



City

G City publishes its Q1 2024 results

Continued growth in operating results and completion of the sale of properties totaling ~ILS 1.8 billion in the quarter

NOI while offsetting Russian operations and properties sold increased year-over-year (YoY) in Q1 2024 by ~18.4%.

NOI from like-for-like properties increased YoY in Q1 2024 by ~8.7%.

FFO in Q1 2024 total ~ILS 82 million compared with ~ILS 77 million in Q1 2023 (while offsetting Russia and properties sold).

Rental revenues for the entire Group increased YoY in Q1 2024 by ~6.7%.

~5.2% YoY increase in Q1 2024 with the foot traffic at the Group's properties.

The occupancy rate of the Group's properties increased from 95.1% YoY to ~95.2% at the end of Q1 2024

Average rental revenue per sqm increased by ~13.1% YoY in Q1 2024

As of the publication date of the report, the liquid balances and unutilized credit facilities of the Company and wholly owned subsidiaries come to ~ILS 2.2 billion. As of the date of the report, the balances totaled ILS 1.4 billion and the Company issued bonds in an additional scope of ~ILS 0.8 billion subsequent to the date of the report.

Re-drawable credit facilities totaling ~ILS 1.2 billion, which were going to mature in 2024, were extended until 2027-2028.



Chaim Katzman, Founder and CEO of G City: “We are finishing another quarter with good operating results for the Group. We are continuing to improve our core assets and increase their value as well as implementing tremendous cost saving measures at the Company, among other things, due to focusing on a smaller number of very large assets, landmark assets, which are subject to significant demand thanks to being economically rare and thanks to their strategic location, which allow higher rent to be charged and which attract high quality tenants.

We are continuing to implement the plan to concentrate the operations of the subsidiary Citycon by disposing non-core assets totaling almost EUR 1 billion, reducing its leverage and increasing its operating efficiencies, the start of which we recently saw with new management taking the reins.

Our long-term plan to focus the Company on urban areas in Israel, Poland and the USA, cutting costs and reducing our leverage is underway and progressing as planned. We recently completed a number of measures which significantly increased our financial liquidity and flexibility and we will continue to dispose non-core assets throughout 2024 and 2025, until the plan has been completed in full.

Status of the strategic plan to dispose assets and establish a commercial focus starting from October 2022 (at the Company and at privately owned companies) as amended from time to time: To date the Company has completed the sale of more than ILS 4 billion assets and in the upcoming years it will sell another 3+ billion of non-core assets.

ILS millions	Closed	At an advanced stage of negotiations	On the market	Total
Europe	2,816	1,087	1,270	5,173
Israel	154	-	145	299
USA	567	-	159	726
Brazil *	498	345	37	880
Total	4,035	1,432	1,611	7,078

* Excluding the sale of additional FFI shares through a tender offer



Financial highlights in the Q1 2024 results

- **NOI from like-for-like properties increased in Q1 2024 by ~8.7% compared with Q1 2023.**
- **NOI while offsetting Russian operations and properties sold increased in Q1 by ~18.4% compared with Q1 2023.**
- **NOI increased in Q1 by ~2% and totaled ~ILS 418 million compared with ~ILS 410 million in Q1 2023.**
- **FFO offsetting operations in Russia and sold assets** came to ~ILS 82 million in Q1 (ILS 0.44 per share) compared with ~ILS 77 million (~ILS 0.45 per share) in Q1 2023. (There was an ~8.5% increase in the number of shares compared with Q1 2023).
- **FFO** came to ~ILS 84 million in Q1 2024 (ILS 0.45 per share) compared with ~ILS 124 million (ILS 0.72 per share) in Q1 2023 (there was an ~8.5% increase in the number of shares compared with Q1 2023).
- In Q1 2024 the Company recorded a non-cash loss totaling ~ILS 77 million primarily attributable to equity due to foreign currency differentials and the revaluation of derivatives.
- **Equity based on EPRA NRV** as of March 31, 2024 totals ~ILS 5,325 million, ~ILS 28.6 per share.
- **Equity attributable to Company's shareholders** as of March 31, 2024 totals ~ILS 4,569 million, ~ILS 24.5 per share. The decline from the end of 2023 is primarily attributable to a decline in capital reserves totaling ~ILS 191 million, primarily due to adjustments from translating financial statements for external operations and impacted by raising capital in Brazil and by Citycon.
- **The occupancy rate** of the Group's properties increased from 95.1% in Q1 2023 to ~95.2% at the end of Q1 2024.
- **Liquid balances and approved and unutilized credit facilities (expanded standalone)** came to ~ILS 2.2 billion as of the publication date of the report and include debt issuances totaling ~ILS 0.8 billion subsequent to the date of the report.



Company's activities to strengthen its equity, decrease leverage and increase liquidity in and subsequent to Q1:

- IPO of most of the Brazilian activities through a tender offer in consideration for ~301 million Brazilian Real, ~ILS 226 million in cash in January 2024.
- Closing the transaction for the sale of the Arkady Pankrac property in Prague in January 2024 in consideration for ~EUR 259 million (~ILS 1.04 billion), equivalent to its book value. A mortgage totaling ~EUR 112 million (~ILS 450 million) was recorded on the property which was assigned to the buyer.
- Completion of a transaction for the sale of a property in Manhattan, New York, in consideration for ~USD 153 million (ILS 567 million), equivalent to its book value at the time of signing the agreement. A mortgage totaling ~USD 134 million (~ILS 496 million) was recorded on the property and the sale of the property decreased G City's debt by the full value of the sale proceeds.
- Issuance of a new series of Bonds (Series 18) in February 2024 in a scope of ~ILS 410 million, secured by a first-ranked pledge over the shares of G Alpha, a SPV which owns six income producing properties in Miami, New York and Boston.
- Issuance of a new series of Bonds (Series 19) in April 2024 in a scope of ~ILS 495 million (after being oversubscribed with demand exceeding ~ILS 1 billion). The series has a long maturity of 6+ years and is secured with a second pledge on the G City complex in Rishon Lezion.
- The issuance of bonds in the beginning of May 2024 in a scope of ~ILS 336 million through expanding Series 16 which is secured with a pledge over the shares of the subsidiary G City Europe.
- From the beginning of the year and by the publication date, the Company has repurchased Company bonds totaling ~ILS 51 million, and the wholly owned subsidiary G Europe repurchased its bonds and hybrid bonds totaling ~EUR 86 million and ~EUR 19 million, respectively.
- The Company's board of directors decided to not distribute a quarterly dividend and will reexamine the matter in subsequent quarters depending on the progress with the disposal plan and financing of the properties as well as other parameters.



About G City

G City is a global real estate company focused on acquiring, improving, developing, and managing mixed-use income producing real estate including retail, office and residential properties in densely populated urban areas in key cities. As of March 31, 2024, the Group owns and manages 90 properties covering a built-up lettable area of ~1.8 million sqm with a value of ~ILS 35 billion. Additional information is available on the Company's website: www.G-City.com

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