

COMPANY PRESENTATION

30.6.2024

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

REIT 1

THE FIRST REAL ESTATE INVESTMENT TRUST IN ISRAEL



LEGAL 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.

This presentation does not constitute, and shall not be construed as, an offer to the public or an invitation to the public to purchase 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 purport to cover all the information that may 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.

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.

COMPANY HIGHLIGHTS

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

** Share price for 12.8.2024.

*** For FFO according to the ISA's directives see Slide 20.

- Based on expanded consolidated statements unless otherwise specified.
- Total GLA and occupancy rates do not include approx. 39,000 sqm currently under renovation in Ra'anana's Infinity Park.
- **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).
- **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.
- Forecast is range average

ESTABLISHMENT

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

INCOME PRODUCING PROPERTIES

58 properties, total value ILS **8.3 billion**
676,000 sqm, at **96.4%** occupancy
(**97.9%** excluding new properties)
950 renters

CAP RATE

Weighted average cap rate - **6.53%**

EQUITY

Financially resilient, total equity **ILS 4.0 billion** (**ILS 20.61** per share)

STOCK EXCHANGE

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

RATING RATIFICATION JULY 2024

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

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)

Annualized dividend yield **5.7%****

Dividends distributed since inception - approx. **ILS 1.5 billion**

UPWARD REVISION

FY2024 FORECAST

NOI: ILS 457 million to **ILS 472 million**

Adjusted FFO*** : ILS 308 million to **ILS 327 million**

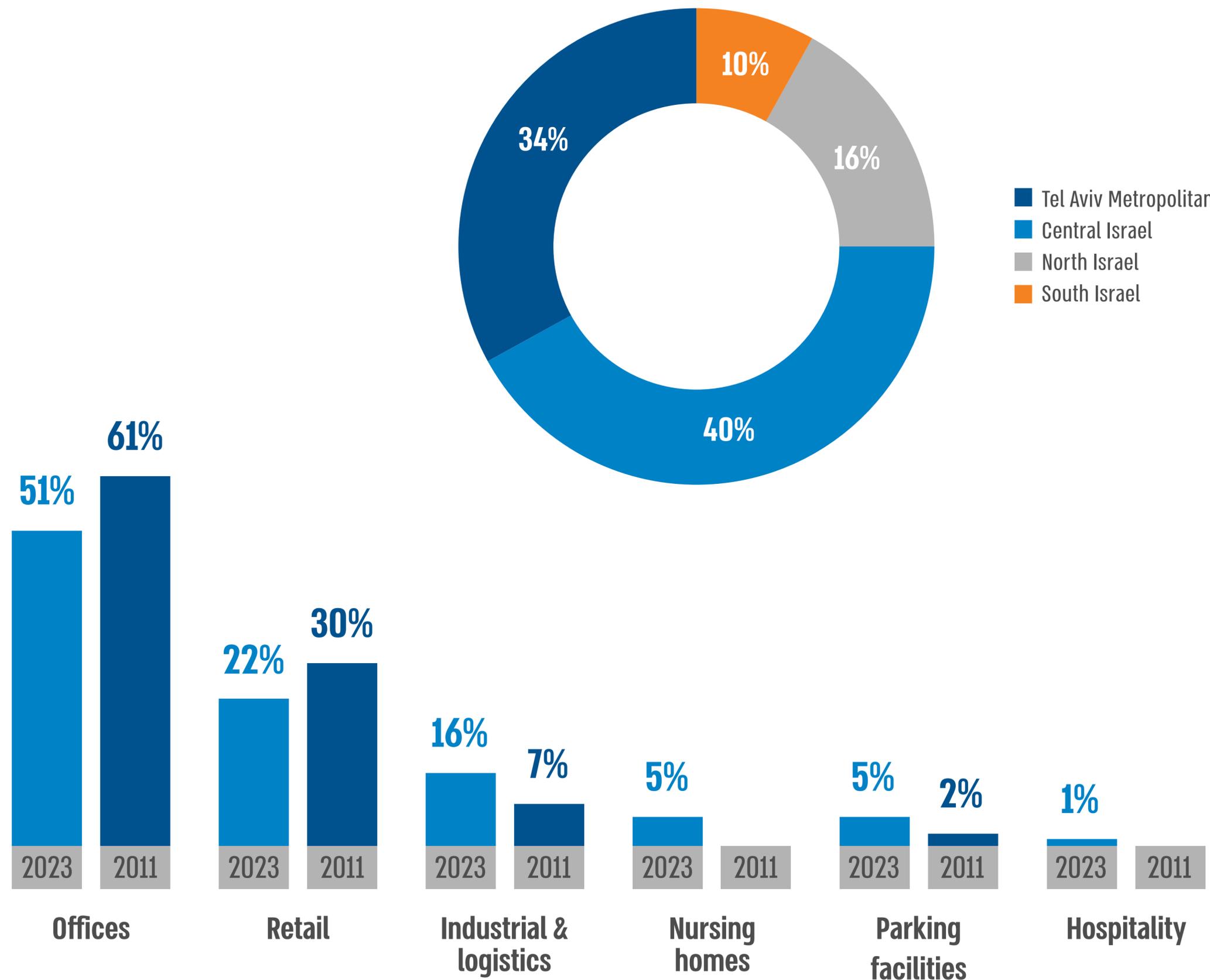
(ILS 1.59 /share to **ILS 1.68** /share)

Adjusted FFO yield forecasted for 2024 - **11.5%****

SECTORIAL AND GEOGRAPHIC DIVERSIFICATION

- Most properties are located in the center of Israel
- Increased diversification mainly in industrial and logistics facilities
- Industrial and logistics sector expected to continue growing, based on ongoing projects

- For 30.6.2024, 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, REIT1 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

Office
Retail
Industrial & 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 18 million already paid)

Expected completion: Q1 2025



INFINITY PLAZA AND INFINITY CAMPUS UPGRADE

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

GLA: 90,000 sqm

Estimated cost: ILS 240-250 million (of which ILS 161 million already paid)

Occupancy rate (for date of publication): approx. 35%

Expected completion: Q4 2024

DIVERSIFIED PORTFOLIO

OFFICE



Daniel Frish, TLV

GLA: 20,000 sqm

Ownership share: 65% (parking 80%)



HaArba'ah, TLV

GLA: 17,000 sqm

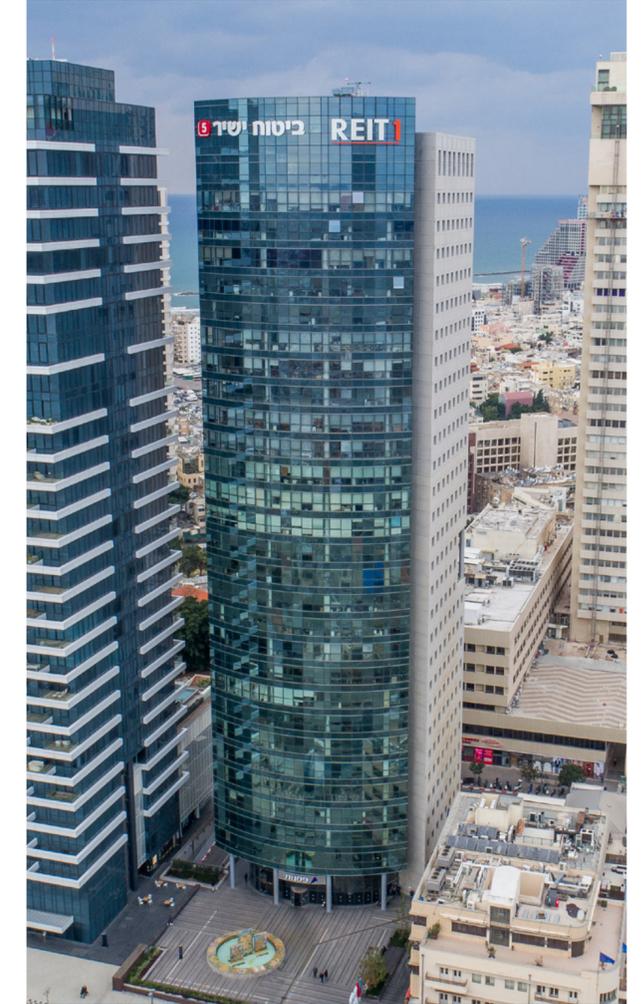
Ownership share: 35% (parking 50%)



HaYovel Tower, TLV

GLA: 73,000 sqm

Ownership share: 50%



Rothschild, TLV

GLA: 23,000 sqm

Ownership share: 50%

DIVERSIFIED PORTFOLIO

OFFICE

HaMenofim, Herzliya

GLA: 17,000 sqm

Ownership share: 50%

Hashmonaim, TLV

GLA: 8,000 sqm

Ownership share: 60%

Global Park, Lod

GLA: 21,000 sqm

Ownership share: 50%

Sapir, Herzliya

GLA: 7,500 sqm

Ownership share: 100%

Tulipman, Rishon LeZion

GLA: 17,000 sqm

Ownership share: 100%

Efal, Petach Tikva

GLA: 8,000 sqm

Ownership share: 65%

Ramat Hachayal, TLV

GLA: 10,000 sqm

Ownership share: 50%

HaOmanoot, South, Netanya

GLA: 6,000 sqm

Ownership share: 100%

Ramat Hachayal, TLV

GLA: 5,000 sqm

Ownership share: 100%

HaMelacha, Rosh HaAyin

GLA: 8,000 sqm

Ownership share: 100%

Medical Center, Ramat Hachayal, TLV

GLA: 9,000 sqm

Ownership share: 33%

Terminal House, Lod

GLA: 8,000 sqm

Ownership share: 100%

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

INDUSTRIAL & LOGISTICS

Hartuv

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



Kfar Masaryk

GLA: 31,000 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

Kfar Masarik

Industrial & Logistics

GLA:	7,800 sqm	8,800 sqm	3,000 sqm	11,700 sqm
Completion year:	2019	2022	2026 (E)	2024



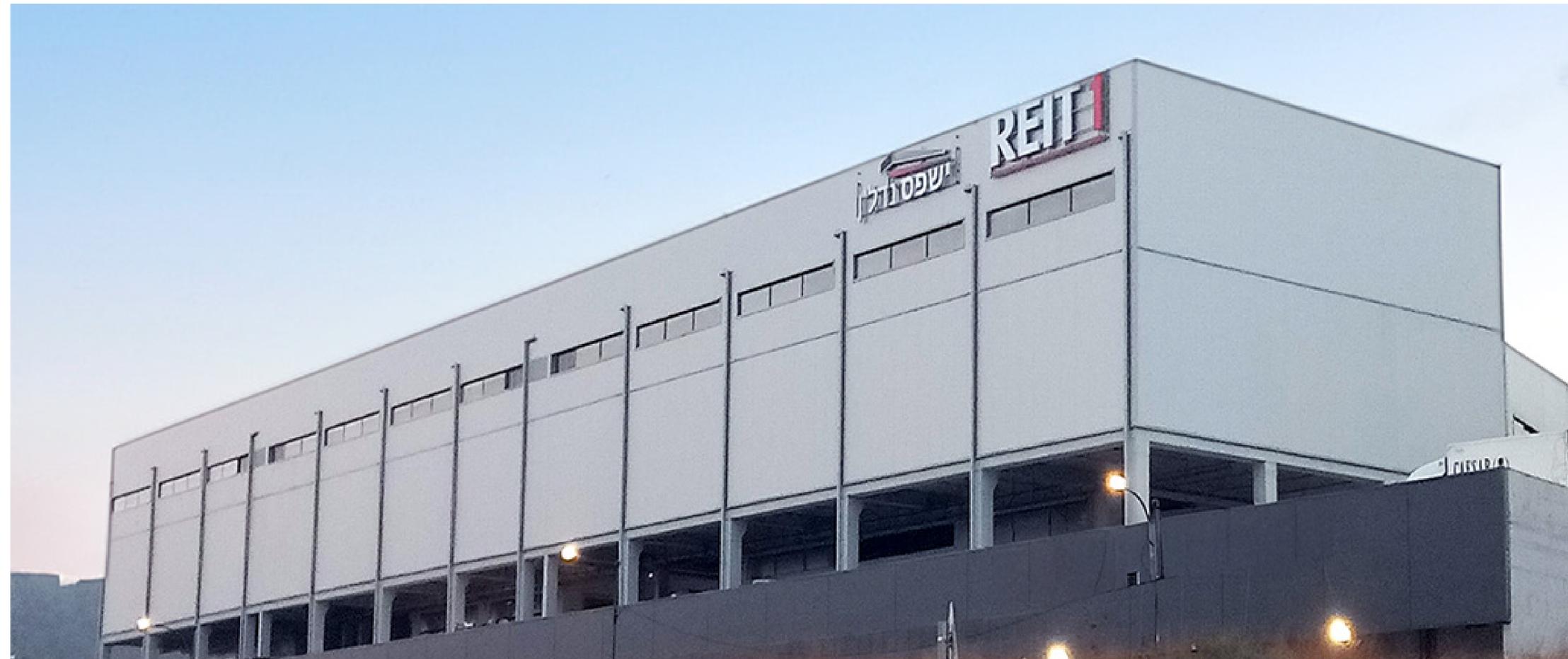
Land purchased: 2018 Completion in stages	GLA (sqm)	Cost of project*	NOI 2024	NOI Run rate	completion cost 2026	Yearly NOI 2026 onwards	Return on cost
Data for 100%, REIT1's share 50%	31,300	~200	~12.2	~13.7	~22	~16.5	~8.3%

* Fully built, land included

- Occupancy 100%
- All numbers in ILS millions

Hartuv

Logistics



Land purchased: 2018 Completion: 08.2023	GLA (sqm)	Cost of project**	NOI*	Return on cost	Fair value
Data for 100%, REIT1's share 50%	30,000	~147	~15.2	~10.3%	211

* Full Occupancy, 91% as of now
** Land included

- All numbers in ILS millions

DIVERSIFIED PORTFOLIO

NURSING HOMES

Nes Tziona

GLA: 19,000 sqm
Ownership share: 90%



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

	% Change 2023-2024	1-6/24	1-6/23	% Change 2023-2024	Q2 2024	Q2 2023	2023
NOI*	7.5%	229.6	213.6	13.1%	119.2	105.4	423.0
NOI same property	4.0%	213.0	204.9	3.4%	108.3	104.8	-
FFO (ISA directives)	5.1%	160.3	152.5	13.9%	84.4	74.1	293.9
Adjusted FFO (management approach)	4.8%	0.82	0.78	13.5%	0.43	0.38	1.52

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

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

FINANCIAL DATA

FFO Calculation

	1-6/24	1-6/23	Q2 2024	Q2 2023	2023
Nominal FFO, ISA directives	82.5	54.2	22.3	20.2	153.9
<u>Additional Adjustments:</u>					
Share-based Payment	9.1	11.2	4.6	5.6	21.4
Other Adjustments	1.4	1.6	0.6	1.1	3.0
Nominal FFO, Management Approach	93.0	67.0	27.5	26.9	178.3
Excluding expense of Linkage Differences*	67.3	85.5	56.9	47.2	115.6
Adjusted FFO, Management Approach	160.3	152.5	84.4	74.1	293.9
Adjusted FFO Per Share, Management Approach (ILS)	0.82	0.78	0.43	0.38	1.52

* On debt principal, including in associates.

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

FINANCIAL DATA

NOI

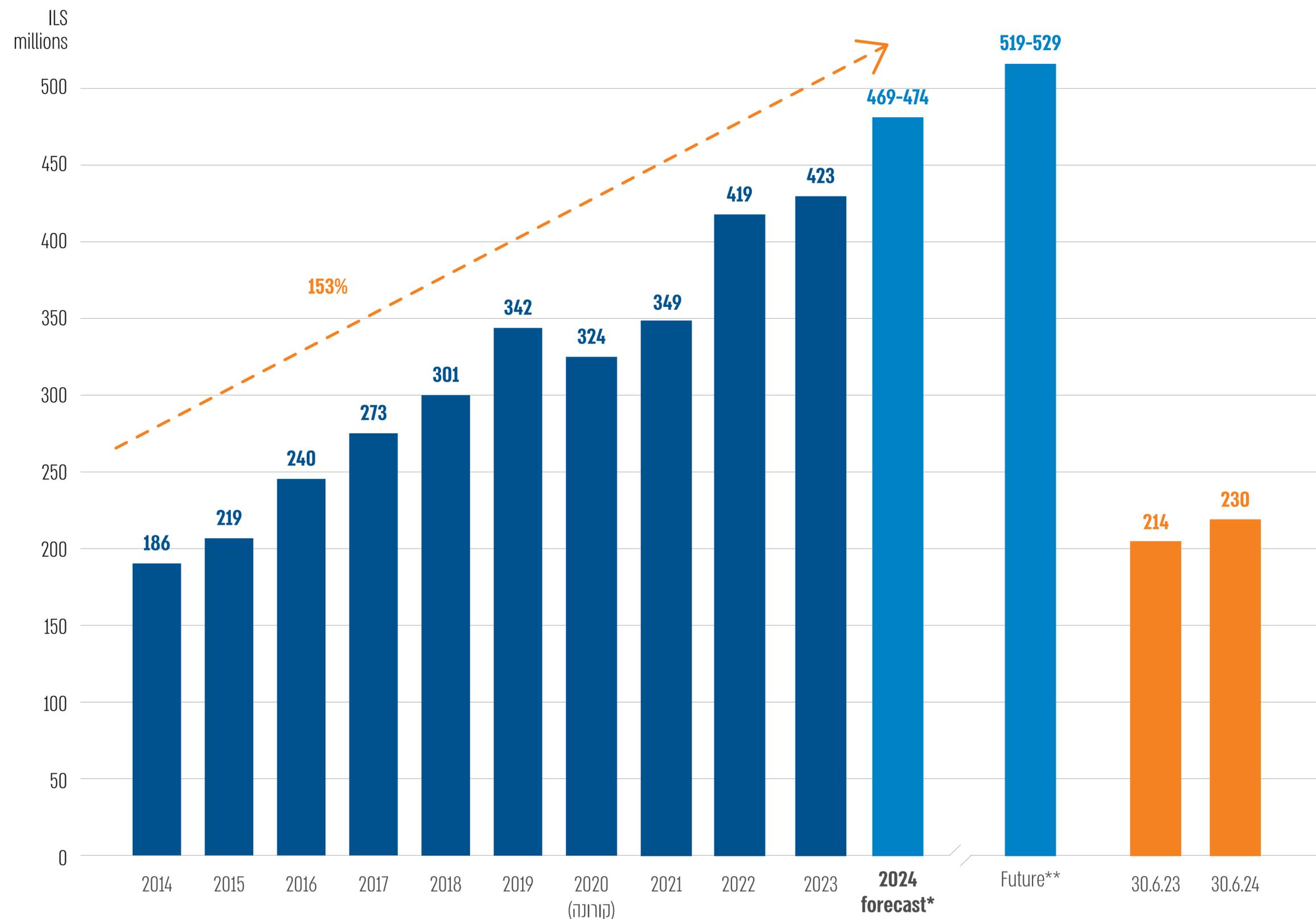
2024 Forecast upward revision from 452-462 to 469-474 (ILS millions)

* ILS 34 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 NOI from Infinity Park and purchased/in construction properties (assuming full occupancy), and subtraction of NOI from space for which the Government's option to purchase had been exercised.

- Based on the Company's expanded consolidated statements.

- The information specified above is forward-looking 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

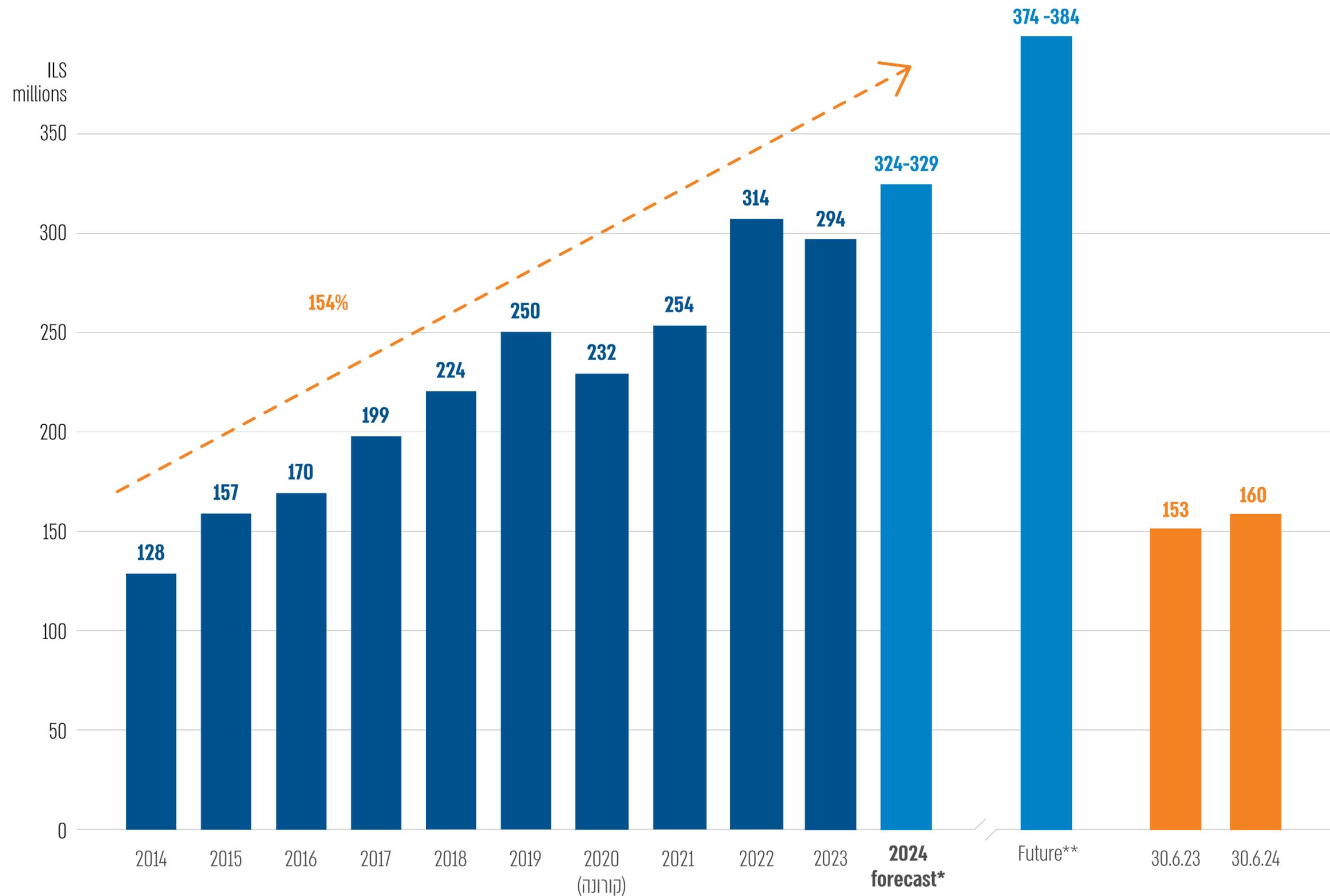
Adjusted FFO (management approach)

2024 Forecast upward revision from 303-313 to 324-329 (ILS millions)

* ILS 34 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 NOI from Infinity Park and purchased/in construction properties (assuming full occupancy), and subtraction of NOI from space for which the Government's option to purchase had been exercised.

- Based on the Company's expanded consolidated statements.
- The information specified above is forward-looking 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.



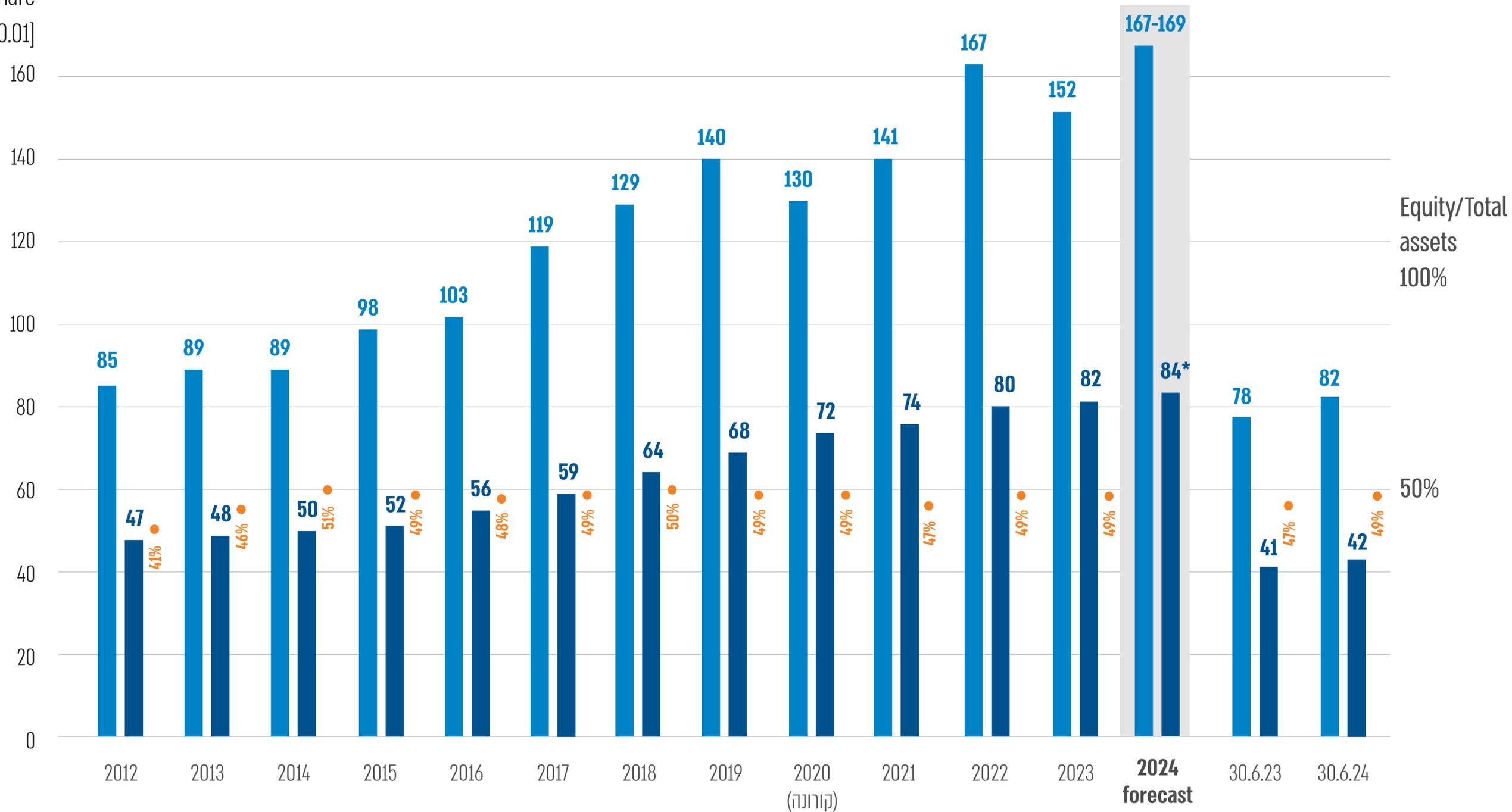
FINANCIAL DATA

Per Share

2024 Forecast upward revision from 1.56-1.61 to 1.67-1.69 (ILS/Share)

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

Agorot per share [ILS 0.01]



* 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 - **1.99%** CPI linked

Average weighted **Duration - 3.9** years

Current cost of debt - 3.3%

CPI linked (Series G bonds, duration 6.4 as of 12.8.2024)

Income producing properties

Most are free of pledges

Cash and cash equivalents

On date of publication ILS **50 million** (solo)

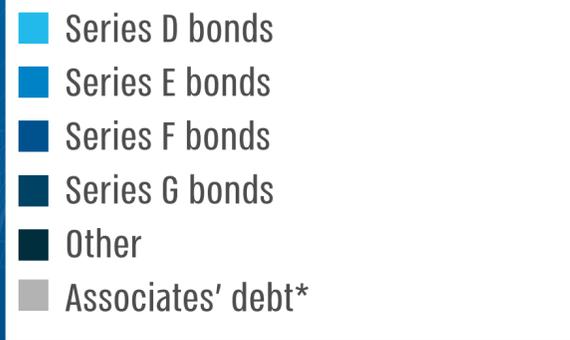
Signed **credit facilities** non utilized as of
Report's issue date (Solo) approx. ILS **915 million**

Bond Series rating il/AA (MA'ALOT S&P)

Issuer Credit rating

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

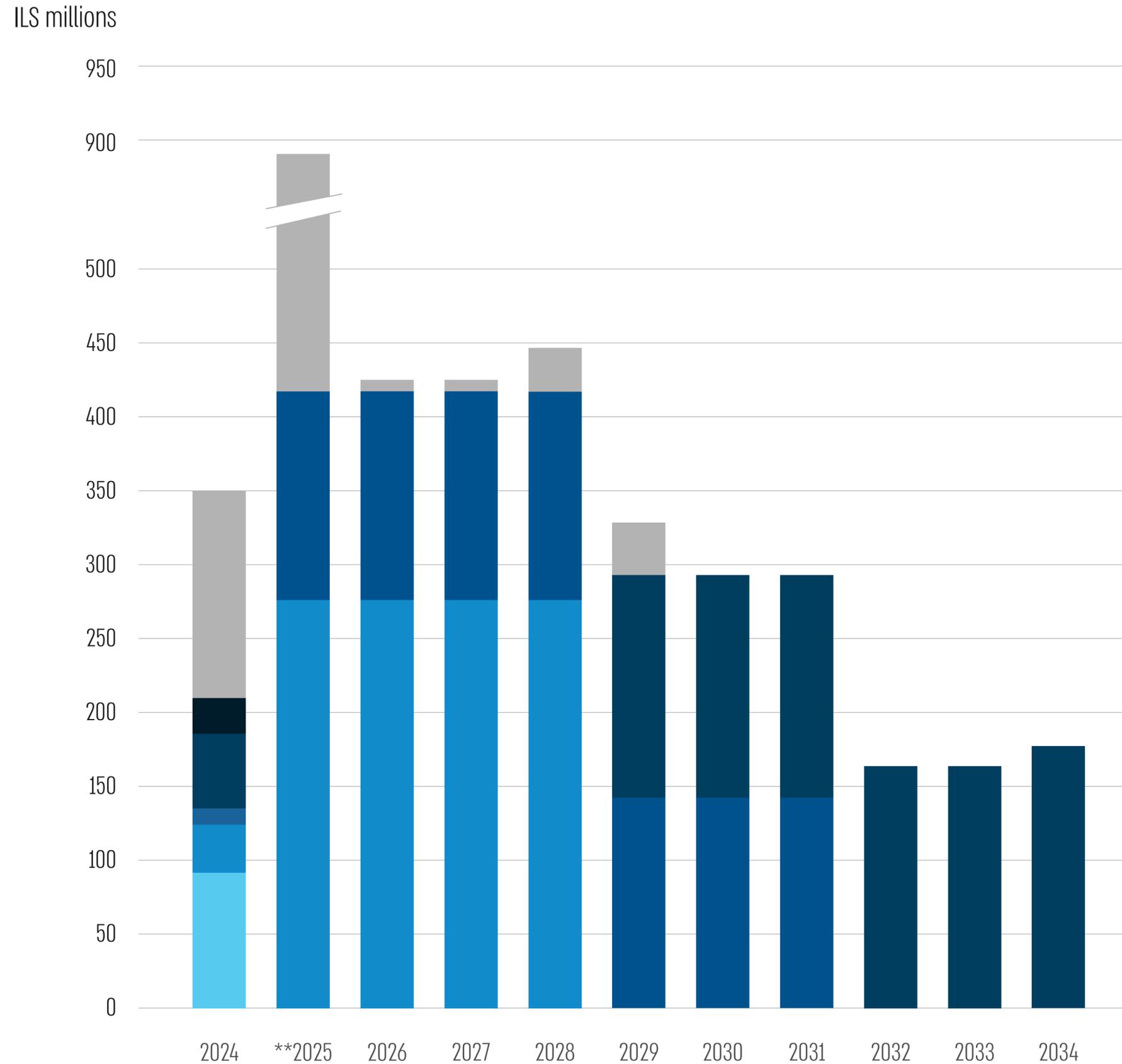
DEBT MATURITY PROFILE



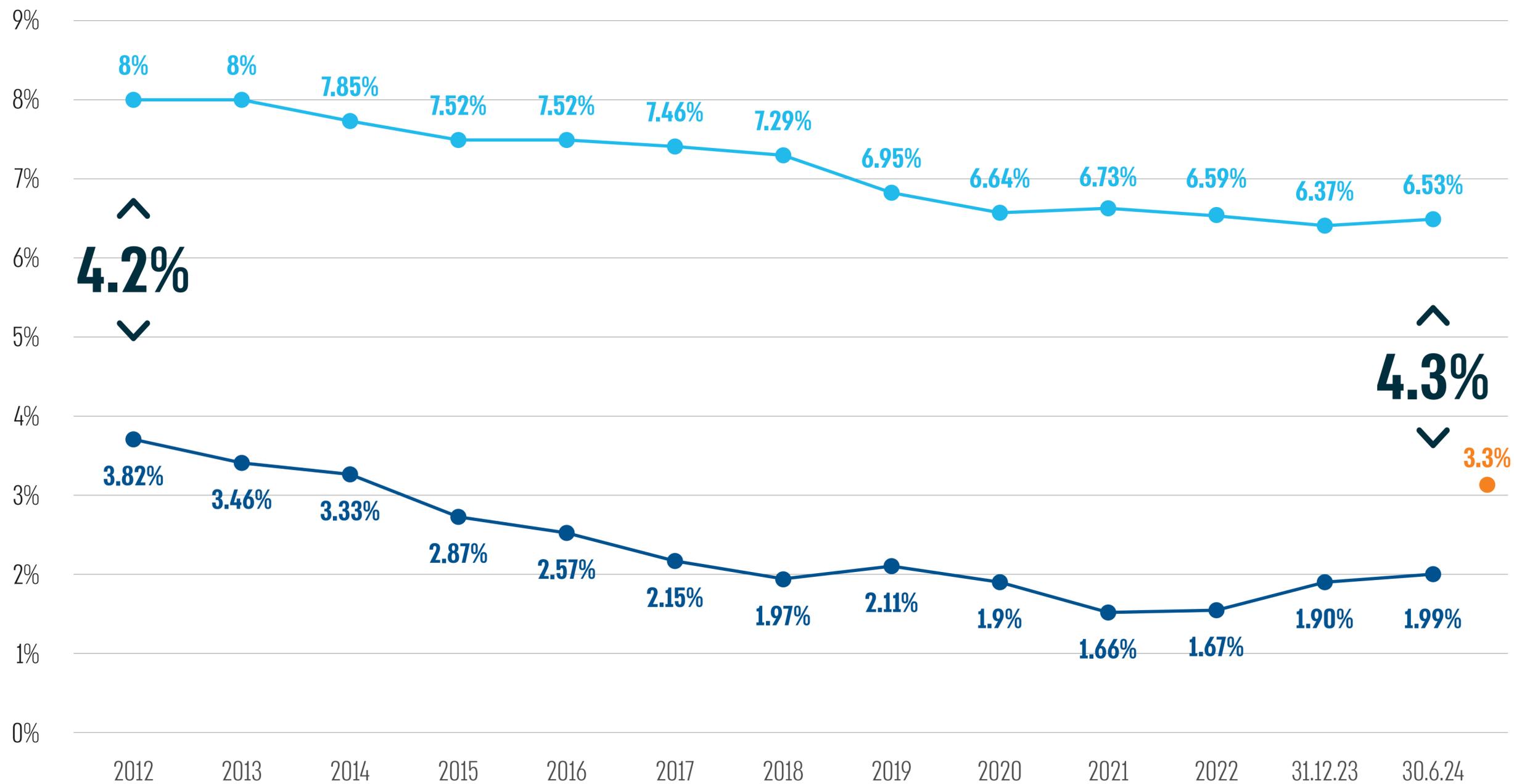
* Company's share. 2024-2025 includes short-term revolving bank facility.

** Includes ILS 300 millions classified as short term due to a notification of the state of Israel on the exercise of an option to purchase the space leased by it. The proceeds are to prepay the amount mentioned.

- 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 12.8.2024 (Series G bonds, average duration 6.4)

- Based on the Company's expanded consolidated statements

THANK YOU

For additional information:

Nirit Bregman, CPA, (Isr.) Head of IR

+972-3-7686700 | niritb@reit1.co.il

