



City

# FINANCIAL RESULTS THIRD QUARTER 2022

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NOVEMBER 2022

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# URBAN ASSET PORTFOLIO PROVIDING DAILY NEEDS AND SERVICES



Quality Assets Portfolio  
Supermarket Anchored  
Assets in Densely Populated  
Urban Areas, Not relied On  
Dominant Tenants

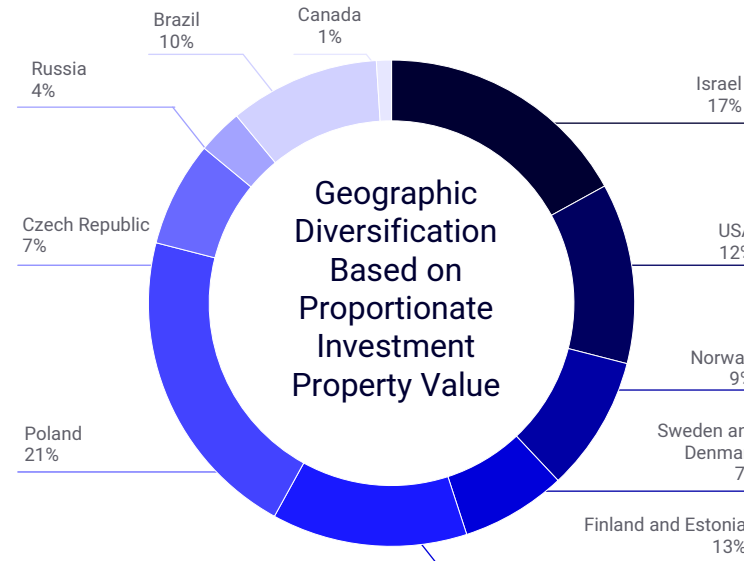
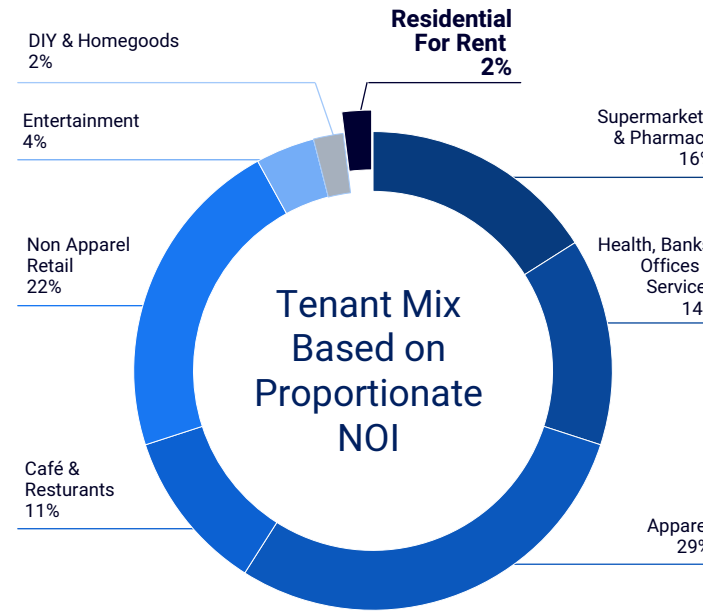


80% Of G City's Assets Are  
Located In 16 Metropolitan  
Areas

- |           |          |
|-----------|----------|
| Prague    | Tel Aviv |
| Stockholm | Boston   |
| Helsinki  | New York |
| Sau Paulo | Warsaw   |



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**7,357**  
Lease agreements  
in the group

**+13.8%**  
Increase in Same  
Store NOI this  
quarter

**36**  
NIS Billion  
value of real estate  
for investment and  
development

**106**  
# of assets as of  
September 30, 2022

**2,950**  
Residential Units  
for rent in different  
stages

**140**  
Supermarkets  
in the portfolio

# Third Quarter 2022

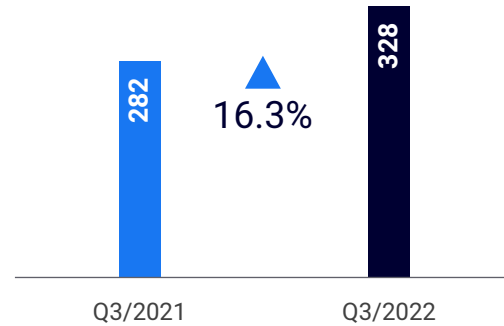
## OPERATIONAL PERFORMANCE – MAIN RESULTS



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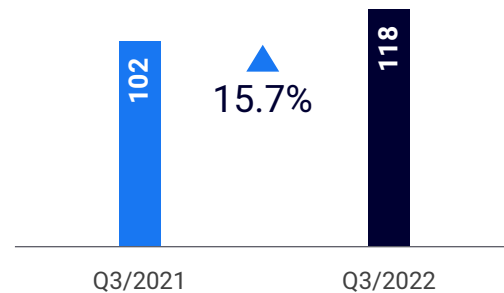
### Proportionate NOI

(Adjusted for exchange rate, NIS Millions)



### The Economic FFO This Quarter

(Adjusted for exchange rate, NIS Millions)



Above 90%

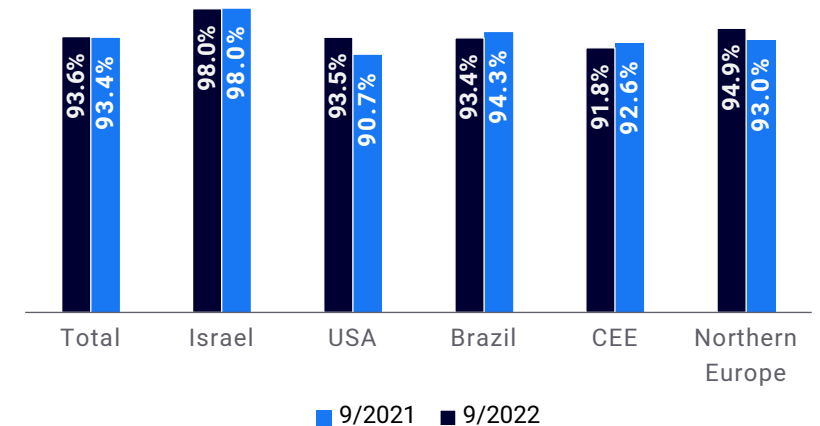
Of rental income in the group are CPI linked

Approx. 57%

Expanded solo debt is non-CPI linked\*

### Occupancy Rate

As of September 30, 2022



\*The figures are after the effect of hedging transactions and without a hybrid bond that is not CPI linked and carried a fixed interest rate.

# Third Quarter of 2022

## Key Items in Wholly Owned Companies



	Israel	North America	Brazil	CCE	Total
GLA ('000 SQM)	161	122	176	772	1,232
# of Income Producing Assets <sup>1</sup>	13	19	7	25	64
Occupancy Rate	98.0%	93.5%	93.4%	91.8%	93.0%
Changes in New Lease Agreements, Including the Exercise of Options	4.3%	<sup>2</sup> 27.0%	24.0%	<sup>3</sup> 2.0%	5.7%
Investment Property (NIS Million) <sup>1</sup>	<b>3,696</b>	<b>2,405</b>	<b>2,551</b>	<b>8,567</b>	<b>17,219</b>
Investment Property Under Development and Land (NIS Million) <sup>1</sup>	875	1,298	106	929	3,208
Uses	Commercial, Office, Residential and Services	Commercial, Office, Residential and Services	Commercial, Office & Services	Commercial, Office, Residential and Services	-

(1) Including assets in shared control.

(2) In North America, there were no renewals of commercial land and an increase of approx. 27% in residential land for rent.

(3) Central Europe does not include Russia, including Russia for the third quarter were signed new contracts in 82 thousands SQM, and in decrease of 1.9%.



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# New Lease Contracts with International Brands in the Quarter

The first Uniqlo store was opened in Poland, in Wars Sawa Junior with a GLA of approx. 2,400 square meters



A Nike store opened in a GLA of approx. 800 square meters in the water plant project next to G Kfar Saba



The first C&A store in Brazil opened in a GLA of approx. 1,470 square meters in Mais Shopping Center



# Above 90% of Rental Income are CPI Linked

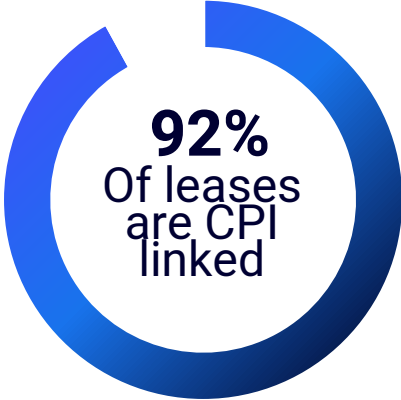


## G City Europe (Formerly Atrium)



Index updated  
every year in  
months  
January, February

## Brazil



Index  
updated  
every month

## Israel



Index  
updated  
every month

## Citycon



Index updated  
every year in  
November

\* In North America the leases are not linked to the CPI but include an annual rent increase mechanism.

# Non-Core Assets Disposition Plan

in October 2022, the company announced as part of its strategic plan for the sale of non-core properties in the amount of NIS 3.6 billion:



The Company is in the advanced stages of negotiations regarding the sale of 6 properties with for a total value of NIS 1.8 billion, similar to their book value (IFRS).



In addition to these properties, the company put up for sale three additional properties with a total value of NIS 1.8 billion.

As of the reporting date, the Company signed a binding agreement for the sale of the "Copernicus" property in Poland for approximately NIS 433 million net



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# Results and Financial Data

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Third Quarter 2022

# Third Quarter and First Nine Months of 2022

## Main Results



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	Change	7-9/22	7-9/21	Change	1-9/22	1-9/21
		NIS Millions			NIS Millions	
<b>Proportionate NOI Adjusted For Exchange Rate</b>	16%	328	282	24%	970	784
<b>Same Store NOI</b>	14%	270	237	16%	781	675
<b>FFO Adjusted For Exchange Rate</b>	16%	118	102	10%	328	298
<b>FFO per Share Adjusted For Exchange Rate</b>	6%	0.71	0.67	2%	2.00	1.97

# Financial Strength

## Key Items

As of September 30, 2022

**64.9%**

Net Debt to Total Assets  
(Expanded Solo)

**59.3%**

Net Debt to Total Assets  
(Consolidated)

**4.18**  
Years

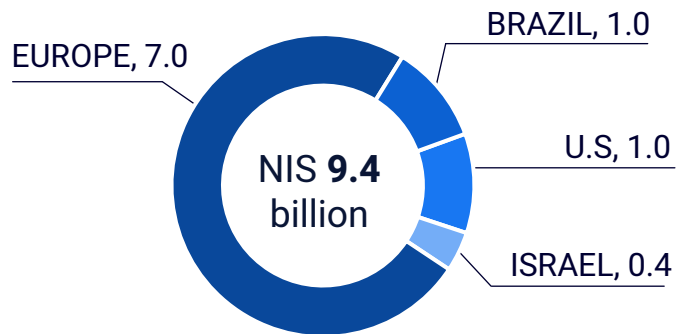
Debt Weighted Duration  
(Expanded Solo)

**3.23%**

Average Interest Rate of Debt  
(Expanded Solo)

## Financial Flexibility

Unencumbered assets in wholly owned private subsidiaries  
(NIS billions)



## Liquidity

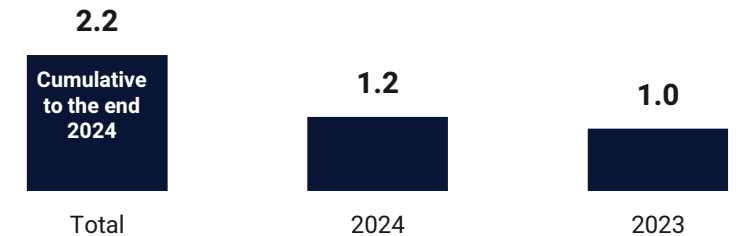
(NIS Billions, As of September 30, 2022)



Company and its wholly owned subsidiaries has NIS 2.4 billion liquidity including revolver undrawn facilities of which NIS 1.4 billion cash and cash equivalents.

## Bond Maturity Schedule Until End of 2024 including G Europe (Formerly Atrium)

(NIS Billions, As of September 30, 2022)





# Bond Maturity Schedule (Expanded Solo)



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## Bond Maturity Schedule Inc. G City Europe

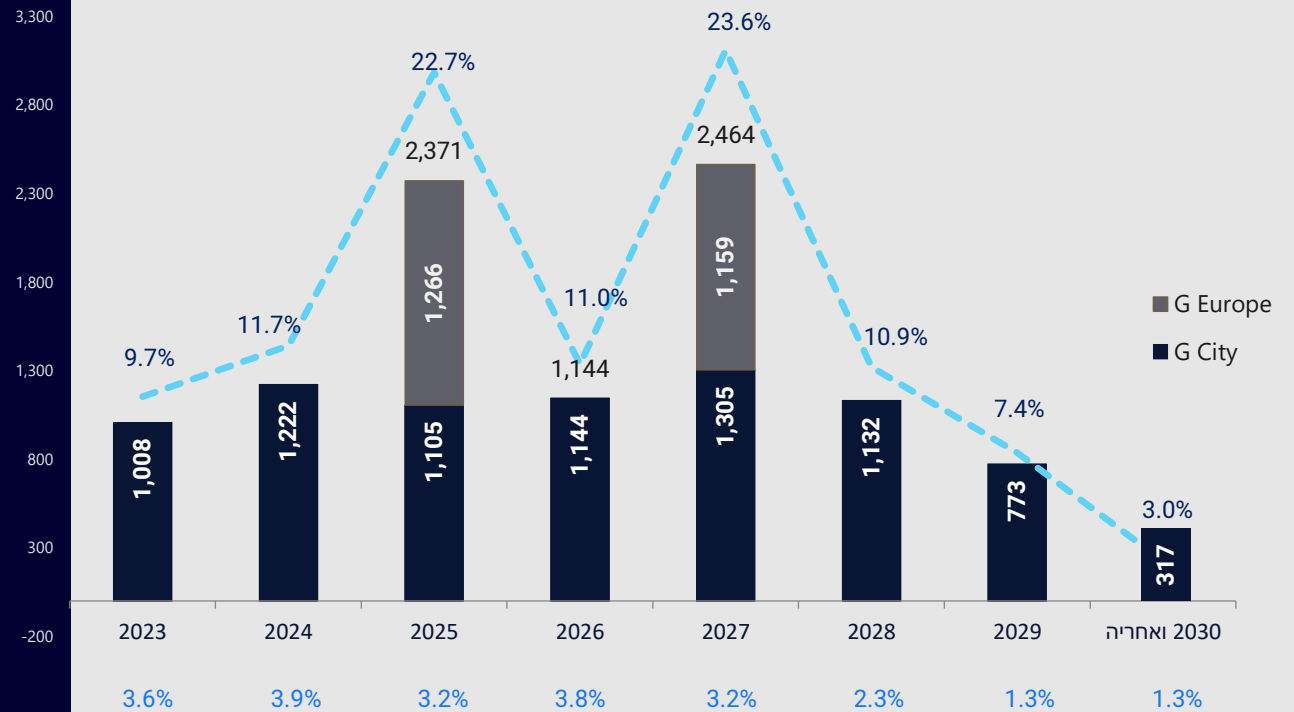
As of Septemehr 30, 2022

**3.6** Years

Weighted duration (Bonds)

**3.0%**

Average interest rate of debt (Bonds)



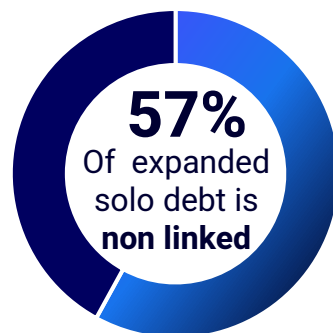
# Composition of Financial Debt

**Approx. 87% of financial debt in expanded solo has a fixed interest rate**

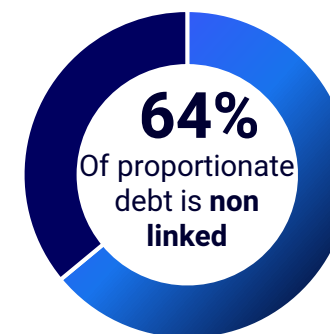
*CPI Linked And Nominal Financial Debt NIS Millions	Bonds	Financial Institutions	Mortgages	Total Financial Debt Expanded Solo	% Financial Debt Expanded Solo
Nominal	4,727	2,678	2,603	10,008	57%
CPI Linked	5,704	493	1,228	7,425	43%
<b>Total</b>	<b>10,431</b>	<b>3,171</b>	<b>3,831</b>	<b>17,433</b>	<b>100%</b>

Non linked debt

Expanded Solo Private Companies



Proportionate Debt Including Citycon



\*The figures are after the effect of hedging transactions and without a hybrid bond that is not CPI linked to an index and carries a fixed interest rate.

# Forecast

Below the FFO forecast for 2022 based on public information and executive estimations, including FFO forecasts of Citycon.

## Original Forecast

**2.10-2.30**

Economic FFO per share  
(NIS)

**2.70-2.90**

Economic FFO per share  
Adjusted for hybrid  
bonds coupon  
(NIS)



## Current Forecast

**2.30-2.50**

Economic FFO per share  
(NIS)

**2.90-3.10**

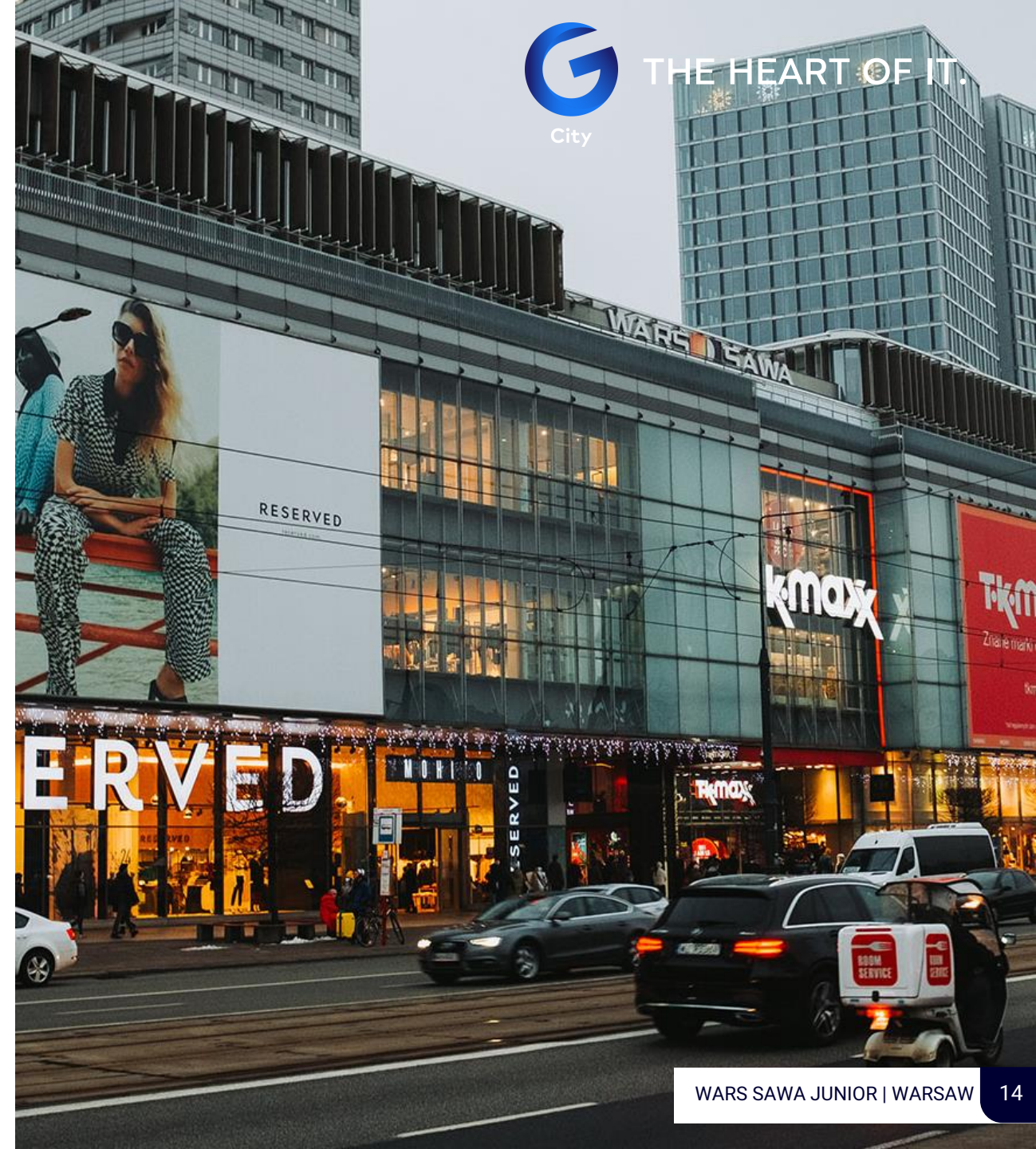
Economic FFO per share  
Adjusted for hybrid  
bonds coupon  
(NIS)

The forecast is based on the following assumptions: Exchange rates and interest rates known as of financial statement release date; acquisitions, sales, investments in asset development according to the company's work plans; without influence of unpredictable significant events on the company's operations.

The FFO financial forecast of the company year 2022 is forecasting information, as defined under Israeli Securities Law – 1968 based on the assumptions listed above, including estimations or assessments of company management and the groups companies regarding future events that their occurrence is not certain and is not under control of the group, such as the covid pandemic and the war between Russia and Ukraine and the economic crisis derived from them, that their occurrence begun and as of early release date of financial statements from the financial reports, their influence on the companies operation results is not appreciable, among other things in view of the fact that they are causative events. There is not certainty, if the forecast will come true, all of it or part of it and the actual results may differ, including significantly from the forecast listed above, and that among other things, due to the dependency in events that are not under control of the group and company, such as the covid pandemic and the war between Russia and Ukraine and the economic crisis derived from them or a focused crisis that could develop in a country and/or other certain countries where the company operates and their possible affect on the company's operations and financial results, and also a change in exchange rates, change in interest rates and company's ability to execute its plans for the the realization, acquisition and development of assets at the price, conditions or schedules set forth in the work plan.



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