



November 20, 2024

G City announces its Q3 2024 results

Strong growth with all operating and financial parameters

6.2% increase in consolidated NOI in Q3

6.1% increase in NOI from like-for-like properties in Q3

~24.5% increase in FFO in Q3

Occupancy rate increased to 95.8% at the end of Q3 compared with 95.2% at the end of Q3 2023

1.6% increase in foot traffic at the Group's properties compared with Q3 2023

3.5% increase in tenant income for the entire Group compared with Q3 2023

3.8% increase in average rental revenue per sqm for the Group compared with Q3 2023

The Company recorded a net increase in the value of investment properties totaling ILS 107 million (Company's share) in Q3 2024

Equity attributable to Company's shareholders as of September 30, 2024, has continued growing since the end of 2023 and came to ~ILS 4,922 million, ~ILS 27.2 per share, compared with ~ILS 26.6 per share, the previous quarter.

Equity based on EPRA NRV as of September 30, 2024, increased to ILS 5,775 million (~ILS 31.8 per share), compared with ILS 5,708 million (~ILS 30.8 per share) the previous quarter.

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 1.5 billion.

Chaim Katzman, Founder and CEO of G City: "The results from Q3, in which the Company continued its growth with all parameters, attest to the quality of our properties, management and employees. We are seeing a change in investor interest - investors are once again seeing commercial real estate, especially commercial properties servicing daily goods and services, as a coveted investment opportunity. This was recently seen in both the US and Europe with large public companies being acquired by investment funds such as Blackstone which acquired Retail Opportunity Investments (ticker: ROIC) which operates on the US west coast.

We continued to implement the strategic plan throughout the quarter to commercially refocus on densely populated areas while continuing to reduce our leverage and diversify the Company's sources



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of financing, extending the average maturity of our liabilities and bringing strategic partners into our mature properties.

We are continuing to implement the strategy and we will complete our exit from the Czech Republic with the sale of our sole remaining property there already this year, a measure, which together with other actions, is narrowing our span of control, increasing operating efficiency and reducing our administrative and managerial costs”.

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: The Company has so far completed the sale of more than ILS 4 billion worth of properties. The Company anticipates that it will complete the sale of ~ILS 1.3 billion by the end of the year, and that it will sell at least another ~ILS 2 billion non-core properties in the next two years.

ILS millions	Completed	At an advanced stage of negotiations	On the market	Total
Europe	2,896	1,135	1,117	5,148
Israel	154	487	145	786
USA	567	-	160	727
Brazil *	498	320	35	853
Total	4,115	1,942	1,457	7,514

* Excluding a completed share sale and additional FII sales through a tender offer totaling ~ILS 226 million

Financial highlights of the Q3 2024 results

- **NOI** increased in Q3 by ~6.2%, totaling ~ILS 443 million, compared with ~ILS 417 million in Q3 2023.
- **NOI from like-for-like properties increased in Q3 2024 by ~6.1% compared with Q3 2023.**
- **FFO increased in Q3 by ~24.5%** totaling ~ILS 137 million (ILS 0.75 per share) compared with ~ILS 110 million (ILS 0.62 per share) in Q3 2023 (there was an ~2.1% increase in the number of shares in Q3 2024 compared with Q3 2023).
- In Q3 2024 the Company recorded a **net increase in the value of investment properties** (Company's share), totaling ~ILS 107 million.



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- The accounting loss in the quarter came to ~ILS 131 million and is primarily attributable to non-cash expenses associated with a decline in the value of financial derivatives, reduced goodwill, translation differentials, deferred taxes, etc.
- **Equity based on EPRA NRV** as of September 30, 2024, increased to ILS 5,775 million, (~ILS 31.8 per share) compared with ILS 5,645 million (~ILS 30.3 per share) at the end of 2023.
- **Equity attributable to Company's shareholders** as of September 30, 2024, has continued growing since the end of 2023 and came to ~ILS 4,922 million, ~ILS 27.2 per share, compared with ~ILS 4,837 million, ~ILS 26.0 per share, at the end of 2023. The growth in equity was, among other things, partially offset by a buyback of a significant volume of hybrid bonds in the quarter.
- **Liquid balances and approved and unutilized credit facilities (expanded standalone)** came to ~ILS 1.1 billion as of September 30, 2024. Liquid balances as of the publication date of the report total ~ILS 1.5 billion following actions performed subsequent to the balance sheet date.

Company's activities to strengthen its equity, decrease leverage and increase liquidity in and subsequent to Q3:

- Citycon continued the strategic plan to refocus operations and to reduce leverage, to reduce and cut operating expenses. The Company announced yesterday (November 19, 2024) that it signed a sale agreement for the Kristine Keskus property in Tallinn, Estonia, in consideration for ~EUR 129 million in cash. The transaction reflects a 9% discount on the most recent book price. With this transaction, Citycon is completing an annual sale of properties totaling EUR 334 million and the Company's management believes that it will exceed the set sales target of EUR 380 million. Citycon has signed letters of intent or is at an advanced stage of negotiations for the sale of additional properties totaling ~EUR 300 million.
- In November 2024 the Company announced that it is conducting advanced negotiations with Menora Mivtachim for the sale of 50% of its rights and liabilities in four of the Company's Israeli properties - Top G (G Tzameret), G Mikado, G North Star (Kochav Tzafon), and G Savion, for gross proceeds totaling ~ILS 487 million, according to the properties' assessed book value as of September 30, 2024.
- In November 2024 G City Europe, a wholly owned subsidiary of G City, announced the sale of a property in Krakow, Poland, in consideration for ~EUR 20 million (~ILS 80 million) at a price ~33% higher than its book value as of September 30, 2024. The sold property is an apartment building with ~109 rental apartments.



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- In November 2024 G City Europe announced that further to the sale of the Palace Pardubice property in the Czech Republic in May 2023 in consideration for ~EUR 124 million (~ILS 496 million), as part of which G City Europe provided the buyer with a 5-year loan, it received notice from the buyer, pursuant to the terms and conditions of the agreement, of the early repayment of the outstanding balance of the loan totaling ~EUR 61 million (ILS 245 million) at the end of November 2024.
- At the beginning of November 2024 the Company completed a debt swap by replacing ~248 million par value of Series 12 (~12% of the series) with an average maturity of ~1.8 years, with ILS 300 million par value of a new series, Series 21, with an average maturity of ~4.6 years, secured by a pledge on Citycon shares.
- In July 2024 the Company announced that it had completed the issuance of a new series of Bonds (Series 20) and raised ~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, as well as expansions of Series 13 in a scope of ~ILS 410 million.
- From the beginning of the year and by the publication date, the Group has repurchased Company bonds totaling ~ILS 188 million, and repurchased bonds and hybrid bonds of G Europe totaling ~EUR 217 million and ~EUR 68 million, respectively.
- The Company's board of directors has decided upon a quarterly dividend of 10 agurot per share (totaling ~ILS 18.1 million), with December 2, 2024 as the date of record, and for the dividend to be distributed on December 10, 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 September 30, 2024, the Group owns and manages 84 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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