



AZRIELIGROUP

AZRIELI GROUP

Conference Call Presentation

Financial Statements March 31, 2020



AG

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- › The terms "FFO attributed to the Real Estate Business" and "weighted average cap rate" relate to the Group's income-producing real estate business only. Anyone reading the presentation must read such figures in conjunction with the Board's explanations in the Board of Directors' report as of March 31, 2020, Sections 2.6 and 2.7, including the methods of calculation and the underlying assumptions thereof.
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- › All numbers and figures are approximate.

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- › The following English translation of Azrieli Group's presentation for the conference call of June 1st, 2020 (the "**Presentation**") is provided for convenience. Please note that this document should not be regarded as a substitute for reading the full original Hebrew version of the Presentation. This translation was neither prepared nor checked by the Company. Accordingly, the Company does not warrant that the translation fully, correctly or accurately reflects the Presentation and its contents.
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Azrieli Group // Business Card



Traded on the capital market since 2010, **the 7th largest company⁽¹⁾** on the Tel Aviv Stock Exchange

Market cap of **NIS 22.3 billion⁽¹⁾**

Listed in all leading **indices**: TA-35, TA-125, TA-Real Estate

The company's share is included in the **EPRA** Index

The Company owns income-producing properties with a total leasable area of **1,219,000 m²**, **11 additional projects under construction**, and **6 projects under renovation and extension**

Average **occupancy rate** in Israel of **99%⁽²⁾**

90% of the value of investment and under-construction income-producing properties (on a consolidated basis) attributed to real estate in Israel

Rating: AA+ (Ma'alot S&P); **Aa1** (Midroog Moody's)

Leverage ratio of only **26%**, and equity to assets ratio of **53%**



(1) As of May 30, 2020

(2) Excluding completed properties in the first stages of occupancy.

Income-Producing Properties Map



Malls and Retail Centers

Ayalon Mall	Jerusalem Mall	Holon Mall	Akko Mall
Hod Hasharon Mall	Modi'in Mall	Ramla Mall	Kiryat Ata Mall
Herzliya Outlet	Azrieli Mall	Azrieli Ra'anana	Or Yehuda Outlet
Givatayim Mall	Azrieli Holon Center	Haifa Mall	HaNegev Mall
Sarona Mall	Rishonim Mall		

Offices and Others in Israel

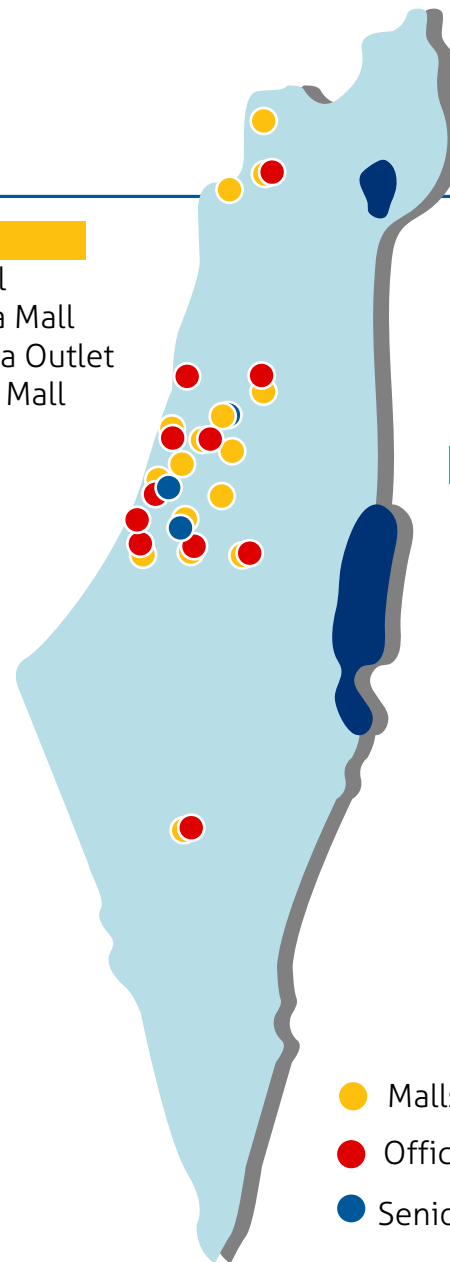
Azrieli Towers	Modi'in	Givatayim
Azrieli Sarona	Modi'in Residences	Kiryat Ata
Azrieli Holon Center	Petach Tikva	Hanegev
Caesarea	Jerusalem	Rishonim
Herzliya	TOWN building E	

Senior Homes

- Palace Tel Aviv
- Palace Ra'anana
- Palace Modi'in

Overseas

- Galleria Plaza
- 8 West
- 3 Riverway
- 1 Riverway
- Aspen II
- San Clemente
- Leeds



- Malls
- Offices
- Senior Homes

18 Malls and Retail Centers 349,100 m²

14 Office properties 547,500 m²

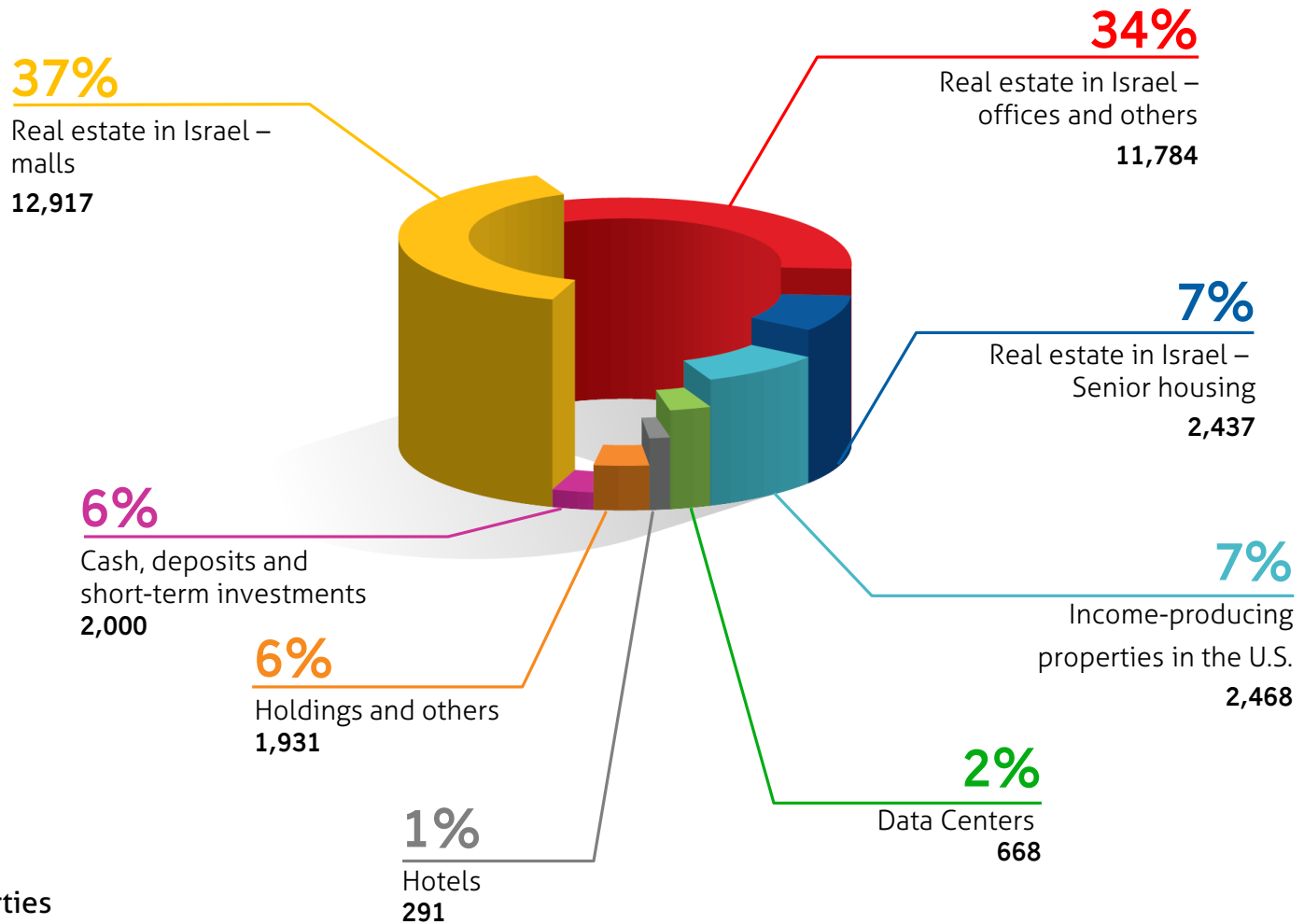
3 Senior Homes 76,000 m² 794 residential units

8 Office properties overseas 246,400 m²

Total 1,219,000 m² (1)

(1) As of March 31, 2020.

Azrieli Group // Breakdown of Properties⁽¹⁾



% of Total Properties
Book Value (NIS in millions)

(1) Consolidated, as of March 31, 2020. For details regarding the Company's structure, see Section 1.2.1 of Chapter A of the Annual Report.

Highlights for Q1/2020⁽¹⁾

Financial Highlights

- > NOI totaled **NIS 410 million**, up 3% compared with Q1/2019.
- > Same Property NOI – a 1% increase in the quarter.
- > FFO totaled **NIS 305 million**, compared with NIS 345 million in Q1/2019. **Excluding Senior Housing, FFO totaled NIS 293 million**, compared with NIS 294 million in Q1/2019.

Continued Momentum of Development, Betterment and Acquisitions

- > Over the course of Q1/2020, **the Group invested NIS 230 million** in investment properties, redevelopment of existing properties, and development of new properties.
- > In 2019, **the Group invested NIS 1 billion** in investment properties, the redevelopment of existing properties, and the development of new properties.

Investment in Compass Data Centers

- > As of the report release date, the Group holds approx. 21%⁽²⁾ of the stock of Compass, a U.S. company operating in the data centers industry in North America, after an investment of approx. \$164 million.

Closing of the Sale of GES

- > In May 2020, the Group closed the sale of GES for NIS 105 million.



(1) Some of the highlights present data and events after the report release date.

(2) The Company has an option to increase its holdings up to 33% according to current value against future investments in development.

Disposal of Granite and its subsidiaries and Leumi Card



Sold for an aggregate amount of NIS 2 billion⁽¹⁾

Sold for
NIS 600 million⁽²⁾

Aggregate Profit of NIS 1.2 Billion

(1) Including dividends received during the period.

(2) Including compensation received for a settlement agreement, and dividends received during the period.



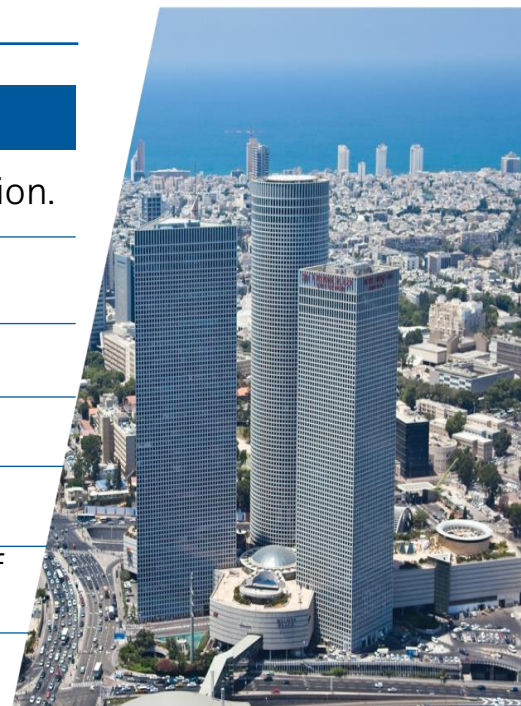
Development During and After the Quarter

Business

Diversification	Diversification over several real estate sectors
Tenant diversity	Very broad (approx. 2,800 tenants)
Portfolio	High-quality properties in prime locations
Occupancy rate	Close to 100% in all operating segments in Israel
Contracts	Long term, 3-5-10 years

Financial

Cash and cash equivalents ⁽²⁾	NIS 2 billion. Including Bank Leumi shares NIS 2.9 billion.
FFO	Strong cash flow
Low leverage	26% net debt to assets and 53% ⁽²⁾ equity to assets
Unencumbered assets	NIS 24 billion
Debt	Long duration and balanced payment schedule
Financing	Average interest rate of 1.6% and average duration of 5.4 years



(1) As of March 31, 2020.

(2) NIS 3.15 billion as of the report release date; NIS 4 billion including Bank Leumi shares.

(3) Including deferred taxes – 62%.

Malls and Retail Centers

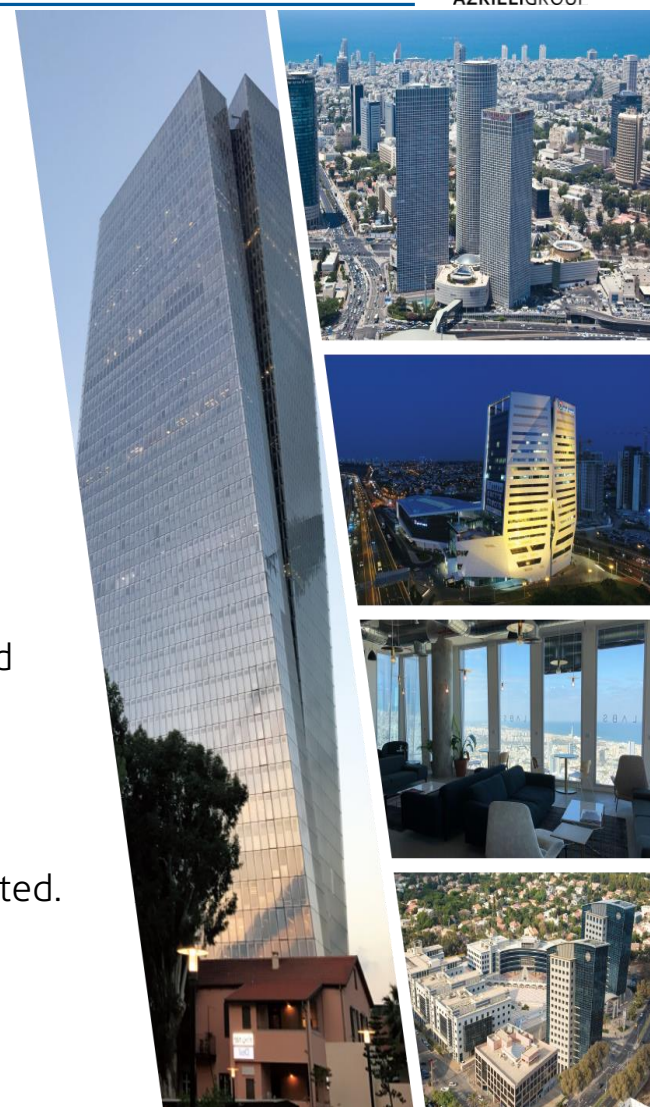


- > From March 15 until May 7, the malls were closed according to the Government's instructions, with the exception of essential businesses representing approx. 10% of the rent in this segment.
- > The malls reopened under operating restrictions on May 7. Most of the businesses have resumed operations. As of the report release date, approx. 99% of businesses in malls that were permitted to resume operations have been opened.
- > The company set up a NIS 200 million benefits plan for tenants in the malls for the period from closure of the malls until June 30, 2020.
- > The company also set up a an approx. NIS 100 million financial aid fund for tenants.

Offices and others



- > As of the report release date, the impact on the segment has been limited. No rent decrease.
- > rescheduling of rent payment from quarterly to monthly
- > High collection rates of 95% from the tenants as of April 2020.



Azrieli Group // COVID-19 Effects



Senior Housing



- > High occupancy rates maintained in existing homes, significant preventive measures were taken before the release of the government directives.
- > Palace Lehavim opened in May 2020, and tenants are starting to move in.

Azrieli E-commerce

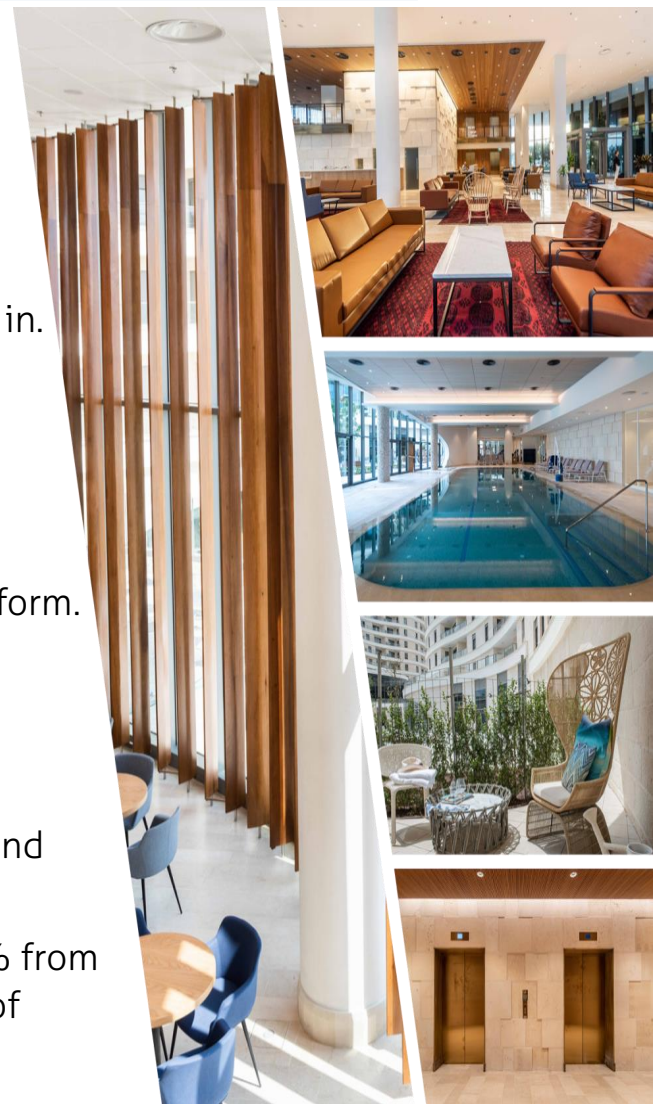


- > Significant growth in sales – growth of around 95%.
- > Growth in the number of retailers and business partners using the platform.

Assets Abroad and Data Centers



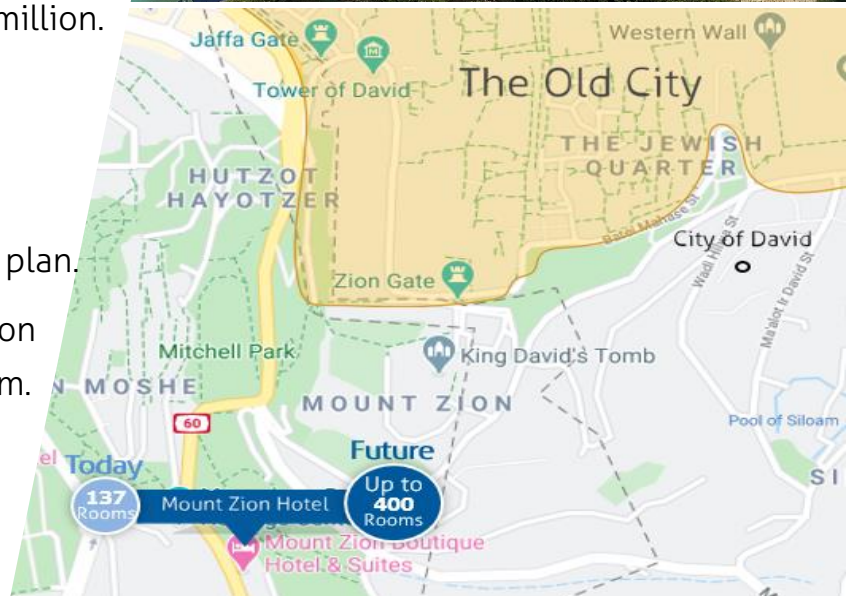
- > Positive trends in the Data Centers segment, continued development and expansion of Compass's operations.
- > Properties in Dallas (Houston and Austin) – High collection rate of 99% from the tenants as of April 2020, minimal concessions for a small number of tenants which will be repaid in the coming 12 months.



Azrieli Group // Purchase of Mount Zion Hotel, Jerusalem

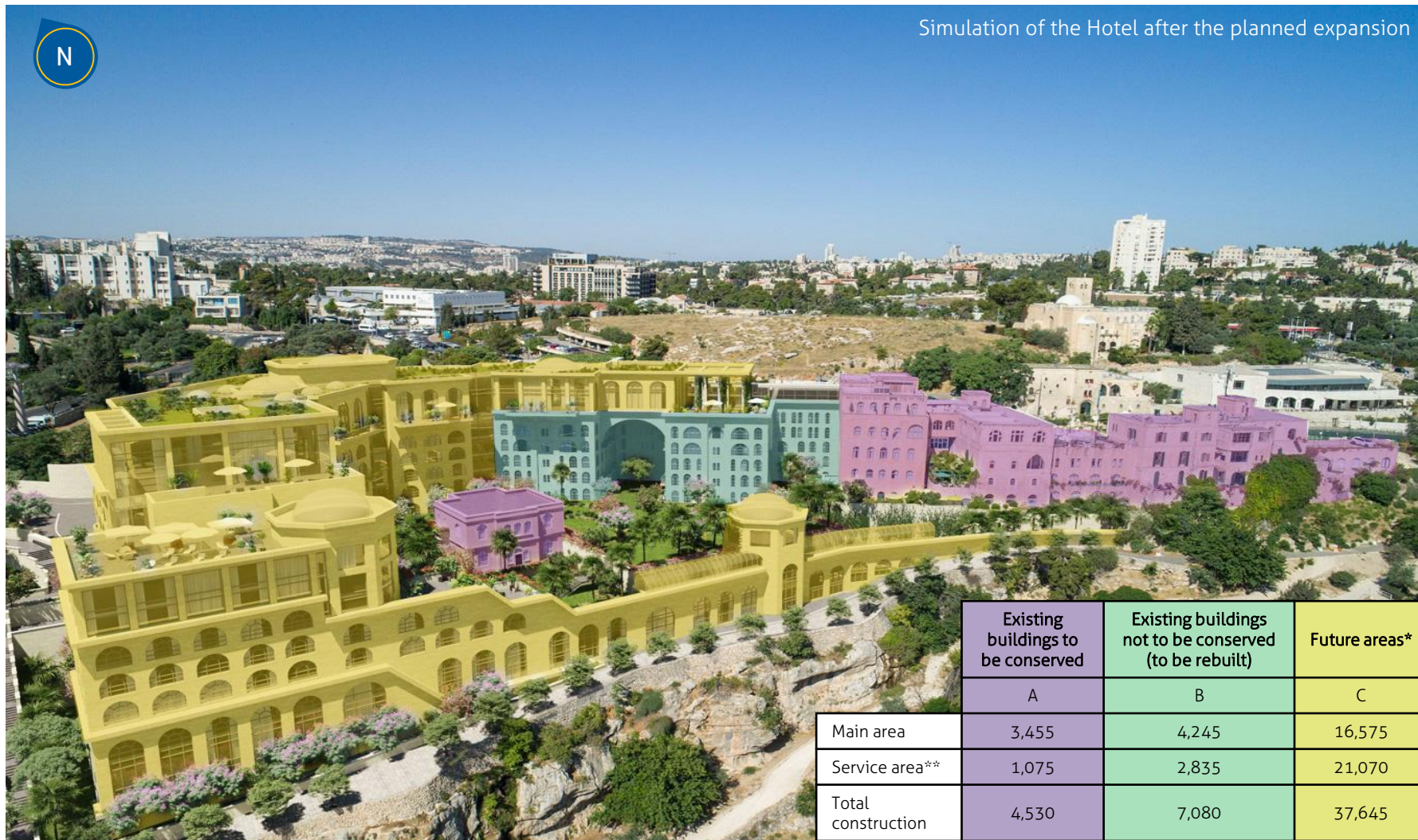


- > The acquisition was completed in February 2020.
 - > Land area: approx. 13,000 sqm.
 - > Current built-up area⁽¹⁾: 11,600 sqm.
 - > Approved zoning plan: an addition of approx. 22,400 sqm aboveground and 15,200 sqm of underground parking.
 - > Acquisition cost: NIS 275 million.
 - > Expected expansion and renovation cost: approx. NIS 500-600 million.
-
- > The Group intends to renovate (from B rating to A+ rating) and expand the hotel in accordance with the lot's applicable zoning plan.
 - > Additional uses: parking, restaurants, a spa, a health club, function and reception halls, a swimming pool, and the Cable Car Museum.



(1) Prior to the renovation and expansion.

Azrieli Group // Purchase of Mount Zion Hotel, Jerusalem



Simulation of the Hotel after the planned expansion

	Existing buildings to be conserved	Existing buildings not to be conserved (to be rebuilt)	Future areas*
	A	B	C
Main area	3,455	4,245	16,575
Service area**	1,075	2,835	21,070
Total construction	4,530	7,080	37,645

* Including additional construction also in the existing buildings

** Including 15,225 sqm for underground parking



Real Estate Segments

Azrieli Group // Malls and Retail Centers



NOI in Q1/2020 – **NIS 205 million**, compared with NIS 206 million in Q1/2019.

GLA – **349,100 m²** ⁽¹⁾

Average occupancy rate – **98%**

Book value – **NIS 12.9 billion**

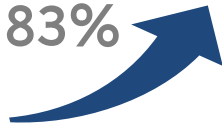
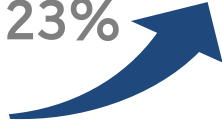
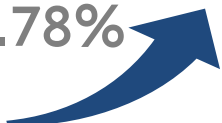
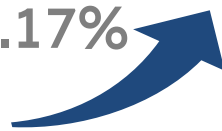
Innovation and Upgrade

- > Azrieli E-Commerce
- > Azrieli Gift Card
- > Azrieli App
- > Betterment and upgrade of malls and retail centers



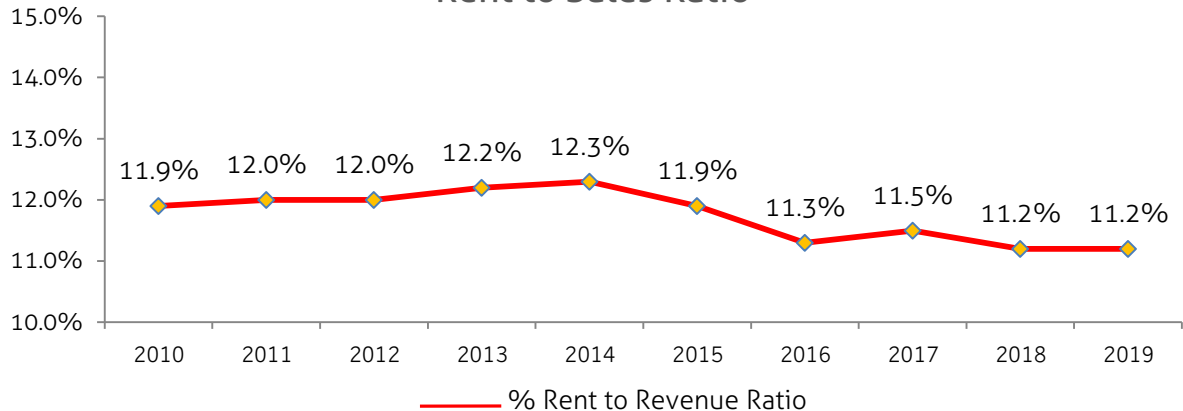
(1) GLA (gross leasable area) is based on the Company's share as of March 31, 2020.

Azrieli Malls Group // Store revenues and Rent to Sales Ratio

	2019 Vs. 2018	1-2 / 2020 ⁽¹⁾ Vs. 1-2 / 2019 ⁽¹⁾
Total Increase in Revenues of Azrieli Group Mall Stores	+ 1.83% 	+ 3.23% 
Total Increase in Revenues of Azrieli Group Mall Stores Same properties	+ 1.78% 	+ 3.17% 



Rent to Sales Ratio



(1) The revenue figures are presented for January-February 2020, in order to neutralize the effect of closure of the malls in March 2020.

Azrieli Group // Office and Other Space (Israel)

NOI in Q1/2020 – NIS 153 million, compared with NIS 144 million in Q1/2019.

GLA of 547,500 m² ⁽¹⁾

Average occupancy rate – 99%

Book value – NIS 11.8 billion

Innovation and Upgrading

- > Community
- > Technology
- > Betterment and upgrading of the office towers



(1) GLA (gross leasable area) is based on the Company's share as of March 31, 2020.

Palace Senior Housing Chain

Operating Homes

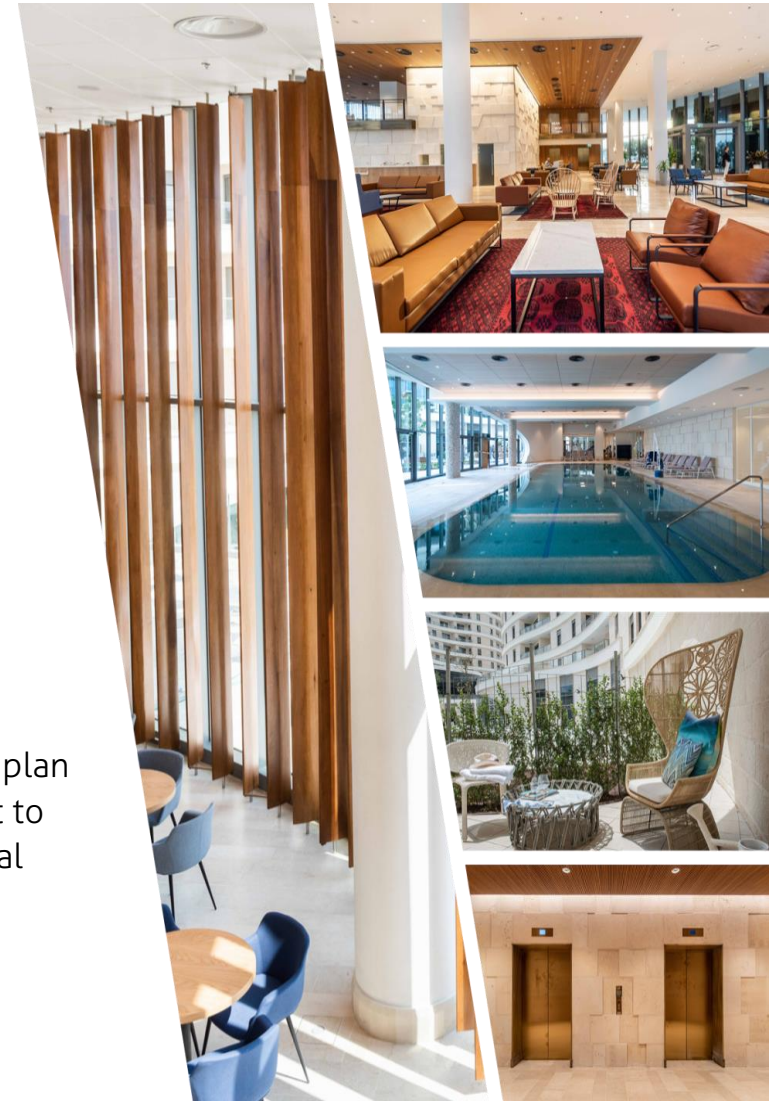
- Palace Tel Aviv:** 231 residential units + 4 LTC units
- Palace Ra'anana:** 324 residential units + 2 LTC units
- Palace Modi'in:** 239 residential units + 136 LTC beds

Homes under Development

- Palace Lehavim:** 350 residential units + 72 LTC beds
- Palace Rishon Lezion:** 275 residential units + 1 LTC unit + 3,000 m² retail space

Developments

- > With respect to the Azrieli Jerusalem Mall, the Group is promoting a plan for the development a new senior home which will be built adjacent to the mall, on a gross area of approx. 40,000 sqm (up to 300 residential units and 4 LTC units).





Development Pipeline

Azrieli Group // Development Pipeline



Expansion of Azrieli Mall and the Spiral Tower, Tel Aviv
150,000 m² (1)(3)



Azrieli Town E Building
 Tel Aviv Center
21,000 m² (4)



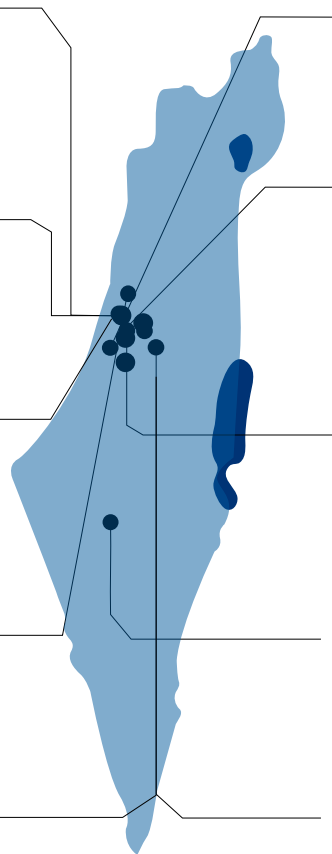
Azrieli Town, Tel Aviv
75,000 m² (1)(5)



Land for Development
 Petach Tikva
53,000 m² (2)



Lot 10
 Modi'in
37,000 m²



Palace Rishon Lezion
 Senior Home
37,300 m² (1)(3)



Holon 3 Project
 (formerly Lodzia)
250,000 m²



Holon HaManor project
28,000 m²



Palace Lehavim
 Senior Home
44,000 m² (1)















Lot 21
 Modi'in
20,000 m² (1)(2)



(1) The figure is the scope of building rights in sqm | (2) The Company is working to increase the building rights to approx. 250,000 sqm in Petach Tikva and to approx. 28,000 sqm in Modi'in. | (3) A plan was published and validated. | (4) Rights for additional construction purchased in May 2018 in the context of acquisition of the income-producing property Mivney Gazit. | (5) The Company is working to increase the building rights in the project to approx. 99,000 sqm.

Development Projects // The Growth Engine

Name of Property	Location	Use	GLA ⁽²⁾	Estimated Completion Date	Estimated Construction Cost, including Land (NIS in millions) ⁽¹⁾
Short-term construction projects					
Palace senior housing	Lehavim		Stage A - 32,000	Stage A – Completed ⁽³⁾	400-410
			Stage B - 12,000	Stage B - TBD	
Azrieli Town ⁽⁴⁾	Tel Aviv		Offices 50,000	Q4/2020	1,080-1,130
			Retail 4,000	2022	
			Residence 21,000 (210 Residential Units)		
Holon HaManor	Holon		28,000	Q3/2020	220-240
Azrieli Akko Mall	Akko		8,000	2020	70-75
Total			155,000		1,770-1,855
Medium-term construction projects					
Modi'in, Lot 21	Modi'in		20,000 ⁽⁶⁾	2023	340-370
Palace Rishon Lezion	Rishon Lezion		37,300 ⁽⁵⁾	2024	490-510
Expansion of Azrieli Mall and Spiral Tower	Tel Aviv		150,000 ⁽⁵⁾	2025	2,300-2,500
Total			207,300		3,130-3,380
Total			362,300		4,900-5,235
Development projects in the planning phase					
Holon 3 (formerly Lodzia)	Holon		250,000 ⁽⁷⁾	TBD	TBD
Petach Tikva land	Petach Tikva		53,000 ⁽⁶⁾	TBD	TBD
Azrieli TOWN Building E	Tel Aviv		21,000 ⁽⁸⁾	TBD	TBD
Modi'in, Lot 10	Modi'in		37,000	TBD	TBD
Mount Zion Hotel	Jerusalem		34,000	TBD	TBD
Total			395,000		Projects whose construction cost is yet to be determined
Total			757,300		

(1) Cost without capitalizations and without tenant adjustments | (2) Senior housing and/or residential rights are stated in sqm | (3) Occupancy permit for medical and retail spaces (5,000 sqm) is scheduled for Q3 2020. (4) The Company is promoting an increase of rights for the addition of office and hospitality areas totaling approx. 24,000 sqm (gross). | (5) A plan was published and validated. | (6) The Company is working to increase the building rights to approx. 250,000 sqm in Petach Tikva and to approx. 28,000 sqm in Modi'in | (7) GLA increased due to consolidation of plots of land. | (8) Additional building rights which were purchased in May 2018 in the context of the purchase of the income-producing property Mivney Gazit.

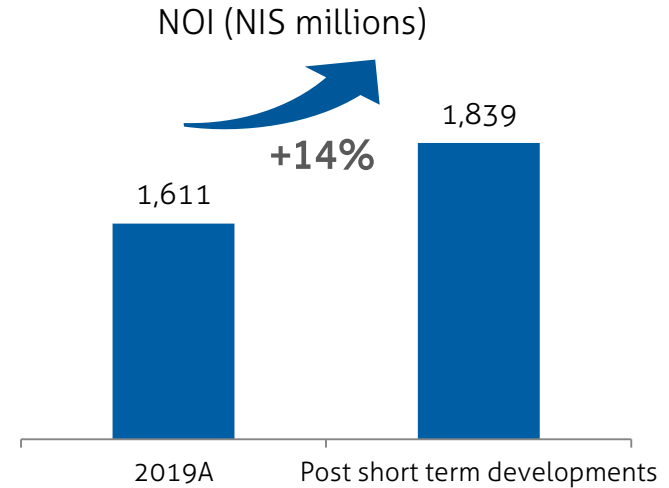
Development Projects // Expected Contribution* to NOI and FFO

Actual NOI in 2019 1,611

> Additional NOI from development projects⁽¹⁾ 142

> Annualized additional NOI from existing properties⁽²⁾ 86

Projected NOI after lease-up of short-term projects under development 1,839



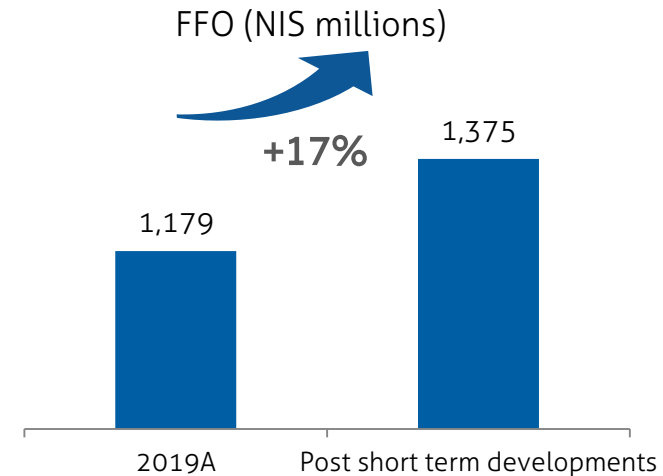
Actual FFO in 2019 1,313

> Excl. first-time deposits from Palace Modi'in senior home (134)

Actual FFO in 2019 excl. first time deposits from Palace Modi'in 1,179

> Additional FFO from cash flow 196

Projected FFO after lease-up of short-term projects under development 1,375



* The calculations are not forecasts, and the basic assumption is that upon completion, the NOI will be as it was in the base point.

The main assumptions in the calculations are: full lease-up of the projects under development, NOI and FFO of senior housing in steady state (excluding first time occupation), a tax rate of 23%.

(1) NOI from projects under development includes Azrieli TOWN, Palace Modi'in, Palace Lehavim, Holon HaManor, NIS 22 million from leasing of residential units in TOWN project and Akko offices and excludes expansion of Azrieli Center Tel Aviv, Holon 3 project (Lodzia), Rishonim senior housing land and land in Petach Tikva, Modi'in Lots 21 and 10

(2) Annualized additional NOI from existing properties includes Azrieli Sarona offices and retail, Azrieli Holon Center and Azrieli Rishonim, Azrieli TOWN building E acquired in May 2018, Data Centers activity acquired in July 2019 and Palace Modi'in opened in October 2018.

Azrieli Group // The CBD of Tel-Aviv



Development Projects // Expansion of Azrieli Mall and the Spiral Tower, Tel Aviv

Land area – **8,400 m²**

GLA – **150,000 m²**
including 13,000 m² of retail space
for expansion of the Azrieli Tel Aviv Mall

Cost of land – **NIS 374 million**

Estimated construction cost, including land –
NIS 2.3-2.5 billion

Uses –    

Estimated date of completion – **2025**

Progress Update

The Group is carrying out excavation and shoring work on the site.

In January 2020, a discussion was held in the local committee, and the committee decided to grant conditional approval for the design plan. The Company is working to receive final approval of the design plan.



Development Projects // Azrieli Town

Land area - **10,000 m²**

GLA ⁽¹⁾ - **50,000 m²** of offices
4,000 m² of retail space
21,000 m² residential (**210 units**)

Estimated construction cost, including land -
NIS 1,080-1,130 million

Estimated date of completion – Offices – **Q4 2020**
Residences and Retail – **2022**

Use –   
RENT

Progress Update

The Group is carrying out finishing work on the office tower, and structural work on the residential tower. The Group is working to increase the building rights for the addition of office and hospitality areas totaling approx. 24,000 m² (gross).

Marketing

To date, lease contracts have been signed for ~100% of the office space, including with a leading technology company, law firm Fischer Behar Chen, accounting firm PwC, and WeWork.
The projected annual NOI from the office building is NIS 67 million, and the construction cost (land and development including TI) is NIS 677 million.



(1) Figures refer to the current zoning plan.

Development Projects // Palace Lehavim Senior Home

Land area – **28,000 m²**, in the southern part of the town of Lehavim, not far from the train station

Building rights

Phase A - **32,000 m²**

Phase B - **12,000 m²**

350 Residential Units + 72 LTC Beds

Use –  

Estimated construction cost, including land – **NIS 400-410 million**

Estimated date of completion – **Phase A – Completed⁽¹⁾**
Phase B – TBD

Progress Update

Phase A completed and occupancy permit received in May 2020.

Marketing

As of the Report Release Date – **116 preliminary applications** (for 48% of Phase A) have been signed, of which 105 have led to signed contracts, and **18 units have been occupied**.



Illustration

(1) Retail and LTC will be completed in Q3 2020.

Development Projects //

Azrieli Holon Center – Looking to the Future




Development Projects // Azrieli Holon HaManor

Land area – 6,200 m²

GLA – Office space: **28,000 m²**

Estimated completion date – **Q3 2020**

Use – 

The land is adjacent to the Holon 3 project land (formerly Lodzia) and close to the **Azrieli Holon Center**.



Progress Update

The Group is carrying out finishing work on the site.







Marketing

The Group has leased 100% of the office space in the project, to Bezeq (20,000 sqm plus approx. 900 parking spaces, of which 600 parking spaces are in the Azrieli Holon 3 project) and to a technology company (8,000 sqm plus approx. 160-210 parking spaces, of which 50 parking spaces are in the Azrieli Holon 3 project).

The projected annual NOI is NIS 26 million, and the construction cost (land and construction including TI) is NIS 336 million.

Existing Properties // Expansion and Betterment

The following projects are undergoing betterment and various statutory proceedings:

Name of the Property	Location	Project in the Property	Status	Gross Area	Timeframe for completion of the statutory proceeding
Azrieli Jerusalem mall	Jerusalem	Increasing retail and office space; Construction of senior home 	Zoning plan	100,000 sqm	Medium-term
Petach Tikva land	Petach Tikva	Addition of offices 	Zoning plan	200,000 ⁽¹⁾ sqm	Long-term
Azrieli TOWN	Tel Aviv	Addition of offices 	Zoning plan	24,000 sqm	Medium-term
Azrieli Rishonim	Rishon Lezion	Addition of offices 	Zoning plan	21,000 sqm	Medium-term
Modi'in land (Lot 21)	Modi'in	Addition of offices 	Zoning plan	8,000 sqm	Medium-term
Herzliya Business Park	Herzliya	Addition of offices and retail 	Zoning plan	4,000 sqm	Medium-term
Total				357,000 sqm	

(1) Some of the building rights are attributed to an existing asset owned by the Company.

Development Projects // Expansion of Azrieli Jerusalem Mall



Expansion of the Azrieli Jerusalem Mall

The group is promoting a plan for expansion of the area of the Azrieli Jerusalem mall by approx. 100,000 sqm gross above ground.

If the zoning plan is approved, it will enlarge the retail areas by approx. 22,000 sqm and the office areas by approx. 36,000 sqm.

As part of the plan, a senior home will be built adjacent to the mall, on an area of approx. 40,000 sqm gross (up to 300 residential units).

Concurrently with the expansion of the areas of the mall, work is expected to progress on construction of the blue line of the **Jerusalem Light Rail**, in which a light rail station will be built near the mall, further improving transportation access to the area.

Progress Update

In January 2020, the local committee held a discussion on the objections. The local committee recommended to the district committee to approve the plan as submitted, subject to minor amendments, while denying all of the third-party objections. A discussion in the district committee has yet to be scheduled.



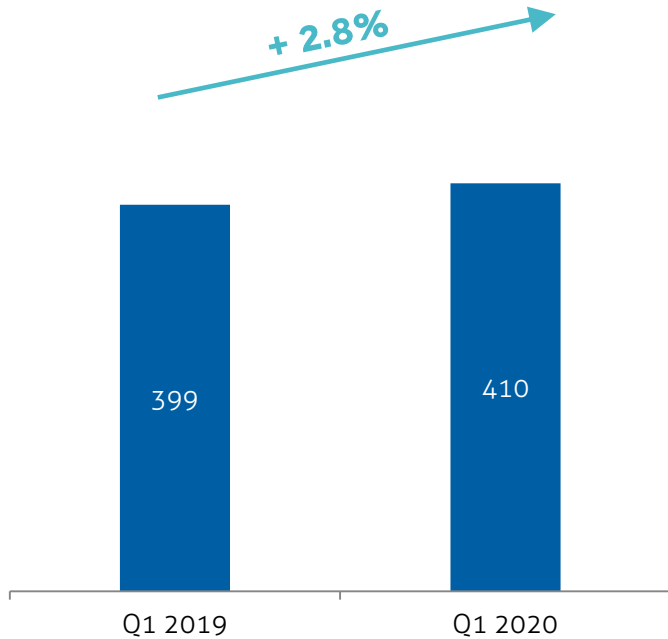


Financial Highlights

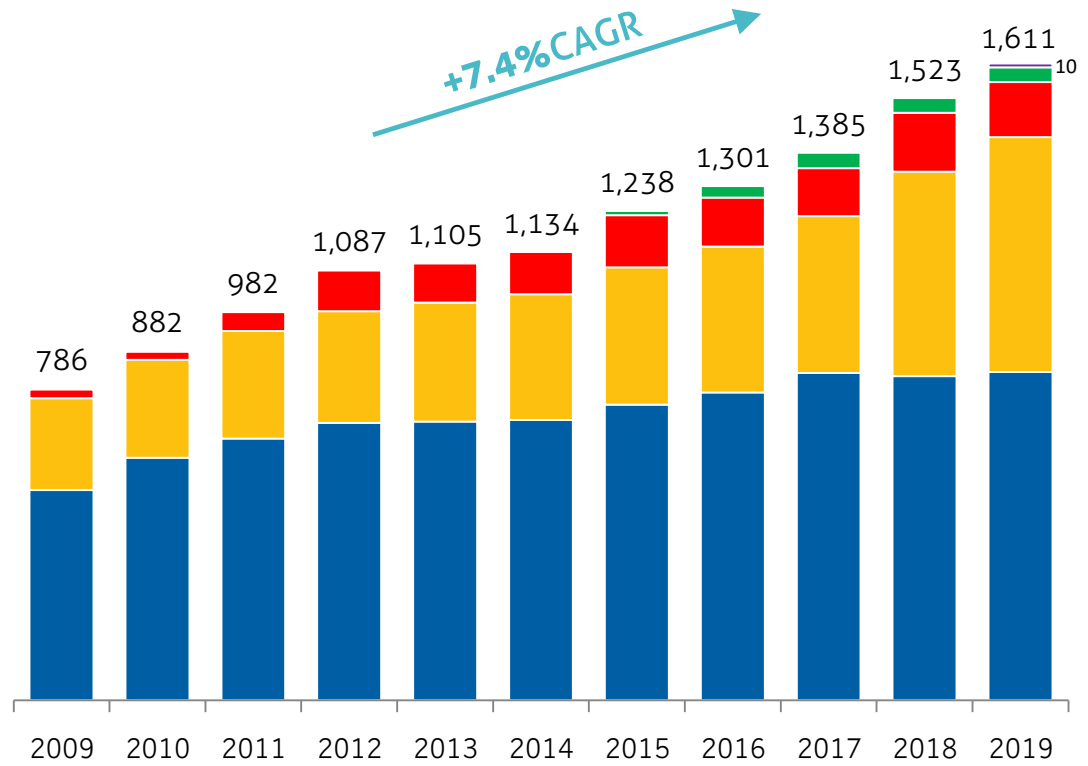
Constant NOI Growth



Quarterly NOI
(NIS in millions)



Annual NOI
(NIS in millions)

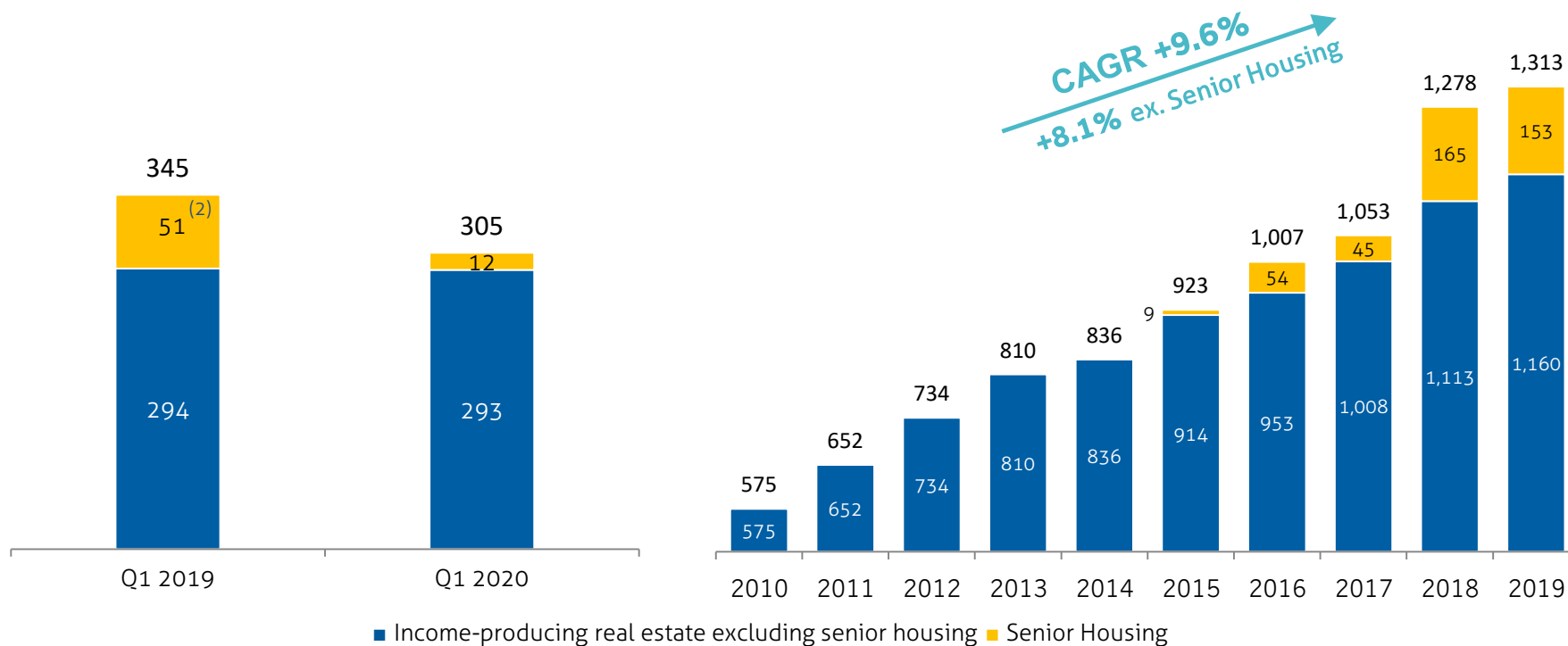


- Malls and retail spaces
- Office and other spaces
- Income-producing properties in the US
- Senior housing
- Data Centers

Constant FFO⁽¹⁾ Growth

Stability in FFO, excluding senior housing, compared with Q1-2019

FFO attributed to the Real Estate Business⁽¹⁾ (NIS in millions)

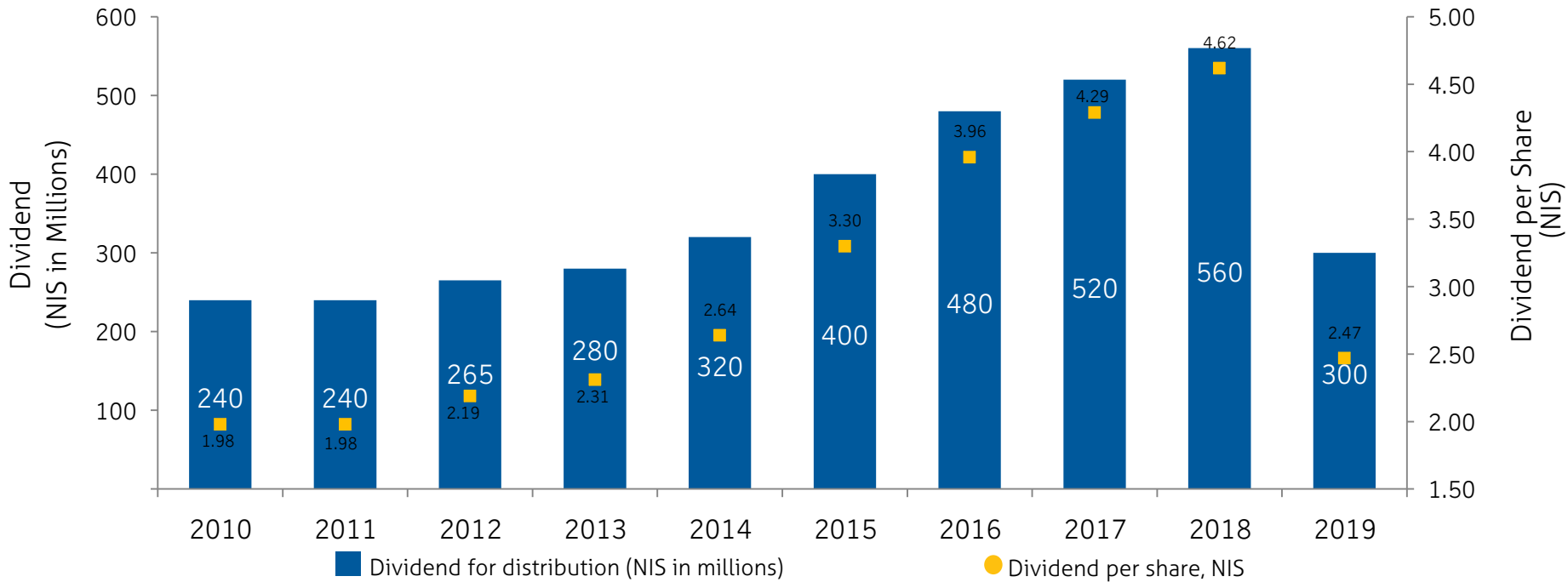


(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

(2) It is noted that in Q1/2019, a large number of new units were occupied for the first time in Palace Modi'in, which the Group inaugurated in October 2018.

Constant and Increasing Dividend Distribution

A dividend distribution of NIS 300 million for 2019. ⁽¹⁾



(1) Notwithstanding the financial soundness of the Company, for the sake of caution, including in view of the uncertainty surrounding the impact of the spread of COVID-19, the Board decided to distribute NIS 300 million only, and to re-discuss a distribution of up to NIS 300 million more during the year.

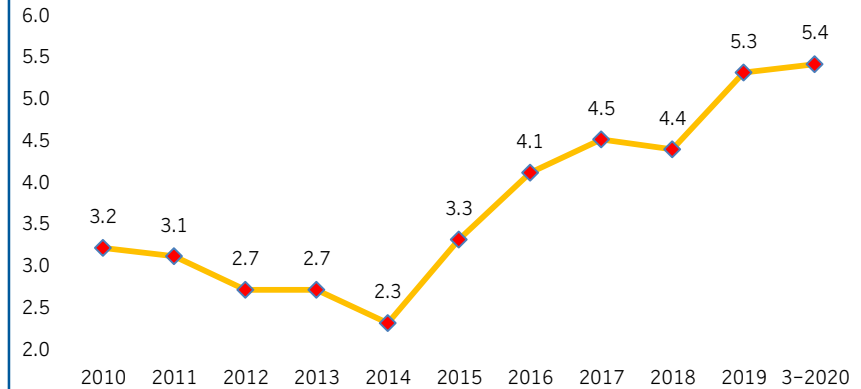


Extension of the Duration and Reduction of the Cost of Debt

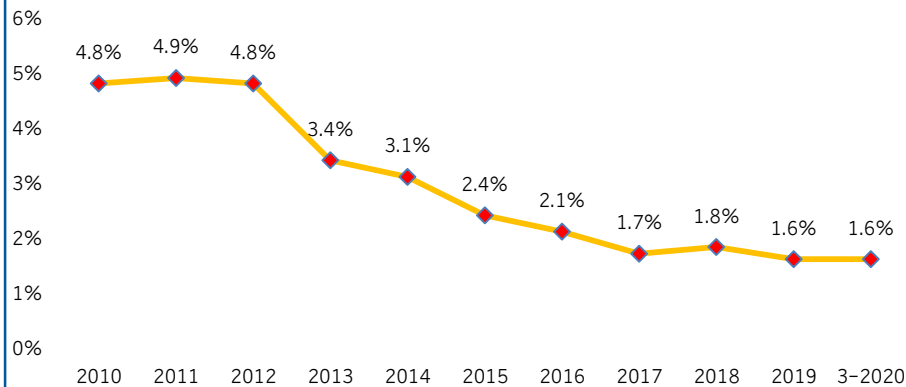
Financial Strength⁽¹⁾

- > Low leverage – net financial debt to assets ratio of **26%**
- > Equity to assets ratio of **53%**
- > Cash and cash equivalents total **NIS 2 billion**
- > Unencumbered assets total **NIS 24 billion**

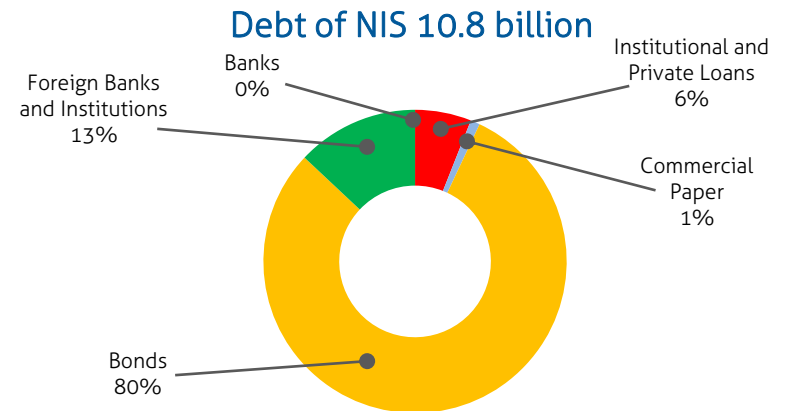
Extension of Average Duration of Debt ⁽²⁾



Average Effective Interest Rate Decrease through the Years ⁽²⁾



Debt Breakdown by Lender

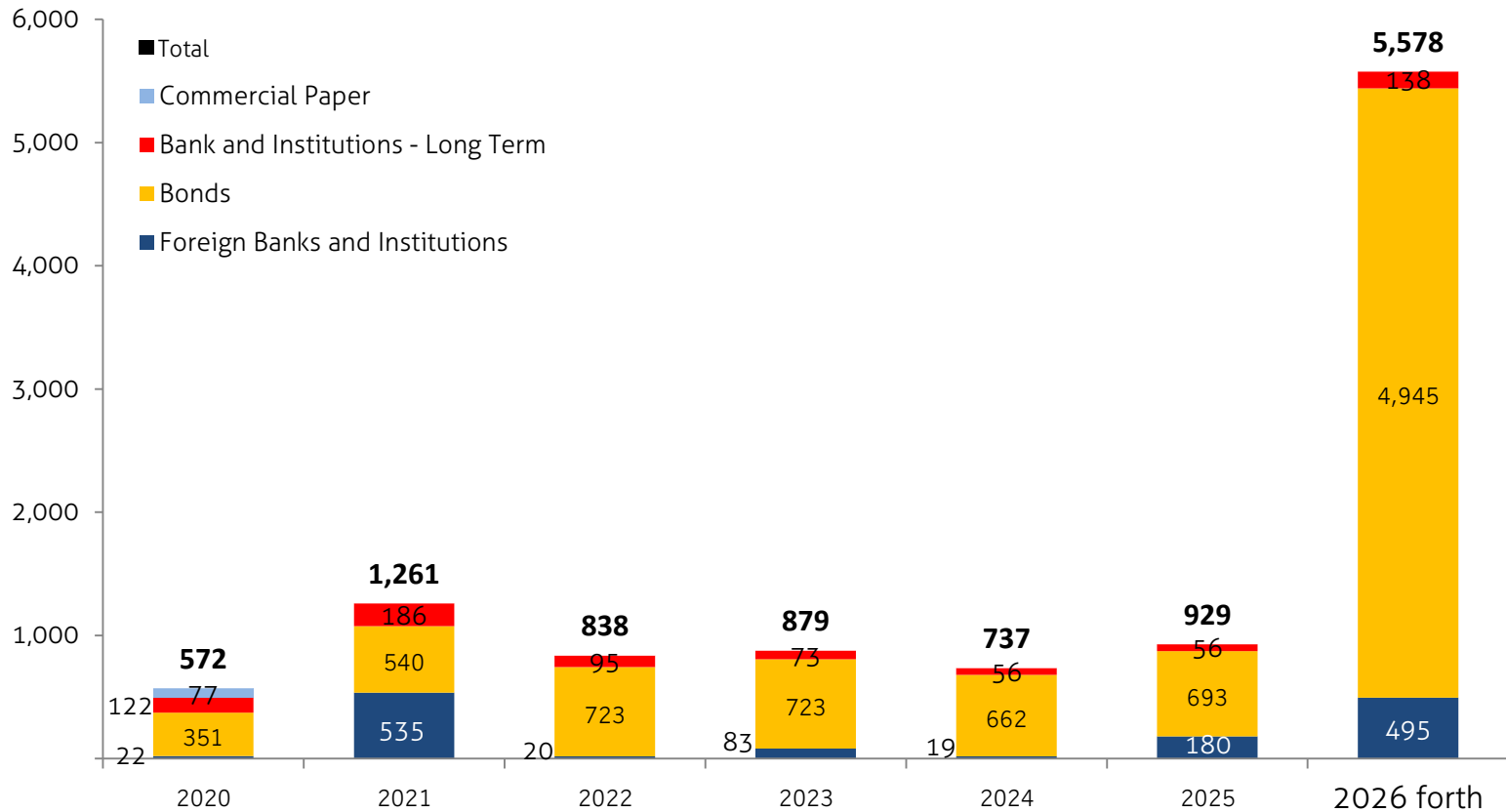


(1) As of March 31, 2020.

(2) Figures are as of the last day of the year / the reported period.

Payment Schedule (Principal Only)

Consolidated as of March 31, 2020



Summary of Financial Results (NIS in millions)

	Consolidated Q1 2020	Consolidated Q1 2019	Consolidated 2019
Revenues from rent, maintenance, management fees and sales	550	550	2,235
NOI	410	399	1,611
Same-property NOI	404	399	1,572
FFO attributed to the real estate business ⁽¹⁾	305	345	1,313
Change in the value of investment properties ⁽²⁾	(172)	(2)	694
Net profit, including minority interests	92	369	2,097
Net profit, attributable to the shareholders	93	369	2,099
Comprehensive income, attributable to the shareholders	(74)	302	2,003



(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

(2) Net, after tax.

Summary of Balance Sheet Data (NIS in millions)

	Consolidated March 31, 2020	Consolidated December 31, 2019
Cash, securities and deposits	2,000	2,861
Gross financial debt	10,794	11,419
Net financial debt ⁽¹⁾	8,794	8,558
Net financial debt to assets	26%	24%
Financial assets (mainly Bank Leumi shares)	899	1,167
Fair value of investment properties and properties under construction	29,244	29,145
Equity (excluding minority interests)	18,162	18,534
Equity to assets	53%	53%
Total assets	34,496	35,239
Equity per share (NIS)	149.8	152.8
EPRA NRV NAV per share (NIS) ⁽²⁾	179	182



(1) Excluding financial assets (Bank Leumi shares).

(2) Excluding part of the expected profit component in respect of development projects.

Average Cap Rate and FFO of the Income - Producing Real Estate Business

Weighted average cap rate - 7.06%

NIS in millions

Total investment properties, as of March 31, 2020	29,384
Net of the value attributed to land reserves, properties under construction and senior housing	(5,297)
Total income-producing properties	24,087
Actual NOI Q1/2020⁽¹⁾	393
Future quarterly NOI addition	32
Total standardized NOI Q1/2020	425
Proforma annual NOI	1,700
Weighted cap rate derived from income-producing investment properties, including vacant space	7.06%

Annual FFO ⁽²⁾ attributed to the real estate business - NIS 305 million

NIS in millions

Net Operating Income (NOI)	410
Overhead excl. management fees from Granite	(41)
Depreciation	1
EBITDA	373
Net interest expenses	(46)
Tax	(40)
Cash flow from senior housing deposits excl. depreciation	7
Excluding financial expenses attributed to development projects	11
Total FFO attributed to the income-producing real estate business	305

(1) Excluding senior housing, (the weighted cap rate of the senior housing as of the report date is 8.75%) and excluding Mout Zion Hotel and Data Centers which appears in the statements according to the method of fixed assets and investments in companies accounted for by the equity method. | (2) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report. | (3) The FFO calculation also includes cash-flow financing expenses in connection with projects under construction, calculated according to the credit costs capitalized to qualified properties and investment property under construction

Conclusion – Leadership, Innovation and Strength



Continued growth in the key parameters of the core business (NOI, FFO)

Consistent high occupancy rate



Exceptional financial soundness and strength

Significant growth engines:

- Internal growth
- Enterprise and development of new properties
- Acquisition of income-producing properties and land for future development
- New real-estate operating segments
- Innovation



Business focus in Israel

