

COMPANY PRESENTATION

31.12.2021

REIT 1 – ISRAEL'S FIRST AND LEADING REAL ESTATE INVESTMENT TRUST

REIT 1

קרן הנדל"ן המניב הראשונה בישראל



DISCLAIMER

This presentation contains forward-looking information as defined in the Securities Law, 5728-1968 ("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 - regarding the adverse effects of coronavirus on its results. 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.

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

OVERVIEW

ESTABLISHMENT

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

INCOME PRODUCING PROPERTIES

Total assets' value NIS 6.4 billion
590,000 sqm, 97.3% occupancy rate

CAP RATE

Weighted average cap rate - 6.73%

EQUITY

Financially resilient, total equity - NIS 3.2 billion
(NIS 17.18 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/Stable
by Ma'alot S&P

DIVIDENDS

Quarterly dividend distribution policy
Minimum dividend for 2022: NIS 148 million
(NIS 0.80 per share*)
Dividend yield - 3.9%**
Dividends distributed since inception - NIS 1 billion

ADJUSTED FFO YIELD

Projected for 2022 - 7.8%**

* 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 March 10, 2022.

- Based on expanded consolidated statements.

COVID-19

2021

- As of the present, and in view of the fact that this is a dynamic event characterized by considerable uncertainty, the extent to which the crisis will affect the Company's future activity and results largely depends on the extent to which various variables will materialize in Israel and globally, if at all.

Since the last closure at the beginning of 2021 we have experienced a high level of economic activity in private consumption revenues.

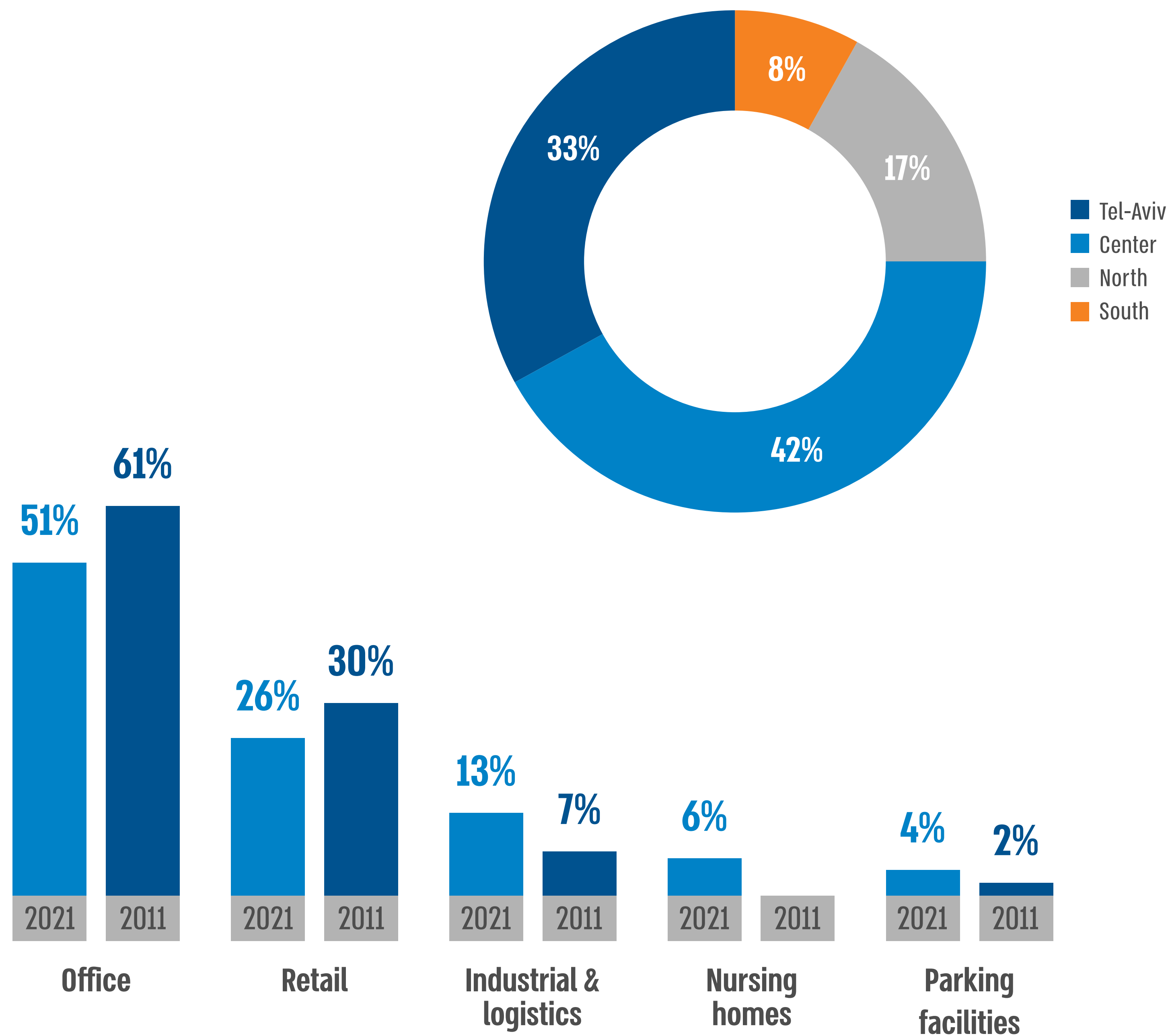
The rent collection rate is as high as the months preceding the pandemic

- **Office** (51% of the portfolio), getting "Back to normal" with a strong demand from the Hi Tech sector that drove occupancy and rents higher, especially in the center of Israel.
- **Retail** (26% of the portfolio), mainly comprises power centers. Revenue loss of NIS 6 million in rent waivers was recognized in the first quarter of the year due to the closure.
- **parking facilities** (4% of the portfolio), the loss of revenue in 2021 is NIS 3 million, mainly due to lower public-use at the first quarter of the year.
- **Industrial & logistics and nursing homes** (19% of the portfolio), high demand in industrial and logistics, stability in nursing homes
- Capital appreciation of NIS 317 million (last year depreciation of NIS 100 million).

Leases signed as to the time of this report		#	Sq.m (000)	Annual anticipated rent in NIS millions	Average real growth
2021	New	178	43	38	3.6%
	Extentions	248	91	59	

DIVERSIFIED PORTFOLIO

ACROSS
SECTORS &
GEOGRAPHIC
REGIONS



- As of 31.12.2021, fair value.

FOCUSED STRATEGY

UNDER PROFESSIONAL MANAGEMENT

GROWTH STRATEGY:

- Only in Israel
- Diversified markets, sectors & Geographic regions

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 requirement
- Exemption from corporate tax
- Single level taxation - paid only by the shareholders

DIVERSIFIED PORTFOLIO

Office
Retail
Nursing homes
Industrial & logistics
Parking



ACQUISITIONS DURING THE PAST YEAR*

Logistics, Neot Hovav (March 2021)

15,600 sqm leased

NIS 80 million total cost

Yearly NOI yield 5.8%

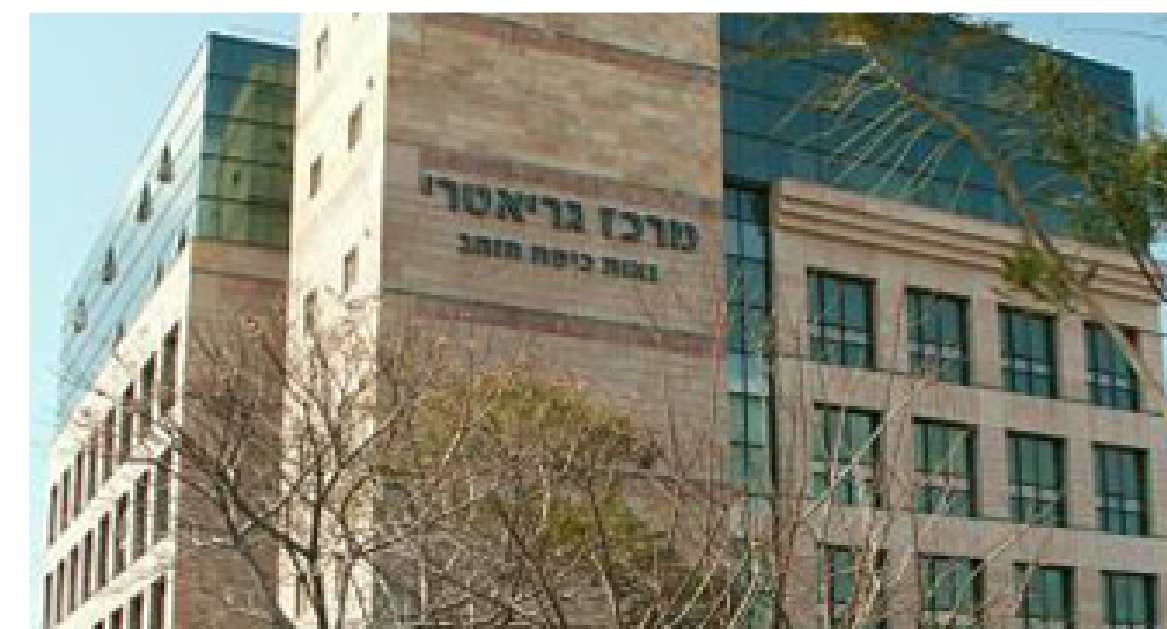


Nursing Home, Haifa (May 2021)

410 beds, 50% share

NIS 85 Million total cost

Yearly NOI yield 7%



Industrial & Logistics, Tziporit (June 2021)

9,500 sqm leased for NIS 33 millions and

25 Acre for NIS 67 Million (75,000 sqm to be built)



* Until report's issue date.

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

ACQUISITIONS DURING THE PAST YEAR*

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Multy use, Ashkelon (August 2021)

67% stake in a private company holding approximately 21 Acres of land
After the purchase REIT 1 holds 90% of the company's shares
NIS 138 million total cost



SOHO Shopping center, Netanya (October 2021)

50% stake, 14,700 sqm, 96% occupancy
NIS 126 million total cost
Yearly NOI yield (fully leased) 6.5%



Shopping center, Ganey Tikva (December 2021)

50% stake, 9,000 sqm
NIS 113 million total cost
Yearly NOI yield 6.5%
January 2022:
adjacent land has been acquired
NIS 124 million via private company (45% share)



Daniel Frish tower, Tel Aviv (February 2022)

5 floors, 3,750 sqm leased, in addition to the 10 previously held floors.
NIS 66 million total cost
Yearly NOI yield 5.1%



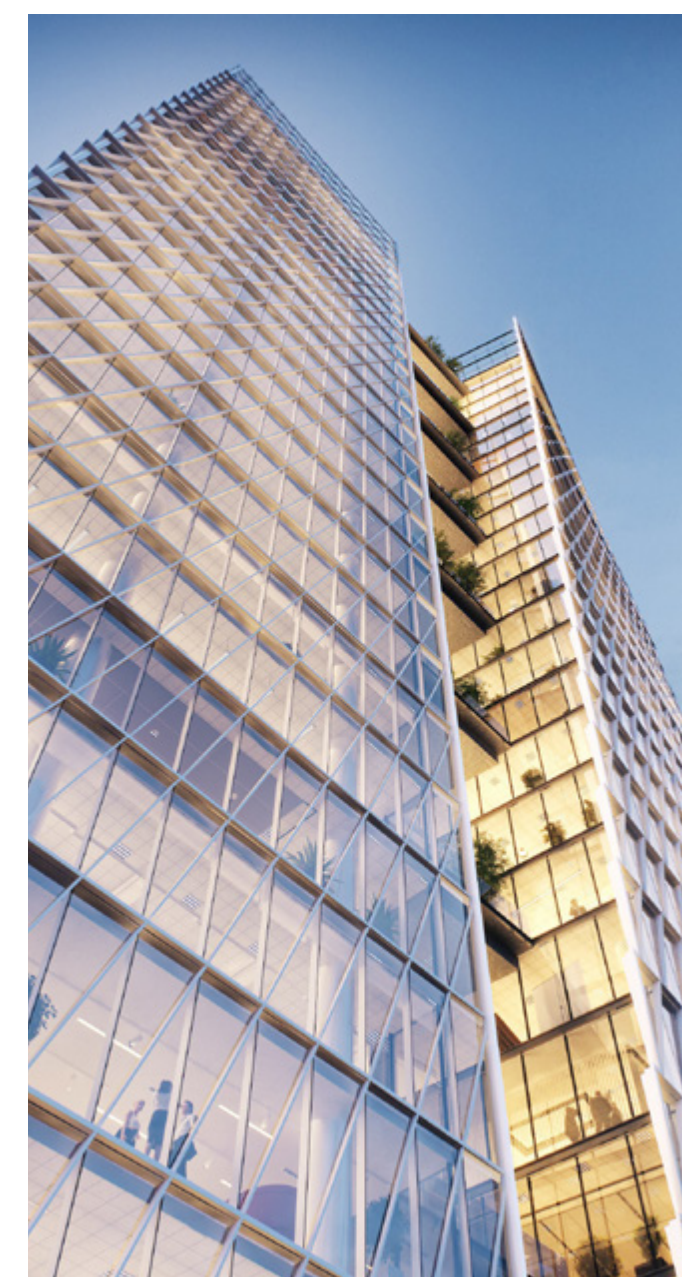
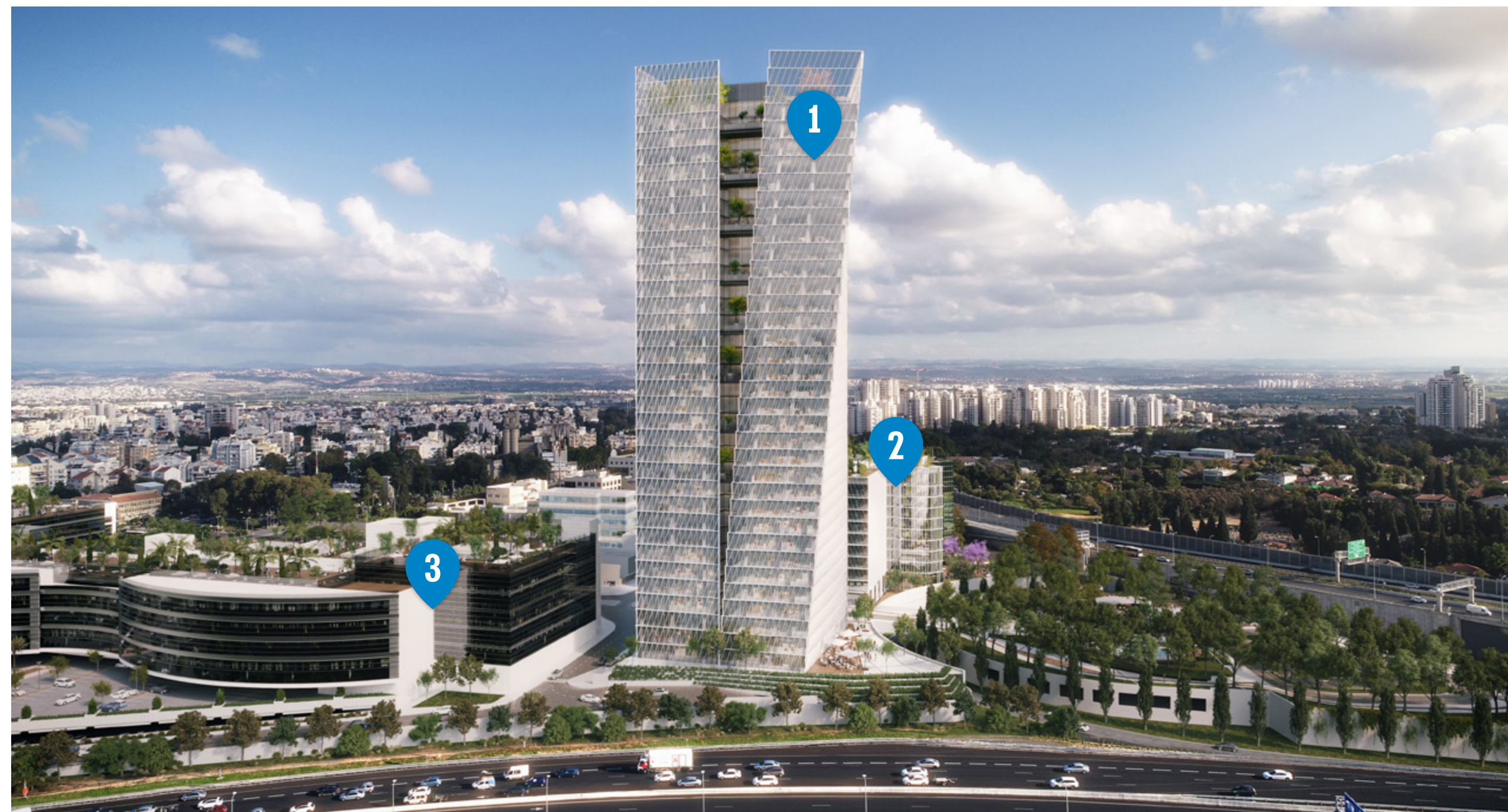
INFINITY PARK

RA'ANANA

- **Approx. 14 acres**
- **Office** 150,000 sqm*
- **Dining & Recreational area** 10,000 sqm, 1.5 acres
- **High accessibility** via main roads. train station within the park.

* Of which 60,000 sqm under construction.
 ** 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)

GLA: 60,000 sqm
ESTIMATED COST: NIS 475 million
COST INVESTED: NIS 210 million
OCCUPANCY RATE:** 55%
LEED SILVER

EXPECTED COMPLETION DATE : mid year 2023

Infinity plaza and Campus

GLA: 90,000 sqm
Upgrading works from 2023 to mid 2024
Estimated cost: NIS 220-240 million
Occupancy rate:** 20% (Amdocs not included)

DIVERSIFIED PORTFOLIO

OFFICE



Daniel Frish, TLV

GLA: approx. 20,000 sqm

Ownership share: 60% (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

OFFICE

HAMENOFIM, HERZLIYA

GLA: 17,000 sqm

Ownership share: 50%

Ramat Hachayal, TLV

GLA: 5,000 sqm

Ownership share: 100%

Global Park, Lod

GLA: 21,000 sqm

Ownership share: 50%

Hashmonaim, TLV

GLA: 8,000 sqm

Ownership share: 60%

Business Park, Netanya

GLA: 6,000 sqm

Ownership share: 100%

Efal, Petach Tikva

GLA: 8,000 sqm

Ownership share: 65%

Sapir, Herzliya Pituach

GLA: 7,500 sqm

Ownership share: 100%

Rosh Ha'ayin

GLA: 8,000 sqm

Ownership share: 100%

Business Park, Rishon

LeZion East

GLA: 17,000 sqm

Ownership share: 100%

Beit Terminal, Lod

GLA: 8,000 sqm

Ownership share: 100%

Ramat Hachayal, TLV

GLA: 10,000 sqm

Ownership share: 50%

Hamelacha, Lod

GLA: 16,000 sqm

Ownership share: 100%

DIVERSIFIED PORTFOLIO

RETAIL

Power Center, Afula

GLA: 22,000 sqm
Ownership share: 60%



Gan Yavneh strip Mall

GLA: 14,000 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

Strip Mall, Hadera

GLA: 13,400 sqm

Ownership share: 100%

Power Center, Modi'in

GLA: 11,000 sqm

Ownership share: 50%

Power Center, Netivot

GLA: 14,000 sqm

Ownership share: 100%

G Rothschild Mall, Rishon LeZion

GLA: 8,500 sqm retail and 4,500 sqm office

Ownership share: 49%

G strip mall, Yokneam

GLA: 16,000 sqm

Ownership share: 49%

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

INDUSTRIAL & LOGISTICS

Rishon LeZion

GLA: 20,000 sqm
Ownership share: 65%



Teradion

GLA: 44,000 sqm
Ownership share: 100%



Bar-Lev

GLA: 14,300 sqm
Ownership share: 67%



Kfar Masaryk

GLA: 30,000 sqm
(8,000 sqm built)
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%

Teradion & Sderot

GLA: 25,000 sqm

Ownership share: 100%

Hadera

GLA: 7,000 sqm

Ownership share: 95%

DIVERSIFIED PORTFOLIO

PARKING

City Tower Parking Lot, Ramat-Gan

Approx. 400 parking
spaces
Ownership share: 100%



Besser 3+4 Parking Lot, Bnei Braq

Approx. 277 parking
spaces
Ownership share: 100%



Karta Parking Lot, Jerusalem

Approx. 835 parking
spaces
Ownership share: 100%



FINANCIAL DATA

31.12.2021



FINANCIAL DATA

Highlights

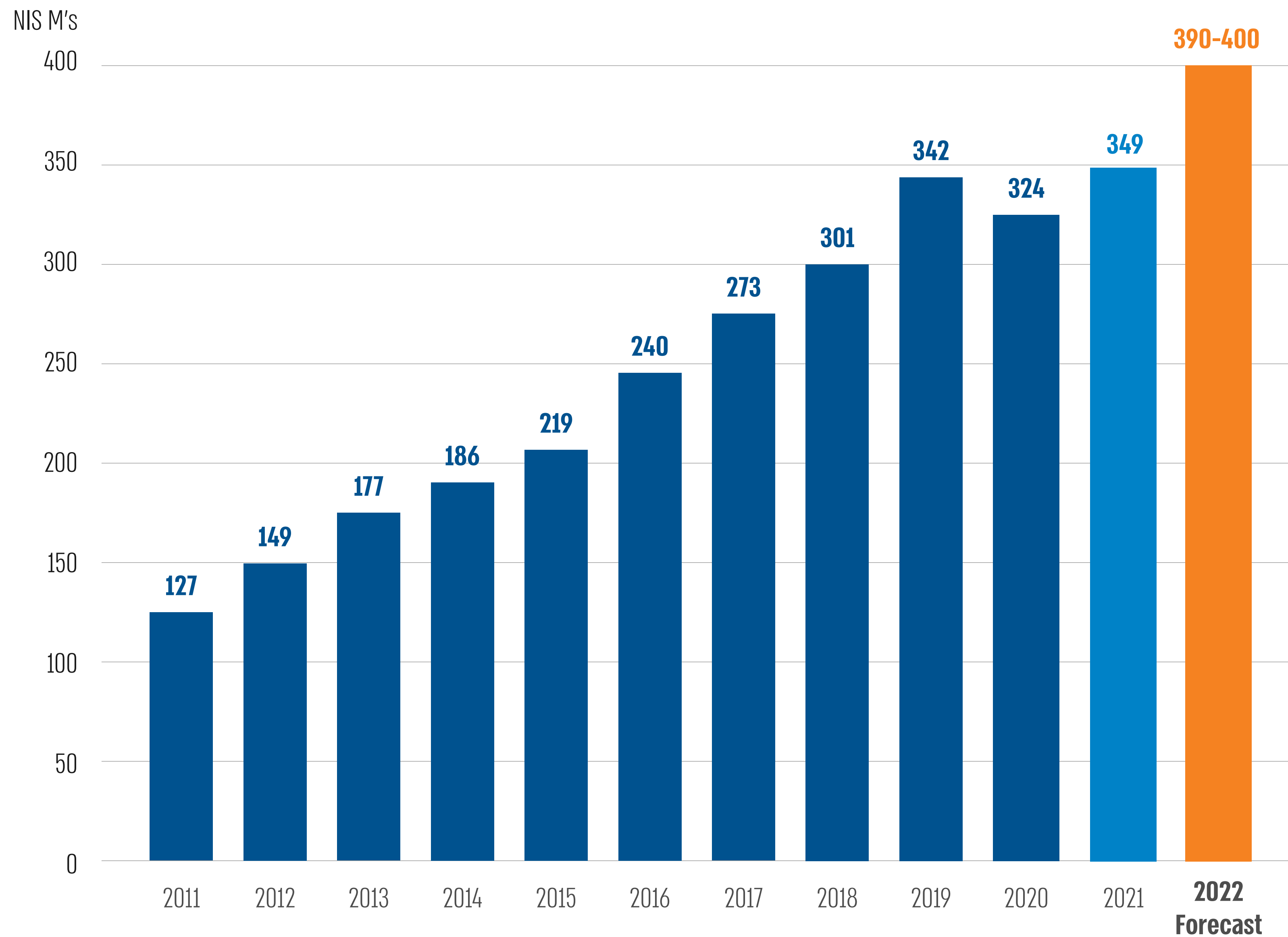
	% Change 2020-2021	2021	2020	2019	% Change 2020-2021	Q4 - 2021	Q4 - 2020	Q4 - 2019
NOI	7.6%	349.2	324.4	341.9	24.1%	94.9	76.5	89.0
NOI same property	4.9%	340.1	324.3	-	19.5%	91.4	76.5	-
Adjusted FFO	9.6%	254.1	231.8	249.9	31.2%	70.6	53.8	64.5
Adjusted FFO per share (NIS)	9.3%	1.41	1.30	1.40	30.7%	0.39	0.30	0.36

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

FINANCIAL DATA

NOI

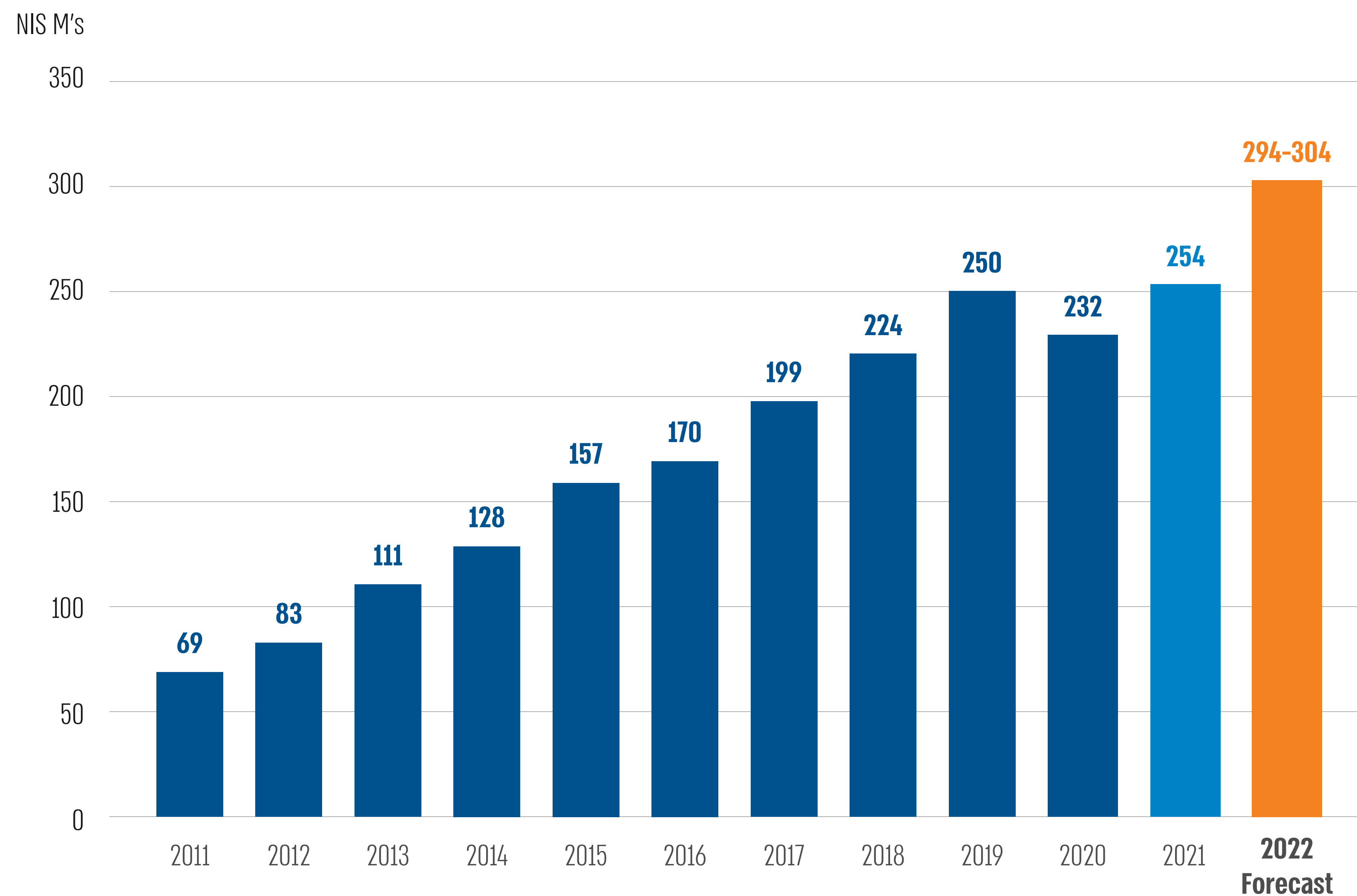
- NOI - Net Operating Income - is the industry's accepted profitability measurement for the leasing and operation of properties (revenues from properties minus their operating expenses).
- Based on expanded consolidated statements.



FINANCIAL DATA

Adjusted FFO

- 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 CPI linkage expenses accrued on loans.



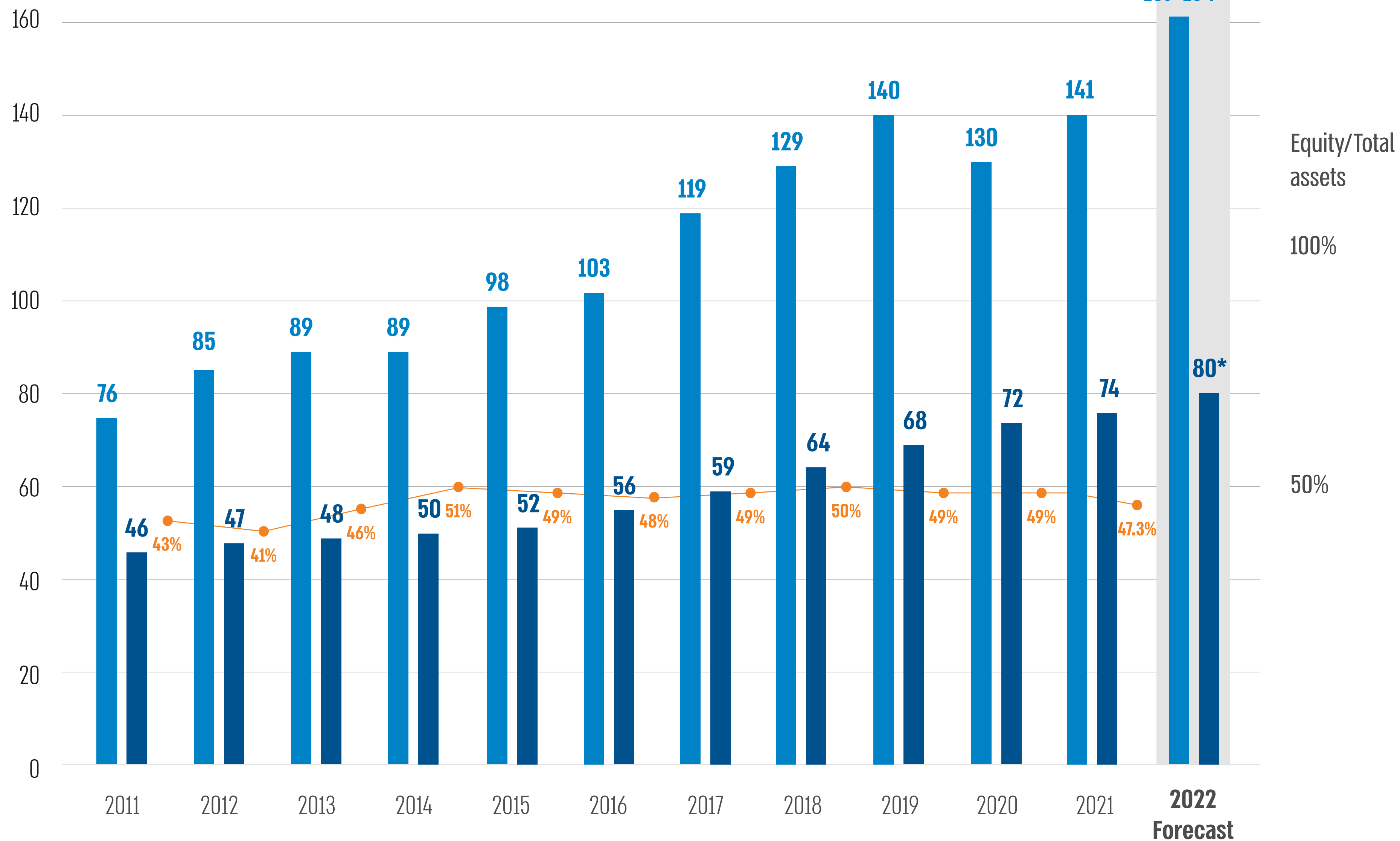
FINANCIAL DATA

Per Share*

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

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

Agorot per share
[NIS 0.01]



FINANCIAL STRENGTH

Equity to total assets **47.3%** (IFRS)

Net financial debt to Cap **49.6%** (Solo)

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

As of 31.12.2021 - **1.66%** linked to the Israeli CPI.

Average weighted **Duration** of **5.1** years

Current cost of debt as of Report's issue date - **0.6%** linked to the Israeli CPI

(Series G bonds, duration 7.2 as of 10.3.2022)

All assets

Free of pledges (total NIS **6.4 billion**)*

Cash and cash equivalents

NIS **200 million** as of report's issue date (Solo)

Signed **credit facilities**

NIS **275 million** non utilized as of Report's issue date (Solo)

Credit rating

- From July 2017 to date: ilAA/Stable
- July 2014: ilAA-/Stable
- June 2010: ilA+/Stable
- May 2007: ilA/Stable

* Except for 12% of assets which are jointly owned.
- Based on expanded consolidated statements unless otherwise stated.

WELL-BALANCED DEBT MATURITY PROFILE

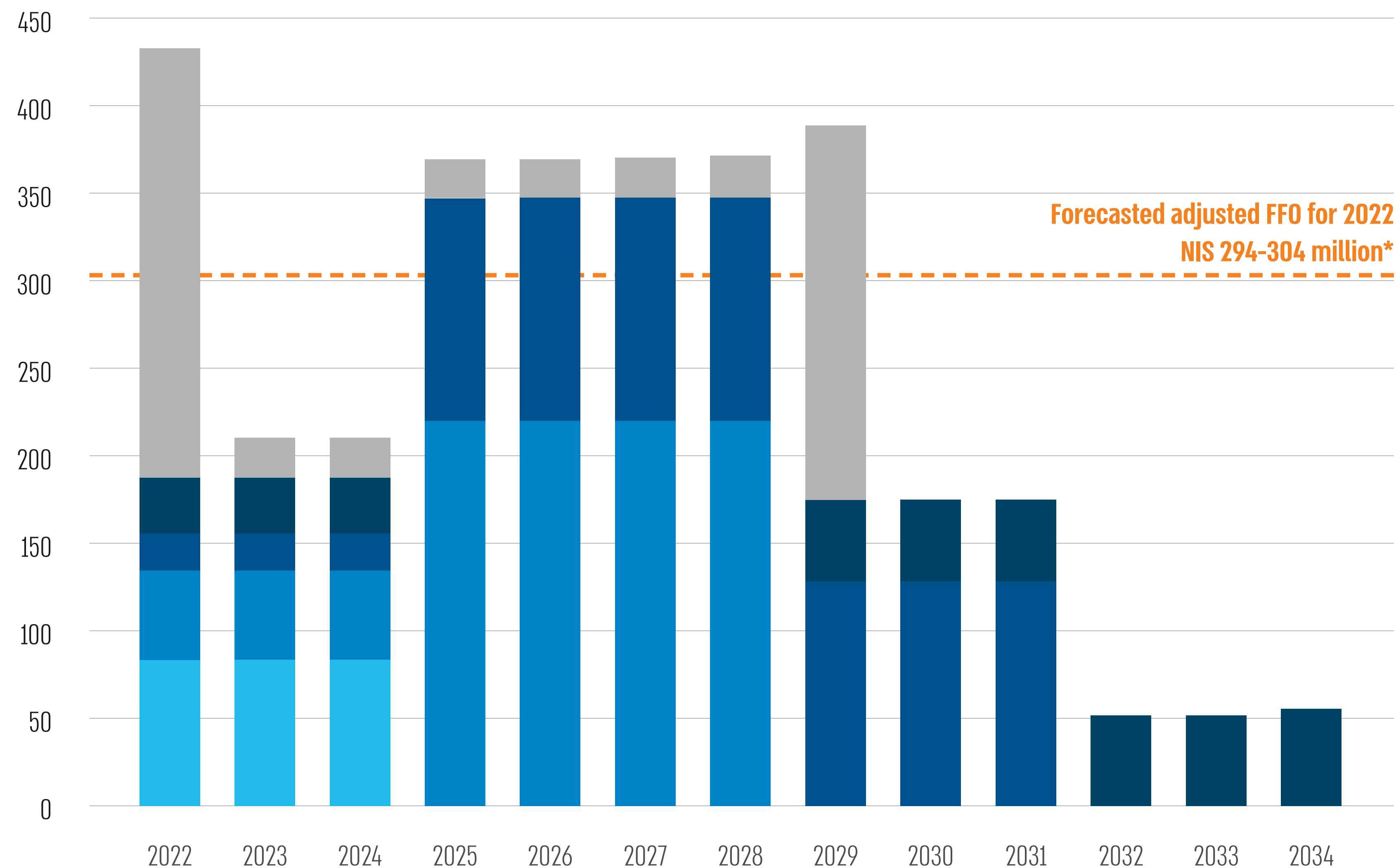
■ Series D bonds
■ Series E bonds
■ Series F bonds
■ Series G bonds
■ Associates debt**

* Before dividend distribution required by law. Includes current annual amortization of bond premium.

** Amount is calculated based on the Company's percentage ownership interest in associates.

- Based on expanded consolidated statements unless otherwise stated.

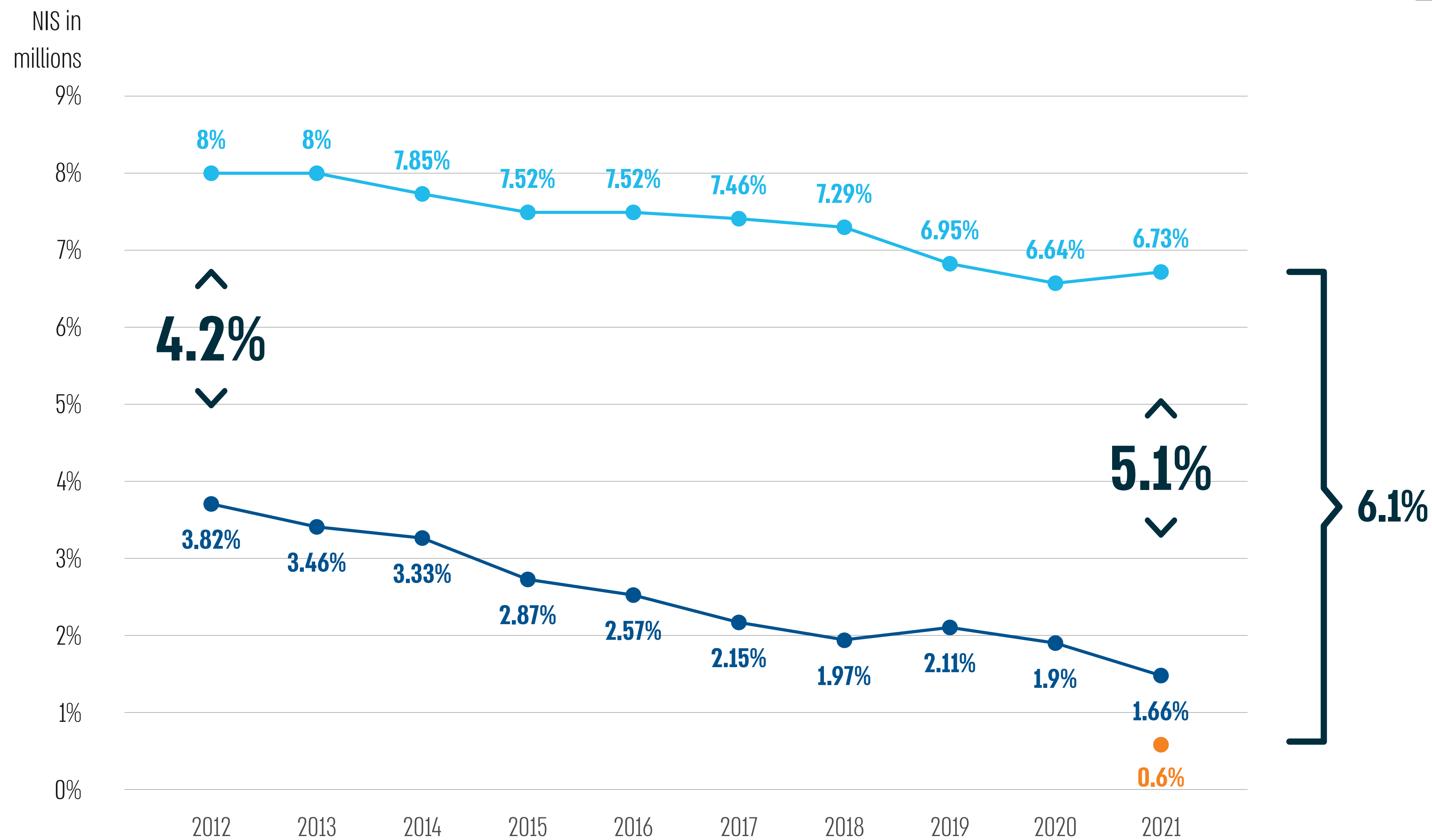
NIS in millions



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 10.3.22 (Series G bonds average duration 7.2)

- Based on expanded consolidated statements.



THANK YOU

