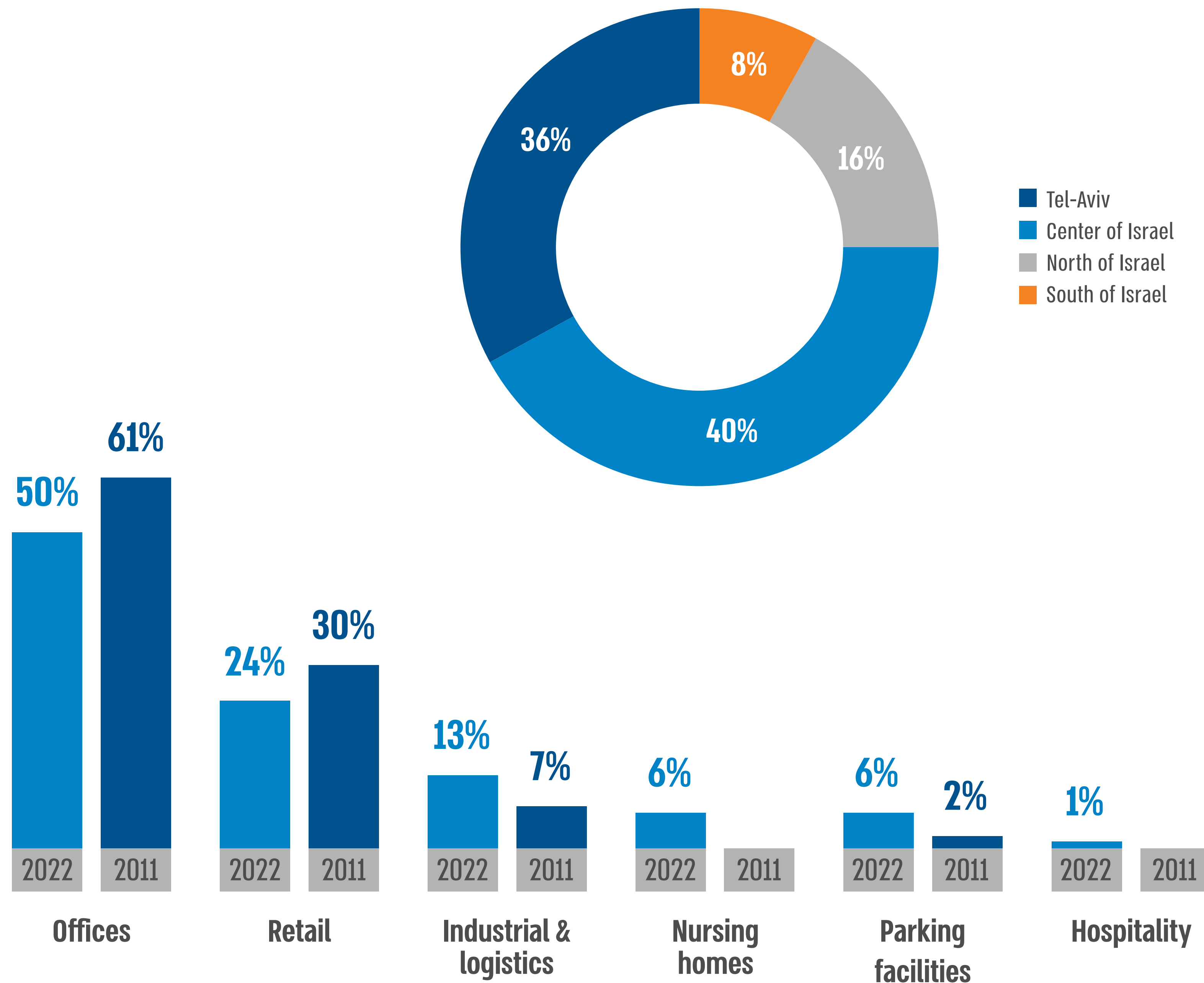
ADJUSTED FFO YIELD

Projected for 2023 - 9.5%**

DIVERSIFIED PORTFOLIO

ACROSS
SECTORS &
GEOGRAPHIC
REGIONS

- As of 30.6.2023, fair value.
- Based on expanded consolidated
statements.



FOCUSED STRATEGY

GROWTH STRATEGY:

- Only in Israel
- Diversified markets, sectors & Geographic regions
- Development subject to regulation
- Refurbishment and upgrade of existing properties

SUBJECT TO PROVISIONS OF THE REIT ISRAELI LAW:

- Maximum leverage of up to 60% (LTV)
- Development activity limited to 5% of its portfolio
- No controlling shareholders
- Dividend distribution obligation
- Exemption from corporate tax
- Single level taxation - paid only by the shareholders

DIVERSIFIED PORTFOLIO

Offices

Retail

Nursing homes

Industrial & logistics

Parking

Hospitality



INFINITY PARK

RA'ANANA

- **Approx. 55 acres**
- **Offices** 150,000 sqm
- **Dining & Recreational area** 10,000 sqm, 1.5 acres
- **High accessibility** via main roads. Train station within the park.

* As of the report's issue date.

- Forward looking information included is subject to the disclaimer on page 2 of this presentation.

1. Infinity Tower
2. Infinity Campus
3. Infinity Plaza



Infinity Tower (50% share)

COMPLETED IN AUGUST 2023

GLA: 60,000 sqm

ESTIMATED COST: NIS 470 million (ca-NIS 400 million invested)

OCCUPANCY RATE*: 66%

GREEN PARK WITH A DINING AREA

ESTIMATED COST: NIS 35 million (ca-NIS 8 million invested)

LEED SILVER

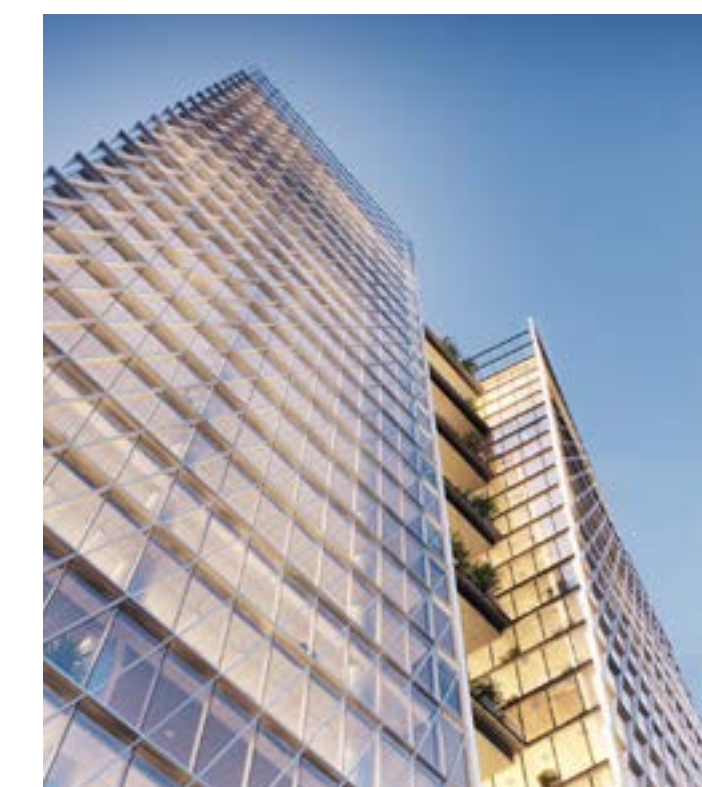
Infinity Plaza and Campus (66% share)

Upgrading works expected until mid 2024

GLA: 90,000 sqm

Estimated cost: NIS 230-250 million (ca-NIS 62 million invested)

Occupancy rate*: 28%



Expected yearly NOI from the park assuming full occupancy is NIS 70-75 million

DIVERSIFIED PORTFOLIO

OFFICES



Daniel Frish, TLV

GLA: 20,000 sqm

Ownership share: 65% (parking 80%)



Ha'arba'ah, TLV

GLA: 17,000 sqm

Ownership share: 35% (parking 50%)



Hayovel Tower, TLV

GLA: 67,000 sqm

Ownership share: 50%



Rothschild, TLV

GLA: 23,000 sqm

Ownership share: 50%

DIVERSIFIED PORTFOLIO

OFFICES

Hamenofim, Herzliya

GLA: 17,000 sqm

Ownership share: 50%

Sapir, Herzliya

GLA: 7,500 sqm

Ownership share: 100%

Ramat Hachayal, TLV

GLA: 10,000 sqm

Ownership share: 50%

Ramat Hachayal, TLV

GLA: 5,000 sqm

Ownership share: 100%

Doctor's house, Ramat Hachayal, TLV

GLA: 9,000 sqm

Ownership share: 33%

Hashmonaim, TLV

GLA: 8,000 sqm

Ownership share: 60%

Business Park, Rishon LeZion East

GLA: 17,000 sqm

Ownership share: 100%

Business Park, Netanya

GLA: 6,000 sqm

Ownership share: 100%

Rosh Ha'ayin

GLA: 8,000 sqm

Ownership share: 100%

Beit Terminal, Lod

GLA: 8,000 sqm

Ownership share: 100%

Hamelacha, Lod

GLA: 16,000 sqm

Ownership share: 100%

Sold in May 2023

Global Park, Lod

GLA: 21,000 sqm

Ownership share: 50%

Efal, Petach Tikva

GLA: 8,000 sqm

Ownership share: 65%

DIVERSIFIED PORTFOLIO

RETAIL

Power Center, Afula

GLA: 22,000 sqm
Ownership share: 60%



Gan Yavneh strip Mall

GLA: 16,700 sqm
Ownership share: 75%



“Lev Talpiyot” strip Mall, Jerusalem

GLA: 17,000 sqm
Ownership share: 100%



Sarona Gardens, TLV

GLA: 6,200 sqm
Ownership share: 50%



DIVERSIFIED PORTFOLIO

RETAIL HOSPITALITY

Strip Mall, Hadera

GLA: 13,400 sqm
Ownership share: 100%

Power Center, Netivot

GLA: 14,000 sqm
Ownership share: 100%

G Strip Mall, Yokneam

GLA: 16,000 sqm
Ownership share: 49%

Shopping Center, Ganey Tikva

GLA: 9,000 sqm
Ownership share: 50%

Power Center, Modi'in

GLA: 11,000 sqm
Ownership share: 50%

G Rothschild Mall, Rishon LeZion

GLA: 8,500 sqm retail and 4,500 sqm office
Ownership share: 49%

SOHO Shopping Center, Netanya

GLA: 14,700 sqm
Ownership share: 50%

PUBLICA Hotel, Herzliya

GLA: 16,500 sqm
Ownership share: 50%

DIVERSIFIED PORTFOLIO

INDUSTRIAL & LOGISTICS

Teradion

GLA: 44,000 sqm
Ownership share: 100%



Neot Hovav

GLA: 18,200 sqm
Ownership share: 100%



Bar-Lev

GLA: 14,300 sqm
Ownership share: 67%



Kfar Masaryk

GLA: 31,200 sqm
Ownership share: 50%



DIVERSIFIED PORTFOLIO

INDUSTRIAL & LOGISTICS

Alon Tabor
GLA: 42,000 sqm
Ownership share: 50%

Alon Tabor
GLA: 40,000 sqm
Ownership share: 25%

Tziporit
GLA: 19,100 sqm
Ownership share: 67%

Tziporit
GLA: 9,500 sqm
25 Acre of land
Ownership share: 67%

Teradion
GLA: 13,000 sqm
Ownership share: 100%

Hadera
GLA: 7,000 sqm
Ownership share: 95%

Sderot
GLA: 11,500 sqm
Ownership share: 100%

LOGISTICS Rishon LeZion

RENOVATION PROCESS

BEFORE



WEST DESIGN Rishon LeZion — RENOVATION PROCESS

AFTER



WEST DESIGN Rishon LeZion

FINANCIAL DATA

In NIS Millions for 100%
(REIT 1's share is 65%)



WEST DESIGN



NOI*



YIELD*

PURCHASE COST
(12.2014)

95

8
Initial

8.5%
On purchase price

RENOVATION COST

52

TOTAL COST

147

17
Up to date

11.6%
On total cost

FAIR VALUE
(30.6.2023)

263

6.5%
On fair value

REVALUATION GAINS

116

* Assuming fully leased

DIVERSIFIED PORTFOLIO

NURSING HOMES

Nes Tziona

GLA: 19,000 sqm
Ownership share: 80%



Haifa

GLA: 13,000 sqm
Ownership share: 50%



Nesher

GLA: 22,000 sqm
Ownership share: 50%



Ashdod

GLA: 12,000 sqm
Ownership share: 100%



DIVERSIFIED PORTFOLIO

PARKING

Hakikar Lot, Tel-Aviv

540 parking spaces
Ownership share: 67.5%



Sky Tower, Tel-Aviv

400 parking spaces
Ownership share: 90%



City Tower, Ramat-Gan

400 parking spaces
Ownership share: 100%



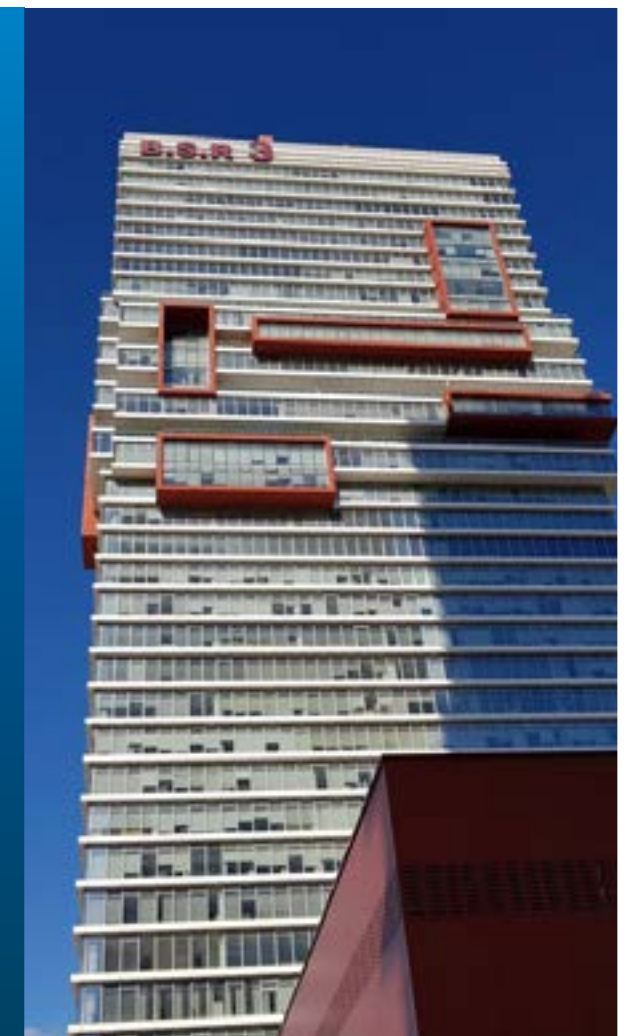
Karta, Jerusalem

835 parking spaces
Ownership share: 100%



Besser 3+4, Bnei Braq

277 parking spaces
Ownership share: 100%



FINANCIAL DATA

—
30.6.2023



FINANCIAL DATA

Highlights

* The increase in NOI is mainly due to vacant spaces that were leased, improvement in the Parking segment as well as new properties purchased during the year 2022, and despite the evacuation of space in Infinity Park in Ra'anana, which are under renovation, and the sale of a property in Lod.

** Excluding a vacant space under construction in Ra'anana.

*** The renovation in Ra'anana and an increase in Financing expenses are the main reasons for the relatively low increase in FFO during the first half of the year and a decrease in the second quarter. In addition, there was an increase in the number of shares due to capital raised in August 2022.

- In NIS millions, unless stated otherwise.
- Data based on the Company's expanded consolidated statements.

	% Change 2022-2023	1-6/2023	1-6/2022	% Change 2022-2023	Q2 2023	Q2 2022	2022
NOI*	8.2%	213.6	197.5	3.3%	105.4	102.0	418.7
NOI same property**	9.8%	189.9	172.9	8.9%	98.1	90.1	-
FFO (ISA directives)	16.3%	54.2	46.6	32.9%	20.2	15.2	133.5
Real FFO (management's approach)***	2.4%	152.5	148.9	(4.9%)	74.1	77.9	314.4
Real FFO (management's approach) per share (NIS)***	(2.5%)	0.78	0.80	(9.5%)	0.38	0.42	1.67

FINANCIAL DATA

FFO

	H1 2023	H1 2022	Q2 2023	Q2 2022	2022
Nominal FFO According to Securities Authority directives	54.2	46.6	20.2	15.2	133.5
Additional Adjustments					
Share-based payment	11.2	2.0	5.6	1.0	8.7
Other Adjustments	1.6	(1.0)	1.1	(1.6)	2.3
Nominal FFO According to Management Approach	67.0	47.6	26.9	14.6	144.5
Expense of linkage differences on debt principal *	85.5	101.3	47.2	63.3	169.9
Real FFO According to Managment Approach	152.5	148.9	74.1	77.9	314.4
Real FFO According to Managment Approach (NIS per Share)	0.78	0.80	0.38	0.42	1.67
Weighted Average Number of Shares (Millions)	193.7	185.0	193.8	185.1	188.2

* Including in associates.

- In NIS millions, unless stated otherwise.
- Data based on the Company's expanded consolidated statements.

FINANCIAL DATA

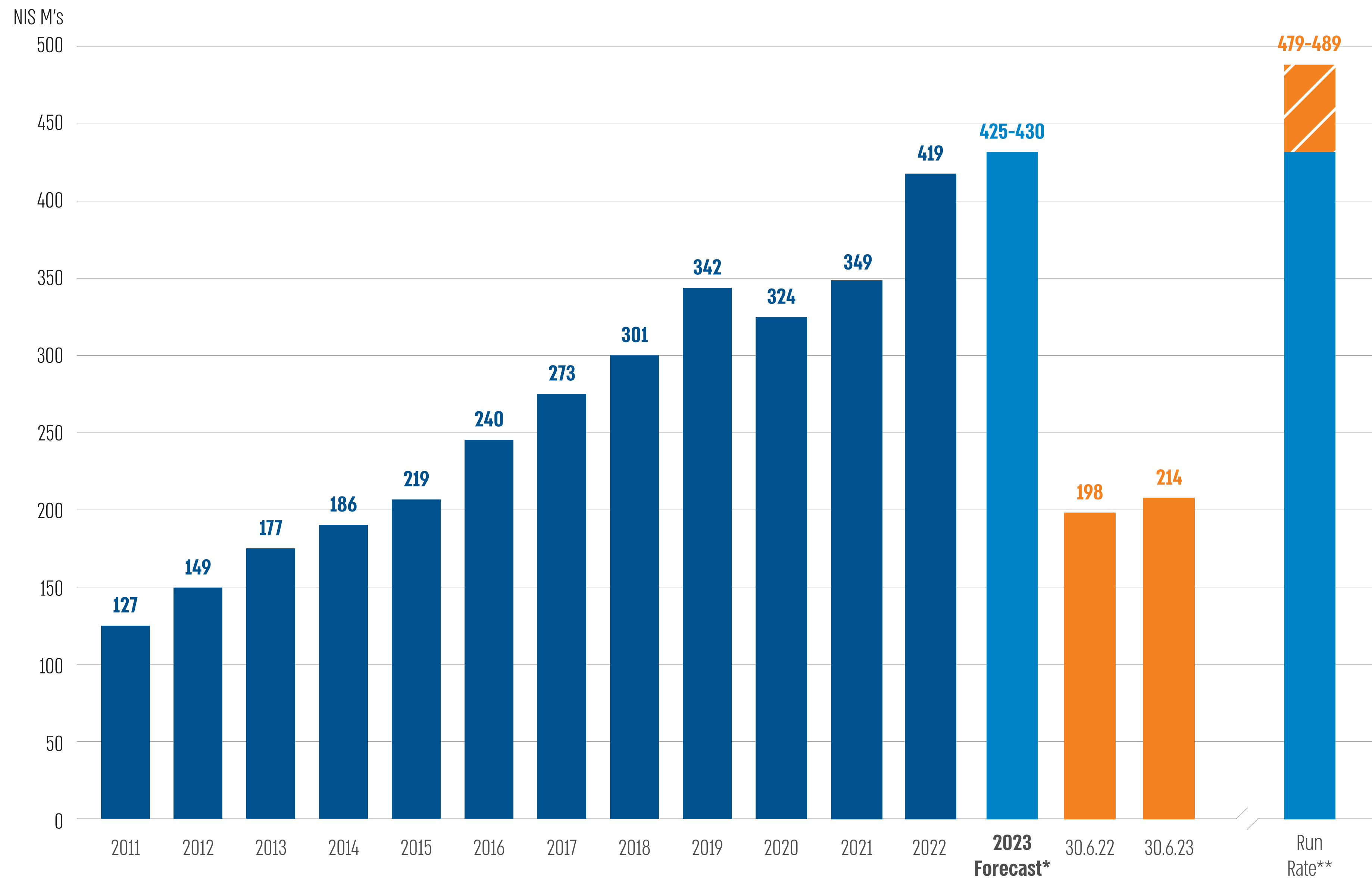
NOI

NIS 425-430 million forecast vs
418-428 initial forecast

* NIS 16 million included vs NIS 48 million in 2022 due to Amdocs' lease expiration in Ra'anana

** Based on current forecast + Infinity Park after completion assuming full occupancy. See slide 7.

- Forward looking information included is subject to the disclaimer on page 2 of this presentation.
- NOI - Net Operating Income - is the industry's accepted profitability measurement for the leasing and operation of properties (revenues from properties minus their operating expenses).
- Based on expanded consolidated statements.



FINANCIAL DATA

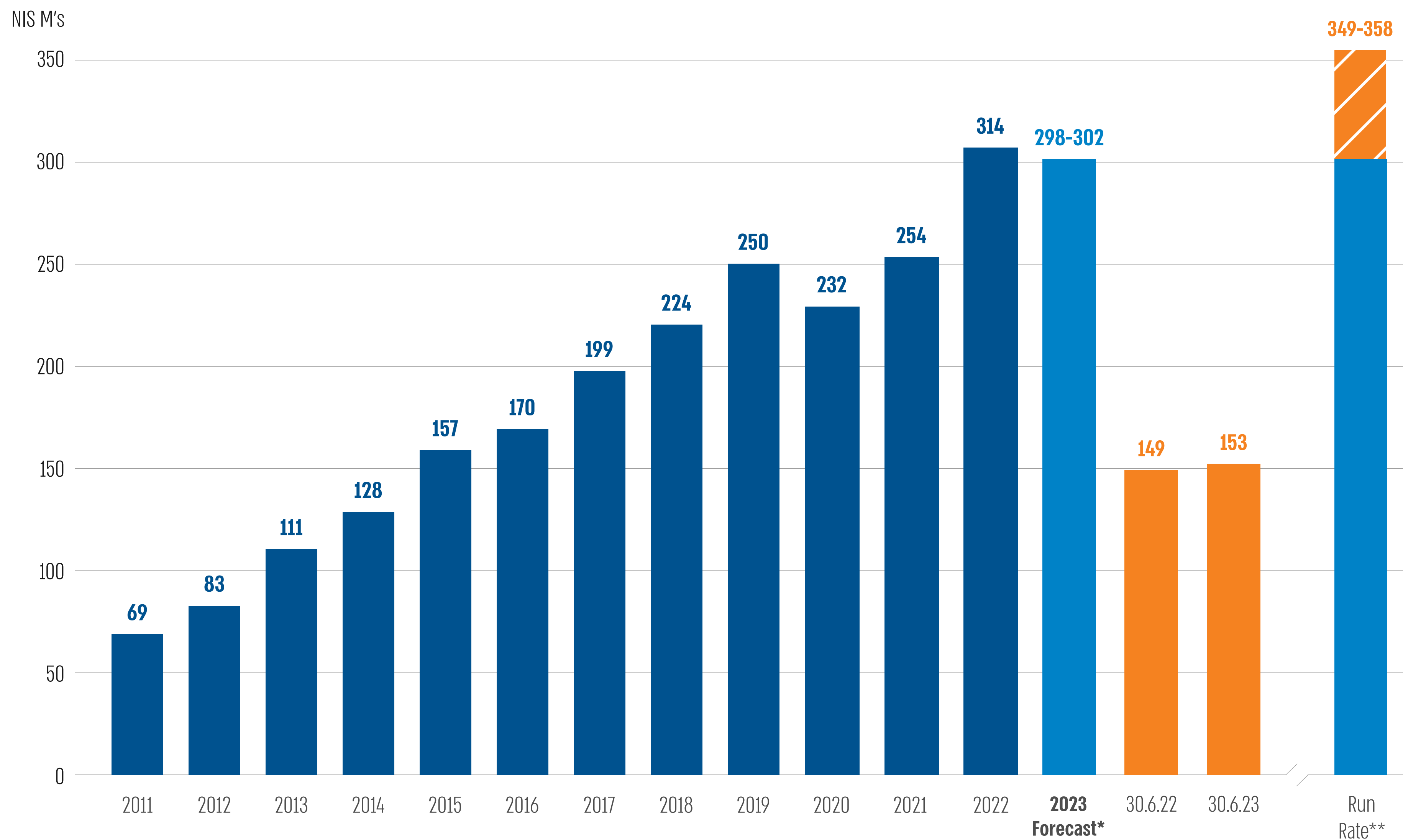
Adjusted FFO

NIS 298-302 million forecast vs
290-300 initial forecast

* NIS 16 million included vs NIS 48 million in 2022 due to Amdocs' lease expiration in Ra'anana

** Based on current forecast + Infinity Park after completion assuming full occupancy. See slide 7.

- Forward looking information included is subject to the disclaimer on page 2 of this presentation.
- Adjusted FFO - Funds from Operations - is the industry's accepted measurement, expressing net income after neutralizing one-off revenues and expenses, as well as properties revaluation and expense of linkage differences on debt.



FINANCIAL DATA

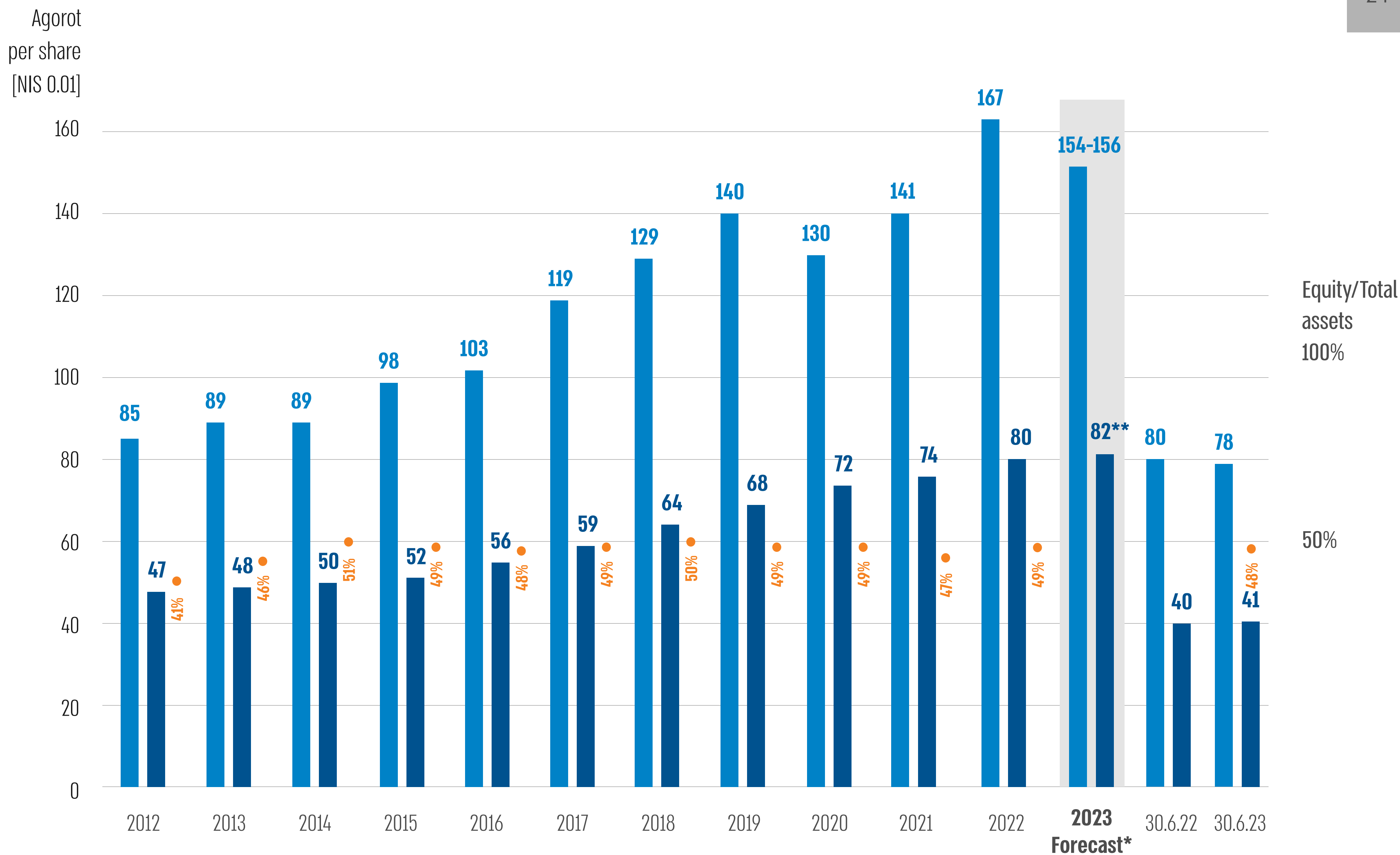
Per Share

Agorot per share 154-156
forecast vs 150-155 initial
forecast

- Per share adjusted FFO
- Per share dividend
- Equity/Total assets

* NIS 16 million included vs NIS 48 million in 2022 due to Amdocs' lease expiration in Ra'anana. In addition, there was an increase in the number of shares Due to capital raised in August 2022.

** According to the number of shares on the resolution date which is subject to the Board of Directors' approval prior to each distribution.



FINANCIAL STRENGTH

Equity to total assets **48%** (IFRS)

Net financial debt to Cap 51%

Weighted **average cost** of long-term **debt**

As of 30.6.2023 - **1.74%** linked to the Israeli CPI.

Average weighted **Duration** of **4.3** years

Current cost of debt 2.8%

linked to the Israeli CPI

(Series G bonds, duration 6.6 as of 10.8.2023)

All assets

Free of pledges*

Cash and cash equivalents

NIS **270 million** as of report's issue date (Solo)

Signed **credit facilities**

NIS **565 million** non utilized as of Report's issue date (Solo)

Bond Series rating il/AA

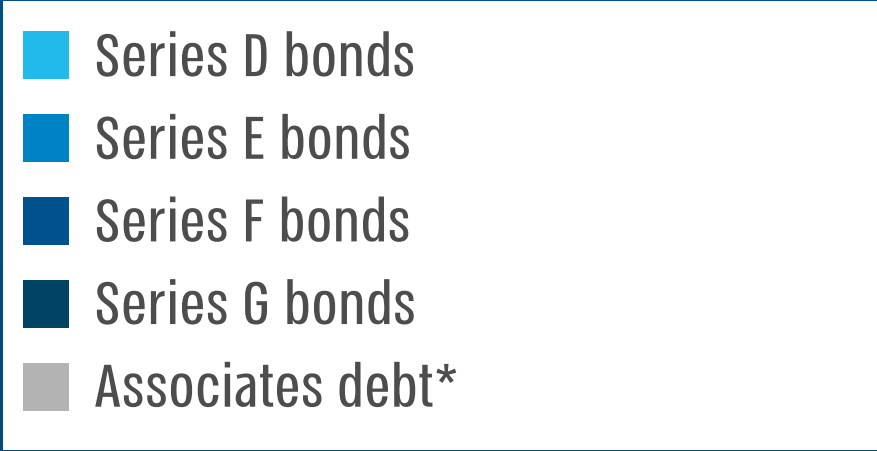
Issuer Credit rating

- August 2023: ilAA/Negative
- July 2017: ilAA/Stable
- July 2014: ilAA-/Stable
- June 2010: ilA+/Stable
- May 2007: ilA/Stable

* Except for 14% of assets which are jointly owned.

- Based on expanded consolidated statements unless otherwise stated.

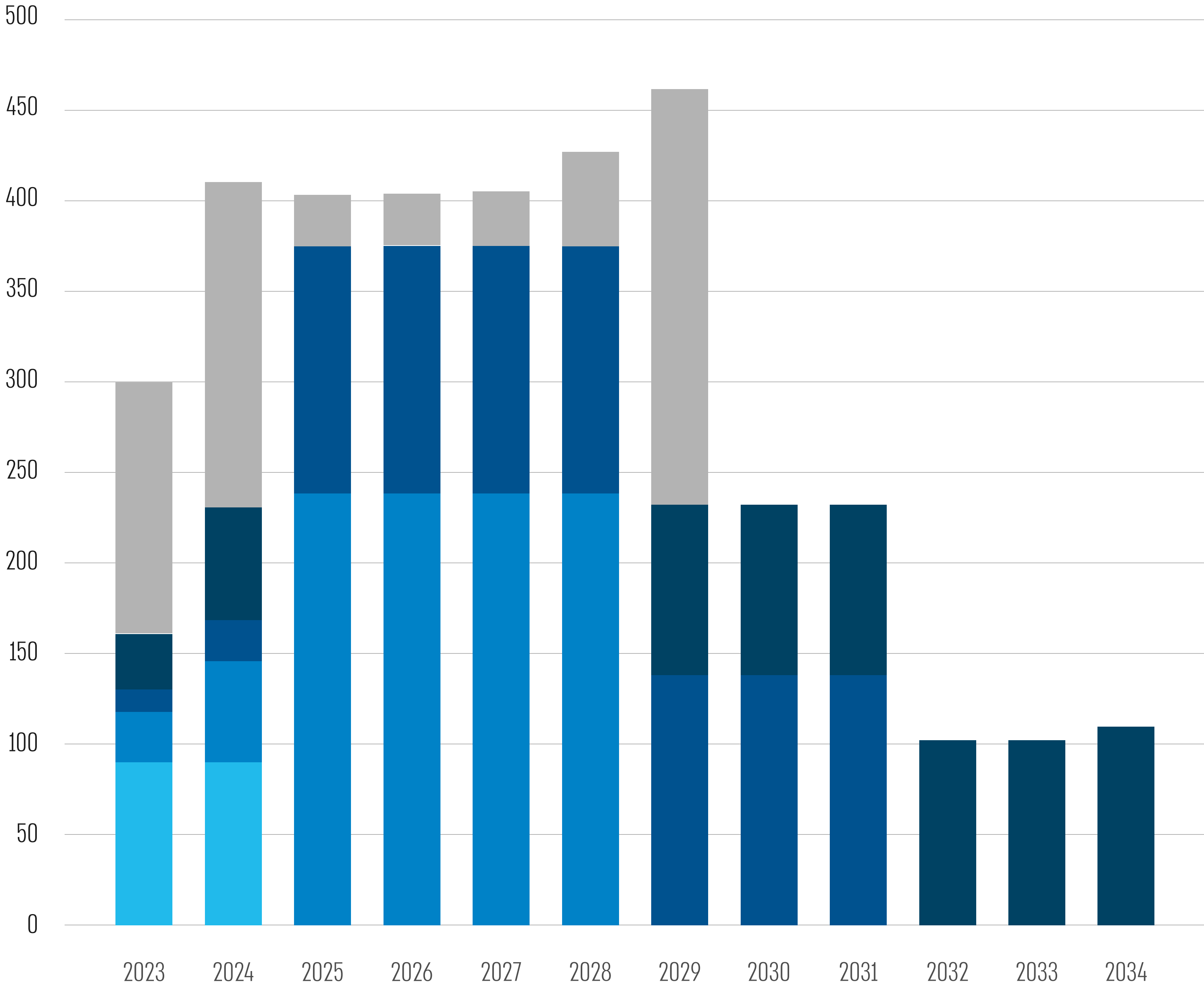
WELL-BALANCED DEBT MATURITY PROFILE



* Company's percentage share.
2023-2024 include short term
revolving bank facility.

- Based on expanded consolidated
statements.

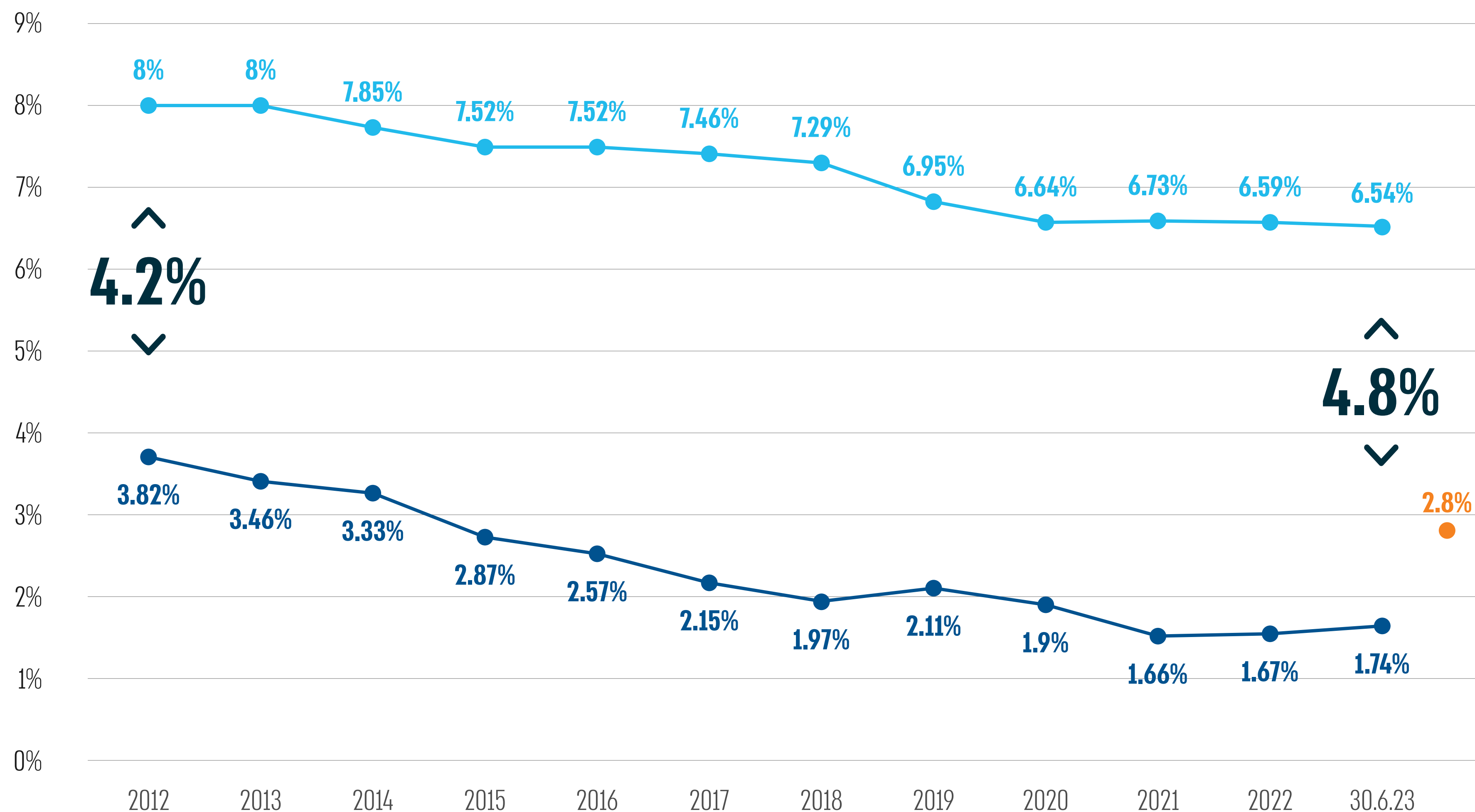
NIS in millions



CAP RATE OF PROPERTIES VS. WEIGHTED AVERAGE COST OF DEBT

- IFRS based average cap rate deduced from Company's income producing properties
- Weighted effective israeli CPI linked cost of debt (bonds)
- Israeli CPI linked current cost of debt as of 10.8.2023 (Series G bonds average duration 6.6)

- Based on expanded consolidated statements.



THANK YOU

