



REIT 1

THE FIRST REAL ESTATE INVESTMENT TRUST IN ISRAEL

COMPANY PRESENTATION

31.12.2024



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.



REIT1 mourns the loss of those who were murdered and those who have fallen, and longs for the return of the hostages, the recovery of the injured, and the safe and swift return of our soldiers.



About Us

Foundation

Founded in 2006 as Israel's first real-estate investment trust (REIT)

Income-producing properties

58 properties valued at ILS **8.6 B**
687,000 sqm at **96.3%** occupancy (**97.8%** excluding Infinity Park Ra'anana)
965 tenants

Cap rate

Weighted average **6.52%**

Shareholders' equity

Financially resilient; shareholders' equity ILS **4.1 B**
(equity per share ILS **21.24**)

Stock exchange

Included in TA-125, TA-Real Estate, TA-Investment Properties in Israel, Tel-Div, and Tel Bond 100

Rating reaffirmed in July 2024

Issuer rating: iIAA/Negative, S&P Maalot
Issue rating: iIAA, S&P Maalot

Dividends

Dividend payouts per share growing for 16 consecutive years, paid quarterly

A minimum total dividend of ILS 168 M for 2025 (ILS **0.86** per share*, vs. ILS **0.84** in 2024)

Dividend yield **4.5%****

Dividends distributed since foundation ILS 1.6 B

2024 financial results

Total **NOI** ILS **482 M**

Total adjusted **FFO***** ILS **342 M** (ILS 1.76 per share)

2025 forecast

Expected **NOI** ILS **498-508 M**

Expected adjusted **FFO***** ILS **343-353 M** (ILS 1.76-1.81 per share)

Adjusted **FFO** yield*** **9.3%****



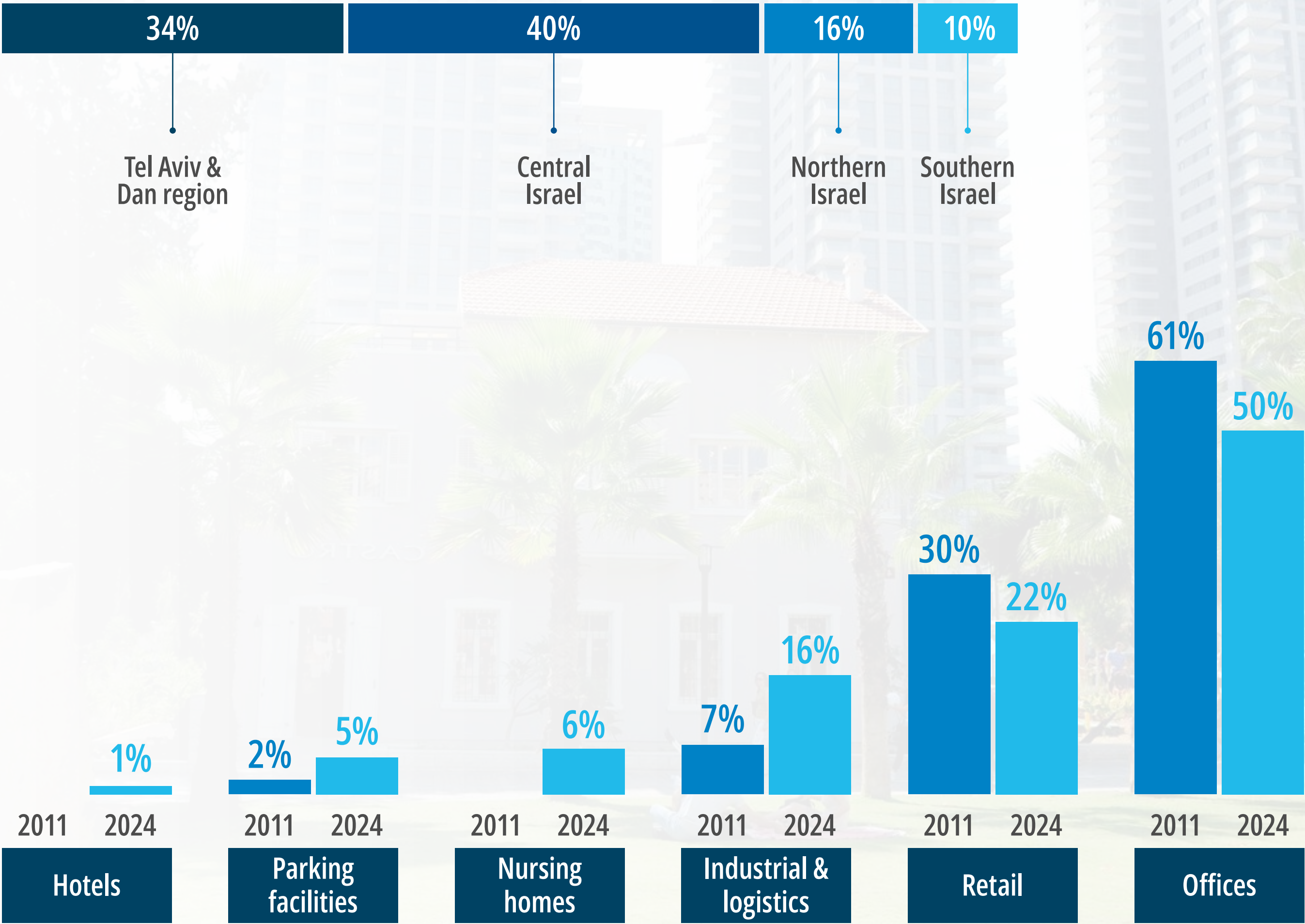
* Based on the number of shares on the day of the resolution and subject to approval by the board of directors prior to distribution.
** Based on average adjusted FFO forecast and share price as of March 12, 2025.
*** For FFO based on the ISA directives, see slide 20.

Sector and Geographical Diversification

Majority of properties located in the center of Israel

Growing diversification over the years; emphasis on industrial and logistics properties

Continued growth expected in the industrial and logistics sector, based on projects in progress



Investment in REIT1

- » REIT1 is the first and largest REIT in Israel
- » A skilled and experienced management team
- » Demonstrated ability to grow outcomes and dividends

Growth strategy:

- Israel only
- Geographical diversification
- Sector diversification
- Taking advantage of property development opportunities, subject to the law
- Refurbishment and upgrade of existing properties

Subject to provisions of the law:

- Maximum leverage up to 60%
- Property development up to 5% of asset value
- No controlling shareholders
- Mandatory dividend distribution
- Exemption from corporate tax
- Single-stage taxation at shareholder level only



Sustainability

Green building



3 Rothschild Blvd., Tel Aviv



10 Hamenofim St., Herzliya



Infinity Park, Ra'anana

Solar panels

7.7 million kWh from self-production of renewable energy on rooftops of properties



Diversification of energy suppliers

Over **90%** of energy consumed sourced from private suppliers



Electric vehicle charging

37 rapid charging stations
116 regular charging stations





A diverse property portfolio

Offices • Retail centers • Industrial & logistics
Nursing homes • Parking facilities • Hotels



Infinity Park | Ra'anana Junction



- » 14 acres of land
- » 6,000 sqm of green park
- » 151,000 sqm office space, of which 10,000 sqm retail, entertainment, and leisure
- » High accessibility, at an intersection of two main roads (4 and 531); Israel Railways station on site

1. Infinity Tower

Construction completed in August 2023; LEED Gold



(Data for 100%; the Company's share is 50%)

GLA: 61,000 sqm

Construction costs: ILS 465 M

Occupancy at report date: 69% (70% of office space)

Green park with dining and seating areas

Estimated cost: ILS 50 M (of which ILS 32 M paid)

Expected completion: Q2 2025

2. Infinity Campus



3. Infinity Plaza



(Data for 100%; the Company's share is 66%)

GLA: 90,000 sqm, of which 55,000 sqm under renovation

Estimated costs: ILS 265-270 M (of which ILS 200 M paid)

Occupancy at report date: 41%

Expected completion: Q2 2025

Forecast annual NOI after completion of the tower & renovation: ILS 78-82 M (assuming full occupancy)

Diverse Property Portfolio | Offices



Rothschild Blvd., Tel Aviv

GLA: 23,000 sqm
Ownership share: 50%



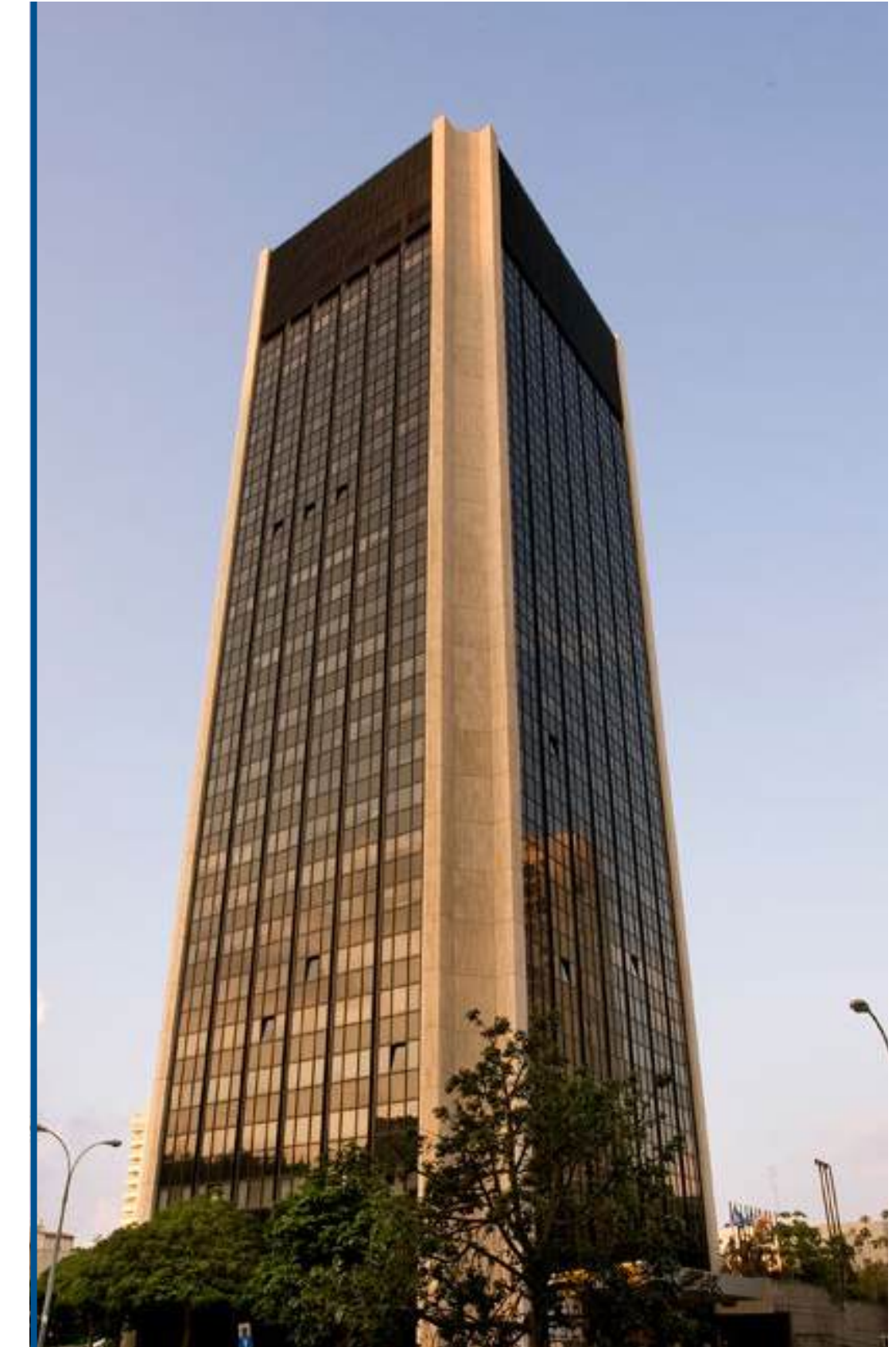
Hayovel Tower, Tel Aviv

GLA: 73,000 sqm*
Ownership share: 50%



Ha'arba'ah St., Tel Aviv

GLA: 17,000 sqm
Ownership share: 35% (parking facility 50%)



Daniel Frisch St., Tel Aviv

GLA: 20,000 sqm
Ownership share: 65% (parking facility 80%)

Diverse Property Portfolio | Offices

Hamenofim St., Herzliya Pituach

GLA: 17,000 sqm
Ownership share: 50%

Sapir St., Herzliya Pituach

GLA: 8,000 sqm
Ownership share: 100%

Habarzel St., Tel Aviv

GLA: 5,000 sqm
Ownership share: 100%

Hanechoshet St., Tel Aviv

GLA: 11,000 sqm
Ownership share: 50%

Habarzel St., Tel Aviv

Beit Harof'im
GLA: 9,000 sqm
Ownership share: 33%

Hashmonaim St., Tel Aviv

GLA: 8,000 sqm
Ownership share: 60%

Tulipman St., Rishon Lezion

GLA: 17,000 sqm
Ownership share: 100%

Ha'omanut St., Netanya South

GLA: 6,000 sqm
Ownership share: 100%

Hamelacha St., Rosh Ha'ayin

GLA: 8,000 sqm
Ownership share: 100%

Beit Haterminal, Lod

GLA: 8,000 sqm
Ownership share: 100%

Global Park, Lod

GLA: 21,000 sqm
Ownership share: 50%

Ef'al, Petach Tikva

GLA: 8,000 sqm
Ownership share: 65%



Diverse Property Portfolio | Retail Centers

Emek Center, Afula

GLA: 22,000 sqm
Ownership share: 60%



Friendly, Gan Yavne

GLA: 16,700 sqm
Ownership share: 75%



West Design, Rishon Lezion

GLA: 24,000 sqm
Ownership share: 65%



Ganei Sarona, Tel Aviv

GLA: 6,200 sqm
Ownership share: 83%



Diverse Property Portfolio | Retail Centers, Hotels

Lev Talpiyot, Jerusalem

Area: 16,000 sqm
Ownership share: 100%

Sha'arei Hadera, Hadera

GLA: 14,000 sqm
Ownership share: 100%

Globus Center, Netivot

GLA: 14,000 sqm
Ownership share: 100%

G Yokne'am Mall

GLA: 16,000 sqm
Ownership share: 49%

Shopping Center, Ganey Tikva

GLA: 9,000 sqm
Plus 12,000 sqm adjacent land
Ownership share: 50%

Power Center, Modi'in

GLA: 11,000 sqm
Ownership share: 50%

G Rothschild Mall, Rishon Lezion

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

SOHO Shopping Center, Netanya

GLA: 15,000 sqm
Ownership share: 50%

Publica Hotel, Herzliya

(Managed by Isrotel)
GLA: 16,500 sqm
Ownership share: 50%



Diverse Property Portfolio | Industrial & Logistics

Har Tuv

GLA: 30,000 sqm
Ownership share: 50%



Kfar Masarik

GLA: 31,000 sqm
Ownership share: 50%



Alon Tavor

GLA: 47,000 sqm
Ownership share: 50%



Teradion, Gush Segev

GLA: 44,000 sqm
Ownership share: 100%



Diverse Property Portfolio | Industrial & Logistics

Ne'ot Hovav

GLA: 18,000 sqm
Ownership share: 100%

Alon Tavor

GLA: 46,000 sqm
Ownership share: 25%

Tziporit

GLA: 23,000 sqm
30 acres of land
Ownership share: 67%

Teradion

GLA: 13,000 sqm
Ownership share: 100%

Sderot

GLA: 11,500 sqm
Ownership share: 100%

Hadera

GLA: 7,000 sqm
Ownership share: 95%

Gderot

GLA: 18,000 sqm
Ownership share: 100%

Bar Lev

GLA: 15,200 sqm
Ownership share: 67%



Property Development and Refurbishment

Kfar Masarik Logistics and industrial park

GLA:	7,200 sqm	8,800 sqm	3,000 sqm	11,800 sqm
Completion year:	2019	2022	2026 (E)	2024



Land acquired in 2018 Completion in stages	GLA (sqm)	Project cost*	NOI 2024	NOI Run rate	Completion cost 2026	Annual NOI post 2026	Return on cost
Data for 100%; Company's share 50%	30,800	210	12.4	14.3	20.3	17.3	8.2%

* For entire compound, including land

- 100% occupancy
- All data in ILS M

Development and Refurbishment

Beit Shemesh Logistics



* The Company has an option to increase its share
** The property is fully leased

Land acquired in 2021 Expected completion of construction: Q2 2025	Total land area	Price per acre	GLA** (sqm)
Data for 100%; Company's share 40%*	12 acres	ILS 7 M	50,000

Diverse Property Portfolio | Nursing Homes

Nes Tziona

GLA: 19,000 sqm
Ownership share: 90%



Haifa

GLA: 13,000 sqm
Ownership share: 50%



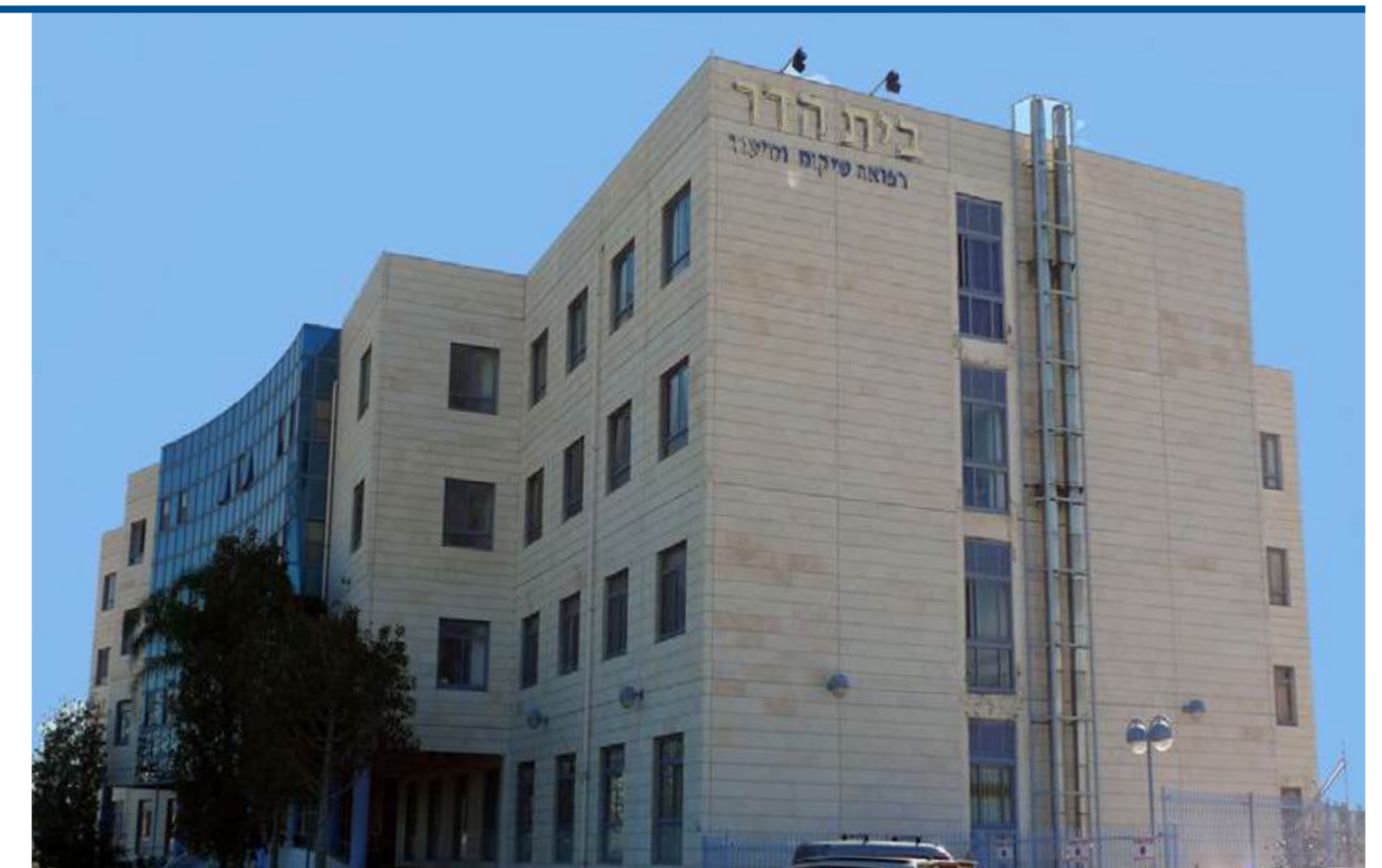
Nesher

GLA: 22,000 sqm
Ownership share: 50%



Ashdod

GLA: 12,000 sqm
Ownership share: 100%



Diverse Property Portfolio | Parking Facilities

Sky Tower Parking, Tel Aviv

400 parking spaces
Ownership share: 90%



Hakikar Parking, Tel Aviv

540 parking spaces
Ownership share: 67.5%



Beser 3+4 Parking, Bnei Brak

275 parking spaces
Ownership share: 100%



Karta Parking, Jerusalem

975 parking spaces
Ownership share: 100%



City Tower Parking, Ramat Gan

400 parking spaces
Ownership share: 100%





Financial Data



Financial Highlights

Growth in outcomes despite space under renovation at Infinity Park, Ra'anana

	Percent change 2023-2024	2024	2023	2022	Percent change Q4 2023-2024	Q4 2024	Q4 2023	Q4 2022
NOI	13.9%	481.8	423.0	418.7	23.4%	126.2	102.3	110.6
NOI same property	6.4%	436.6	410.5	-	17.9% (*)	120.8	102.5	-
FFO based on ISA approach	30.9%	176.8	135.1	109.5	52.1%	83.5	54.9	43.4
Adjusted FFO (management approach)	13.6%	342.0	301.1	318.4	28.6%	88.6	68.9	82.9
Adjusted FFO per share (ILS)	13.5%	1.76	1.55	1.69	28.4%	0.46	0.35	0.43

* 8.8% excluding properties under construction, which were partially income producing in the fourth quarter of 2023 and excluding the effects of the war in the same quarter.

FFO and adjusted FFO according to the directives of the ISA. Comparative figures restated accordingly. In ILS M, unless otherwise noted.
 - Data based on the Company's expanded consolidated statements.

FFO Calculation

	2024	Q4 2024	Q3 2024	Q2 2024	Q1 2023	2023	2022
FFO based on ISA directives attributed to shareholders of the Company*	176.8	83.5	22.8	14.8	55.7	135.1	109.5
<u>Additional adjustments:</u>							
Share-based payment	17.6	4.0	4.5	4.6	4.5	21.4	8.7
Excluding expenses from project initiation and property development activities	7.7	2.2	2.0	1.8	1.7	7.5	4.1
Expenses (income) from exchange rate and CPI linkage differentials in leases	2.9	(1.3)	(1.0)	3.0	2.2	5.1	14.3
Expenses (income) from CPI linkage differentials on debt principal	108.5	(4.0)	52.6	50.6	9.3	102.1	150.4
Other financing expenses (income)	4.1	2.0	0.7	0.6	0.8	3.0	2.3
Adjustments for associates on an equity basis	24.9	2.4	8.1	10.9	3.5	27.2	29.2
Adjustments from non-controlling interests' share in adjusted FFO	(0.5)	(0.2)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)
Adjusted FFO (management approach)	342.0	88.6	89.6	86.2	77.6	301.1	318.4
Adjusted FFO per share	1.76	0.46	0.46	0.44	0.40	1.55	1.69

* Following the position paper of the ISA published in January 2025. Comparative figures restated accordingly.

- In ILS M, unless otherwise noted.
- 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.

NOI

NOI in 2024 totaled ILS 482 M

vs. the original forecast of ILS 452-462 M

NOI forecast for 2025 totals ILS 498-508 M

4.5% growth despite sale of the state’s share of Hayovel Tower (9.5% growth excluding the sale)

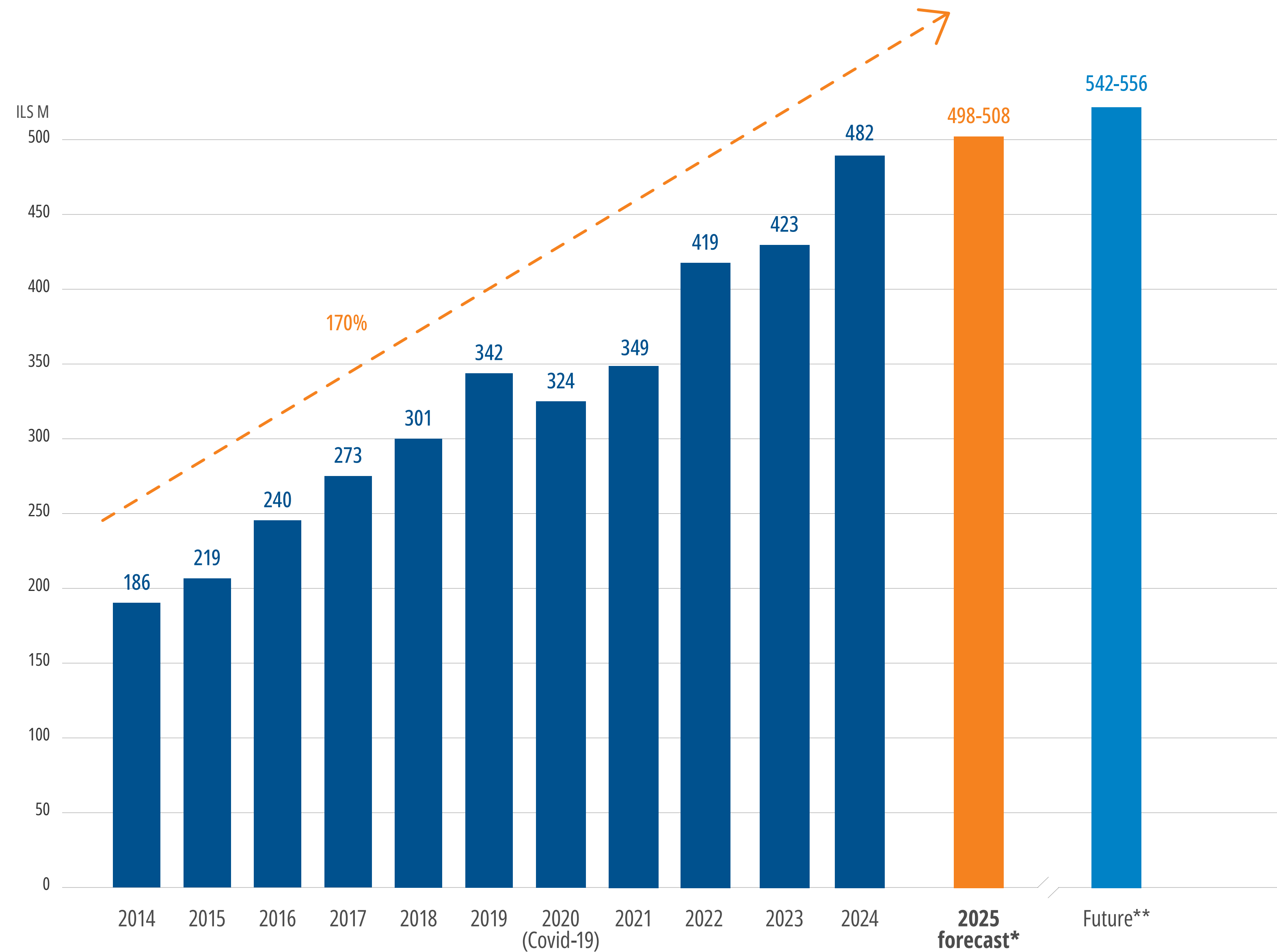
* Includes NOI of ILS 39 M from the Infinity Park compound in Ra’anana (compared with ILS 34 M in 2024, ILS 13 M in 2023, and ILS 48 M in 2022) due to the spaces vacated by Amdocs.

** With the addition of NOI primarily from the Ra’anana compound (at full occupancy) and Beit Shemesh (full year).

- 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).

- Data based on the Company’s expanded consolidated statements.

- The information described above is forward-looking information, which includes intentions and estimates of the Company. There is no certainty that the above estimate will materialize, due, among other matters, to dependence on external factors that are not under the Company’s control.



Adjusted FFO

FFO in 2024 totaled ILS 342 M

vs. the initial forecast of ILS 310-320 M

FFO forecast for 2025 totals ILS 343-353 M

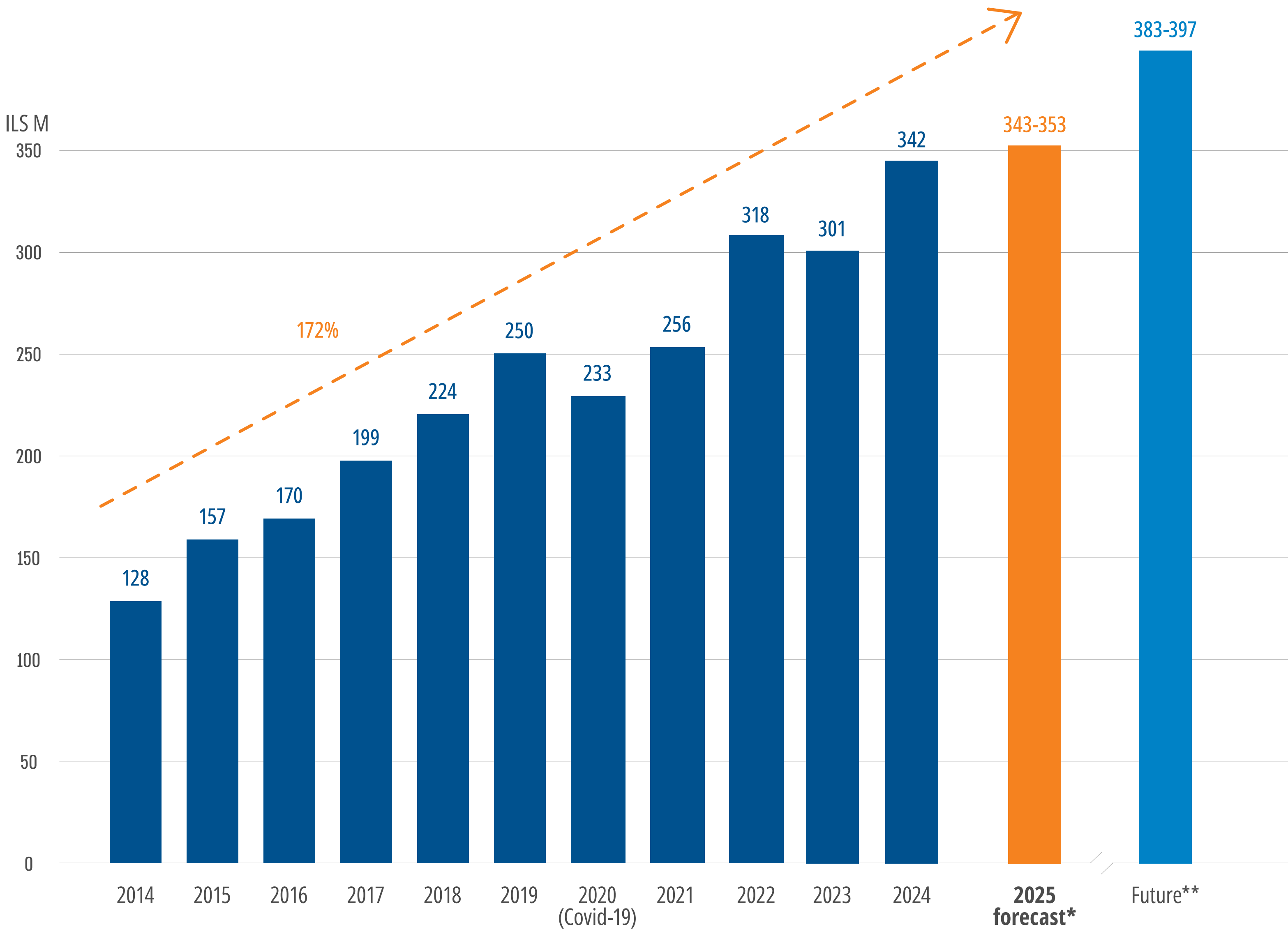
2% growth despite sale of the state's share of Hayovel Tower

* Includes NOI of ILS 39 M from the Infinity Park compound in Ra'anana (compared with ILS 34 M in 2024, ILS 13 M in 2023, and ILS 48 M in 2022) due to the spaces vacated by Amdocs.

** With the addition of NOI from Ra'anana Infinity Park (assuming full occupancy) and Beit Shemesh (full year).

- Data based on the Company's expanded consolidated reports.

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Results Per Share

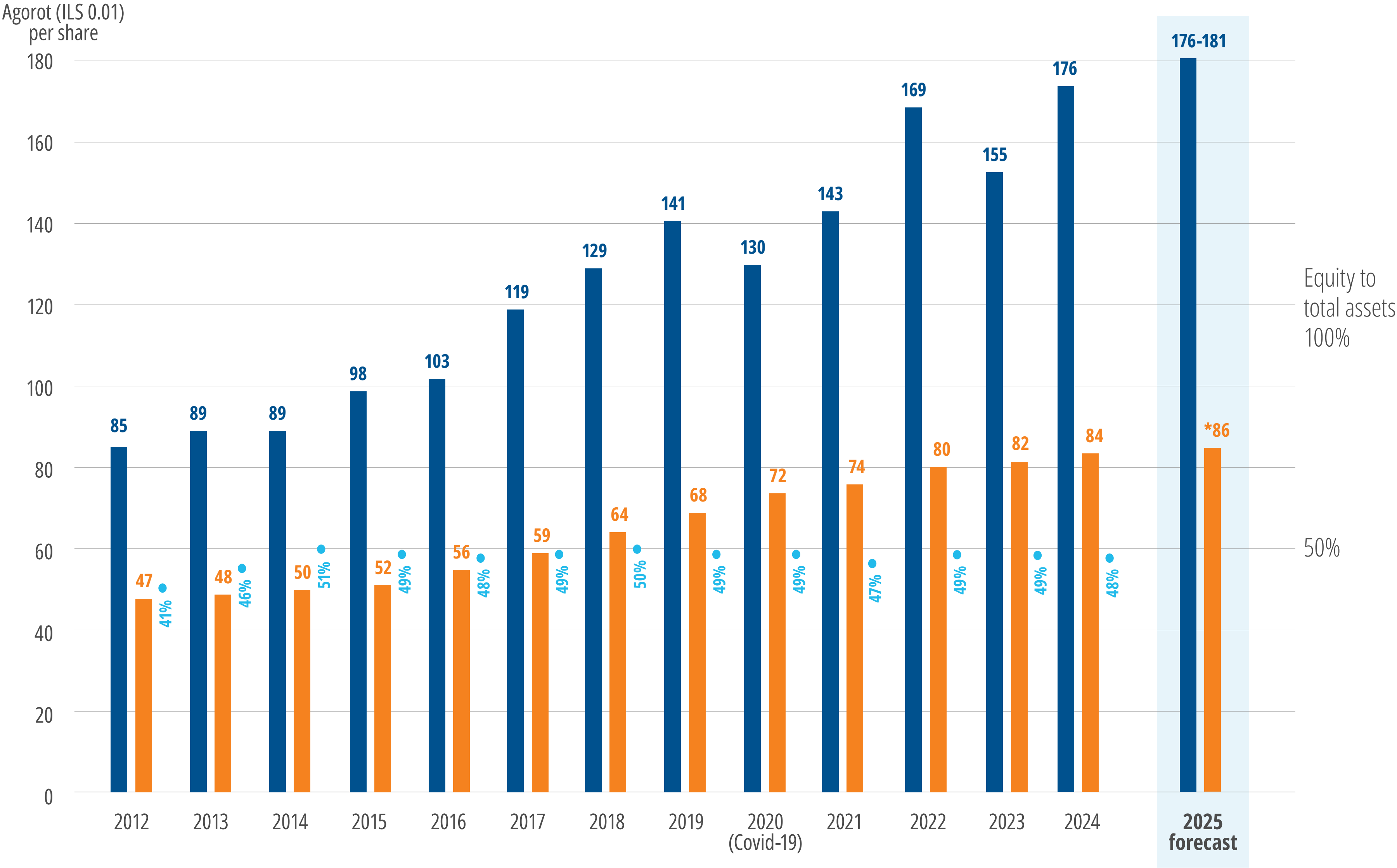
Adjusted FFO per share in 2024 totaled ILS 1.76

vs. the original forecast of ILS 1.60-1.65 per share

Adjusted FFO per share forecast for 2025 totals ILS 1.76-1.81

- Adjusted FFO per share (management approach)
- Dividend per share
- Equity-to-assets ratio (IFRS)

* Based on the number of shares on the day of the resolution. Dividends are subject to approval by the board of directors prior to distribution.



Financial Resilience

Shareholders' equity to total assets ratio 48% (IFRS)

Debt duration 3.9 years

Weighted average cost of debt 1.95% CPI-linked

Current cost of debt 3% CPI-linked (based on closing price of G Bonds at average duration 6.3, March 12, 2025)

Income-producing properties free of pledge*

High liquidity

Signed credit facilities, cash balances, and financial assets at a total of ILS 850 M

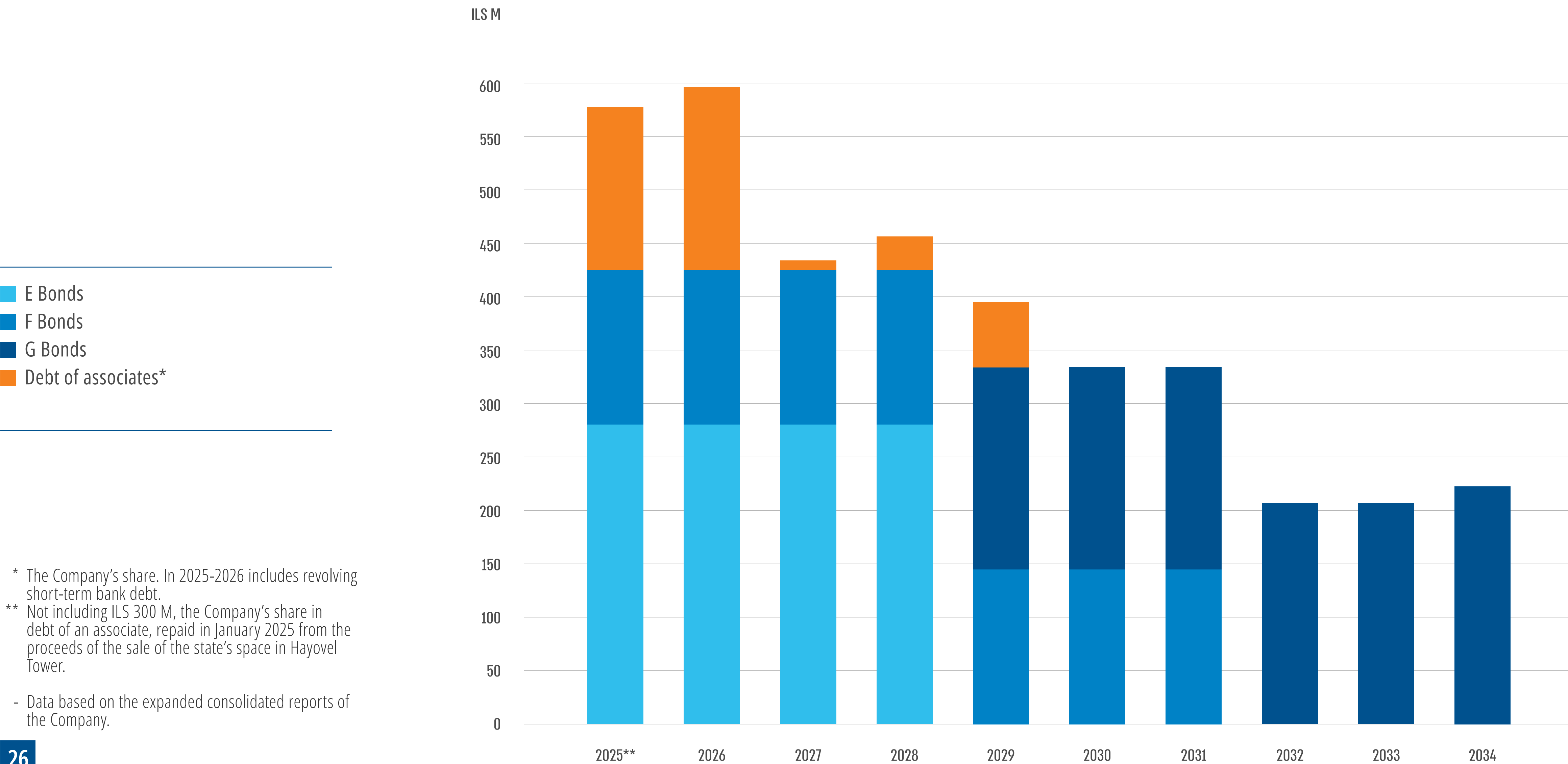
Bond series rated iIAA

Issuer rating evolution

- August 2023: iIAA/Negative
- July 2017: iIAA/Stable
- July 2014: iIAA-/Stable
- June 2010: iIA+/Stable
- May 2007: iIA/Stable

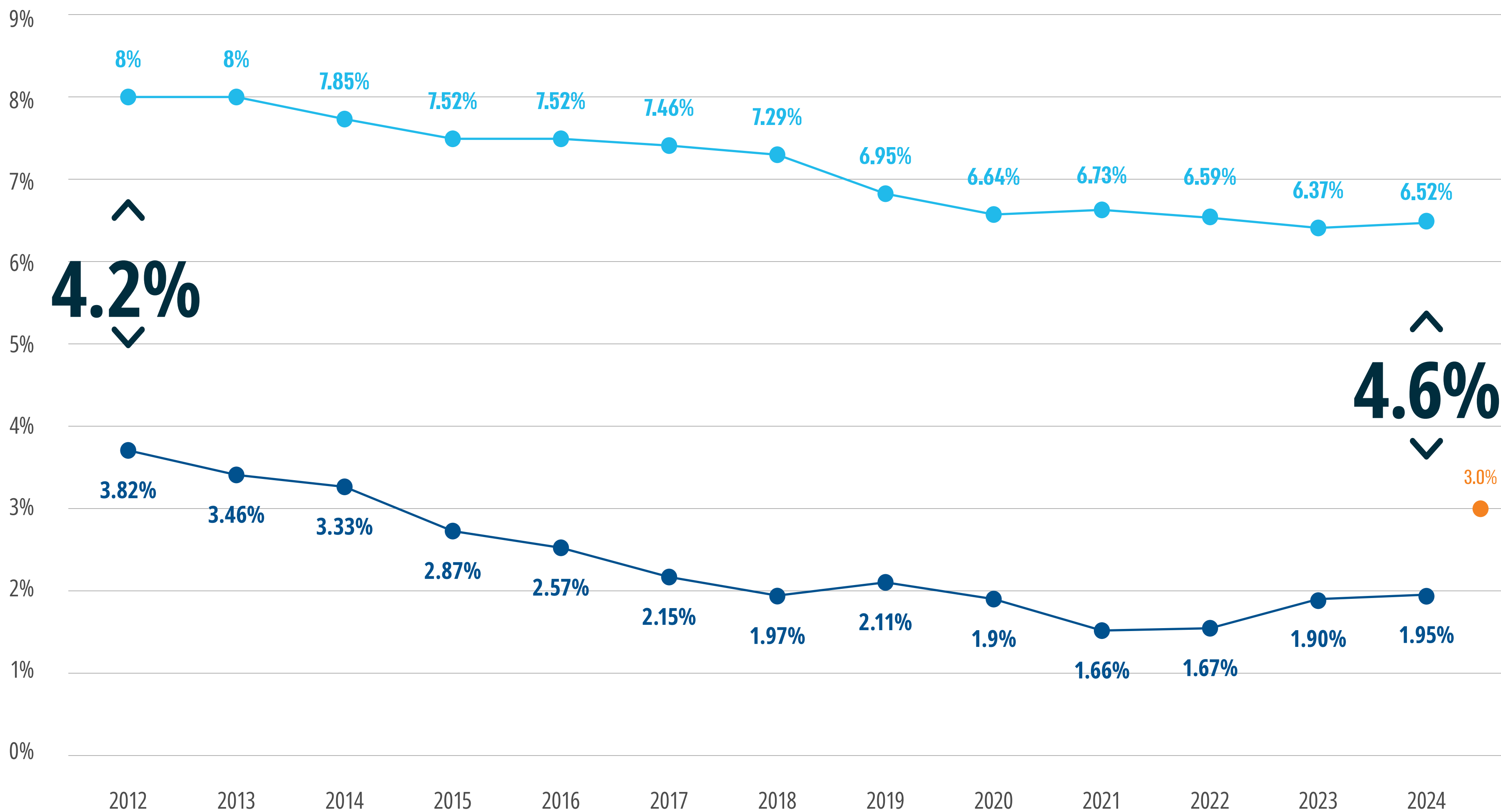


Long-Term Debt Maturities



Cap Rate vs. Weighted Average Cost of Debt

- Cap rate derived from the Company's income-producing properties
- Weighted effective CPI-linked cost of long-term debt
- CPI-linked cost of debt (G Bonds, average duration 6.3), March 12, 2025



- Data based on the expanded consolidated reports of the Company.

Thank you

For further information:

Nirit Bregman, CPA, Head of Investor Relations

+972-3-768-6700 | niritb@reit1.co.il

