

COMPANY PRESENTATION

31.12.2023

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

REIT 1

THE FIRST REAL ESTATE INVESTMENT TRUST IN ISRAEL



DISCLAIMER

The Company's assessments of its forecasted financial outcomes, including its assessments regarding the possible impact of the business environment and the war on the Company's activity and future outcomes, constitute forward-looking information as defined in the Securities Law 1968 ("Securities Law"), and rest, among other factors, on the Company's assessments and estimates as made at the time of preparing this report, concerning factors outside the Company's control.

Such assessments and estimates may not materialize or materialize in a substantially different form, due to factors outside the Company's control, including the continuance of the war, its expansion to other fronts, its intensity, provisions of the Israeli government, the extent of reserve-duty recruitment, and the application of limitations on business and movement in public, as well as the resulting severity and duration of the financial recession in Israel.

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The presentation may include information and data about the Company that is additional to or that is represented differently than in the Company's public reports thus far and/or is edited differently and/or has different segmentation and/or a different level of detail than that represented thus far in the Company's reports.

The binding version is the one in Hebrew.

OVERVIEW

ESTABLISHMENT

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

STOCK EXCHANGE

Included in TA 125, TA Real Estate, TA Israeli CRE, Tel Div and Tel Bond 40

INCOME PRODUCING PROPERTIES

57 properties, total value ILS **8.2 billion**
658,000 sqm, at 95.5% occupancy
(**97.7%** excluding new properties)
950 renters

RATING

Issuer Rating: iIAA/Negative Maalot S&P
Issue Rating: AA Maalot S&P

CAP RATE

Weighted average cap rate - **6.37%**
(6.56% when neutralizing Q4 revenue decrease due to the war)

DIVIDENDS

Growing quarterly dividend for the past 15 consecutive years
Minimum dividend for 2024: ILS 163 million (ILS 0.84 per share* vs. ILS 0.82 in 2023)
Dividend yield 5.6%**
Dividends distributed since inception - approx. ILS 1.4 billion

EQUITY

Financially resilient, total equity ILS 4.0 billion (ILS 20.5 per share)

ADJUSTED FFO YIELD

MANAGEMENT APPROACH***
Projected for 2024 - 10.5%**

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

** Dividend and FFO yields are relative to the share price for 12.3.2024.

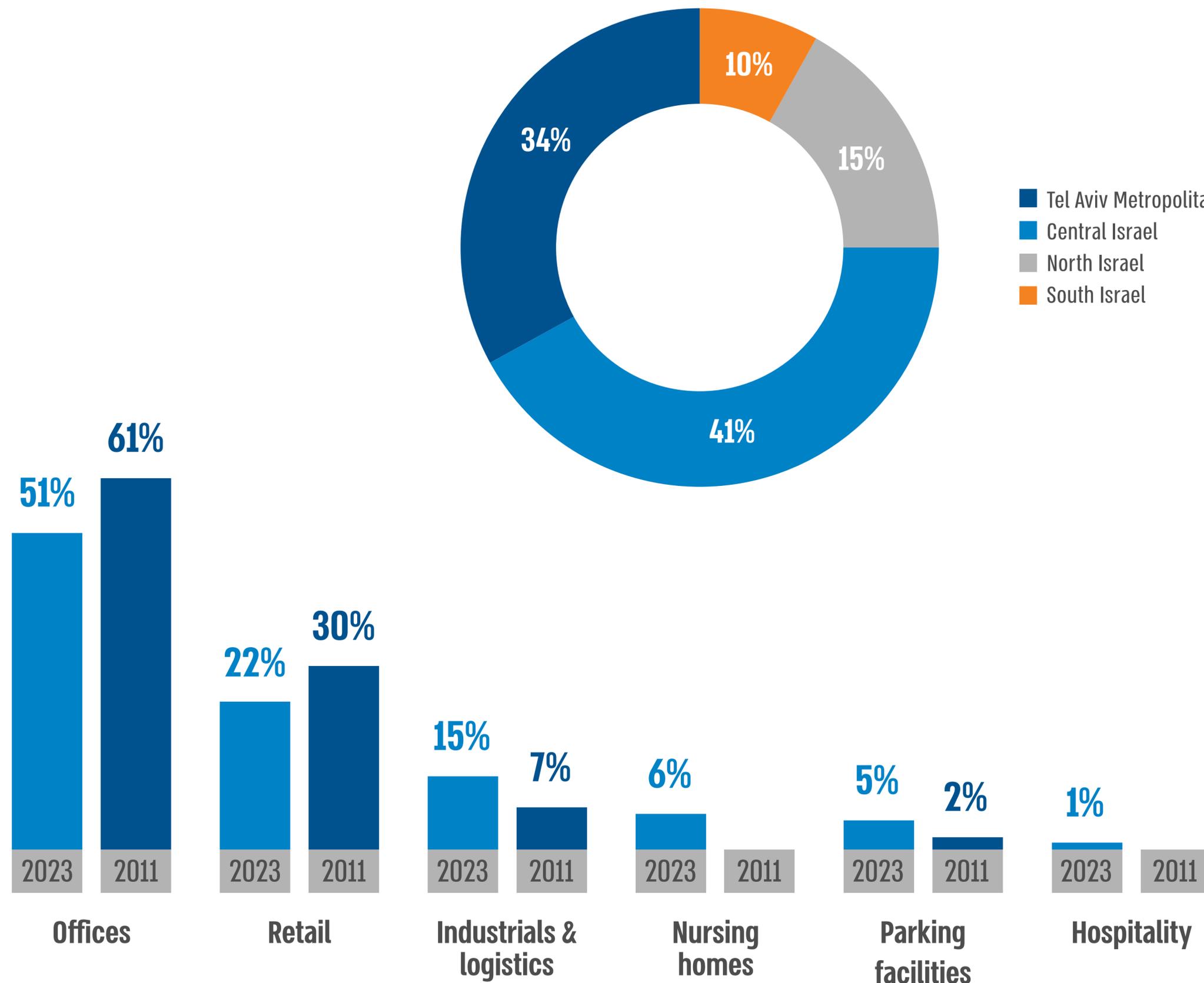
*** For FFO according to the ISA's directives see Slide 18.

- Based on expanded consolidated statements unless otherwise specified.
- Total GLA and occupancy rates do not include approx. 51,000 sqm currently under renovation in Ra'anana's Infinity Park.

SECTORIAL AND GEOGRAPHIC DIVERSIFICATION

- 75% of properties located in the center of Israel
- Increased diversification especially in industrials and logistics
- Industrials and logistics sector expected to continue growing, based on ongoing projects

- For 31.12.2023, by fair value.
 - Based on expanded consolidated statements, unless otherwise specified.



INVESTING IN REIT1

- REIT1 is the first and largest investment trust in Israel
- The Trust is managed by a highly professional and experienced team
- Over the years, the Trust has exhibited growth in outcomes and dividends

GROWTH STRATEGY:

- Only in Israel
- Geographic diversification
- Sectorial diversification
- Development opportunities, subject to regulation
- Refurbishment and upgrade of existing properties

SUBJECT TO PROVISIONS OF ISRAELI LAW:

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

DIVERSIFIED PORTFOLIO

Offices

Retail

Industrials & logistics

Nursing homes

Parking

Hospitality

HaMenofim, Herzliya



INFINITY PARK

RA'ANANA

- Approx. 55,000 sqm
- **Office space** 150,000 sqm
- Of which **dining, retail & recreation** areas 10,000 sqm
- 6,000 sqm of **green parks**
- **High accessibility** via main roads (4 and 531). **Train station** within the park

- The information above is forward-looking information based on the Company's intents and assessment. There is no certainty that the above assessment will materialize, among other reasons due to its dependency on external factors beyond the Company's control.

1. Infinity Tower

Construction completed in August 2023



2. Infinity Campus



3. Infinity Plaza



Expected yearly NOI from the park after tower completion and renovation (assuming full occupancy) is approx. ILS 75-80 million (REIT1's share)

Infinity Tower

(Data for 100%, REIT1's share 50%)

LEED SILVER

GLA: 61,000 sqm

Construction cost: ILS 465 million

Occupancy rate (for date of publication): 67% (69% of office GLA)

Green park with dining area

Estimated cost: ILS 40 million (of which ILS 13 million already paid)

Expected completion: Q4 2024

INFINITY PLAZA AND INFINITY CAMPUS UPGRADE

(Data for 100%, REIT1's share 66%)

GLA: 90,000 sqm

Estimated cost: ILS 240-260 million (of which ILS 114 million already paid)

Occupancy rate (for date of publication): approx. 32%

Expected completion: Q4 2024

DIVERSIFIED PORTFOLIO

OFFICES



Daniel Frish, TLV

GLA: 20,000 sqm

Ownership share: 65% (parking 80%)



HaArba'ah, TLV

GLA: 17,000 sqm

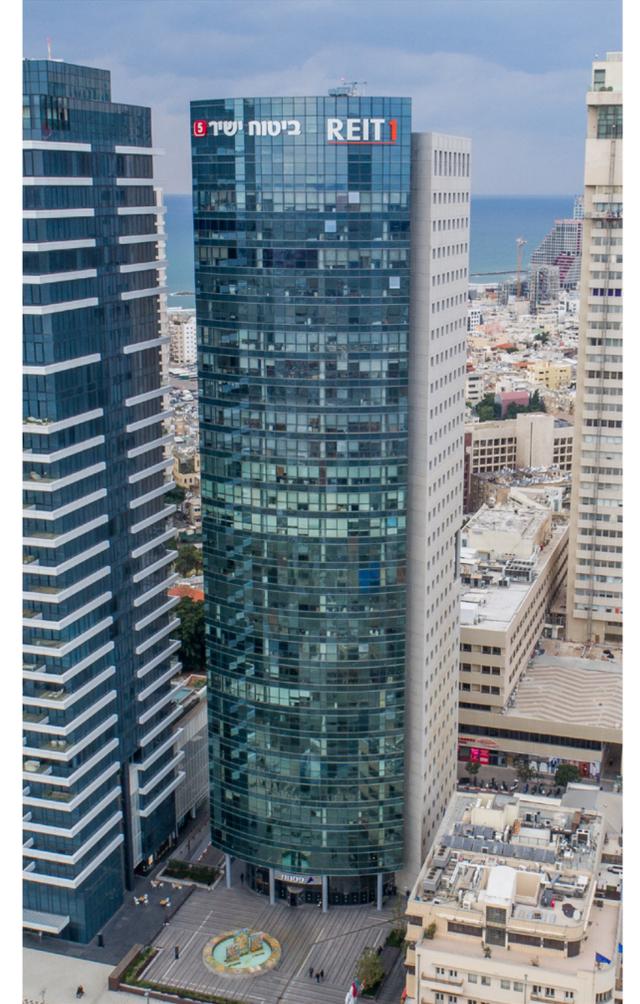
Ownership share: 35% (parking 50%)



HaYovel Tower, TLV

GLA: 73,000 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%

Medical Center, Ramat Hachayal, TLV

GLA: 9,000 sqm
Ownership share: 33%

Hashmonaim, TLV

GLA: 8,000 sqm
Ownership share: 60%

Tulipman, Rishon LeZion

GLA: 17,000 sqm
Ownership share: 100%

HaOmanoot, South, Netanya

GLA: 6,000 sqm
Ownership share: 100%

HaMelacha, Rosh HaAyin

GLA: 8,000 sqm
Ownership share: 100%

Terminal House, Lod

GLA: 8,000 sqm
Ownership share: 100%

Global Park, Lod

GLA: 21,000 sqm
Ownership share: 50%

Efal, Petach Tikva

GLA: 8,000 sqm
Ownership share: 65%

HaMelacha, Lod

GLA: 16,000 sqm
Ownership share: 100%
Sold in May 2023

SOLD

DIVERSIFIED PORTFOLIO

RETAIL

Emek Center, Afula

GLA: 22,000 sqm
Ownership share: 60%



Friendly, Gan Yavneh

GLA: 16,700 sqm
Ownership share: 75%



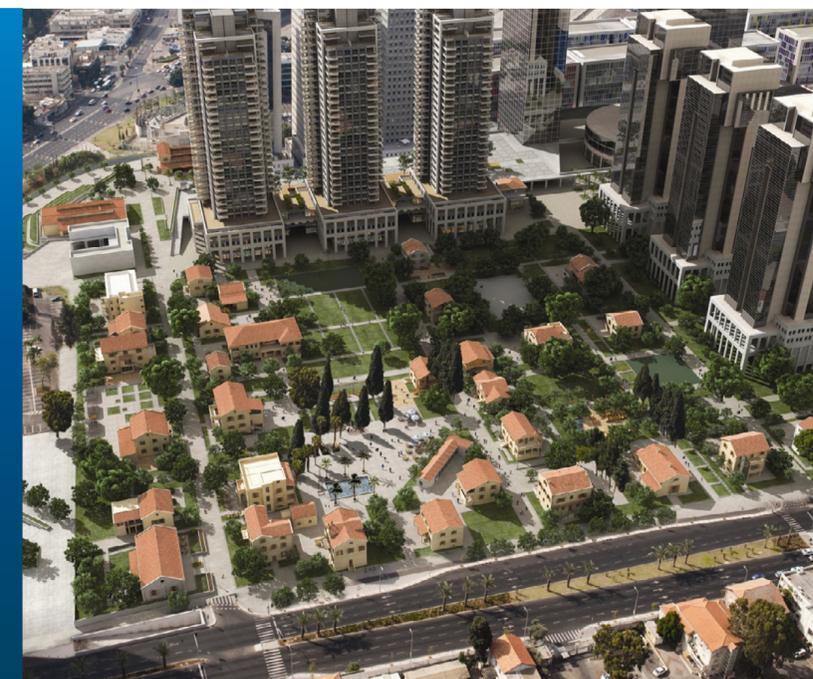
West Design, Rishon LeZion

GLA: 24,000 sqm
Ownership share: 65%



Sarona Gardens, TLV

GLA: 6,200 sqm
Ownership share: 50%



DIVERSIFIED PORTFOLIO

RETAIL HOSPITALITY

Strip Mall, Hadera

GLA: 13,400 sqm
Ownership share: 100%

Globus 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%

Lev Talpiyot, Jerusalem

GLA: 17,000 sqm
Ownership share: 100%

DIVERSIFIED PORTFOLIO

INDUSTRIALS & LOGISTICS

Hartuv

Construction completed: 08.2023
GLA: 30,000 sqm
Ownership share: 50%
Occupancy rate: 91%



Kfar Masaryk

GLA: 30,000 sqm
Ownership share: 50%



Neot Hovav

GLA: 18,200 sqm
Ownership share: 100%



Teradion

GLA: 44,000 sqm
Ownership share: 100%



DIVERSIFIED PORTFOLIO

INDUSTRIAL & LOGISTICS

Alon Tavor

GLA: 42,000 sqm
Ownership share: 50%

Alon Tavor

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%

Gederot

GLA: 18,000
Ownership share: 100%

Bar Lev

GLA: 14,300
Ownership share: 67%

Beit Shemesh

GLA: 50,000 sqm (Leased)
Ownership share: 40%
Expected completion: 2025

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%



B.S.R 3+4, Bnei-Braq

277 parking spaces
Ownership share: 100%



FINANCIAL DATA



FINANCIAL DATA

Highlights

* The increase in NOI is mainly due to increased income from same properties and newly purchased properties, and despite the evacuation of Amdocs' spaces in Infinity Park in Ra'anana that are currently under renovation.

The quarterly decrease is due to the evacuation of Amdocs and the impact of the war.

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

*** The renovation in Ra'anana and an increase in financing expenses are the main reasons for the decrease. As for FFO per share, there was an increase in the number of shares due to capital raised in August 2022.

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

	% Change 2022-2023	2023	2022	2021	% Change 2022-2023	Q4 2023	Q4 2022	Q4 2021
NOI*	1.0%	423.0	418.7	349.2	(7.5%)	102.3	110.6	94.9
NOI same property**	6.1%	378.8	356.9	-	1.3%	96.6	95.3	-
FFO (ISA directives)	15.3%	153.9	133.5	185.6	26.5%	57.8	45.7	63.5
Adjusted FFO*** (management approach)	(6.5%)	293.9	314.4	254.1	(17.9%)	67.0	81.6	70.6
Adjusted FFO per share*** (management approach; ILS)	(9.0%)	1.52	1.67	1.41	(18.2%)	0.35	0.42	0.39

FINANCIAL DATA

FFO Calculation

	2023	Q4.2023	Q3.2023	Q2.2023	Q1.2023	2022	2021
Nominal FFO, ISA directives	153.9	57.8	41.9	20.2	34.0	133.5	185.6
<u>Additional Adjustments:</u>							
Share-based Payment	21.4	4.6	5.6	5.6	5.6	8.7	6.1
Other Adjustments	3.0	0.8	0.6	1.1	0.5	2.3	(8.4)
Nominal FFO, Management Approach	178.3	63.2	48.1	26.9	40.1	144.5	183.3
Excluding expense of Linkage Differences*	115.6	3.8	26.4	47.2	38.3	169.9	70.8
Adjusted FFO, Management Approach	293.9	67.0	74.5	74.1	78.4	314.4	254.1
Adjusted FFO Per Share, Management Approach (ILS)	1.52	0.35	0.39	0.38	0.40	1.67	1.41

* On debt principal, including in associates.

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

FINANCIAL DATA

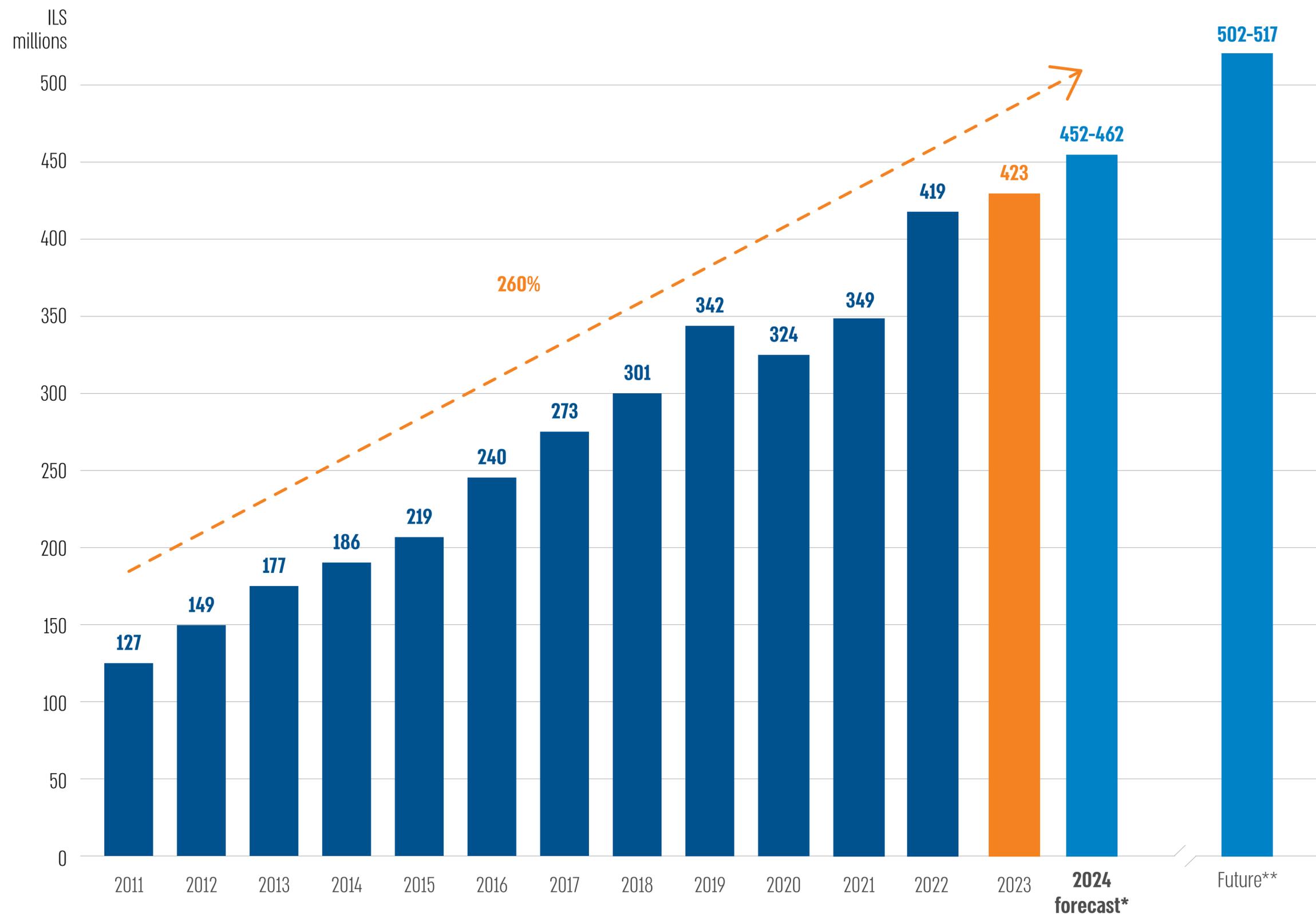
NOI

Growth in 2023 despite evacuation of essential tenant and impact of the war

* ILS 33 million NOI from Ra'anana's Infinity Park included (compared to ILS 13 million in 2023 and ILS 48 million in 2022), following the evacuation of Amdocs.

** With the addition of income from the Ra'anana complex and purchased/in construction properties (assuming full occupancy), and subtraction of income from space for which the Government's option to purchase had been realized.

- 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 the Company's expanded consolidated statements.
- The information specified above is forward-looking information based on the Company's intentions and assessment. There is no certainty that the above assessment will materialize, among other reasons due to external factors beyond the Company's control.



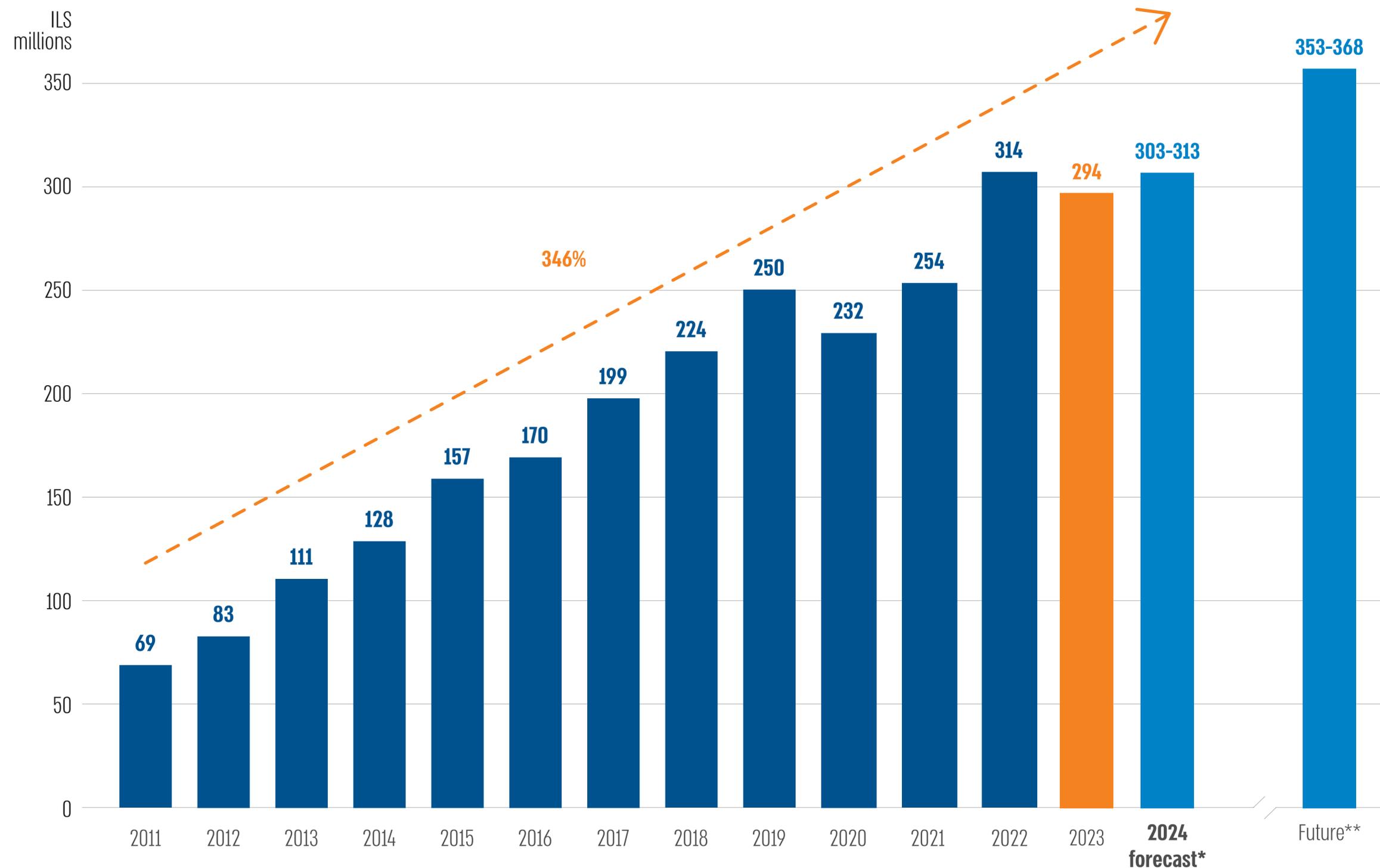
FINANCIAL DATA

Adjusted FFO (management approach)

Decrease in 2023, due to evacuation of essential tenant and increase in financing expenses

* ILS 33 million NOI from Ra'anana's Infinity Park included (compared to ILS 13 million in 2023 and ILS 48 million in 2022), following the evacuation of Amdocs.
 With the addition of income from the Ra'anana complex and purchased/in construction properties (assuming full occupancy), and subtraction of income from space for which the Government's option to purchase had been realized.

- Adjusted FFO - Funds From Operations - is the industry's accepted measurement, expressing net income after neutralizing one-off revenues and expenses, as well as property revaluation and expenses of linkage differences on debt.
 - Based on the Company's expanded consolidated statements.
 - The information specified above is forward-looking information based on the Company's intentions and assessment. There is no certainty that the above assessment will materialize, among other reasons due to external factors beyond the Company's control.

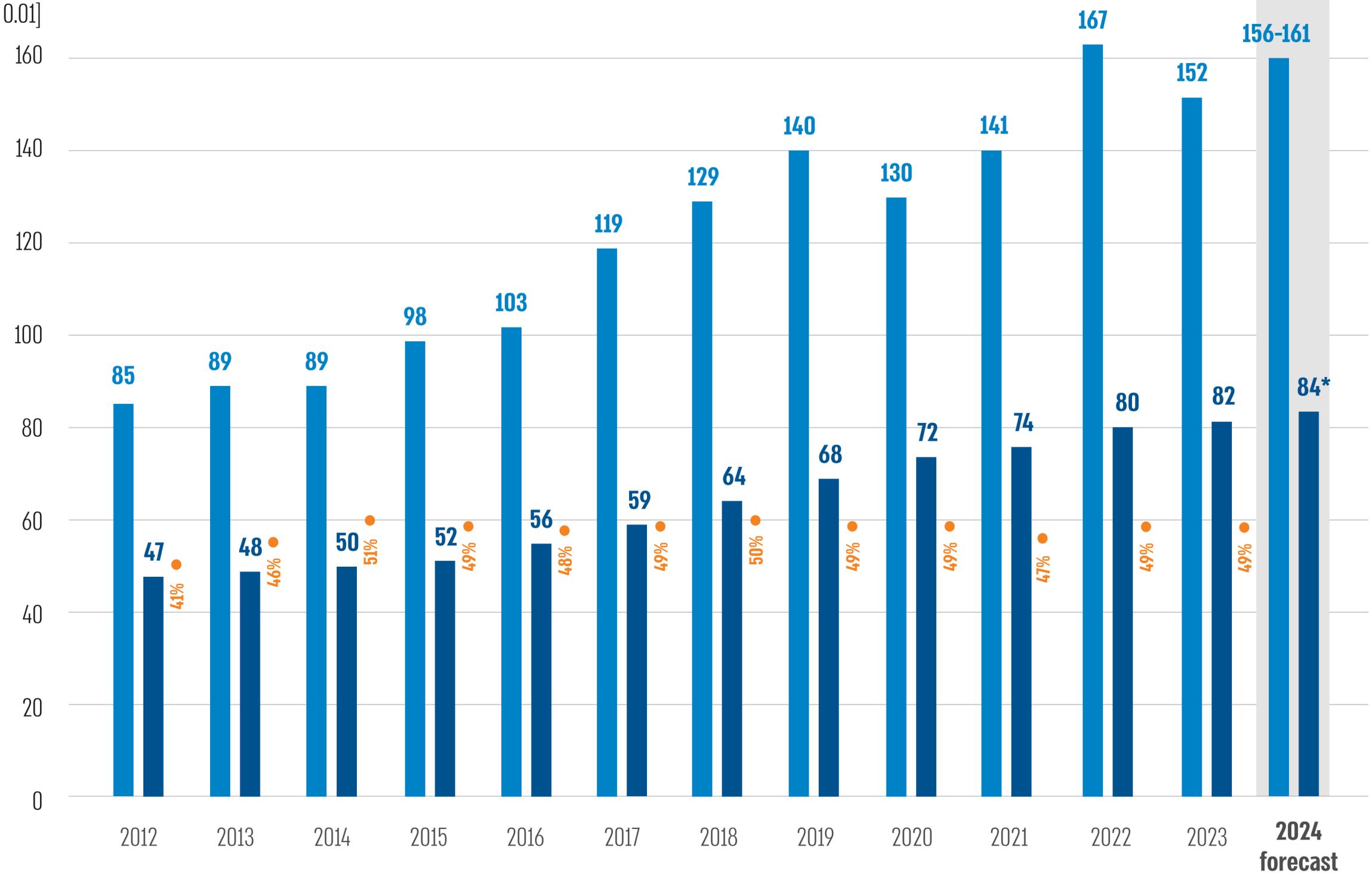


FINANCIAL DATA

Per Share

Agorot per share [NIS 0.01]

- Per share adjusted FFO (management approach)
- Per share dividend
- Equity/Total assets



Equity/Total assets 100%

50%

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

FINANCIAL RESILIENCE

Equity to total assets - **49%** (IFRS)

Weighted average cost of long-term

debt - **1.9%** CPI linked

Average weighted **Duration - 4.1** years

Current cost of debt - 2.8%

CPI linked (Series G bonds, duration 6.4 as of 12.3.2024)

Income producing properties

Most are free of pledges

Cash and cash equivalents

On date of publication ILS **30 million** (solo)

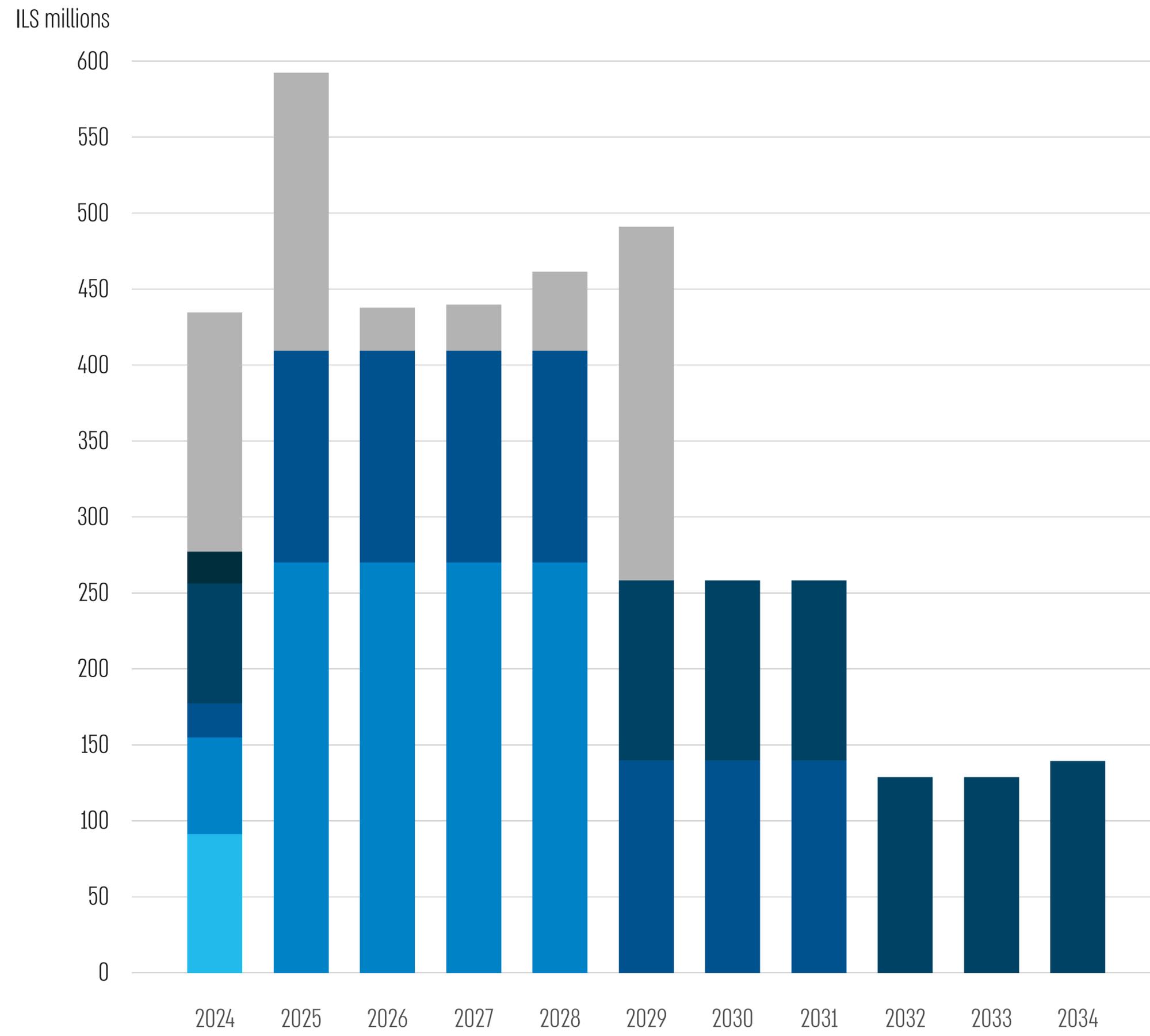
Signed **credit facilities** non utilized as of
Report's issue date (Solo) approx. ILS **750 million**

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

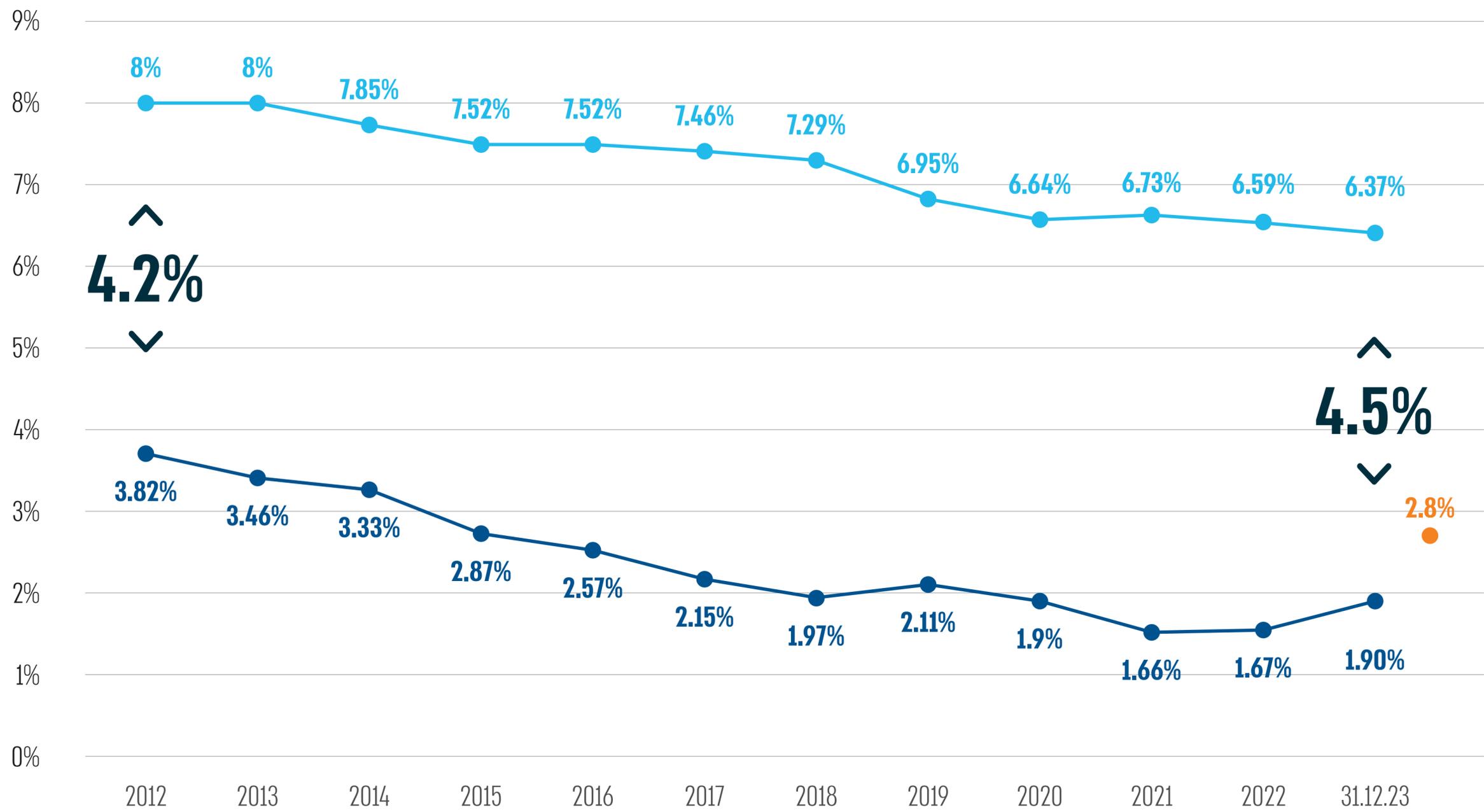
DEBT MATURITY PROFILE



* Company's share. 2024-2025 includes short-term revolving bank facility.

- Based on the Company's expanded consolidated statements.

CAP RATE OF PROPERTIES VS. WEIGHTED AVERAGE COST OF DEBT



- Weighted 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 for 12.3.2024 (Series G bonds, average duration 6.4)

- Based on the Company's expanded consolidated statements

WEST DESIGN Rishon LeZion — RENOVATION Example

BEFORE



WEST DESIGN Rishon LeZion — RENOVATION Example

AFTER



WEST DESIGN Rishon LeZion

RENOVATION Example

In ILS millions (for 100%)
REIT1's share 65%

* Forecast assuming full occupancy
(88% occupancy on 31.12.2023).

	 Property	 NOI*	 YIELD*
PURCHASE COST (12.2024)	95	8 Initial	8.5% On purchase price
RENOVATION COST	53		
TOTAL COST	148	17 Up to date	11.5% On total cost
FAIR VALUE (31.12.2023)	264		6.4% On fair value
REVALUATION GAINS since purchase	116		

THANK YOU

For additional information:

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