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G City publishes its Q2 2024 results

Continued strong growth with all operating and financial parameters

NOI from like-for-like properties increased by 8.1% in Q2

NOI while offsetting Russian operations and properties sold in Q2 increased by 12.0% compared with Q2 2023

FFO while offsetting Russian operations and properties sold, totaling ~ILS 137 million, increased by 20.2% compared with the same quarter in 2023

12.3% average increase in rent per sqm in contract renewals in H1 (expanded standalone)

The occupancy rate of the Group's properties remained high at 95.2% at the end of Q2 2024

In Q2 2024 the Company recorded a net increase in value of investment properties totaling ILS 400 million (Company's share)

Tenant income for the entire Group increased YoY in H1 2024 by 4.4%

2.0% YoY increase in H1 2024 with the foot traffic at the Group's properties

The Group's leverage on an expanded standalone level decreased by 0.8% to 66.3% as of June 30, 2024, compared with 67.1% as of June 30, 2023

S&P Maalot and Midroog rating agencies raised the Company's rating outlook from negative to stable



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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 2.1 billion

Chaim Katzman, Founder and CEO of G City: “We are finishing another quarter with strong results and continued growth with all operating and financial parameters. The good results and primarily the continued increase in property rental fees was also reflected in the quarter with an increase in the value of investment properties in all territories in which we operate (despite a slight increase in cap rates) and further attests to the quality of the properties and their economic uniqueness. We continued to implement the strategic plan to divest properties and to focus operations as part of which, *inter alia*, we are focusing our commercial operations in Central Europe, in Poland. We also announced a significant transaction for the sale of a property in Prague, Czech Republic. This is part of the implementation of the property divestment plan and our general commercial refocus as part of which we are selling properties unrelated to our core operations and we are also acting to onboard partners with respect to stable properties whose betterment work has been completed. The implementation of the plan, together with many other measures, flatten our organizational structure, decrease administrative costs and contribute to increasing the Group’s operating efficiency. The subsidiary Citycon also continued to implement the plan to focus its operations by divesting non-core assets totaling almost EUR 1 billion, reducing its leverage and increasing its operating efficiencies.

We are also diligently working on bettering our core property portfolio in key cities in Israel, Europe and the US. The commercial real estate market is performing well as reflected in the latest quarterly results - High occupancy levels, increased foot traffic, greater tenant income and a significant increase in rental revenues thanks to our actions. A forecasted decline in the interest rate in the US and in Europe is also anticipated to be beneficial for us as well as for our customers. We are seeing renewed interest in the commercial property market from institutional players after them avoiding the market for a number of years, as well as European and US financial institutions being more prepared to finance commercial properties with supermarkets as anchor tenants in excellent locations.”



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Status of the strategic plan to divest properties and to commercially refocus 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 in assets and in the upcoming two 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	1,099	1,307	5,222
Israel	154	-	145	299
USA	567	-	162	729
Brazil *	498	316	34	848
Total	4,035	1,415	1,648	7,098

* Excluding a completed share sale and additional FFI sales through a tender offer

Financial highlights of the Q2 2024 results

- **NOI from like-for-like properties increased in Q2 2024 by ~8.1% compared with Q2 2023.**
- **NOI while offsetting Russian operations and properties sold increased in Q2 by ~12.0% compared with Q2 2023.**
- **NOI increased in Q2 by ~4.8%, totaling ~ILS 438 million, compared with ~ILS 418 million in Q2 2023.**
- **FFO offsetting operations in Russia and sold properties increased in Q2 by ~20.2%** totaling ~ILS 137 million (ILS 0.74 per share) compared with ~ILS 114 million (ILS 0.64 per share) in Q2 2023 (there was an ~4.3% increase in the number of shares in Q2 2024 compared with Q2 2023).
- **FFO increased in Q2 by ~6.9%** totaling ~ILS 140 million (ILS 0.75 per share) compared with ~ILS 131 million (ILS 0.73 per share) in Q2 2023 (there was an ~4.3% increase in the number of shares in Q2 2024 compared with Q2 2023).
- **In Q2 2024 the Company recorded a net increase in the value of investment properties (Company's share), totaling ~ILS 400 million.**



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- **In Q2 2024 the Company recorded a net profit** totaling ~ILS 329 million compared with a loss of ~ILS 3 million in Q2 2023.
- **Equity based on EPRA NRV** as of June 30, 2024, came to ~ILS 5,708 million, ~ILS 30.8 per share.
- **Equity attributable to Company's shareholders** as of June 30, 2024, has continued growing since the end of 2023 and came to ~ILS 4,925 million, ~ILS 26.6 per share, compared with ~ILS 4,569 million, ~ILS 24.5 per share, the previous quarter.
- **Liquid balances and approved and unutilized credit facilities (expanded standalone)** came to ~ILS 1.3 billion as of June 30, 2024. Liquid balances as of the publication date of the report totaled ~ILS 2.1 billion following bond issuances totaling ~ILS 840 million subsequent to the balance sheet date.

Company's activities to strengthen its equity, decrease leverage and increase liquidity in and subsequent to Q2:

- S&P Maalot and Midroog rating agencies announced changing the Company's rating outlook from negative to stable and affirmed the bond ratings for the Company's various series.
- In April 2024 the Company issued a new series of Bonds (Series 19) in a scope of ~ILS 495 million (after being oversubscribed with demand exceeding ~ILS 1 billion). The series has long-term maturity of 6+ years and is secured under a second pledge on the G City complex in Rishon Lezion.
- In May 2024 the Company issued bonds 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.
- In July 2024 the Company announced that it had completed the issuance of a new series of Bonds (Series 20) and raised approximately ILS 645 million with an interest rate of 4.24% reflecting a 2.32% spread. Series 20 is linked to CPI with an average maturity of ~5.1 years. The series is secured through a first ranked pledge on the Targowek Shopping Center income generating property in Warsaw, Poland. High demand of ~ILS 1 billion was recorded as part of the issuance. A private placement through an expansion of Series 14 was also completed in a scope of ~ILS 192 million.
- In June 2024 the Company announced that G City Europe, a wholly owned subsidiary, signed a detailed letter of intent (LOI) to sell the Flora mall in Prague, Czech Republic for approximately EUR 232 million (~930 million), similar to its value recorded in the Company's books as of March 31, 2024. The buyer is an active Czech property company. Both parties signed a (non-binding) detailed LOI which includes the primary terms of the



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transaction and a timetable for closing subject to the fulfillment of conditions precedent common in these kinds of transactions. The property is pledged to secure a loan totaling ~EUR 125 million.

- From the beginning of the year and by the publication date, the Group has repurchased Company bonds totaling ~ILS 180 million, and repurchased bonds and hybrid bonds of G Europe totaling ~EUR 101 million and ~EUR 34 million, respectively.
- The Company's board of directors has decided upon a quarterly dividend of 10 agurot per share (totaling ~ILS 18.2 million), with August 29, 2024 as the date of record, and the dividend shall be distributed on September 9, 2024.

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 June 30, 2024, the Group owns and manages 86 properties covering a built-up lettable area of ~1.9 million sqm with a value of ~ILS 36 billion. Additional information is available on the Company's website: www.G-City.com

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