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City

Quarterly Report as at September 30, 2025

G City Ltd.
Board of Directors Report to the Shareholders
for the Period ended on September 30, 2025

The Board of Directors of G City Ltd. (the "Company") is pleased to present the Company's Board of Directors' Report for the period ended September 30, 2025 (the "Reporting Period"). The scope of this report is limited, and it is drafted under the presumption that the readers will also have before them the Company's periodic report for the year ended December 31, 2024, which was published on March 20, 2025 (Ref. No.: 2025-01-018556) (the "Periodic Report").

It is hereby clarified that this Report includes only information that the Company believes is material information. Nonetheless, in some cases, to complete the picture, additional information that is not necessarily material information was included.

1. The Company and its Operations

1.1. Introduction

The Company, directly and through its private and public investees [1](together: the "Group"), engages in the management, improvement, development and purchase of income-producing mixed-use real estate properties, including commercial, residential and office properties in Israel, Northern and Central Europe, North America, and Brazil, with the focus on densely populated key urban cities.

The Company's shares are listed on the Tel Aviv Stock Exchange Ltd. ("TASE" or the "Tel Aviv Stock Exchange") under the symbol "GCT".

The Group focuses on highly accessible properties connected to public transport (trains, buses, etc.) with potential for expanding building rights and increasing value and cash flows through proactive management, betterment, addition of uses, development and redevelopment, and the Company explores business opportunities in its operating sectors and in related or other operations in its operating sectors and in additional regions At the same time, the Group acts to sell properties that are non-core assets, or properties that the Group believes have limited growth potential and/or are in areas where the Group wishes to cut back its operations, and to bring in partners for stable properties where their betterment has been completed.

The Group operates in Israel directly through the Company and in other territories through its subsidiaries, in which the Company exclusively plans strategy and oversees their management: G City Europe Limited ("G Europe")[2], that operates in central Europe (mainly in Poland), Gazit Horizons Inc. ("Gazit Horizons") in the USA, and Gazit Fll Malls that operates in Brazil ("Gazit Malls"), and through other wholly owned subsidiaries of the Company in Brazil "Gazit Brazil").

Furthermore, the Group operates in Northern Europe through Citycon Oyj ("CTY"), a public company controlled by the Company, which has a similar strategy to that of the Company.

1 Unless stated otherwise, reference to affiliates includes companies that are fully consolidated by the Company and companies that are presented according to the equity method.

2 G Europe data in this report are presented together with the data of another property in Poland that is held by another Group subsidiary.

1.2. In September 2024, the Company adopted a strategic plan for 2028 ("2028 Strategic Plan"), that refers to multi-departmental growth:

(a) Organic growth - by optimizing the tenant mix, increasing the number of visitors to the properties, and enhancing the revenues;

(b) Enhancing the rights in the Group's properties – through the expansion and development of existing properties, as well as by adding uses such as residential, office, and other spaces

(c) Selective acquisition of properties with potential for betterment in the Group's business focus areas, and the improvement, development and construction of properties for sale

(d) Further sales of properties / entering partnerships in properties for which enhancement has been completed, as well as in properties for sale that the Company is constructing or will construct. Such properties are acquired and sold while maintaining appropriate liquidity and balance sheet ratios, and for the purpose of strengthening the Company's equity and lowering the LTV ratio to 50% by the end of 2028.

The scope of disposal of properties and the Group's rate of progress in such disposal, including the pace at which the properties have been put up for sale according to the various countries in which the Group operates is dynamic and is carried out according to the market conditions in the various countries in which the Group operates, and pursuant to the discretion of the Company's management, while taking macro-economic and Group specific considerations into account, and by balancing the Company's needs and may change as a result of macro-economic changes as well as due to generation or absence of business opportunities to promote certain parts of the strategic plan, and including the ability/non-ability to fully direct the businesses of the Group companies.

The 2028 Strategic Plan follows the disposal plan announced by the Company in October 2022 for disposal of non-core properties or properties that Company has accomplished their improvement. For further information, see section 1.1 to the Description of the Corporation's Business in the annual report.

As of date of publication of this report, and since October 2022, the Group has completed the disposal of properties for a total amount of NIS 5.4 billion, as follows: G Europe - NIS 3.6 billion; G Israel - NIS 0.7 billion; Gazit Horizons - NIS 0.6 billion; Gazit Brazil - NIS 0.5 billion.

1.3. Pursuant to the Company's foregoing strategy, the Company is working to exercise 3 income-generating properties in Poland with total value (as at September 30, 2025) of EUR 450 million, by selling them to Orion Retail Properties Ltd. ("Orion"), and issuing Orion securities on the Tel Aviv Stock Exchange Ltd., which will be used to pay the consideration for the foregoing properties.

On November 27, 2025, Orion issued an incomplete prospectus, a prospectus for splitting and distribution as a dividend in kind, and a shelf prospectus. Under this prospectus, the Company will distribute its total holdings in Orion to its shareholders as a dividend in kind, worth EUR 34 million. Furthermore, under the tender offer, Orion is acting to raise debt secured by first and second degree liens on the properties to be sold to it as aforesaid, for an amount of up to EUR 1,360 million par value.

The distribution in kind will be pro rata among the Company's shareholders, such that each shareholder of the Company at the date of record (expected to be on December 4, 2025) will be entitled to receive 0.1208932 ordinary shares of Orion. The actual date of distribution, pursuant to the TASE guidelines, is expected to be on December 8, 2025.

Close to completion of the offering, the Group will sell 3 income generating properties to Orion where the consideration for the issue by Orion will be used to repay the loans that the Company will provide for the purchase of the properties.

Furthermore, the Company and Orion have engaged in several agreements (including through subsidiaries) under which the Company will provide Orion with property management services in Poland, a loan agreement from the Company to Orion in the amount of EUR 25 million (that will be subordinate to Debentures Series A and Series B of Orion) and a guarantor agreement under which the Company will provide a bank guarantees with respect to a currency hedging transaction for Orion.

For the avoidance of any doubt, it is hereby clarified and emphasized that at this stage the terms of the issue of debentures by Orion have not been finalized and these will be published under a supplementary announcement that Orion will issue under the prospectus, if it is published. It is uncertain whether the debenture issue and/or distribution will be actually carried out as they depend, among other things, on external factors that are not in the control of Orion and the Company, including the existence of appropriate market conditions, completion of the structural changes as described in section 6.2 of the Orion prospectus, which is subject to completion of the debenture issue. It is further clarified that the Company and Orion will be entitled to cancel the distribution and\or debenture issue, as the case may be, to defer them and\or change their terms, for any reason whatsoever and at their sole discretion, subject to the law and pursuant to the terms set out in the prospectus.

1.4. On November 3, 2025, the Company acquired 14,188,052 CTY shares, constituting 7.7% of CTY’s share capital, for EUR 4 per share (and at a total of EUR 56.75 million), under an ex-stock exchange deal (“Share Acquisition Transaction”). Subsequent to the acquisition, the Company’s holdings in CTY (including through a wholly owned subsidiary) amounted to 57.4% of the issued share capital of CTY. Under the provisions of Finnish law, as the Company’s holdings exceed the limit of 50% of CTY’s share capital, the Company is required to issue a tender offer for all of the non-controlling shares of CTY, at a price that will not fall below the price paid under the Share Acquisition Transaction, by December 2, 2025.

Accordingly, the Company informed CTY and its shareholders that it will issue a tender offer under which it will offer to purchase all non-controlling shares in CTY (including securities convertible to CTY shares) at a price of EUR 4 per share (the “Tender Offer”), and should there be full acceptance, the consideration for the shareholders of CTY under the Tender Offer will amount to EUR 312 million[3]. The Tender Offer is subject to the approval of the Finish Financial Supervisory Authority and other authorities in the regions in which CTY operates.

The Company intends to finance the Share Acquisition Transaction and the Tender Offer from its own resources and through an agreement with the Bank of Israel to receive earmarked financing in an amount of EUR 195 million for the purchase of the additional shares that it will purchase under the Tender Offer (if purchased).

The CTY shares acquired under the Share Acquisition Transaction are for a consideration that reflects a discount of 44% on CTY's equity as at September 30, 2025. As such, the acquisition of the shares is expected to increase the Company’s equity by NIS 171 million, improve its FFO and cause negligible changes in leverage ratio.

The consideration in the Share Acquisition Transaction reflects a premium of 35.8% compared to the closing price per CTY share as at October 31, 2025 and premium of 18.9% and 17.6% compared to the average closing price per CTY share over the 3-12 months prior to October 31, 2025.

[3] In addition, a consideration will be required to be paid to holders of options and restricted share units, in accordance with their terms.

Subsequent to the Share Acquisition Transaction the Company acquired 1.1 million additional CTY shares as part of regular stock exchange trading.

The Company's estimates regarding the manifestation of the foregoing strategic plan, including the sale of properties (including disposal as set out in section 1.3 above) and injection of investments as aforesaid, the volume and consideration with respect thereto, constitute forward-looking information as defined in the Securities Law – 1968. These estimates are based on the Company's plans as they were at that date, which are based to a significant extent on their expectations and assessments, among others, with respect to macro-economic and other (industry-related and general) developments, and their synergy. Furthermore, the Company's foregoing investment plans are subject to the free cash flow and financial capabilities of the Company, as well as the investment opportunities in the relevant markets, and the economic and financial conditions in these markets and worldwide, as well as the effects of inflation, increase in interest, and special situations such as the Swords of Iron War.

The Company's expectations and assessments, including with regard to their ability to realize its strategy and achieve the goals that it has set, including its property disposal plan and investment plan, are uncertain and may not materialize or may materialize in part, and the Company's management may deviate from or change them, depending on various factors, including macroeconomic conditions that are beyond the Company's control, such as the rate of inflation, interest rates, the effects of territorial events (including the Swords of Iron War and legislative changes in Israel), and the outcome of materialization of the risk factors applicable to the Company's operations as set out in sections 28 of the chapter on the Description of the Company's Business in the Periodic Report. At the same time, it is clarified that the Company's management will from time to time assess their plans and revise them according to such changes and others.

1.5. The Group's assets as at September 30, 2025 (including jointly controlled properties):

	Key Countries of Operation	Holding interest	Income-producing property	Properties under development	Land	GLA (sq.ms in thousands)
CTY	Finland, Norway, Sweden, Estonia and Denmark	49.7%	31	-	-	1,001
G Europe	Poland	100.0%	13	1	2	358
Gazit Brasil	Brazil (Sao Paulo)	82.5%	7	-	1	164
G Israel	Israel	100.0%	9	2	1	139
Gazit Horizons	USA	100.0%	12	2	1	65
Total carrying amount			**72**	**5**	**5**	**1,727**
Jointly controlled properties			4	-	1	75
Total			**76**	**5**	**6**	**1,802**

	Key Countries of Operation	Investment property and investment property under development: Income-producing property	Properties under development [1]	Land	Total
		NIS million			
CTY	Finland, Norway, Sweden, Estonia and Denmark	14,777	-	-	14,777
G Europe	Poland	6,950	373	122	7,445
Gazit Brasil	Brazil (Sao Paulo)	1,975	-	-	1,975
G Israel	Israel	3,437	474	452	4,363
Gazit Horizons	USA	1,620	354	256	2,230
Total carrying amount		**28,759** [2.3]	**1,201**	**830**	**30,790**
Jointly controlled properties		1,480	-	3	1,483
Total		**30,239**	**1,201**	**833**	**32,273**

[1] Including extensions to income-generating assets

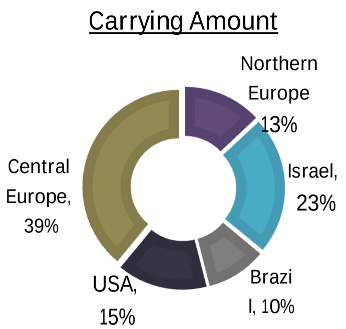
[2] The balance of the yielding assets attributed to the expanded separate information (not incl CTY), an amount of NIS 0.8 billion is attributed to vacant space. For the purpose of calculating the value attributed to vacant spaces, vacant space was defined as space that did not generate rent during the reporting period. The value of the vacant spaces is calculated pro rata to the value of the relevant property (if it was not attributed a separate value in the evaluation of the property). The value of the vacant space is not reviewed or audited by the Company's accountants.

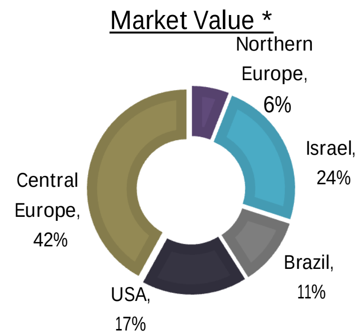
[3] The balance of the income generating properties attributed to the expanded separate information (excluding CTY), an amount of NIS 1.1 billion is attributed to income generating rental residential properties.

Breakdown of the properties classified as assets held for sale included in the Group's total assets as at September 30, 2025:

	Country	Number of properties	Carrying amount NIS million
CTY	Finland	1	238
Total carrying amount		**1**	**238**

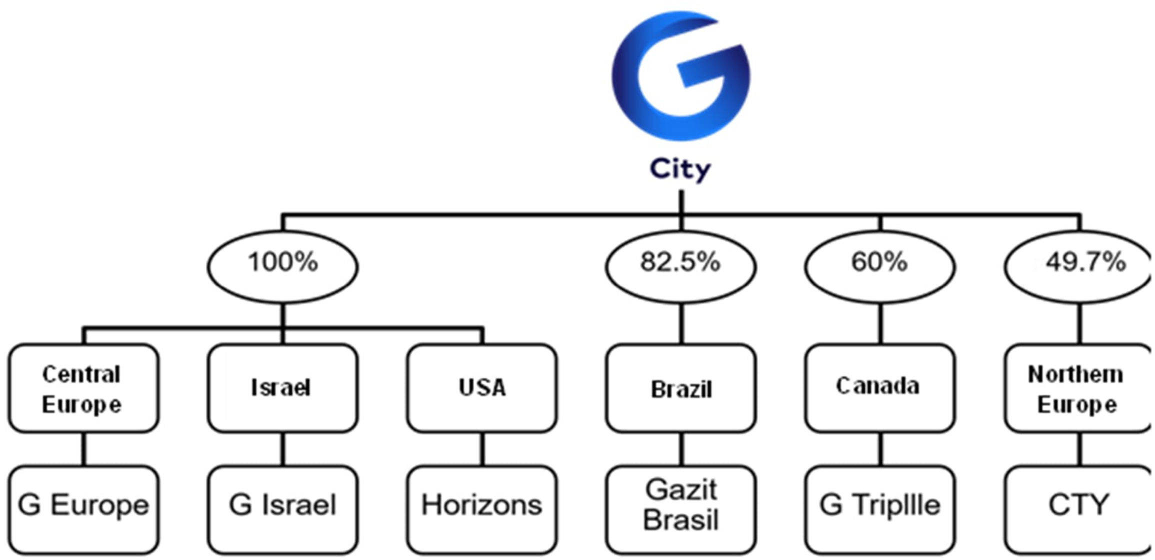
1.6. Breakdown of the Company's investments in its operating segments (on an expanded separate basis) as of September 30, 2025:





* The investment in CTY is presented as market value.

1.7. The Company's Major Holdings (holding structure and interests are as of September 30, 2025):



1.8. Highlights of the first nine months of 2025 (the "Periodic Report") and for the third quarter of 2025 (the "Quarter")

(NIS millions, other than per share data)	September 30	December 31
	2025	2024
Net debt to total assets ratio (expanded separate information) [1]	69.7%	68.7%
Net debt to balance sheet ratio (consolidated) [2]	63.4%	62.4%
Equity attributable to equity holders of the Company	3,877	4,180
Equity per share attributable to shareholders of the Company (NIS)	20.8	21.0

	For 9 months ended September 30			For 3 months ended September 30		
	2025	2024	Change	2025	2024	Change
Rental and other income	1,732	1,896	(8.6%)	574	643	(10.7%)
NOI	1,219	1,299	(6.2%)	422	443	(4.7%)
NOI net of properties sold in the functional currency [4]	1,206	1,117	8.0%	422	382	10.5%
Funds from operations (FFO) per share (expanded separate information) (in NIS) [5]	1.84	1.71	7.6%	0.73	0.61	19.7%
FFO [6]	283	361	(21.6%)	107	137	(21.9%)
FFO per share (in NIS) [6]	1.44	1.95	(26.2%)	0.56	0.75	(25.3%)
FFO from the income generating properties segment [7]	295	243	21.4%	101	95	6.3%
FFO per share from the income generating properties segment [7]	1.50	1.31	14.5%	0.53	0.52	1.9%
Number of shares used in calculating the FFO per share (thousands)	196,101	184,863	6.1%	191,165	182,353	4.8%
Disposal of investment property [8]	1,037	884	-	143	315	-
Issue of debentures [8]	3,437	3,510	-	456	1,105	-
Early payment and redemption of debentures [8]	(3,342)	(3,526)	-	(468)	(1,132)	-
Net income (loss) attributable to shareholders of the Company	(21)	121	-	(11)	(131)	-
Diluted net earnings (loss) per share (NIS)	(0.11)	0.65	-	(0.06)	(0.72)	-
Earnings (loss) including the Company's shareholders	(70)	189	-	(105)	22	-

1 Since Q1 2025, the Company has revised the method used for calculating the net debt to total balance sheet ratio also in the expanded separate financial information. For further information on the revised method of calculation see Footnote 6 to section 2.1 below.

2 For further information concerning the net debt to total (consolidated) balance sheet ratio, including accrued interest for this debt, see section 6 below.

3 NOI - Net Operating Income - rental and other income, net of property operating and other expenses

4 Deducting NOI from sold properties (see section 1.1 above) and net of changes in the Group's functioning currencies.

5 See section 2.2 below.

6 The FFO is presented according to the management approach and in accordance with Securities Authority regulations. For the FFO calculation, see section 2.3 below.

7 See section 2.3 below.

8 From the consolidated statements of cash flows attributable to the Company

- Net operating income (NOI) from similar properties increased by 6.5% in the reporting period (6.1% in the quarter) compared to the corresponding period last year (based on proportionate consolidation 6.8% in the period and 5.8% in the quarter). For further information, see section 3.2 below.
- In the reporting period, the number of visitors to the Group's properties increased by 0.8%. Furthermore, tenant revenue increased by 1.9% compared with the corresponding period last year.
- As at September 30, 2025, the Company and its subsidiaries have liquid balances and unutilized lines of credit available for immediate withdrawal amounting to NIS 2.3 billion (of which NIS 1.1 billion in the Company and its wholly owned subsidiaries, and includes cash and cash equivalents, marketable securities and short-term deposits of NIS 0.6 billion).
- As a result of the exchange rate changes of the USD, EUR, BRL and CAD against the NIS, and the NOK and SEK against the EUR, the equity attributable to Company shareholders decreased in the reporting period by NIS 73 million (NIS 63 million in the quarter) (net of the effect of currency swap transactions). For further information concerning the effect of exchange rate fluctuations on the Company's results see section 1.6 of the Board of Directors Report as at December 31, 2024.

1.9. Credit rating of subsidiaries:

Rating Agency	G City	CTY	G Europe
Moody's	ilA3/ Stable(1)(4)	-	B3/ Positive
S&P Maalot	ilA-/ Watch Neg(1)(3)	BB-/ Watch Neg(2)(3)	-

(1) The Company's Debentures (Series R) and (Series T) that are secured by a lien, are rated by S&P Maalot and Midroog as ilA and A2.il, respectively

(2) CTY issuer rating as set by S&P Maalot was B+/ Stable.

(3) On November 6 and 7, 2025, the S&P Maalot rating agency announced it was placing the Company and CTY ratings on the watch list with negative outlook in view of the uncertainty regarding the final scope of the Company's tender offer to acquire the CTY non-controlling shares and its impact on the rating, also see section 3.1.2 Q below.

(4) In November 2025, the Midroog rating agency issued an issuer caveat due to the tender offer for CTY shares. Midroog assesses that all the effects resulting from the tender offer are expected to maintain the financial ratios and the rating is not expected to change in the short term.

Additional Information Concerning the Company’s Assets and Liabilities

2.1. Extended Separate Balance Sheet (the Company’s balance sheet with the investment in CTY presented according to the equity method), as at September 30, 2025

Properties	NIS million	
Investment in CTY (OMX shares) [1]	2,511	
Investment in real estate properties in Central Europe [2]	7,448	
Investment in real estate properties in Israel	4,363	
Investment in real estate properties in the USA [2]	2,988	
Investment in real estate properties in Brazil	1,975	
Investment in real estate properties in Canada [2]	49	
Total investment in investment property		**19,334**
Other assets [3, 7]		**1,217**
Total assets		**20,551**
Liabilities:		
Interest-bearing liabilities *	15,121	
Net of cash and cash equivalents, marketable securities and short term	(614)	
Net of the balances of currency exchange derivative transactions, net	(189)	
Interest-bearing liabilities, net		**14,318**
Other liabilities [4, 7]		**1,140**
Total liabilities		**15,458**
Capital		
Equity attributable to the Company's shareholders		**3,877**
Non-controlling interests [5]		**1,216**
Total expanded separate equity		**5,093**
Net interest bearing liabilities to total balance sheet [6]		**69.7%**

(*) Amortization schedule of debentures and debts to financial institutions (NIS millions):

Year	Company's debentures		Debentures of G Europe	Financial Institutions		Mortgages	Total	%
	Secured	Unsecured		Secured	Unsecured			
2025	-	-	-	1	-	98	99	0.7%
2026	99	1,207	-	29	33	806	2,174	14.4%
2027	787	868	445	258	197	340	2,895	19.1%
2028	876	1,357	-	30	-	1,195	3,458	22.9%
2029	1,076	1,211	-	34	-	313	2,634	17.4%
2030	844	-	-	41	-	1,008	1,893	12.5%
2031	923	699	-	47	-	-	1,669	11.0%
2032	-	-	-	53	-	-	53	0.4%
2033	-	-	-	246	-	-	246	1.6%
Total	**4,605**	**5,342**	**445**	**739**	**230**	**3,760**	**15,121**	**100%**

The table below presents a breakdown of the movement of interest-bearing liabilities since the beginning of 2023 (NIS million):

	2023	2024	September 2025
Opening balance	**17,635**	**17,029**	**15,501**
Receipt of loans or lines of credit / issue of debentures	2,049	3,936	2,088
Repayment of loans, lines of credit and debentures	(3,295)	(5,439)	(2,841)
CPI linkage and exchange rate differentials	750	67	481
Other changes[8]	(110)	(92)	(108)
Closing balance	**17,029**	**15,501**	**15,121**
Net of cash and cash equivalents, marketable securities and short term investments and foreign currency derivatives	(594)	(1,211)	(803)
Closing balance	**16,435**	**14,290**	**14,318**

1 Investments presented using the equity method. The Company holds 91.3 million shares of CTY (49.7%). The market value of the investment in CTY as at September 30, 2025, is NIS 1,159 million (EUR 3.3 per share).

2 Including an investment in assets through joint transactions presented in the financial statements according to the equity method.

3 Including mainly loans and receivables in an amount of NIS 0.9 billion, and inventory of offices for sale in an amount of NIS 0.3 billion.

4 Including mainly trade payables and other payables in an amount of NIS 0.6 billion, deferred tax liabilities of NIS 0.4 billion, and derivative financial instruments of NIS 0.1 billion.

5 Includes G Europe hybrid debentures in an amount of NIS 0.8 billion, and non-controlling interests in part of the Company's properties amounting to NIS 0.4 billion. It is noted that these properties also have loans amounting to a total of NIS 0.5 billion that are fully consolidated in this balance sheet as part of the interest bearing liabilities (NIS 0.1 billion of which are attributable to non-controlling rights).

6 As of Q1 2025, the Company has revised the method used for calculating the net debt to total balance sheet ratio also in the expanded separate financial information. In the revised calculation method, the net debt consists of interest bearing liabilities net of cash and cash equivalents, marketable securities, and short term investments only and does not include other liabilities and deduction of other properties (also including held for sale investment properties) as were included in the previous calculation method. The revised calculation method is consistent with the calculation in the consolidated report and is the customary calculation for this ratio. As at September 30, 2025, based on the previous method of calculation this ratio is 71.6%.

7 Including a deposit of EUR 30 million (NIS 117 million) made in the reporting period against the value of a financial derivative granted under the CSA agreements and that was deducted at source from the liability with respect to CSA, where the credit facility for the derivative actually ended subsequent to balance sheet date.

8 Including, mainly, depreciation of premium and discounting and income from early redemption of debentures.

2.2. FFO - expanded separate information

	For the 9 months ended September 30		For the 3 months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	(NIS millions, other than per share data)				
Available sources for distribution from a public subsidiary (CTY) [1]	112	138	39	47	175
Available sources for distribution from private subsidiaries [2]	536	609	194	204	843
Total income	648	747	233	251	1,018
General and administrative expenses	(46)	(52)	(16)	(16)	(67)
Interest expenses, net	(231)	(367)	(74)	(118)	(492)
Taxes	(11)	(11)	(3)	(5)	(15)
Total expenses	(288)	(430)	(93)	(139)	(574)
FFO	360	317	140	112	444
FFO per share (in NIS)	1.84	1.71	0.73	0.61	2.40

1 Calculated based on adjusted FFO net of current capex
For the 3 and 9 months ended September 30, 2025 and for the year ended December 31, 2024, CTY distributed dividends in the amount of NIS 82 million, NIS 28 million, and NIS 111 million, respectively. For the 3 and 9 months ended September 30, 2025, no dividends were distributed. It is hereby noted that based on the resolution of the general meeting of CTY shareholders, the CTY board of directors have the authority to distribute dividends, where the Board was given the authority to distribute up to EUR 0.30 per share until the next annual meeting of CTY shareholders. The CTY board of directors announced that it does not intend using its authority to distribute dividends as aforesaid for the end of 2025.

2 Includes income from early repayment of interest-bearing debt, as well as CAPEX in the amount of NIS 45 million in 2024, and NIS 11 million in each quarter of 2025, and NIS 15 million in each quarter last year.

2.3. (EPRA Earnings) FFO:

As is the practice in income-producing real estate companies, the Company customarily publishes information regarding the results of its operating activities in addition to, and without derogating from, the income statement prepared according to accounting principles.

The Company assumes that the Adjusted FFO index fairly reflects the operating results of the Company, provides a better basis for comparing the Company’s operating results in a particular period with those of previous periods and also provides a uniform financial measure for comparing the Company’s operating results with those published by other real estate companies.

These Adjusted FFO measures do not represent cash flows from operating activities according to accepted accounting principles, nor do they reflect the cash held by a company or its ability to distribute that cash, and they are not a substitute for the reported net income (loss). Furthermore, it is clarified that these measures are not audited by the Company’s independent auditors.

For further information see section 2.3 of the Board of Directors report included in the periodic report.

Below is a breakdown of the calculation of the FFO and the financial FFO per share of the Company, based on the Securities Authority method (the comparable figures were updated in accordance with the Authorities guidelines issued in January 2025):

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	(NIS millions, other than per share data)				
Net profit	230	401	69	(103)	96
Adjustments:					
Net of (profit) loss from secondary operations [1]	(8)	-	(13)	-	-
Fair value gain from investment property and investment property under development, net	(502)	(465)	(89)	(125)	(38)
Capital loss on sale of investment property	67	112	3	174	330
Change in fair value of financial instruments, including derivatives, measured at fair value through profit or loss	250	77	25	57	(15)
Adjustments with respect to equity-accounted investees	(79)	(116)	(26)	(12)	(108)
Deferred taxes and current taxes with respect to disposal of properties	210	145	64	31	53
Nonrecurring or exceptional expenses/income [2]	7	26	4	7	39
FFO as per Securities Authority method	175	180	37	29	357
Non-controlling interests' share in above adjustments	(195)	(204)	(69)	(76)	(280)
Interest on hybrid debentures paid to non-controlling interests	(76)	(72)	(25)	(24)	(96)
FFO as per the Security Authority method attributed to the Company's shareholders	(96)	(96)	(57)	(71)	(19)
Additional adjustments (attributable to the Company's shareholders)					
CPI and exchange rate linkage differentials [3]	322	323	150	143	328
Depreciation and amortization	12	13	4	4	20
Earnings from early redemption of hybrid debentures	(4)	87	(4)	38	92
Other adjustments [4]	49	34	14	23	69
FFO according to management method (AFFO)	283	361	107	137	490
AFFO per share (in NIS)	1.44	1.95	0.56	0.75	2.65
AFFO, excluding exchange rate changes	283	339	107	126	
AFFO per share, excluding exchange rate changes (NIS)	1.44	1.84	0.56	0.69	
Number of shares used in calculating the FFO per share (in thousands)5	196,101	184,863	191,165	182,353	184,892

a. Attributed to sale of offices activity.
b. Includes mainly non-recurring expenses due to Group reorganization expenses, special bonuses directly related to the sale of properties and non-recurring expenses/revenue due to legal proceedings.
c. See also section 2.4 below.
d. Includes mainly share based compensation expenses, cancellation of discounting reductions resulting from the conversion component of convertible debentures, net of financing expenses for properties in the stabilization period and non-recurring financing expenses.
e. Average weighted for the period.

Below is a breakdown of FFO sources

	Nine months ended September 30		Three months ended September 30		For the year ended December 31
	2025	2024	2025	2024	2024
	(NIS millions, other than per share data)				
FFO from the income generating properties segment					
Income					
NOI from investment property	564	632	191	211	844
The Group's share of CTY's FFO [1]	121	135	42	48	192
The Group's share of the FFO of subsidiaries other than	21	13	9	4	20
Total income	706	780	242	263	1,056
Expenses					
Real financing, net	(256)	(379)	(86)	(120)	(470)
Profits for hybrid debentures	(25)	(24)	(8)	(5)	(30)
General and administrative	(119)	(123)	(44)	(39)	(165)
Current taxes	(11)	(11)	(3)	(4)	(16)
Total expenses	(411)	(537)	(141)	(168)	(681)
FFO from the income generating properties segment	295	243	101	95	375
FFO per share from the income generating properties segment (NIS)	1.50	1.31	0.53	0.52	2.03
FFO from special financing activities					
Income					
Gains from buyback of debentures and hybrid debentures	19	134	17	49	139
Expenses					
Financing expenses from buyback of debentures and	(31)	(16)	(11)	(7)	(24)
FFO from special financing activities	(12)	118	6	42	115
FFO per share from special financing activities (NIS)	(0.06)	0.64	0.03	0.23	0.62
FFO as per management approach	283	361	107	137	490
FFO per share according to management approach (in NIS)	1.44	1.95	0.56	0.75	2.65
Gains from buyback of debentures and hybrid debentures using the long term spread method [3]	95	75	33	30	106

1. Net of profits with respect to CTY hybrid debentures
2. Reflects incremental interest expenses paid to finance buyback of the Group's debentures and hybrid debentures since the beginning of 2023. These expenses were calculated assuming the buyback financing according to the average interest on lines of credit for expanded separate debt, net of savings on interest expenses for the debentures bought back.
3. See section 2.5 below.

<u>Forecast of NOI and FFO per share from income generating real estate operations</u>

The forecast of NOI and FFO per share from income generating real estate operations are provided below to present the Company management's estimations with respect to the Company's business and operating results. Below is the NOI and FFO per share from income generating real estate operations forecast for 2025, which is based on public information and the management's estimations, including CTY's forecasts, if published, and the following assumptions:

- Known exchange rates and interest rates at the reporting date.
- Acquisitions, sales and investments in property development, pursuant to the Company's work plan.
- Excluding unanticipated material events that affect the Group's operations.

	Nine months ended September 30	Year ended December 31	For the year ended December 31
	2025	2025	2024
	(NIS millions, other than per share data)		
	Actual	Forecast	Actual
NOI Consolidated	1,219	1,590-1,630	1,734
FFO per share from the income generating properties segment (NIS)	1.50	1.95-2.01	2.03

The Company's forecast of NOI and FFO per share from income generating real estate operations for 2025 is forward-looking information, as defined in the Securities Law, 1968, based on the foregoing assumptions, including the estimations and assessments of the Company management and Group companies with respect to future events or matters whose materialization is uncertain and beyond the Group's control. There is no certainty that the forecast will be realized, in whole or in part, and actual results may differ from the forecast as set out above, due, among other things, to dependence on events beyond the control of the Company and the Group, including changes in exchange rates and interest rates, as well as the Company's ability to execute its plans for the realization, acquisition, and development of properties at the prices, under the conditions, or within the time frames set out in the work plan.

2.4. <u>Adjustment of CPI linked income and CPI linked interest expenses</u>

The Group's rental income is CPI linked (the "Index") in most of the countries in which it operates. This linkage contributes to the increase in the Group's income and the value of its properties.
For calculating the FFO according to the management method, the Company adjusts on the one hand the increase (impairment) in fair value of the income generating real estate and on the other the index differentials from financing expenses component in its financial statements, and adds the interest expenses on the hybrid debentures.

In the first quarter of 2025, the Company began engaging in such CPI swap transactions to create a higher correlation between CPI-linked revenue and CPI-linked debt, and as at date of publication of this report, the Company has engaged in swap transactions for an amount of NIS 4.7 billion.

The effect of transactions made through to the end of the third quarter of 2025 amounted to increased interest revenue of NIS 60 million (of which NIS 27 million in the third quarter), and is liable to increase interest revenue by NIS 24 million in the fourth quarter of this year, and this based on the transactions made through to the date of signing of these reports.

2.5. Buyback of debentures and hybrid debentures

Breakdown of future cash flow savings reflected in the return to redemption of the acquired debentures based on their purchase price until the original redemption data of these debentures that adds to decreasing the interest and principal payments that the Company was meant to pay on these debentures.

Period	Par value Acquired in the period	Total gains recognized in the period	Total cash flow savings over the useful life of the debentures
		NIS million	
2023	958.3	220.1	36.1
Q1-Q3/24	1,330.5	137.9	75.1
Q4/24	190.9	2.8	30.8
Q1-Q3/25	527.3	21.5	95.4
Q4/25			25.8
2026			84.6
2027 onwards			34.5
Total	**3,007.0**	**382.3**	**382.3**

2.6. Net asset value (EPRA NTA, EPRA NRV and EPRA NDV)

As is customary in European countries in which the Group operates, and similar to the position paper published by EPRA, which aims to increase transparency, uniformity and compatibility of financial information reported by real estate companies, the Company publishes the follow net property value data: EPRA NTA, EPRA NRV and EPRA NDV.

The Company believes that the presentation of such data enables its net asset value data to be compared with those of other European real estate companies. However, such data do not constitute a valuation of the Company and do not replace the data presented in the financial statements, but rather provide an additional aspect of the Company's net asset value (NAV) in accordance with the EPRA recommendations. It is clarified that such data are not audited by the Company's independent auditors.

For further information regarding these indices see section 2.6 of the Board of Directors report included in the periodic report.

Below is the calculation of the Company's EPRA NTA, EPRA NRV and EPRA NDV:

	September 30		December 31,
	2025	2024	2024
EPRA NRV			
Equity attributable to the shareholders of the Company, per the financial	3,877	4,922	4,180
Exclusion of deferred tax liability on revaluation of investment property to fair value (net of minority's share) [1]	811	873	671
Fair value asset adjustment for financial derivatives, net [2]	62	(20)	(21)
EPRA NRV	4,750	5,775	4,830
EPRA NRV per share (in NIS)	25.5	31.8	24.2
EPRA NTA			
Equity attributable to the shareholders of the Company, per the financial	3,877	4,922	4,180
Exclusion of deferred tax liability on revaluation of investment property to fair value (net of minority's share) [1]	449	484	378
Goodwill adjustment attributable to assets	(174)	(190)	(169)
Fair value asset adjustment for financial derivatives, net [2]	62	(20)	(21)
EPRA NTA	4,214	5,196	4,368
EPRA NTA per share (in NIS)	22.6	28.7	21.9
EPRA NDV			
Equity attributable to the shareholders of the Company, per the financial	3,877	4,922	4,180
Goodwill adjustment attributable to assets	(174)	(190)	(169)
Adjustment of financial liabilities to fair value	247	539	348
EPRA NDV	3,950	5,271	4,359
EPRA NDV per share (in NIS)	21.2	29.1	21.8
Number of issued shares of the Company used in the calculation (in thousands) 3	186,221	181,357	199,554

1. Net of goodwill generated in business combinations against deferred tax reserves. In EPRA NTA calculation, 50% of the tax reserve is used.
2. The amount represents the fair value less the intrinsic value of currency hedging transactions.
3. Represents the diluted number of issued shares (in thousands), excluding treasury shares held by the Company.

3. Explanations of the Board of Directors for the Company's Business Position, its Results of Operations, its Equity and its Cash Flows

3.1. Significant events in the Group during and subsequent to the reporting period

3.1.1. Key investments and disposals of investment real estate

A. G Europe

- In January 2025, the sale of land in Turkey was completed for proceeds of EUR 53 million.
- In February 2025, the sale of the Flora property in the Czech Republic was completed for proceeds of EUR 201 million after price adjustment, including for the capital investments and repairs and rentability.

B. G Israel

- The Company launched a marketing campaign to sell most of its holdings in the G City Rishon Le-Zion office tower that the Company is building. In this context, the Company won a Leumi Health Services tender to purchase 6 floors in the office tower for NIS 155 million and during the reporting period the parties engaged in a binding sales agreement.

In view of the commencement of the marketing campaign, the Company reclassified the remaining offices earmarked for sale from investment property under development to inventory, and began to recognize revenue from the sale of such offices based on sales made and the rate of completion of the project. Accordingly, the Company recognized gross profit from the sale of offices in an amount of NIS 20 million in the reporting period. Through to date of publication of this report, the Company has marketed (actual registration and signing) offices with transaction value of NIS 310 million, constituting 53% of the office space earmarked for sale.

- In August 2025, the Company engaged in an agreement for the sale of its rights in a property in Horev Center in Haifa, and in its management company (50%) for consideration of NIS 131 million. The transaction was completed during the reporting period. For further information, see section 6A below

C. Gazit Horizons

- In March 2025, the acquisition of an income generating property in Fort Lauderdale was completed for USD 35.4 million.

D. Gazit Brazil

- In July 2025, Gazit Brasil completed the sale of land in Paulista in Sao Paulo for consideration of BRL 49 million.

3.1.2. Financing activities and other significant events

A. In March 2025, the Company issued in a private placement, by means of expansion of a marketable series, NIS 295.6 million par value Debentures (Series P) secured by a fixed lien on G Europe shares held by wholly-owned subsidiaries of the Company, for a gross amount of NIS 304.4 million at effective interest of 5.05% (linked to the CPI).

B. In May 2025, the Company issued in a private placement, by means of expansion of a marketable series, NIS 71 million par value Debentures (Series O), which are secured by a lien on real estate assets, for a gross consideration of NIS 78.8 million and at an effective annual interest rate of 3.59% (CPI-linked). As part of this expansion the Company pledged two additional real estate properties in Israel in favor of the holders of the debentures (in Rishon LeZion and Tel Aviv). For further information regarding collateral for Debentures (Series P) see section 6B below.

C. In May 2025, the Company issued in a private placement, by means of expansion of a marketable series, NIS 440 million par value Debentures (Series U), for a gross total consideration of NIS 436 million and at effective interest of 5.05%, (CPI-linked). As part of this expansion, the Company pledged 35 million additional shares of the CTY subsidiary in favor of the debenture holders. Following the expansion of Series U, the series became a material series pursuant to Regulation 10(B)(13)(a) of the Securities Law (Periodic and Immediate Reports), 1970

D. In June 2025, the Company issued to the public, under the shelf offering memorandum, by way of the expansion of the series, NIS 430 million par value Debentures (Series N), for a gross total consideration of NIS 423 million and at effective interest of 5.65%, (CPI-linked). Debentures (Series N) are not secured.

E. In July 2025, the Company issued in a private placement, by means of expansion of a marketable series, NIS 353.5 million par value Debentures (Series M) (which are unsecured) for gross consideration of NIS 405 million and at effective interest of 5.03% (CPI-linked).

F. Subsequent to reporting date, in October 2025, the Company issued in a private placement, by means of expansion of a marketable series, NIS 298 million par value Debentures (Series N) (unsecured) for gross consideration of NIS 301 million and at effective annual interest of 5.21% (CPI-linked).

G. Subsequent to reporting date, on November 27, 2025, Orion Retail Properties Ltd. (“Orion”) issued an incomplete prospectus, under which the Company will distribute to its shareholders its total holdings in Orion as a dividend in kind, at value for distribution of EUR 34 million. Furthermore, under the tender offer, Orion is acting to raise debt secured by first and second degree liens on the properties to be sold to it as aforesaid, for an amount of up to EUR 1,360 million par value. For additional details refer to section 1.3 above.

H. In February 2025, G Europe completed the proactive full early redemption of outstanding Debentures (Series 2025) for an amount of EUR 85 million.

I. In March 2025, CTY bought back EUR 100 million par value Debentures (Series 2026) for an amount of EUR 97 million, by way of tender offer.

J. In April 2025, CTY issued EUR 450 par value debentures (unsecured) bearing annual interest of 5.375% and that are repayable in July 2031.

K. In April 2025, CTY bought back EUR 97 million par value Debentures (Series 2026) for an amount of EUR 97 million, by way of tender offer.

L. In June 2025, CTY bought back EUR 100 million par value Debentures (Series 2027) for an amount of EUR 97 million, by way of tender offer.

M. In the reporting period, the Company bought back NIS 114 million par value Debentures (Series N and O) of the Company for NIS 127 million. The effect of the early redemption on the Group’s statement of income was immaterial.

N. In the reporting period, G Europe bought back EUR 103 million par value Debentures (Series 2027), for EUR 98 million. Following the buyback, the Company recognized early redemption gain in the amount of EUR 3.8 million.

O. In the reporting period, CTY bought back EUR 35 million par value hybrid debentures for EUR 36 million. Subsequent to the buyback, the Company recorded a loss of NIS 5 million, carried to capital reserves.

P. In the reporting period, the Company acquired 13.2 million shares of the Company for NIS 165 million.

Q. Subsequent to reporting date, on November 3, 2025, the Company acquired, under an ex-stock exchange deal, 14.2 million CTY shares, constituting 7.7% of its share capital, for EUR 57 million (EUR 4 per share). Following the acquisition, the Company's holdings in CTY increased from 49.7% to 57.4%, thereby requiring it to issue a tender offer to the remaining CTY shareholders. Furthermore, subsequent to the acquisition, the Company recorded a profit of NIS 171 million, carried to capital reserves.
For additional details refer to section 1.4 above.

R. In March 2025, the S&P Maalot rating agency ratified the rating for CTY's debentures as BBB- and downgraded CTY's issued rating to BB+ with stable outlook. In September 2025, the rating agency downgraded the rating for CTY's debentures to BB+ and its issuer rating to BB with stable outlook. In November 2025, the rating agency downgraded CTY debentures to BB- and its issuer rating to B+, and announced placing CTY's ratings on the watch list with negative outlook due to the uncertainty regarding the final scope of the Company's offer to acquire the non-controlling shares of CTY and its impact on the rating, see also section 3.1.2.17 above.

S. In November 2025, the S&P Maalot rating agency announced it was placing the Company's ratings on the watch list with negative outlook in view of the uncertainty regarding the final scope of the Company's tender offer to acquire the CTY non-controlling shares and its impact on the rating, also see section 3.1.2 17 above.

T. In November 2025, the Midroog rating agency issued an issuer caveat due to the tender offer for CTY shares. Midroog assesses that all the effects resulting from the tender offer are expected to maintain the financial ratios and the rating is not expected to change in the short term.

3.2. Real estate operations

Key operating information and projects under development

	Income-generating properties [1]	GLA (square meters in thousands)	Occupancy rates 30,9.2025	Occupancy rates 30,9.2024
G Israel	9	139	98.5%	97.8%
Gazit Brazil	7	164	95.7%[2]	96.8%
Gazit Horizons	14	79	96.7%	91.8%
CTY	31	1,001	95.2%	95.1%
G Europe	13	358	96.0%	96.2%

	Average basic monthly rent		Change in net cash flow from these properties in reporting period [3]	OCR [4]	Net property NOI (millions)	
	30.9.2025	30.9.2024		30.9.2025	Q3.2025	Q3.2024
G Israel	NIS 127.4 [7]	NIS 130.7 [7]	4.9%	11.3%	NIS 70.2	NIS 60.0
Gazit Brazil	R$ 66.1	R$ 67.1	4.0%	11.0%	R$ 51.9	R$ 52.3
Gazit Horizons	USD 45.2 [5]	USD 60.2 [5]	4.9%	[4]-	USD 6.6	USD 5.1
CTY	EUR 27.5	EUR 24.7	5.7%	9.2%	EUR 52.2	EUR 54.7
G Europe	EUR 28.2 [6]	EUR 26.8 [6]	10.8%	12.7%	EUR 23.7	EUR 25.9

1. Includes jointly controlled properties.
2. For the shopping centers only.
3. Change in net cash flow from similar properties in the reporting period compared to the corresponding period last year.
4. OCR (Occupancy Cost Ratio) is the rent and management to proceeds ratio. The Company does not receive proceeds data in the commercial properties of Horizons.
5. Without residential properties. The decrease in average monthly apartment rents compared to the corresponding period is mainly due to a new property with lower rents acquired during the reporting period.
6. For shopping centers only, without leases based solely on revenue.
7. The decrease in average monthly rent compared to the corresponding period is mainly due to the sale of 50% of four high rent residential properties at the end of 2024.

Projects in planning, construction and development

Projects under construction	Plans	Expected Additional Space (sq.m)	Company's share	Estimated Date of Completion	Actual investment as at September 30, 2025 (1)	Inventory of offices as at date	Fair value at September 30, 2025	Estimated Cost to Completion	Proceeds expected from sales	Annual NOI Expected 2
					(100% in NIS million)					
G City Rishon LeZion	An office tower under construction - 75% of the tower is earmarked for sale	65,100	100%	2026	327	254	188	342	622	23
Tel Hashomer Rental Apartments	Construction of 3 residential buildings with 243 rental apartments (before additional rights 8/ betterment relief) for long term rental of about 20 years.	34,800	100%	2028	43		286	407		24
		Total – 100%			**370**	**254**	**474**	**749**	**622**	**47**

(1) Without the cost of land
(2) NOI is expected to remain stable during the year, assuming full occupancy in the remaining space after sales.

Land for future development	Plans	Expected Additional Space (sq.m)	Company's share	Expected completion date (1)	Fair value at September 30, 2025 (100% in NIS million)
Beit Cal	Construction of mixed-use towers with 70,000 sq.m of office space, 11,000 sq.m of residential space and 6,300 sq.m of commercial space.	81,100	100%	TBD	403
Brickel, Miami	Construction of a 61 floor mixed use tower, the application to increase the number of residential apartments to 504 units in the project was approved.	42,000	100%	TBD	256
Promenada Village, Warsaw	The Promenada Village residential apartments project includes 372 apartments for sale (15,400 sq.m) and 2,400 sq.m commercial space on the ground floor (the commercial space will remain under the Company's ownership), close to the existing Promenada Shopping Mall. It is built on a plot of land owned by the Company that currently uses it as a parking lot.	17,774	100%	Phase A - Q2/2028; Phase B - Q3/2030	100
Promenada Retail Extension 2, Warsaw	The project for extending the Promenada Shopping Mall includes the Primark brand, 35-50 additional stores (addition of 18,800 sq.m) and 318 additional parking spaces.	24,453	100%	Q3/2028	105
Wolska, Warsaw	The Wolska residential rental project includes up to 527 apartments (17,300 sq.m), intended for the development of the 105 meter high PRS building in the heart of Warsaw's business district. The acquisition of the 3,175 sq.m plot was completed in the fourth quarter of 2024.	17,946	100%	Q2/2029	61
		Total			**925**

* The foregoing data includes information about projects in planning and under construction (including expected additional space, completion schedules, expected developers' profit, completion costs and expected annual NOI) which constitute forward-looking information as defined by the Securities Law, 1968. The foregoing estimates are based on the Company's estimates to date, they are uncertain, may not materialize and are mainly outside the Company's control and depend, among other things and as aforesaid, on the economic situation and the real estate market in the various markets where the properties are located and in which the Company operates, as well as manifestation of the risk factors relevant to the Company's operations (as set out in section 28 of the report). If the foregoing market conditions change or any of the risk factors materialize, it is possible that changes may apply in the estimated schedules, costs and NOI, respectively.

3.3. Effect of the Macro-economic Environment on the Group's operations

The Group's activity is affected by the macro-economic environment (inter alia, population growth/decrease, private consumption volumes, unemployment rates and level of demand) in the various countries in which it operates. These parameters to some extent impact occupancy rates of the properties, the level of rents, the Group's ability to increase its revenues over time, and the scope and potential of investments and development. For further information concerning the general environment and the effect of external factors on the Company's operations, including the impact of the war in Israel, see section 5 of the chapter on the description of the Company's business and the update thereto.

Below is a breakdown of macro-economic data for the countries in which the Group operates*:

	Growth (GDP)					
	2025 forecast	2024	Unemployment rate in 2025	CPI forecast for 2025	Nominal return on government bonds (10 years)	Credit rating (S&P)
Israel	2.50%	0.35%	3.20%	3.07%	3.94%	A
Poland	3.40%	2.90%	5.40%	3.70%	5.38%	A
Finland	0.70%	0.38%	9.25%	1.60%	3.01%	AA+u
Norway	1.90%	0.60%	4.50%	2.90%	3.98%	AAAu
Brazil	2.22%	3.39%	6.10%	5.10%	13.71%	BB
Sweden	1.20%	0.83%	8.70%	0.80%	2.58%	AAAu
USA	1.90%	2.80%	4.24%	2.80%	4.04%	AA+u
Canada	1.20%	1.55%	6.94%	2.03%	3.08%	AAA

* Data source: Bloomberg October 2025

Furthermore, 96% of the Group's debt is long term at fixed interest (after hedging transactions) and therefore in the short term the Company does not expect that the domestic interest rate increase will not significantly affect the Company's financing expenses. At the same time, the Company is aware that the debt raising costs will grow in line with the increase in market interest rates and estimates that the debt raising costs will increase in accordance with additional increases in the market interest rate, if there will be any.

For information reading the exposure to CPI changes, see section 2.4 above.

It is hereby clarified that the Company is unable to estimate the future effects of the macro-economic changes on its operations and if the foregoing changes will lead to a global recession it could adversely affect the Group's operations and results. For further information see the chapter on Risk Factors in the Company's periodic report for 2024.

3.4. Dividend Distribution Policy

The Company has a long-term policy to share its profits with the Company's shareholders by means of ongoing quarterly dividend distributions, subject to the Company's cash flows, business plans, legal restrictions and the Company's liabilities. In March 2025, the Company's Board of Directors approved a quarterly dividend distribution policy for 2025 at NIS 0.125 per share (reflecting annual rate of NIS 0.50 per share for 2025), after reviewing the Company's financial position, including its projected cash flow, and based on the progress of the property disposal plan as announced by the Company on October 25, 2022, and as revised from time to time, as well as additional considerations, and pursuant to the distribution tests set in the Companies Law, 1999 ("Companies Law").

On November 27, 2025, the Company's Board of Directors approved a distribution in kind of 100% of the shares in Orion Retail Properties Ltd. held by the Company, as set out in section 1.3 above. Accordingly, the Company's Board of Directors decided not to distribute a cash dividend for this quarter.

3.5. Financial Position

Item in the statement of financial position	September 30 2025	December 31, 2024	Notes and explanations
	NIS million		
Cash and cash equivalents	758	1,991	For explanations regarding cash flows, see section 3.8 below.
Equity accounted investments	979	982	
Investment property and investment property under development (including properties held for sale)	30,764	30,801	Substantial events during the reporting period: The effect of exchange rates in an amount of NIS 0.5 billion Revaluation of investment properties in the amount of NIS 0.4 billion Investment in real estate in an amount of NIS 0.5 billion Offsetting the sale of property classified as held for sale in an amount of NIS 1.1 billion and classification of real estate to inventory of offices for sale in an amount of NIS 0.3 billion.
Other assets	2,087	2,247	The decrease is mainly due to a decrease in released restricted cash in an amount of NIS 0.4 billion offsetting reclassification of offices held for sale inventory from investment property under development in an amount of NIS 0.3 billion.
Total assets	**34,588**	**36,021**	
Interest bearing liabilities and debentures	22,264	22,994	Significant movements in the period: Repayment of loans and debentures in an amount of NIS 5.4 billion Receipt of loans and issue of debentures in an amount of NIS 3.7 billion An increase with respect to index differentials in the amount of NIS 0.4 billion
Liabilities attributed to assets held for sale	-	494	The decrease is due to the disposal of properties and repayment of liabilities link to them during the reporting period.
Other liabilities	2,451	2,435	
Total liabilities	**24,715**	**25,923**	
Equity attributable to the Company's shareholders	3,877	4,180	The decrease is mainly due to a dividend announced in the period in an amount of NIS 73 million, acquisition of treasury shares in an amount of NIS 165 million and other comprehensive loss of NIS 49 million (mainly from translation of financial statements).
Non-controlling interests	5,996	5,918	The increase is mainly attributable to the non-controlling interest share in the total income, amounting to NIS 392 million and offset by the buyback of hybrid debentures in an amount of NIS 144 million and payment of interest to holders of hybrid debentures in an amount of NIS 132 million.
Equity	**9,873**	**10,098**	
Total liabilities and equity	**34,588**	**36,021**	

3.6. Operating results and analysis

A. Breakdown of operating results:

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million (Other than earnings (loss) per share)				
Rental and other income	1,732	1,896	574	643	2,533
Property operating and other expenses	533	597	172	200	799
Net income from rental of buildings	1,199	1,299	402	443	1,734
Revenue from the sale of offices	130	-	130	-	-
Cost of sales of offices	110	-	110	-	-
Net income from the sale of offices	20	-	20	-	-
Operating income, net	1,219	1,299	422	443	1,734
Fair value gain from investment property and investment property under development, net	502	465	89	125	38
General and administrative expenses	(214)	(233)	(74)	(65)	(321)
Sales and Marketing Expenses	(5)	-	(3)	-	-
Other income	3	185	-	-	222
Other expenses	(70)	(303)	(3)	(179)	(549)
Company’s share in earnings of equity-accounted investees, net	82	126	30	16	114
Operating profit	1,517	1,539	461	340	1,238
Financing expenses	(1,174)	(1,122)	(374)	(462)	(1,285)
Financing income	110	146	49	59	219
Income (loss) before taxes on income	453	563	136	(63)	172
Taxes on income	223	162	67	40	76
Net profit (loss)	230	401	69	(103)	96
Attributable to:					
Equity holders of the Company	(21)	121	(11)	(131)	52
Non-controlling interests	251	280	80	28	44
	230	401	69	(103)	96
Net earnings (loss) per share attributable to equity holders of the Company (NIS)					
Total basic net earnings (loss)	(0.11)	0.65	(0.06)	(0.72)	0.28
Total diluted net earnings (loss)	(0.11)	0.65	(0.06)	(0.72)	0.28

Presentation of statement of comprehensive income

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	**2024**	**2025**	**2024**	**2024**
	Unaudited				Audited
	NIS million				
Net profit (loss)	230	401	69	(103)	96
Other comprehensive income (loss) (net of tax effect):					
Amounts not subsequently reclassified to profit or					
Profit (loss) for financial assets at fair value through other comprehensive income	3	-	-	-	(31)
Amounts classified or reclassified to profit or loss					
Adjustments for conversion of financial statements of foreign operations	110	226	(199)	375	(1,230)
Profit (loss) for cash flow hedges	(21)	(12)	3	(46)	(15)
Total other comprehensive income (loss)	92	214	(196)	329	(1,276)
Total comprehensive income (loss)	322	615	(127)	226	(1,180)
Attributable to:					
Shareholders of the Company (1)	(70)	189	(105)	22	(803)
Non-controlling interests	392	426	(22)	204	(377)
	322	615	(127)	226	(1,180)

B. Analysis of operating results in the reporting period

	Nine months ended September 30		
	2025	2024	
Item in the consolidated	NIS million		Notes and explanations
Net operating income (NOI)	1,219	1,299	A decrease of 6.2% compared with the corresponding period last year. The decrease is mainly due to exchange rate changes and NOI from properties sold in the past year, offset by an increase in revenue from similar properties of 6.5%.
Rate of revenue	70.4%	68.5%	
Fair value gain from investment property and investment property under development	502	465	
Administrative and general, and sales and marketing expenses	(219)	(233)	The decrease is mainly due to the costs of the structural changes recorded in CTY in the corresponding period.
Other expenses, net	(67)	(118)	In the reporting period due to capital losses from the closing of property sale transactions and due to price adjustments and transaction costs. In the corresponding period last year, mainly including capital losses of NIS 300 million resulting from property sales, price adjustments and transaction costs, and also including impairment of goodwill related to properties that were sold, offset by a capital gain of NIS 184 million from the acquisition of the partner in Kista Galleria.
The Company's share in earnings of equity-accounted investees	82	126	The decrease is mainly due to the revaluation of investment real estate recorded in the corresponding period last year at a higher amount compared to the revaluation recorded in the reporting period with respect to a property in the US.
Operating profit	**1,517**	**1,539**	
Financing expenses, net	(1,064)	(976)	The increase in financing expenses is mainly due to expenses with respect to the revaluation of derivatives in an amount of NIS 239 million in the reporting period, compared to NIS 61 million in the corresponding period last year, offsetting a decrease in interest and linkage differential expenses of NIS 78 million compared to the corresponding quarter last year.
Income tax	(223)	(162)	The increase in expenses is mainly due to an increase in deferred tax expenses (mainly due to a positive revaluation of investment properties and a change in the tax rate at which deferred taxes were calculated for an income-generating property in Poland), which amounted to NIS 186 million in the reporting period, compared to NIS 93 million in the corresponding period last year, offsetting a decrease in current tax expenses of NIS 39 million in the reporting period, compared to NIS 69 million in the corresponding period.
Net profit	**230**	**401**	

C. Analysis of operating results for Q3, 2025

	Three months ended September 30		
	2025	2024	
Item in the consolidated	**NIS million**		**Notes and explanations**
Net operating income (NOI)	422	443	A decrease of 4.7% compared with the corresponding period last year. The decrease is mainly due to NOI from properties sold in the past year, offset by an increase in revenue from similar properties of 6.1%.
Rate of revenue	73.5%	68.9%	
Fair value gain from investment property and investment property under development	89	125	
Administrative and general, and sales and marketing expenses	(77)	(65)	
Other expenses, net	(3)	(179)	In the corresponding period, including capital losses due to sale of properties, price adjustments and transaction costs, and including impairment of goodwill related to properties that were sold.
The Company's share in earnings of equity-accounted investees	30	16	The increase is mainly due to the revaluation of investment properties recorded in the quarter at a higher amount compared to the revaluation recorded in the corresponding quarter last year with respect to a property in the US.
Operating profit	**461**	**340**	
Financing expenses, net	(325)	(403)	The decrease in financing expenses is mainly due to a decrease in income from the revaluation of derivatives in an amount of NIS 11 million in the reporting period compared to NIS 55 million in the corresponding period last year, and from a decrease in interest and linkage differential expenses of NIS 69 million in the quarter compared to the corresponding quarter last year.
Income tax	(67)	(40)	The increase in expenses is mainly due to an increase in deferred tax expenses (mainly due to a positive revaluation of investment properties), which amounted to NIS 64 million in the reporting period, compared to NIS 12 million in the corresponding period last year, offsetting a decrease in current tax expenses of NIS 3 million in the reporting period, compared to NIS 28 million in the corresponding period.
Net profit (loss)	**69**	**(103)**	

3.7. Liquidity and Sources of Finance

The Company and its subsidiaries have a policy of maintaining an adequate level of liquidity that enables taking advantage of business opportunities in its operating segments and flexibility in accessibility to sources of finance.

The sources of liquidity of the Company and its subsidiaries are cash generated from its income-producing property, raising of debentures, hybrid debentures, convertible debentures, equity, credit lines, and long-term loans (including loans backed by liens on properties) used mainly for acquisition, development and redevelopment of income-producing property, settlement of liabilities, investments in investees and other investments.

As at September 30, 2025, the Company and its subsidiaries have unutilized approved long-term credit facilities[4] available for immediate withdrawal and liquid balances of NIS 2.3 billion (of which NIS 1.1 billion for the Company and its wholly-owned subsidiaries) which includes cash and short-term deposits of NIS 0.9 billion and have unutilized approved long term credit facilities available for immediate withdrawal in the amount of NIS 1.4 billion.

Moreover, as at September 30, 2025, the Company and its subsidiaries also have investment property and investment property under development that may be pledged, which are carried in the books at its fair value of NIS 15.8 billion (51.3% of the total investment property and investment property under development).

Of these, regarding the expanded separate information, the Company has properties that can be pledged worth NIS 3.3 billion[5] (NIS 2.2 billion in G Europe, NIS 0.7 billion in the US, NIS 0.3 billion in Brazil and NIS 0.1 billion in Israel).

As at September 30, 2025, based on the Company's consolidated financial statements, the Company has negative working capital of NIS 0.9 billion, and based on the Company's separate financial information negative working capital of NIS 0.8 billion (half of which in secured liabilities), and negative FFO pursuant to the Company's separate financial information. Moreover, the Company has (extended separate) positive FFO, see section 2.2 below. Conversely, the Company has at its disposal, on a consolidated and expanded separate basis (including wholly-owned subsidiaries), approved long-term credit lines1 available for immediate withdrawal amounting to NIS 1.4 billion and NIS 0.5 billion, respectively. According to Group policy, the Group usually finances its activities through revolving credit lines, and raises equity and long-term debt from time to time, in accordance with the market conditions. The Company's Board of Directors examined the existence of such negative working capital and negative cash flows from current operations, and tested whether this could indicate a liquidity problem in the Company, and this by reviewing the Company's cash flow projections, and determined that, in light of the scope of the foregoing sources available to the Company and its subsidiaries, including the scope of properties that can be pledged, as set out above, the ability to refinance debts secured by real estate, and the positive FFO, consolidated and extended separate, including other cash flows, its existence does not indicate that the Company or its subsidiaries have a liquidity problem, and therefore it is unnecessary to attach cash flow projections.

3.8. <u>Cash flows</u>

FFO in the reporting period and in the quarter amounted to NIS 421 million and NIS 150 million, respectively, compared to NIS 411 million and NIS 129 million in the corresponding period last year.

In the second quarter, the Company and its subsidiaries financed their operations mainly by issuing of debentures for a net amount of NIS 590 million. These cash flows were mainly used to repay loans and credit facilities in a net amount of NIS 1,794 million, to purchase treasury shares in the amount of NIS 165 million, and payment of interest to holders of hybrid debentures in an amount of NIS 132 million.

In the third quarter, the Company and its subsidiaries financed their operations mainly by obtaining loans and lines of credit in a net amount of NIS 26 million, and the disposal of investment property in a net amount of NIS 53 million. These cash flows were mainly used to repay debentures in a net amount of NIS 157 million, to purchase treasury shares in the amount of NIS 101 million, and payment of interest to holders of hybrid debentures in an amount of NIS 119 million.

[4] Signed credit lines with financial institutions, secured by properties, pursuant to which these institutions are obligated to provide the Group with the foregoing credit subject to complying with the terms prescribed in the agreements and with respect to which the Group Companies pay various commissions, including a credit allocation fee.

[5] In addition, the Company has 3 income generating properties in Europe, worth a total of NIS 3.6 billion used to secure existing debts and unused credit facilities in the amount of NIS 1.3 billion, with expected maturity dates within the next two years and which the Company intends to sell and to provide new debt collateral for in an amount that is expected to generate cash flow surplus of NIS 1.2 billion over the current existing debt.

3.9. Buyback plan

A. On March 19, 2025, the Company's Board of Directors resolved to adopt a new plan for the buyback of debentures of the Company (in lieu of the earlier plan) in an amount of up to NIS 300 million par value, with regard to all outstanding debenture series, which is valid until March 31, 2026. Acquisitions are to be made under the plan from time to time, at the discretion of the Company's management. Through to date of publication of this report, the Company has bought back an amount of NIS 114 million par value debentures under this plan.

B. On March 19, 2025, the Company's Board of Directors resolved to adopt a program for the buyback of Company shares for an amount of up to NIS 100 million, effective through to March 31, 2026 (replacing the earlier plan). Acquisitions are to be made under the plan from time to time, at the discretion of the Company's management, subject to compliance with the distribution tests. Through to date of publication of this report, the Company has bought back 5.6 million shares at a cost of NIS 67 million. In August 2025, the Company's board of directors approved a buyback plan, replacing the previous plan, as set out below.

C. On August 14, 2025, the Company's Board of Directors resolved to adopt a new plan for the buyback of the Company shares in an amount of up to NIS 120 million, valid until August 31, 2026. Acquisitions are to be made under the plan from time to time, at the discretion of the Company's management, subject to compliance with the distribution tests. This plan replaces the plan that was approved in March 2025. Through to date of publication of this report, the Company has bought back 7.6 million shares at a cost of NIS 98 million.

4. Report concerning exposure to and management of market risks

4.1. The individuals responsible for the matter of reporting and market risk management in the Company are the CEO and CFO of the Company. The Group operates in a large number of countries, therefore it is exposed to currency risks resulting from the exposure to the fluctuations of exchange rates in different currencies, mainly to the Euro, USD and BRL. Since March 19, 2025, 9date of approval of the Company's annual report), and as at reporting date there have been no material changes in market risks and means of their management, other than as set out in section 4.4.

4.2. In the period from January 1, 2025 through to the date of approval of the financial statements, the individuals responsible for reporting and managing the Company's market risks have held and continue to hold regular discussions concerning exposure to market risks, including changes in exchange rates and interest rates. In addition, during the foregoing period, the Company's Board of Directors discussed these risks and the Company's policy regarding them at meetings in which, among other things, they approved the financial statements, as well as at other meetings specifically on this issue.

4.3. Changes in foreign currency exchange rates – from January 1, 2025 through September 30, 2025, the NIS devalued against the EUR and the BRL by 2.2% and 6.0%, respectively, and appreciated against the USD and CAD by 9.4% and 6.3%, respectively. With regard to the effect of exchange rate changes on the Company's equity as at September 30, 2025, see Appendix A of the Directors' Report. In addition, as of September 30, 2025 through to immediately prior to the date of approval of this report, the NIS appreciated against the Euro, USD, CAD and BRL by 2.2%, 0.8%, 2.0% and 2.0%, respectively.

Moreover, some of the Company's liabilities are linked to CPI changes in Israel (mainly for its operations in Israel). As of January 1, 2025 through September 30, 2025, the CPI (known) rose by 3.0%. Moreover, since September 30 through to immediately prior to the date of approval of this report, the CPI declined by 0.1%. For further information concerning index swap transactions that the Company engages in to align index-linked revenues with index-linked interest-bearing expenses, see section 2.4 above.

4.4. The Company usually maintains a high correlation between its property mix in the different functional currencies and the equity exposure to those currencies, by engaging in hedge transactions from time to time to manage the currency exposure. Furthermore, the Company's management regularly reviews the currency linkage balance and responds according to exchange rate developments. In recent years, in view of the relatively high volatility of forex rates against the NIS, which significantly increases liquidity risks, the Company has taken steps to temporarily hedge the bulk of the derivatives portfolio. As of Q1 2025, the Company is working to gradually re-increase the scope of hedging transactions in order to improve the foregoing correlation.

For further information concerning the Company's currency exposure to its operating currencies (EUR, USD, CAD, NIS and BRL) as at September 30, 2025, see the table attached as Appendix A to the Directors' Report.

5. Corporate Governance

Contributions

The Company considers itself committed to caring for and assisting the communities in which it operates, in accordance with the social investment policy approved by its management. In the reporting period, the Group made donations to a variety of projects in the fields of education, culture, welfare and health in the various countries in which the Company operates.

A. Most of the Group's social investment during the reporting period was directed to education in favor of the "To the South" project which the Company founded more than ten years ago. As part of this project, the Company supports the education systems in the outlying towns and villages in the Negev, including support for elementary and high schools, kindergartens and day care centers.

B. Community involvement – the Group supports a variety of social organizations in the fields of welfare, health and culture, through financial donations and volunteer work by its employees.

The Group’s total donations in the reporting period amounted to NIS 1.5 million.

6. Details Concerning the Company’s Publicly-Held Liabilities

A. Collateral for debentures (Series O)

The Company’s obligations under the deed of trust for Debentures (Series O) are secured by a first degree fixed lien recorded on the Company’s share in several income generating properties in Israel, as follows: 50% in G Kochav Hatzafon, 50% in G Savyon, 51% in G Rothschild, 100% of a property in Dizengoff Street Tel Aviv, and 100% of a property in Rishon LeZion; (below, jointly in this section the “Pledged Properties”). The value of the Company's share in the properties pledged for Debentures (Series O) as at September 30, 2025, is NIS 468 million.

Two of the foregoing pledged assets (in Tel Aviv and Rishon LeZion) with a total value of NIS 132 million were pledged for the benefit of the holders of Debentures (Series O)[6], under the expansion of the Debentures (Series O) series by the Company in the reporting period, as set out in Section 3.1.2B of this report, concurrent with the release of a bank guarantee in the amount of NIS 15 million.

Furthermore, in August 2025, the Company engaged in an agreement for the sale of its rights (50%) in the Horev property and its management company, which were pledged in favor of the holders of Debentures (Series O). Based on the provisions of the deed of trust for the debentures, the proceeds of the transaction were deposited into a trust account and were released to the Company concurrently with the deposit of an unconditional autonomous bank guarantee for an amount of NIS 104 million, according to the amount required to meet the loan-to-value (LTV) ratio condition as stipulated in the terms of the debentures Subsequent to the reporting period, in view of the decrease in the debenture principal, and in accordance with the provisions of the deed of trust for the debentures, the lien was lifted from the bank guarantee.

For further information concerning the terms of the debentures and with regard to the foregoing pledged properties, as required pursuant to the Securities Regulations relating to investment real estate, see Note 19C7 to the financial statements of the Company as at December 31, 2024, Appendix B to the Company's Board of Directors Report as at December 31, 2024, and the valuations attached to the periodic report and immediate report dated May 21, 2025, (Ref. No.: 2025-01-035888).

6 For further information regarding additional collateral provided in favor of debenture holders see the immediate reported issued on May 21, 2025 (Ref. No.: 2025-01-035888) noted here by way of reference.

B. Collateral for debentures (Series P)

The Company's obligations under the deed of trust for Debentures (Series P) are secured by a fixed first degree lien on G Europe shares held by wholly owned subsidiaries of the Company. As at the date of this report, 232 million G Europe shares are pledged in favor of the holders of Debentures (Series P).
For further information concerning the terms of Debentures (Series P) see Note 19C6 to the Company's financial statements as at December 31, 2024. For further information concerning G Europe, see G Europe's financial statements as at September 30, 2025 as published in an immediate report issued by the Company on November 09, 2025 (Ref. No.: 2025-01-084794), where the information contained therein is hereby presented by way of reference.

C. Collateral for debentures (Series R)

The Company's obligations under the deed of trust for Debentures (Series R) are secured by a fixed first degree lien on all of the Company's holdings in GHI Alpha Portfolio LLC ("G Alpha"), which are held by the Company through Gazit Horizons Inc., a wholly-owned subsidiary of the Company (indirect) and related rights, as well as a single lien on the bank account of G Alpha. Furthermore, G Alpha provided a guarantee for the Company's liabilities under the deed of trust of Debentures (Series R). G Alpha operates in the income generating real estate sector in the United States.

In the reporting period, Gazit Horizons Inc. transferred to G Alpha its holdings (100%) in an income generating property in Boston worth USD 20 million, free of charge. In view of the foregoing transfer of this property, G Alpha holds seven income generating properties in the US, which as at reporting date are worth USD 319 million.

Furthermore, in the reporting period G Alpha distributed a dividend to its shareholders in an amount of USD 11 million, which was transferred to the Company from the trust account.

For further information concerning the terms of Debentures (Series R) see Note 19C4 to the Company's financial statements as at December 31, 2024. For further details regarding G Alpha, as required pursuant to the regulations of the Israel Securities Authority regarding investment property activity, see Chapter A to the periodic report.

D. Collateral for debentures (Series S)

The Company's commitments under the deed of trust for Debentures (Series S) are secured by a second degree mortgage on all the Company's rights in a real estate property owned by the Company (the G complex in Rishon LeZion), and a fixed second degree lien on the pledged revenue from the pledged properties (as defined in the deed of trust), as set out in section 5 of the deed of trust for Series S, attached as Appendix B to the shelf offering memorandum of the Company issued on April 9, 2024 (Ref. No.: 2024-01-041019) and amendment to the deed of trust issued on October 28, 2(Ref. No.: 2024-01-612201), where the information presented therein is noted here by way of reference. The value of the foregoing pledged property as of September 30, 2025 is NIS 1,869 million. The Company is acting to sell part of the office tower that it is building in the G Rishon Le-Zion complex, which is pledged in favor of Debentures (Series S). Prior to the sale of sections of the tower, the Company negotiates from time to time with the trustee for Debentures (Series S) to release the foregoing sections from the lien, pursuant to the provisions of the deed of trust. Accordingly, thus far the trustee for the debentures has signed a letter excluding 16 floors and two underground levels in the office tower from the second degree lien registered to secure the debentures, pursuant to the provisions of the deed of trust.

For further information concerning the terms of Debentures (Series S) see Note 19C3 to the Company's financial statements as at December 31, 2024.

For further information regarding the foregoing pledged property, as required pursuant to the regulations of the Israel Securities Authority regarding investment property activity, see Chapter A to the periodic report.

E. Collateral for debentures (Series T)

The Company's obligations under the deed of trust for Debentures (Series T) are secured as follows: (1) a first degree mortgage, limited in an amount equivalent to 175% of the principal of the debentures, on the rights in land in Warsaw, Poland (G Targowek), that is wholly owned by a wholly owned (indirect) subsidiary of the Company (in this section: the “Property Company”); (2) a first degree lien, limited to an amount equivalent to 175% of the principal of the debentures on movable assets and other assets owned by the property company (other that the real estate property); (3) a first degree lien limited to an amount equivalent to 175% of the principal of the debentures on all the bank accounts of the property company; (4) endorsement of the property company's rights in pledged revenue (as defined in the deed of trust), and as per the terms set out in this deed; (5) a first degree lien, limited to an amount equivalent to 175% of the principal of the debentures on the entire share capital of the company that holds the property company (the “Parent Company”); and (6) endorsement of the rights of the parent company in the shareholders’ loans it provided to the property company, all as set out in section 5 of the deed of trust for Debentures (Series T) attached as Appendix B to the shelf offering memorandum issued by the Company on July 14, 2024 (Ref. No.: 2024-01-073495) and the amended deed of trust issued on February 6, 2025 (Ref. No.: 2025-01-009257), where the information presented therein is noted here by way of reference. The value of the foregoing pledged property as of September 30, 2025 is EUR 249 million.

For further information concerning the terms of Debentures (Series T) see Note 19C2 to the Company's financial statements as at December 31, 2024.

For further information regarding the foregoing pledged property, as required pursuant to the regulations of the Israel Securities Authority regarding investment property activity, see Chapter A to the periodic report.

F. Collateral for debentures (Series U)

The Company’s obligations under the deed of trust for Debentures (Series U) are secured by a first degree fixed lien on custodian accounts in which CTY shares held by a held by the Company and a wholly owned subsidiary of the Company are deposited (“Pledged Companies” and “Pledged Share Accounts”, respectively) and all the Pledged Companies’ rights in the pledged share account with everything deposed therein (other than exceptions). For further information, including with regard to the custodian agreement, see section 5 of the deed of trust, attached as Appendix B to the Company's shelf offering memorandum as amended on October 28, 2024 (Ref. No.: 2024-01-611780), where the information contained therein is presented here by way of reference.

In May 2025, the Company carried out a private offering of Debentures (Series U) under which the Company pledged 35 additional CTY shares. To date 54.7 million CTY shares are held in the custodian accounts.

For further information concerning the terms of Debentures (Series U) see Note 19C1 to the Company's financial statements as at December 31, 2024. For further information concerning CTY, see CTY’s financial statements as at September 30, 2025 as published in an immediate report issued by the Company on November 2, 2025 (Ref. No.: 2025-01-082378), where the information contained therein is hereby presented by way of reference.

G. The deeds of trust under which the outstanding debentures were issued do not impose restrictions on the Company regarding the creation of additional charges on the Company’s assets that were not pledged in favor of these debentures or with regard to the Company’s authority to issue additional debentures, other than the undertaking to create a negative floating charge in favor of the holders of debentures (Series M, N, P, Q, R, S, T, and U).

H. For further information concerning the expansion of debenture series M, R, O, P, and U, see Notes 3A3, 3A11, 3A12, 3A13, 3A14, and 5B to the financial statements.

I. For further information concerning the buyback of Debentures (Series N), see Note 3A10 to the financial statements.

J. Below are the principal financial covenants the Company's debentures:

Financial ratio	Financial covenants		At September 30, 2025
Minimum equity (excluding non-controlling interests) (USD million)	L - higher than 650 for 4 consecutive quarters M, R - higher than 800 for 3 consecutive quarters N, O, P, Q, S, T, U - higher than 850 for 3 consecutive quarters		1,173
Minimum equity (excluding non-controlling interests) for one quarter (USD million)	M, N, O - higher than 400 P, Q, R, S, T, U - higher than 450		1,173
Net interest bearing debt to total consolidated assets ratio	L - lower than 80% for 4 consecutive quarters M - lower than 75% for 3 consecutive quarters		63.9% [1]
In combination with Minimum rating for debentures	K and M - ilBaa3- / ilBBB		ilA3- / ilA
Net interest bearing debt to total consolidated assets ratio	N, Q, U - lower than 75% for 3 consecutive quarters		63.4%
	O, P, R, S, T - lower than 75% for 3 consecutive quarters		63.9% [1]
Minimum rating for debentures	N, Q, S and U O, R, and T	ilBaa3 / ilBBB	ilA3- / ilA ilA2- / ilA

[1] In the calculation of the net interest bearing debt to total assets ratio, the net interest bearing debt includes the accrued interest as presented in the financial statements.

As at September 30, 2025 and shortly prior to date of approval of the financial statements, the Company was in compliance with the covenants for its debentures.

November 27, 2025		
Date of Approval of Directors’ Report	Ehud Arnon - Chairman of the Board of Directors	Chaim Katzman - Vice Chairman of the Board of Directors and CEO

Appendix A to the Directors' Report

Additional Information regarding Currency Exposure

Below is a breakdown of the scope of the Company's exposure to each currency to which it is exposed (EUR, USD, CAD, NIS and BRL), in respect of which cross-currency swaps and forward transactions were executed (below: derivative transactions), and regarding the scope of the remaining exposure after executing the derivative transactions, as at September 30, 2025. The following table presents the assets and the liabilities presented in the Company's statement of financial position (in the original currency and in NIS(1)) and the percentages that they represent of the total assets and liabilities, respectively, on a proportionate consolidation basis(2), and the total financial adjustments made by the Company by means of cross-currency swap transactions, to correlate, to the extent possible, the Company's equity to the Company's assets (from a currency perspective). As illustrated by the table, the assets and liabilities for each particular currency do not fully correlate, and the exposure to each such currency is reflected in the differences, as presented in the table.

Data presented in millions	NIS	USD	EUR [3]	CAD	BRL Brazilian	Total in NIS
Assets in original currency	4,765	1,033	3,826	102	3,229	-
Assets in NIS	4,765	3,415	14,846	242	2,009	25,277
% of total assets	**19**	**14**	**58**	**1**	**8**	**100**
Liabilities in original currency	11,510	376	1,749	62	879	-
Cross-currency swap transactions in original currency	5,750	(220)	(1,408)	-	-	-
Liabilities in original currency	5,760	596	3,157	62	879	-
Liabilities in NIS adjusted for swaps	5,760	1,970	12,252	148	547	20,677
% of total liabilities	**28**	**10**	**59**	**1**	**2**	**100**
Total equity in original currency	(995)	437	668	40	2,350	-
Total financial equity in NIS [4.5]	(995)	1,445	2,594	94	1,462	4,600
% of total equity	**(22)**	**31**	**56**	**2**	**33**	**100**

1. According to currency exchange rates as of September 30, 2025.
2. The Company's statement of financial position presented on a proportionately consolidated basis was not prepared according to generally accepted accounting principles, but according to the Company's interest in each of the investees at the stated date.
3. The exposure to the EUR also includes the Group's exposure for its operations in Sweden whose currency is the Swedish krona (SEK), the operations in Norway whose currency is the Norwegian crown (NOK) and for the residential rental operations in Poland whose currency is the zloty (PLN). Furthermore, the data regarding CTY is based on CTY's EPRA NRV per share.
4. Represents the equity attributable to the shareholders of the Company, excluding goodwill and deferred taxes with regard to the revaluation of investment real estate, as it was known on September 30, 2025.

Update of the Description of the Company's Business of G City to the 2024 Periodic Report

Pursuant to Regulation 39A of the Securities Regulations (Periodic and Immediate Reports) 2015, below is information regarding material changes or renewals that occurred in the Company's business operations since publication of the Company's Period Report for 2024 (the "Periodic Report"), in any matter required to be described in the Periodic Report.

Update of section 1 - Company Operations and Description of the Development of its Business

In accordance with the Company's strategy as set out above, the Company is working to exercise 3 income-generating properties in Poland with total value (as at September 30, 2025) of EUR 450 million, by selling them to Orion Retail Properties Ltd. ("Orion"), and issuing Orion securities on the Tel Aviv Stock Exchange Ltd., which will be used to pay the consideration for the foregoing properties.

On November 27, 2025, Orion issued an incomplete prospectus, a prospectus for splitting and distribution as a dividend in kind, and a shelf prospectus. Under this prospectus, the Company will distribute its total holdings in Orion to its shareholders as a dividend in kind, worth EUR 34 million. Furthermore, under the tender offer, Orion is acting to raise debt secured by first and second degree liens on the properties to be sold to it as aforesaid, for an amount of up to EUR 1,360 million par value.

The distribution in kind will be pro rata among the Company's shareholders, such that each shareholder of the Company at the date of record (expected to be on December 4, 2025) will be entitled to receive 0.1208932 ordinary shares of Orion. The actual date of distribution, pursuant to the TASE guidelines, is expected to be on December 8, 2025.

Close to completion of the offering, the Group will sell 3 income generating properties to Orion where the consideration for the issue by Orion will be used to repay the loans that the Company will provide for the purchase of the properties.

Furthermore, the Company and Orion have engaged in several agreements (including through subsidiaries) under which the Company will provide Orion with property management services in Poland, a loan agreement from the Company to Orion in the amount of EUR 25 million (that will be subordinate to Debentures Series A and Series B of Orion) and a guarantor agreement under which the Company will provide a bank guarantees with respect to a currency hedging transaction for Orion.

Update of section 2 - Investments in the Company's capital and transactions in its shares in the last two years

A. As of January 1, 2025 through to shortly prior to the date of publication of this report, the Company issued 119,943 par value Shares to Company officers and employees as a result of the vesting of the convertible securities allotted to them under the terms and conditions of their employment.

B. As at January 1, 2025, and through to date of publication of this report, the Company has bought back 13.2 million shares of the Company for NIS 165 million.

C. In July 2025 the Company issued 316 par value shares as a result of conversion of NIS 5,400 par value convertible Debentures (Series Q).

Update of section 3 - Distribution of dividends in the past two years

A. On April 9, 2025, the Company distributed a dividend to its shareholders in an amount of NIS 25 million (NIS 0.125 per share).

B. On June 16, 2025, the Company distributed a dividend to its shareholders in an amount of NIS 25 million (NIS 0.125 per share).

C. On September 8, 2025, the Company distributed a dividend to its shareholders in an amount of NIS 23 million (NIS 0.125 per share).

D. For further information regarding the dividend announced by the Company subsequent to reporting date see Note 5A to the financial statements.

Update of section 5 - Financial environment and the effects of external factors on the Company's operations

A. **Fluctuations in inflation rates, interest rates and currencies -** In September 2025, the Bank of Israel Research Department published a macroeconomic forecast according to which the GDP is expected to grow by 2.5% in 2025 and by 4.7% in 2026. The inflation rate in 2025 is expected to be 3.0% and to decline in 2026 to 2.2%. The baseline scenario does not assume intense fighting in Gaza nor the imposition of significant restrictions on the home front as of the first quarter of 2026. The forecast also takes into account an expected resumption of the impact of the US tariff plan (see section G below), assuming that the current tariffs will remain in place. The unemployment rate is expected to remain very low at 3.4%-3.0% while maintaining a debt-to-GDP ratio of 71%. The Division assumes that the Bank of Israel base interest is expected to average at 3.75% in the third quarter of 2026. It is emphasized that the forecast is made under higher than usual uncertainty, with the possibility that the results of the war will lead to reducing security risks and potentially broader regional accords that could increase demands and increase investments in the economy over the coming years. Conversely, the absence of sustainable accords or prolonged fighting could lead to limited supply, slowdown of growth and intensification of budgetary deficit. In May 2025, the international rating agency S&P Global Ratings ratified the rating for the State of Israel as A with negative outlook.

B. **Swords of Iron War -** further to the provisions of section 5 of the periodic report, in October 2025 a ceasefire was signed with the Hamas terror organization. It should be noted that notwithstanding the ceasefire, as at the date of this report, the security situation has not yet stabilized and as at the date of publication of the report, the security situation still remains uncertain. The war has an extensive impact on the economy, and the effects are largely dependent on the development of the war on the various fronts and on the various scenarios, including the effects on the domestic economy, effect on consumption and on the business sector, the capital market, changes in exchange rates and interest rates. The Company routinely monitors the effects of the war. The Company estimates that the Swords of Iron War and Operation Rising Lion did not have a significant effect on the Company's businesses and its financial results.

C. **US tariff program -** in April 2025, the Trump Administration announced the imposition of reciprocal tariffs on import into the US of goods from many countries worldwide, with imports from Israel subject to a tariff of 15%. The tariff applies to goods only and not to services. The Company's operations are not directly affected by the U.S. tariff program, as the program does not apply with respect to receipt of services. The Company continuously examines the implications and effects of the U.S. tariff program and the countermeasures taken by other countries, on market conditions and the economic environment in which it operates. As at reporting date, the Company is unable to estimate the effect of this tariff program on its business operations. Nonetheless, the Company believes that the effect, if any, is not expected to be substantial for its operations.

The Company's estimates regarding the impact of macroeconomic events, including the effects of the War in Israel, inflation rates, changes in exchange rates, the US tariff program, and interest rates in the various territories, as well as the effects of any other specific crisis in the country and/or certain countries in which the Company operates, on its operations, revenues, profits and financial status constitute forward-looking information as defined in the Securities Law, 1968. These estimates are based on assumptions and estimates of the company and the group companies as of the date of this report, but they are uncertain, may not materialize or may materialize significantly differently to that expected, among other things due to them being affected by factors outside of the control of the company. The continuation of the state of war, its expansion to other regions of the country and the involvement of other countries, the imposition of sanctions against Israel, changes in the directives issued by the State and the Home Front Command, the pace of the recovery of the Israeli economy, as well as growth trends in Israel and globally, and other macro-economic changes that may result from the foregoing, including continuing rise in inflation and market interest rates, continuation or deterioration of the global economic crisis, could impact the Company's operations and its financial results in a manner different to the estimates set out above.

<u>Update to section 6 - Acquisition, development and operation of shopping centers in Northern Europe</u>

A. In the reporting period, CTY repaid a long term loan in the amount of EUR 250 million.

B. In April 2025, CTY issued EUR 450 par value Debentures repayable in 2031 and that bear nominal interest of 5.375%.

C. In April 2025, CTY bought back EUR 100 million par value Debentures (Series 2026) for an amount of EUR 97 million, by way of tender offer.

D. In May 2025, CTY repaid a long term secured loan in the amount of EUR 186 million.

E. In June and July 2025, CTY bought back EUR 694 par value shares for EUR 2.6 million.

F. In June 2025, CTY bought back EUR 100 million par value Debentures (Series 2027) for an amount of EUR 97 million, by way of tender offer.

G. In August 2025, CTY bought back EUR 35 million par value hybrid debentures for an amount of EUR 36 million, by way of tender offer.

H. In October 2025, CTY increased its revolving credit facilities from EUR 200 million to EUR 250 million, and extended it until 2029, with an option to extend for a further year.

I. In September 2025, CTY appointed Mr. Eshel Pesti as general manager.

J. On November 3, 2025, the Company acquired 14,188,052 CTY shares, constituting 7.7% of CTY's share capital, for EUR 4 per share (and at a total of EUR 56.75 million), under an ex-stock exchange deal. Due to the acquisition the Company's holdings exceeded the limit of 50% and according to the provisions of the Finnish law, the Company is required to issue a tender offer for all of the non-controlling shares of CTY, at a price that will not fall below the price paid under the Share Acquisition Transaction, by December 2, 2025. For further information see section 1.4 of the Board of Directors Report.

K. In September 2025, the S&P Maalot rating agency downgraded the rating for CTY's debentures from BBB- to BB+ and the issuer rating from BB+ to BB, with stable outlook. In November 2025, the rating agency downgraded CTY debentures to BB- and its issuer rating to B+, and announced placing CTY's ratings on the watch list with negative outlook due to the uncertainty regarding the final scope of the Company's offer to acquire the non-controlling shares of CTY and its impact on the rating, see section J above.

Update to section 7 - Acquisition, development and operation of shopping centers in Central Europe

A. In the reporting period, G Europe bought back EUR 103 million par value Debentures (Series 2027), for EUR 98 million.

B. Pursuant to section 1 above, G Europe intends to sell to Orion 3 income generating properties in Poland worth EUR 450 million, subject to completion of the public issue of Orion securities. In addition, G Europe will provide Orion with property management services.

Update to section 8 - G Israel

A. The Company launched a marketing campaign to sell most of its holdings in the G City Rishon Le-Zion office tower that the Company is building. In this context, the Company won a Leumi Health Services tender to purchase 6 floors in the office tower for NIS 155 million and the parties engaged in a sales agreement. Through to date of publication of this report, the Company has marketed (actual registration and signing) offices with transaction value of NIS 310 million, constituting 53% of the office space earmarked for sale.

B. In August 2025, the Company completed the agreement for the sale of its rights in a property in Horev and in its management company (50%) for consideration of NIS 131 million. For further information see section 6A of the Board of Directors Report.

Update to section 9 - Gazit Brasil

In July 2025, the sale of land in Sao Paulo was completed for consideration of BRL 49 million.

Update to section 10 - Gazit Horizons

In March 2025, the acquisition of an income generating shopping center in Fort Lauderdale was completed for USD 35.4 million.

Update to section 19 - Financing

A. For further information concerning the Company's expansion of an existing debenture series (Series P) that is secured by shares of G Europe (a wholly owned subsidiary of the Company) for an amount of NIS 295.6 million par value, see Note 3A3 to the financial statements.

B. For further information concerning the Company's expansion of an existing debenture series (Series O) that is secured by real estate properties in Israel worth NIS 71 million par value, see Note 3A11 to the financial statements.

C. For further information concerning the Company's expansion of an existing debenture series (Series N) that is not secured, for an amount of NIS 430 million par value, see Note 3A12 to the financial statements.

D. For further information concerning the Company's expansion of an existing debenture series (Series U) that is secured by a lien on CTY shares, in an amount of NIS 440 million, see Note 3A13 to the financial statements.

E. For further information concerning the Company's expansion of an existing debenture series (Series M) that is not secured, for an amount of NIS 354 million par value, see Note 3A14 to the financial statements.

F. For further information concerning the Company's expansion of an existing debenture series (Series M) that is not secured, for an amount of NIS 298 million par value, see Note 5B to the financial statements.

G. In the reporting period, the Company bought back NIS 114 million par value Debentures (Series N and O) of the Company for NIS 127 million. The effect of the early redemption on the Group’s statement of income was immaterial.

H. In November 2025, the S&P Maalot rating agency announced it was placing the Company’s ratings on the watch list with negative outlook in view of the uncertainty regarding the final scope of the Company's tender offer to acquire the CTY non-controlling shares and its impact on the rating, also see amendment to section 6 (J) above.

I. In November 2025, the Midroog rating agency issued an issuer caveat due to the tender offer for CTY shares. Midroog assesses that all the effects resulting from the tender offer are expected to maintain the financial ratios and the rating is not expected to change in the short term.

Disclosure concerning very material assets pursuant to Chapter F of the disclosure directive regarding investment property operations.

G Savyon (Company's share (1) 50%)	Q3 2025	Q2 2025	Q1 2025	Year 2024
Value of partially income generating property	129,835	129,700	130,014	125,369
Value of the lands reserves property (NIS	15,800	15,800	16,100	16,100
Total value of the property (NIS thousand)	145,635	145,500	146,114	141,469
NOI in the period (NIS thousands) (1) (2)	1,807	1,695	1,492	11,580
Revaluation (losses) profits for the period (EUR	-	1,093	-	13,855
Average occupancy rate in the period	100%	100%	97.1%	92.3%
Actual rate of return (%)	5.1%	4.9%	4.6%	4.6%
Average rent per sq. m. (per month in NIS)	164.7	163.2	159	162.2
Average rent per sq.m. in contracts signed in the period (per month in NIS)	-	166.6	148	125

(1) Since December 31, 2024, the Company holds 50% of the property.
(2) Excluding expenses for Operation Rising Lion provision in the amount of NIS 70,000.

G Rothschild (Company's share, 51%)	Q3 2025	Q2 2025	Q1 2025	Year 2024
Value of partially income generating property	127,375	127,218	125,511	125,495
Value of the building rights in the property (NIS	3,825	3,825	3,825	3,825
Total value of the property (NIS thousand)	131,200	131,043	129,336	129,320
NOI for the period (NIS thousands) (1)	1,987	2,010	1,979	7,584
Revaluation (losses) profits for the period (EUR	117	1,692	-	3,678
Average occupancy rate in the period	98.1%	98.3%	98.4%	98.8%
Actual rate of return (%)	6.3%	6.3%	6.3%	6.0%
Average rent per sq. m. (per month in NIS)	109	107.6	107	106
Average rent per sq.m. in contracts signed in the period (per month in NIS) (2)	62.7	141.7	57	87

(1) Excluding expenses for Operation Rising Lion provision in the amount of NIS 130,000.
(2) In the third quarter of 2025, only agreements for offices were signed.

G Kochav Hatzafon (Company's share (1) 50%)	Q3 2025	Q2 2025	Q1 2025	Year 2024
Total value of the property (NIS thousand)	58,000	56,312	55,424	55,332
NOI for the period (NIS thousands) (1) (2)	700	751	726	2,815
Revaluation (losses) profits for the period (EUR	1,561	854	-	1,073
Average occupancy rate in the period	96.9%	100%	93.7%	90.8%
Actual rate of return (%)	5.0%	5.2%	5.2%	5.1%
Average rent per sq. m. (per month in NIS)	297.5	293.1	286	285.6
Average rent per sq.m. in contracts signed in the period (per month in NIS)	-	318.2	-	-

(1) Since December 31, 2024, the Company holds 50% of the property.
(2) Excluding expenses for Operation Rising Lion provision in the amount of NIS 53,000.

G City Rishon Le-Zion	Q3 2025	Q2 2025	Q1 2025	Year 2024
Value of partially income generating property (NIS thousand)	1,681,351	1,677,600	1,630,450	1,628,700
Value of the lands reserves property (NIS thousand)	188,107	426,563	444,171	416,600
Total value of the property (NIS thousand)	1,869,458	2,104,163	2,074,621	2,045,300
NOI for the period (NIS thousands) (1)	26,238	26,080	25,268	97,995
Revaluation (losses) profits for the period (EUR thousands)	-	41,569	-	100,753
Average occupancy rate in the period	99%	99%	98.2%	98%
Actual rate of return (%)	6.2%	6.1%	6.2%	6.0%
Average rent per sq. m. (per month in NIS)	110.6	108.6	106	106
Average rent per sq.m. in contracts signed in the period (per month in NIS)	-	205.8	164	87

(1) Excluding expenses for Operation Rising Lion provision in the amount of NIS 1.7 million.

Dizengoff	Q3 2025	Q2 2025	Q1 2025	Year 2024
Value of partially income generating property (NIS thousand)	60,824	60,824	60,824	60,800
NOI for the period (NIS thousands)	910	902	893	3,504
Revaluation (losses) profits for the period (EUR thousands)	-	-	-	2,000
Average occupancy rate in the period	100%	100%	100%	100%
Actual rate of return (%)	5.9%	5.9%	5.9%	5.8%
Average rent per sq. m. (per month in NIS)	431.2	425.4	420	419
Average rent per sq.m. in contracts signed in the period (per month in NIS)	-	-	-	-

Leshinsky	Q3 2025	Q2 2025	Q1 2025	Year 2024
Value of partially income generating property (NIS thousand)	71,863	71,414	70,726	70,271
NOI for the period (NIS thousands) (1)	452	232	486	1,364
Revaluation (losses) profits for the period (EUR thousands)	-	-	-	(12,176)
Average occupancy rate in the period (2)	99%	99%	99%	26%
Actual rate of return (%)	2.2%	2%	2.7%	1.9%
Average rent per sq. m. (per month in NIS)	87.7	86.8	86	117
Average rent per sq.m. in contracts signed in the period (per month in NIS)	-	-	70	-

(1) Excluding expenses for Operation Rising Lion provision in the amount of NIS 54,000

(2) In the first quarter of 2025, an agreement was signed with a major tenant.

Targowek	**Q3 2025**	**Q2 2025**	**Q1 2025**	**Year 2024**
Total value of the property (EUR thousand)	248,536	247,750	240,425	239,100
NOI in the period (EUR thousands) 1	3,462	3,480	3,398	14,421
Revaluation gains (losses) for the period (EUR thousands)	82	7,123	1,189	6,394
Average occupancy rate in the period	99.5%	99.4%	98.8%	98.6%
Actual rate of return (%)	5.5%	5.6%	5.7%	6.02%
Average rent per sq. m. (per month in EUR)	35.6	34.3	34.3	33.4
Average rent per sq.m. in contracts signed in the period (per month in EUR)	75.9	52.2	40.3	24.6

G City Ltd.

Condensed Consolidated Interim Financial Statements as at September 30, 2025

Unaudited

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AUDITORS' REVIEW REPORT TO THE SHAREHOLDERS OF G CITY LTD.

Introduction

We have reviewed the accompanying financial information of G City Ltd. and subsidiaries ("the Company"), which comprises the condensed consolidated statement of financial position as of September 30, 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine and three months periods then ended. The Company's board of directors and management are responsible for the preparation and presentation of interim financial information for these interim periods in accordance with IAS 34, "Interim Financial Reporting" and are responsible for the preparation of this interim financial information in accordance with Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of a certain subsidiary, whose assets constitute approximately 46% of total consolidated assets as of September 30, 2025 and whose included in consolidation constitute approximately 52% and 53% of total consolidated revenues for the nine and three months periods then ended. The condensed interim financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the financial information in respect of those companies, is based on the review reports of the other auditors.

Scope of review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

In addition to the abovementioned, based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel-Aviv, Israel — KOST FORER GABBAY & KASIERER

November 27, 2025 — A Member of Ernst & Young Global

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS million		
Assets			
Current assets			
Cash and cash equivalents	758	933	1,991
Short-term investments and loans	61	36	538
Financial assets	65	12	43
Financial derivatives	158	80	69
Trade and revenue receivable, and contractual assets	213	117	98
Other receivables	265	437	376
Inventory of offices (Note 2A)	254	-	-
Current tax assets	1	3	2
	1,775	1,618	3,117
Assets classified as held for sale	238	3,328	1,337
	2,013	4,946	4,454
Non-current assets			
Equity accounted investments	979	1,067	982
Other investments, loans and receivables	384	656	381
Financial assets	50	103	69
Financial derivatives	139	143	173
Investment property	28,495	28,900	27,041
Investment property under development	2,031	2,833	2,423
Fixed assets, net	83	104	94
Intangible assets, net	350	383	341
Deferred taxes	64	69	63
	32,575	34,258	31,567
	34,588	39,204	36,021

The accompanying notes constitute an integral part of these consolidated interim financial statements.

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS million		
Liabilities and Equity			
Current liabilities			
Borrowings from banks and others	124	272	38
Current maturities of non-current liabilities	2,200	3,120	1,870
Financial derivatives	50	18	15
Trade payables	59	92	89
Other payables	521	541	648
Current tax liabilities	7	12	10
	2,961	4,055	2,670
Liabilities attributed to assets held for sale	-	878	494
	2,961	4,933	3,164
Non-current liabilities			
Debentures and convertible debentures	15,174	13,395	14,941
Interest-bearing loans from banks and others	4,766	7,140	6,145
Financial derivatives	156	282	222
Other financial liabilities	350	371	335
Deferred taxes	1,308	1,375	1,116
	21,754	22,563	22,759
Equity attributable to equity holders of the Company			
Share capital	253	235	253
Share premium	4,983	4,745	4,981
Retained earnings	2,352	2,533	2,446
Adjustments due to translation of financial statements of foreign operations	(4,798)	(3,873)	(4,763)
Other reserves	1,268	1,297	1,279
Treasury shares	(181)	(15)	(16)
	3,877	4,922	4,180
Non-controlling interests	5,996	6,786	5,918
Total equity	9,873	11,708	10,098
	34,588	39,204	36,021

The accompanying notes constitute an integral part of these consolidated interim financial statements.

November 27, 2025			
Date of approval of the financial statements	Ehud Arnon Chairman of the Board of Directors	Chaim Katzman CEO and Vice Chairman of the Board of Directors	Gil Kotler CFO

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million (Other than earnings (loss) per share)				
Rental and other income	1,732	1,896	574	643	2,533
Property operating and other expenses	533	597	172	200	799
Net income from rental of buildings	1,199	1,299	402	443	1,734
Revenue from the sale of offices	130	-	130	-	-
Cost of sales of offices	110	-	110	-	-
Net income from the sale of offices	20	-	20	-	-
Operating income, net	1,219	1,299	422	443	1,734
Revaluation of investment property and investment property under development, net	502	465	89	125	38
General and administrative expenses	(214)	(233)	(74)	(65)	(321)
Sales and Marketing Expenses	(5)	-	(3)	-	-
Other income	3	185	-	-	222
Other expenses	(70)	(303)	(3)	(179)	(549)
Company's share in earnings of equity-accounted investees, net	82	126	30	16	114
Operating profit	1,517	1,539	461	340	1,238
Finance expenses	(1,174)	(1,122)	(374)	(462)	(1,285)
Finance income	110	146	49	59	219
Profit (loss) before taxes on income	453	563	136	(63)	172
Taxes on income	223	162	67	40	76
Net profit (loss)	230	401	69	(103)	96
Attributable to:					
shareholders of the Company	(21)	121	(11)	(131)	52
Non-controlling interests	251	280	80	28	44
	230	401	69	(103)	96
Net earnings (loss) per share attributable to equity holders of the Company (NIS)					
Total basic net earnings (loss)	(0.11)	0.65	(0.06)	(0.72)	0.28
Total diluted net earnings (loss)	(0.11)	0.65	(0.06)	(0.72)	0.28

The accompanying notes constitute an integral part of these consolidated interim financial statements.

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS million				
Net profit (loss)	230	401	69	(103)	96
Other comprehensive income (loss) (net of tax effect):					
Amounts not subsequently reclassified to profit or loss					
Profit (loss) for financial assets at fair value through other comprehensive income	3	-	-	-	(31)
Amounts classified or reclassified to profit					
Foreign currency translation differences of foreign operations	110	226	(199)	375	(1,230)
Profit (loss) for cash flow hedges	(21)	(12)	3	(46)	(15)
Total other comprehensive income (loss)	92	214	(196)	329	(1,276)
Total comprehensive income (loss)	322	615	(127)	226	(1,180)
Attributable to:					
Shareholders of the Company (1)	(70)	189	(105)	22	(803)
Non-controlling interests	392	426	(22)	204	(377)
	322	615	(127)	226	(1,180)
(1) Earnings (loss) per share attributable to shareholders of the Company:					
Net profit (loss)	(21)	121	(11)	(131)	52
Foreign currency translation differences of foreign operations	(29)	81	(96)	197	(809)
Profit (loss) for cash flow hedges	(23)	(13)	2	(44)	(15)
Profit (loss) for financial assets at fair value through other comprehensive income	3	-	-	-	(31)
	(70)	189	(105)	22	(803)

The accompanying notes constitute an integral part of these consolidated interim financial statements.

Condensed Consolidated Statements of Changes in Equity

	Equity attributable to equity holders of the Company								
	Share capital	Share premium	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Other reserves	Treasury shares	Total	Non-controlling interests	Total equity
	Unaudited								
	NIS million								
Balance as at December 31, 2024 (Audited)	253	4,981	2,446	(4,763)	1,279	(16)	4,180	5,918	10,098
Net profit	-	-	(21)	-	-	-	(21)	251	230
Other comprehensive income	-	-	-	(29)	(20)	-	(49)	141	92
Total comprehensive income	-	-	(21)	(29)	(20)	-	(70)	392	322
Exercise of warrants for Company shares	-*)	2	-	-	(2)	-	-*)	-	-*)
Acquisition of treasury shares	-	-	-	-	-	(165)	(165)	-	(165)
Cost of share-based payment	-	-	-	-	2	-	2	-	2
Buyback of hybrid debentures from non-controlling interests	-	-	-	-	(4)	-	(4)	(144)	(148)
Interest on hybrid debentures paid to non-controlling interests	-	-	-	-	-	-	-	(132)	(132)
Dividend announced **)	-	-	(73)	-	-	-	(73)	-	(73)
Acquisition of non-controlling interests	-	-	-	(6)	13	-	7	(21)	(14)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(17)	(17)
Balance as at September 30, 2025	253	4,983	2,352	(4,798)	1,268	(181)	3,877	5,996	9,873

*) Represents an amount of less than NIS 1 million

**) In the nine months ended September 30, 2025, the Company announced distribution of a dividend in the amount of NIS 0.375 per share (total amount of NIS 73 million), of which NIS 25 million (NIS 0.125 per share) was paid on April 8, 2025, NIS 25 million (NIS 0.125 per share) was paid on June 16, 2025, and NIS 23 million (NIS 0.125 per share) was paid on September 8, 2025.

The accompanying notes constitute an integral part of these consolidated interim financial statements.

Condensed Consolidated Statements of Changes in Equity

	Equity attributable to equity holders of the Company								
	Share capital	**Share premium**	**Retained earnings**	**Adjustments due to translation of financial statements of foreign operations**	**Other reserves**	**Treasury shares**	**Total**	**Non-controlling interests**	**Total equity**
	Unaudited								
	NIS million								
Balance as at December 31, 2023 (Audited)	239	4,754	2,430	(3,998)	1,413	(1)	4,837	6,493	11,330
Net profit	-	-	121	-	-	-	121	280	401
Other comprehensive income	-	-	-	81	(13)	-	68	146	214
Total comprehensive income	-	-	121	81	(13)	-	189	426	615
Exercise and forfeiture of options for Company	-*)	29	-	-	(29)	-	-*)	-	-*)
Acquisition of treasury shares	-	-	-	-	-	(56)	(56)	-	(56)
Cancellation of treasury shares	(4)	(38)	-	-	-	42	-	-	-
Cost of share-based payment	-	-	-	-	4	-	4	-	4
Buyback of hybrid debentures from non-controlling interests	-	-	-	-	87	-	87	(344)	(257)
Interest on hybrid debentures paid to non-controlling interests	-	-	-	-	-	-	-	(139)	(139)
Dividend announced	-	-	(18)	-	-	-	(18)	-	(18)
Acquisition of non-controlling interests and IPO of subsidiary	-	-	-	44	(165)	-	(121)	449	328
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(99)	(99)
Balance as at September 30, 2024	235	4,745	2,533	(3,873)	1,297	(15)	4,922	6,786	11,708

*) Represents an amount of less than NIS 1 million

The accompanying notes constitute an integral part of these consolidated interim financial statements.

Condensed Consolidated Statements of Changes in Equity

	Equity attributable to equity holders of the Company								
	Share capital	Share premium	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Other reserves	Treasury shares	Total	Non-controlling interests	Total equity
	Unaudited								
	NIS million								
Balance as at July 1, 2025	253	4,982	2,386	(4,699)	1,265	(80)	4,107	6,287	10,394
Net profit	-	-	(11)	-	-	-	(11)	80	69
Other comprehensive loss	-	-	-	(96)	2	-	(94)	(102)	(196)
Total comprehensive loss	-	-	(11)	(96)	2	-	(105)	(22)	(127)
Exercise of warrants for Company shares	-*)	1	-	-	(1)	-	-*)	-	-*)
Acquisition of treasury shares	-	-	-	-	-	(101)	(101)	-	(101)
Cost of share-based payment	-	-	-	-	1	-	1	-	1
Buyback of hybrid debentures from non-controlling interests	-	-	-	-	(4)	-	(4)	(136)	(140)
Interest on hybrid debentures paid to non-controlling interests	-	-	-	-	-	-	-	(119)	(119)
Dividend announced *)	-	-	(23)	-	-	-	(23)	-	(23)
Acquisition of non-controlling interests	-	-	-	(3)	5	-	2	(7)	(5)
Dividend paid to of non-controlling interests	-	-	-	-	-	-	-	(7)	(7)
Balance as at September 30, 2025	253	4,983	2,352	(4,798)	1,268	(181)	3,877	5,996	9,873

*) In the three months ended September 30, 2025, the Company announced the distribution of a dividend at NIS 0.125 per share (total amount of NIS 23 million) which was paid on September 8, 2025.

The accompanying notes constitute an integral part of these consolidated interim financial statements.

Condensed Consolidated Statements of Changes in Equity

	Equity attributable to equity holders of the Company								
	Share capital	Share premium	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Other reserves	Treasury shares	Total	Non-controlling interests	Total equity
	Unaudited								
	NIS million								
Balance as at July 1, 2024	239	4,782	2,682	(4,071)	1,304	(11)	4,925	6,829	11,754
Loss	-	-	(131)	-	-	-	(131)	28	(103)
Other comprehensive income	-	-	-	197	(44)	-	153	176	329
Total comprehensive income	-	-	(131)	197	(44)	-	22	204	226
Exercise and forfeiture of options for Company shares	-*)	1	-	-	(1)	-	-*)	-	-*)
Acquisition of treasury shares	-	-	-	-	-	(46)	(46)	-	(46)
Cancellation of treasury shares	(4)	(38)	-	-	-	42	-	-	-
Cost of share-based payment	-	-	-	-	1	-	1	-	1
Buyback of hybrid debentures from non-controlling interests	-	-	-	-	38	-	38	(141)	(103)
Interest on hybrid debentures paid to non-controlling interests	-	-	-	-	-	-	-	(72)	(72)
Dividend announced	-	-	(18)	-	-	-	(18)	-	(18)
Acquisition of non-controlling interests	-	-	-	1	(1)	-	-	1	1
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(35)	(35)
Balance as at September 30, 2024	235	4,745	2,533	(3,873)	1,297	(15)	4,922	6,786	11,708

*) Represents an amount of less than NIS 1 million.

The accompanying notes constitute an integral part of these consolidated interim financial statements.

	Equity attributable to equity holders of the Company								
	Share capital	Share premium	Retained earnings	Adjustments due to translation of financial statements of foreign operations	Other reserves	Treasury shares	Total	Non-controlling interests	Total equity
	Audited								
	NIS million								
Balance as at December 31, 2023 (Audited)	239	4,754	2,430	(3,998)	1,413	(1)	4,837	6,493	11,330
Net profit	-	-	52	-	-	-	52	44	96
Other comprehensive loss	-	-	-	(809)	(46)	-	(855)	(421)	(1,276)
Total comprehensive loss	-	-	52	(809)	(46)	-	(803)	(377)	(1,180)
Issue of share capital and options (less issue costs)	18	236	-	-	14	-	268	-	268
Exercise and forfeiture of options for Company	-*)	29	-	-	(29)	-	-*)	-	-*)
Acquisition of treasury shares	-	-	-	-	-	(57)	(57)	-	(57)
Write-off of treasury shares	(4)	(38)	-	-	-	42	-	-	-
Cost of share-based payment	-	-	-	-	5	-	5	-	5
Buyback of hybrid debentures from non-controlling interests	-	-	-	-	87	-	87	(344)	(257)
Interest on hybrid debentures paid to non-controlling interests	-	-	-	-	-	-	-	(168)	(168)
Dividend announced	-	-	(36)	-	-	-	(36)	-	(36)
Acquisition of non-controlling interests and IPO of	-	-	-	44	(165)	-	(121)	449	328
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(135)	(135)
Balance as at December 31, 2024 (Audited)	253	4,981	2,446	(4,763)	1,279	(16)	4,180	5,918	10,098

*) Represents an amount of less than NIS 1 million

The accompanying notes constitute an integral part of these consolidated interim financial statements.

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
Cash flows from operating activities					
Net profit (loss)	230	401	69	(103)	96
Adjustments required for presentation of cash flows from operating activities:					
Adjustments to profit or loss					
Finance expenses, net	1,064	976	325	403	1,066
Company's share in earnings of equity-accounted investees, net	(82)	(126)	(30)	(16)	(114)
Revaluation of investment property and investment property under development, net	(502)	(465)	(89)	(125)	(38)
Depreciation and amortization	16	18	5	6	25
Income tax	223	162	67	40	76
Other expenses (income), net	67	118	3	166	327
Cost of share-based payment	2	4	1	1	5
	788	687	282	475	1,347
Changes in items of assets and liabilities:					
Decrease (increase) in trade receivables and other receivables	11	84	(67)	(40)	113
Decrease in inventory of offices	86	-	86	-	-
Increase (decrease) in trade and other payables	(145)	(46)	(67)	25	(25)
	(48)	38	(48)	(15)	88
Net cash provided by operating activities before interest, dividend, and taxes	970	1,126	303	357	1,531
Cash paid and received during the period for:					
Interest paid	(653)	(684)	(202)	(268)	(873)
Interest received	102	93	41	36	112
Dividends received	18	16	6	8	74
Taxes paid	(22)	(144)	(4)	(4)	(152)
Taxes received	6	4	6	-	4
	(549)	(715)	(153)	(228)	(835)
Net cash from operating activities	421	411	150	129	696

The accompanying notes constitute an integral part of these consolidated interim financial statements.

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
Cash flows from investment activities					
Investments and loans to investees	-	(10)	-	(1)	(11)
Acquisition, construction, and development of investment property	(447)	(418)	(90)	(169)	(779)
Investments in property, plant and equipment and other assets	(4)	(7)	(1)	(2)	(8)
Proceeds from sale of investment property	1,037	884	143	315	1,791
Repayment of long-term loans	3	6	1	-	243
Short-term investments, net	2	-	-	-	-
Investments in other financial assets	(45)	-	(6)	-	(45)
Proceeds from the sale of financial assets and withdrawal of deposits	26	17	18	2	36
Net cash provided by investing activities	572	472	65	145	1,227
Cash flow from financing activities					
Issue of share capital and options (less issue costs)	-	-	-	-	268
Exercise of warrants for Company shares	-*)	-*)	-*)	-*)	-*)
Acquisition of treasury shares	(165)	(56)	(101)	(46)	(57)
Acquisition of non-controlling interests and IPO of subsidiary	(14)	327	(5)	-	328
Dividend paid to Company shareholders	(73)	(18)	(23)	(18)	(36)
Dividend paid to holders of non-controlling interests	(17)	(99)	(7)	(35)	(135)
Receipt of long-term loans	220	766	124	116	879
Repayment of long-term loans	(952)	(469)	(95)	(108)	(817)
Receipt (repayment) of long-term credit from banks, net	(1,144)	(686)	43	88	(1,479)
Receipt (repayment) of short-term credit from banks, net	82	86	(46)	5	(141)
Repayment and early redemption of debentures and convertible debentures	(3,342)	(3,526)	(468)	(1,132)	(4,459)
Issue of debentures and convertible debentures	3,437	3,510	456	1,105	5,588
Buyback of hybrid debentures from non-controlling interests	(153)	(241)	(145)	(103)	(241)
Interest on hybrid debentures paid to non-controlling interests	(132)	(139)	(119)	(72)	(168)
Net cash used for financing activities	(2,253)	(545)	(386)	(200)	(470)
Exchange differences for cash and cash equivalents	27	(43)	(14)	14	(100)
Increase (decrease) in cash and cash equivalents	(1,233)	295	(185)	88	1,353
Cash and cash equivalents at the beginning of the	1,991	638	943	845	638
Cash and cash equivalents at the end of the period	758	933	758	933	1,991

*) Represents an amount of less than NIS 1 million.

The accompanying notes constitute an integral part of these consolidated interim financial statements.

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
(A) Significant non-cash activities					
Sale of investment property against receivables	-	124	-	92	611

The accompanying notes constitute an integral part of these consolidated interim financial statements.

NOTE 1 – General

A. These financial statements have been prepared in condensed format as at September 30, 2025 and for the nine months then ended (the "Reporting Period") and for the three months then ended (jointly - the "Consolidated Interim Financial Statements"). The financial statements should be read in conjunction with the Company's annual financial statements as at December 31, 2024 for the year then ended, and their accompanying notes, which were approved by the Company's board of directors on March 19, 2025 (the "Annual Financial Statements").

B. As at September 30, 2025 (hereinafter - the Reporting Date), the consolidated Company (hereinafter - the Group) has a working capital deficit of NIS 0.9 billion, of which NIS 0.4 billion is short-term debt secured by the Group's assets. The Group has unused approved credit facilities in the amount of NIS 1.4 billion available for immediate withdrawal. The Company's management believe that the foregoing sources, with the addition of the proceeds from the issue of debentures executed subsequent to the reporting date in an amount of NIS 0.3 billion, the positive cash flows from operating activities, including the cash flow projection and the scope of unpledged assets and the ability to refinance debts secured by the Company's rights in land and shares of its subsidiaries, will allow each of the Group companies to meet their short term repayment liabilities.

C. State of the Company affairs and liquidity:

The Company has a long term policy to maintain an adequate level of liquidity to allow the Company to meet its liabilities, to exploit opportunities in its operating sectors, and to have flexible financing sources. This is achieved by issuing equity and assuming long-term financing, including through the issue of debentures, bank loans and mortgages, against investments in long term assets.

It should be noted that, the Company and its wholly-owned private subsidiaries have positive cash flows from ongoing operations. It is clarified that there is no impediment to transferring funds from a wholly-owned subsidiary through distribution of dividend or receipt of a loan (subject to the distribution tests pursuant to the relevant law, and obligations towards third parties).

Furthermore, the Company has binding lines of credit (mostly unutilized) with financial institutions in significant amounts, as part of which the Company and/or its wholly-owned subsidiaries may utilize credit for various periods according to their needs, and subject to compliance with the criteria set out in these agreements. As at September 30, 2025, the Company and its wholly-owned subsidiaries have such secured revolving credit facilities from several local and international banks and local and international financial institutions, for a total amount of NIS 0.8 billion, of which NIS 03. billion have been utilized as at the foregoing date. Shortly prior to the publication date of this Report, the balance of these credit facilities was NIS 1.5 billion, including credit lines earmarked for the acquisition of CTY as noted above. The balance of these credit facilities are unutilized.

These credit facilities are with financial institutions with which the Company has long term relationships and they are renewed from time to time for periods of three to four years, and as at date of publication of this report, most of these facilities end in 2027. In light of past experience, the Company expects it could extend the credit facilities before their due date.

The credit facilities of the Company and its subsidiaries include financial covenants including, inter alia, minimal equity, leverage rate, utilized debt ration to collateral value and etc., as at September 30, 2025, and immediately prior to the date of publication of this report, the Company and its subsidiaries are in compliance with all these financial covenants.

In November 2025, the Company purchased 14.2 million CTY shares bringing the Company's holdings to exceed the limit of 50% of CTY's share capital, and as such it is required to issue a tender offer to all minority shareholders of CTY. To finance the tender offer, if it is accepted, the Company engaged in an agreement with a financial institution for a credit facility of EUR 195 million. For further information concerning the tender offer and acquisition of additional shares as part of ordinary trading on the stock exchange, see Note 5C.

NOTE 1 – General (cont.)

The Group’s strategy is to focus on urban properties, while strengthening its capital and reducing leverage, and as part of this, in September 2024 the Company adopted a strategic plan for 2028 (the “2028 Strategic Plan”), which relates to multi-divisional growth: (a) Organic growth - with the correct tenant mix, increase in number of visitors to the properties and increased proceeds in the Group's existing properties; (b) Enhancement of the Group's property rights - through expansion and development of existing properties, and adding uses such as residential, offices and others; and (c) Selective acquisition of properties with the potential to improve the Group's core business goals and their betterment, planning and building properties for sale, and (d) To continue selling properties/entering into partnerships in properties that have been improved and properties that the Company builds or will build for selling.

Such properties are acquired and sold while maintaining appropriate liquidity and balance sheet ratios, and for the purpose of strengthening the Company's equity and lowering the LTV ratio to 50% by the end of 2028.

The scope of disposal of properties and the Group's rate of progress in such disposal, including the pace at which the properties have been put up for sale according to the various countries in which G City Group operates is dynamic and is carried out according to the market conditions in the various countries in which the Company operates, and pursuant to the discretion of the Company’s management, while taking macro-economic and Company specific considerations into account, and by balancing the Company's needs to the value of its assets and may change as a result of macro-economic changes as well as due to generation or absence of business opportunities to promote certain parts of the strategic plan.

The 2028 Strategic Plan follows the disposal plan announced by the Company in October 2022 for disposal of non-core properties or properties that Company has accomplished their improvement.
As of date of publication of this report, the Group completed the disposal of properties for a total amount of NIS 5.4 billion, as follows: G Europe - NIS 3.6 billion; G Israel - NIS 0.7 billion; Gazit Horizons - NIS 0.6 billion; Gazit Brazil - NIS 0.5 billion.

Pursuant to the Company’s strategy as set out above, on November 27, 2025, Orion Retail Properties Ltd. ("Orion") published an incomplete prospectus, a prospectus for the splitting and distribution of a dividend in kind, and a shelf prospectus. Furthermore, under the tender offer, Orion is acting to raise debt (in NIS) secured by first and second degree liens on the properties that will be sold to it as aforesaid, in an amount of up to EUR 1,360 million par value.

The distribution in kind will be pro rata among the Company’s shareholders, such that each shareholder of the Company as of the record date (expected to be on December 4, 2025) will be entitled to receive 0.1208932 ordinary shares of Orion. The actual date of distribution, pursuant to the TASE guidelines, is expected to be on December 8, 2025.

Shortly after completing the issue, the Group will sell to Orion, 3 income generating properties in Poland worth (as at September 30, 2025) of EUR 450 million. The proceeds from the Orion issue will be used to repay loans that the Company provides to it for the purpose of purchasing the properties. Furthermore, the Company and Orion have engaged in several agreements (including through subsidiaries) under which the Company will provide Orion with property management services in Poland, a loan agreement from the Company to Orion in the amount of EUR 25 million (that will be subordinate to Debentures Series A and Series B of Orion) and a guarantor agreement under which the Company will provide a bank guarantees with respect to a currency hedging transaction for Orion.

NOTE 1 – General (cont.)

D. Swords of Iron War:

In October 2023, the Hamas terror organization launched a murderous terrorist attack on the State of Israel, which led to the start of the Swords of Iron War. Since then, the State of Israel has been waging war on various fronts, including in the north of the country, against Iran and the Houthis. Moreover, in June 2025, Operation Rising Lion commenced and continued for two weeks. In October 2025, a ceasefire was reached with the Hamas terror organization. It should be noted that, notwithstanding the ceasefire, as at the date of this report, the security situation has not yet stabilized and as at the date of publication of the report, the security situation still remains uncertain. The war has an extensive impact on the economy, and the effects are largely dependent on the development of the war on the various fronts and on the various scenarios, including the effect on consumption and on the business sector, the capital market, changes in exchange rates and interest rates. The Company routinely monitors these effects. The Company estimates that the Swords of Iron War and Operation Rising Lion did not have a significant effect on the Company's businesses and its financial results.

E. US tariff program:

In April 2025, the Trump Administration announced the imposition of reciprocal tariffs on import into the US of goods from many countries worldwide, with imports from Israel subject to a tariff of 15%. The tariff applies to goods only and not to services. The Company's operations are not directly affected by the U.S. tariff program, as the program does not apply with respect to receipt of services. The Company continuously examines the implications and effects of the U.S. tariff program and the countermeasures taken by other countries, on market conditions and the economic environment in which it operates. At this stage the Company is unable to estimate the effect of this tariff program on its business operations. Nonetheless, the Company believes that the effect, if any, is not expected to be substantial for its operations.

F. Definitions in these financial statements:

The Company	-	G City Ltd. (formerly Gazit-Globe Ltd.)
G Europe	-	G City Europe Limited (formerly Atrium European Real Estate Limited), a subsidiary
CTY	-	Citycon Oyj, a subsidiary.

NOTE 2 - Significant Accounting Policies

A. Preparation format of the Condensed Consolidated Interim Financial Statements

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The main accounting policy and calculation methods applied in the preparation of these Consolidated Interim Financial Statements are consistent with those applied in the preparation of the Annual Financial Statements, as well as the following:

Operating cycle

The Group has two operating cycles. With regard to inventory of offices held for sale, the operating cycle exceeds one year and could continue for three or four years. With regard to other operations, the operating cycle is one year. Consequently, with regard to the construction work for the offices held for sale inventory, where the operating cycle is longer than one year, the assets and liabilities directly relating to those operations are classified in the statement of financial position under current assets and liabilities based on the operating cycle.

Inventory of offices held for sale

Cost of inventory of offices held for sale includes direct identifiable costs with respect to cost of land acquisition, such as purchase tax, fees and levies, as well as construction costs.

The cost of land includes borrowing costs that apply to financing the project until its completion, planning and designing costs, indirect construction cost that were allocated and other related costs.

Inventory of buildings and apartments for sale is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated selling costs.

Costs of inventory of development real estate are allocated to each sales contract separately, as described below:

1. Identifiable direct costs are allocated individually to each office.
2. Cost of land is allocated to contracts according to the sales price ratio at the time of initial marketing.
3. Shared construction costs that are not separately identifiable for each apartment are allocated according the size of the apartment and per meter construction costs pro rata to the costs for the entire building.
4. When investment real estate is classified to inventory, the initial costs of inventory are fixed according to the estimated fair value of the inventory on the date on which it is classified as inventory.

Recognition of income

Revenue from contracts with customers is recognized in profit or loss when control of the asset or service is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes).

The Company has begun operating in the real estate sector in development, construction and sale of offices. The Company classified investment property under development as inventory of offices held for sale, based on the inventory value on date of classification. When engaging in a contract with a customer, the Company recognizes the residential units, offices and commercial spaces as execution obligations.

NOTE 2 - Significant Accounting Policies (cont.)

With regard to the Company's operations in the real estate development sector in Israel, the Company has concluded, based on the legal and regulation provisions in the real estate development sector in Israel and on legal advice that it obtained, that the contracts with its customers do not create alternative use assets for the Company and it is eligible to receive enforceable payment for work completed up to that date. Under such circumstances, the Company recognizes long term income.

The Company applies the cost-based input method for measuring progress of execution when a commitment to execute remains in force over time. The Company believes that using the input method according to which the revenue is recognized based on inputs invested by the Company to comply with execution obligations better reflects the revenue actually generated. To apply the input method, the Company estimates the cost required to complete the project in order to determine the revenue to be recognized.

These estimates include the direct and indirect costs relating directly to the actual contract and that are allocated to each contract separately based on a reasonable pricing key. When measuring the "completion rate" cost, the Company does not include costs that don't reflect execution progress such as cost of land, fees, levies and taxes and credit costs.

The Company determines the completion rate used to recognize revenue for each sales contract based on the overall progress of the building or project, as applicable. This approach is applied as long as the property to which the agreement applies cannot be delivered prior to full completion of the building or project.

The Company determines the amount of revenue from each contract based on the transaction price agreed with each individual customer and recognizes revenue separately for each contract.

When the Company begins working on the anticipated contract prior to formal signing with the customer, upon signing the contract, the Company recognizes cumulative revenue in an amount that reflects the stage of completion of the performance obligation on that date.

NOTE 3 – Material Events in the reporting period

A. Debt raising and redemption in the Group

1. In March 2025, CTY bought back, under a tender offer, EUR 100 million (NIS 402 million) par value debentures for an amount of EUR 97.5 million (NIS 392 million).
2. In February 2025, G Europe completed the proactive full early redemption of outstanding Debentures (Series 2025) for an amount of EUR 85 million par value (NIS 341 million).
3. In March 2025, the Company issued in a private issuance, by means of expansion of a marketable series, NIS 295.6 million par value Debentures (Series P) secured by a fixed lien on G Europe shares held by wholly-owned subsidiaries of the Company, for a gross amount of NIS 304.4 million at effective interest of 5.05% (linked to the CPI). The proceeds of the issue were received in April 2025.
4. In March 2025, CTY bought back, under a tender offer, EUR 100 million (NIS 406 million) par value debentures for EUR 97.2 million (NIS 395 million).
5. In April 2025, CTY issued to the public NIS 450 million par value debentures (unsecured) bearing annual interest of 5.375% and that are repayable in July 2031.
6. In June 2025, CTY bought back, under a tender offer, EUR 100 million (NIS 406 million) par value debentures for EUR 97.5 million (NIS 396 million).
7. In the reporting date, G Europe bought back EUR 103 million (NIS 401 million) par value Debentures Series from 2027, of which EUR 96 million (NIS 373 million), through a tender offer for consideration of EUR 98 million (NIS 381 million). Following these acquisitions, the Company recognized an early redemption gain in the amount of EUR 3.5 million (NIS 14 million).
8. In the period, a wholly owned subsidiary of the Company acquired EUR 2 million (NIS 8 million) par value hybrid debentures of G Europe for consideration of EUR 1.6 million (NIS 6 million). The effect of the Company's equity is negligible.
9. In August 2025, CTY bought back EUR 34.7 million (NIS 137.2 million) par value hybrid debentures for an amount of EUR 35.6 million (NIS 140.8 million). Due to the buyback, the Company recognized a capital loss of NIS 5.3 million.
10. In the reporting period the Company bought back NIS 113.6 million par value Debentures (Series N and O) for consideration of NIS 127 million. Following the buyback, the Company recognized an early redemption gain in the amount of NIS 3.7 million. The buyback debentures were canceled and delisted.
11. In May 2025, the Company issued in a private issuance, by means of expansion of a marketable series, NIS 71 million par value Debentures (Series O), which are secured by a lien on real estate assets, for a gross consideration of NIS 78.8 million and at an effective annual interest rate of 3.59% (CPI-linked). Under the expansion of the series, the Company pledged two additional income generating properties (in Tel Aviv and Rishon Le-Zion) in favor of Debentures (Series O).
12. In June 2025, the Company issued to the public, by means of expansion of a marketable series, NIS 430 million par value Debentures (Series N) (unsecured) for gross consideration of NIS 423 million and at effective annual interest of 5.65% (CPI-linked).
13. In May 2025, the Company issued under a private issuance, by means of expansion of a marketable series, NIS 440 million par value Debentures (Series U), which are secured by a fixed charge on CTY shares, for gross proceeds of NIS 436 million and at an effective annual interest of 5.05% (CPI-linked).
14. In July 2025, the Company issued in a private issuance, by means of expansion of a marketable series, NIS 354 million par value Debentures (Series M) (unsecured) for gross proceeds of NIS 404 million and at effective annual interest of 5.03% (CPI-linked).

NOTE 3 – Material Events in the reporting period (cont.)

B. Other events

1. In March 2025, the S&P Maalot rating agency ratified the rating for CTY's debentures as BBB- and downgraded CTY's issued rating to BB+ with stable outlook.

   In September 2025, the S&P Maalot rating agency downgraded the rating for CTY's debentures to BBB+ and downgraded CTY's issuer rating to BB-, with stable outlook. For further information about the announcement of a dividend subsequent to the reporting date, see Note 5D.

2. In 2019, G Europe initiated liquidation proceedings for subsidiaries in Denmark, which until 2015 were held by Polish companies that held two properties in Poland. In 2020 the Danish company received a positive taxation ruling from the tax authorities in Denmark according to which tax should not be deducted at source for a dividend in kind that was distributed to G Europe Group companies. In April 2025, the tax authorities in Denmark withdrew the binding tax decision and sent the Danish company an assessment for payment in the amount of the withheld tax for the foregoing dividend distributed, in the amount of DKK 135.6 million (EUR 18.2 million, NIS 73.2 million) with added interest. The Danish company filed an appeal against this tax decision.

   In the opinion of the managements of the Company and of G Europe, based on the opinion of their legal advisors, the likelihood of the appeal being accepted is higher than the likelihood of it being rejected.

3. In the reporting period, the Company bought back 13.2 million shares of the Company for NIS 165 million. The acquired shares are treasury shares.

4. In May 2025, the Company classified a NIS 340 million investment property under development as inventory of offices, based on the inventory value on date of classification.

5. Further to the provisions of Note 24(4) to the annual financial statements concerning the civil lawsuit filed by the trustee of Dori Construction Ltd. against the Company and others, in April 2025 the court issued a ruling on the motion filed by the Company to dismiss the lawsuit, as well as on motions to dismiss filed by other defendants (hereinafter: the "Ruling on the Motion to Dismiss"), under which the court partially accepted the Company's motion and ordered the dismissal of the claim on the grounds of statute of limitations with respect to two of the three periods addressed in the claim, as described in the relevant note: the period preceding the discovery of deviations in Dori Construction's estimates, which led to the filing of the class action against it; and the period between the discovery of said deviations and the sale of control in Amos Luzon Development and Energy Group Ltd. ("Luzon Group").

NOTE 3 – Material Events in the reporting period (cont.)

C. Other events (cont.)

Regarding the statute of limitations claims pertaining to the third period (the period between the sale of control and the initiation of insolvency proceedings of Dori Construction), as well as other arguments raised by the Company in its motion to dismiss, the court held that these matters should be examined as part of the substantive proceedings and not as part of a preliminary hearing. Furthermore, the court accepted in full the motions to dismiss filed by certain individuals who served as officers and directors of Dori Construction during specific periods, as well as by the Dori Construction's external auditors. The court partially accepted motions to dismiss filed by other officers of Dori Construction, and dismissed the motions to dismiss filed by Luzon Group, as well as by another group of officers. In July 2025, the trustee filed an appeal with the Supreme Court against the decision on the motion to dismiss, arguing that the District Court erred in ordering the summary dismissal of the lawsuit on grounds of statute of limitations with respect to the first two periods. The defendants later filed a motion to stay of proceedings in the district court until the trustee's appeal is decided, which was dismissed by the court. In November 2025, the Company filed its statement of defense. The Company estimates, based on its legal advisors, at this early stage of the proceedings, that the chances of the claim being accepted are lower than the chances of it being dismissed.

6. In September 2025, the Company received a demand for discovery of documents before a motion for discovery was filed prior to filing of a motion for certification of a derivative claim on behalf of an individual claiming to be a shareholder in the Company (as well as being a shareholder of Norstar, to which the letter was also addressed). The letter alleged that Mr. Chaim Katzman, the controlling shareholder of the Company and of Norstar, and its general manager, who also serves as vice chairman of the boards of directors of the Company and of Norstar, allegedly took advantage of business opportunities of Group companies, as part of private holdings in residential buildings in the US. The Company is reviewing the letter and will respond to it in accordance with the provisions of the law.

7. In August 2025, Moody's rating agency ratified the rating for G Europe debentures at B3 and upgraded the rating outlook from stable to positive.

8. The Polish tax authorities are examining the treatment for withholding tax in Polish real estate companies which were or are fully controlled by G Europe in the years 2018-2024.

   With respect to the years 2019-2020, initial assessments were issued, which the companies appealed and are therefore not enforceable until the appeal process is resolved and final assessments are issued.

   With respect to one Polish property company, final assessments were issued for 2018. In July 2025, the Polish real estate company filed an appeal with the first instance court in Poland.

   In the opinion of the managements of the Company and of G Europe, based on the opinion of their legal advisors, the likelihood of the appeal being accepted is higher than the likelihood of it being dismissed.

   With respect to the years 2021-2024, an audit is being carried out with regard to withholding of taxes in Poland.

NOTE 4 - Financial Instruments

A. Fair value of financial instruments

The carrying amounts of certain financial assets and liabilities, including cash, trade and other receivables, short-term loans and borrowings, trade and other payables corresponds to or are close to their fair value.

The fair value and carrying amounts of the other financial liabilities (including current liabilities) presented in the statement of financial position according to their amortized cost are as follows:

	At September 30, 2025		At September 30, 2024		At December 31, 2024	
	Balance	Fair value	Balance	Fair value	Balance	Fair value
	NIS million					
Debentures (Level 1)	17,062	17,028	16,043	15,761	16,573	16,439
Interest bearing liabilities to banks and others (Level 2)	5,078	4,893	7,612	7,322	6,383	6,156
	22,140	21,921	23,655	23,083	22,956	22,595

B. Classification of financial instruments according to fair value level

In the reporting period there were no material changes regarding the classification of financial assets and liabilities that are measured in the financial statements at fair value, compared to their classification as at December 31, 2024. Furthermore, there were no transfers between Level 1 and Level 2 with respect to fair value measurement of any financial instruments, and there were no transfers to or from Level 3 with respect to fair value measurement of any financial instruments.

NOTE 5 – Subsequent Events

A. On November 27, 2025, the Company’s Board of Directors approved a distribution in kind of 100% of the shares in Orion Retail Properties Ltd. held by the Company, as set out in Note 1 above.

B. Subsequent to reporting date, the Company issued under a private issuance, by means of expansion of a marketable series, NIS 298 million par value Debentures (Series N) (unsecured) for gross consideration of NIS 301 million and at effective annual interest of 5.21% (CPI-linked).

C. On November 3, 2025, the Company acquired 14.2 million shares of CTY, constituting 7.7% of the share capital of CTY, for consideration of EUR 56.73 million (NIS 210.8 million). Following this acquisition, the Company's holding in CTY increased to 57.4% of the issued share capital of CTY, requiring G City to issue a full tender offer to the minority shareholders of CTY, as set out below.

Furthermore, following the acquisition of shares and prior to the completion of the tender offer as described above, the Company acquired 1.1 million additional CTY shares through stock exchange trading, in consideration of EUR 4.5 million (NIS 16.7 million).

As a result of the foregoing share acquisition (excluding the shares to be acquired under the tender offer, if accepted), the Company's holdings in CTY increased to 58.05% of its issued share capital and the capital attributed to the Company's shareholders is expected to increase by NIS 191.7 million.

NOTE 5 – Subsequent Events (cont.)

In accordance with Finnish law, as the Company’s holdings exceed the limit of 50% of CTY’s share capital, the Company is required to issue a tender offer for all of the non-controlling shares of CTY, at a price that will not fall below the price paid under the Share Acquisition Transaction, by December 2, 2025. Accordingly, the Company informed CTY and its shareholders that it will issue a tender offer under which it will offer to purchase all non-controlling shares in CTY (including securities convertible to CTY shares) at a price of EUR 4 per share (the “Tender Offer”), and should there be full acceptance, the consideration for the shareholders of CTY under the tender offer will amount to EUR 312 million. The Tender Offer is subject to the approval of the Finish Financial Supervisory Authority.

Further to the foregoing, and in order to finance the tender offer, if accepted, the Company is conducting advanced negotiations for an additional credit facility in the amount of EUR 195 million.

D. In November 2025, the S&P Maalot rating agency downgraded the rating for CTY's debentures to BB- and downgraded CTY’s issuer rating to B+ with stable outlook, and placed it on a watch list with negative outlook.

E. In November 2025, the S&P Maalot rating agency announced it was placing the Company’s ratings on the watch list with negative outlook reflecting the uncertainty regarding the final scope of the Company's acquisition the CTY non-controlling shares under a tender offer and its impact on the Company’s financial risk profile and liquidity.

F. In November 2025, the Midroog rating agency issued an issuer caveat due to the tender offer for CTY shares. Midroog assesses that all the effects resulting from the tender offer are expected to maintain the financial ratios and the rating is not expected to change in the short term.

NOTE 6 - Operating Segments

The Company reports five reportable segments pursuant to the IFRS 8 management approach.

Operating segments were determined on the basis of information reviewed by the Company's board of directors for deciding with regard to allocating resources and assessing performance. Accordingly, with regard to management goals, the Company reports five reportable segments pursuant to the IFRS 8 management approach. The division into segments is based on the geographic location of the Company's operations. The CODM monitors the segment results separately in order to allocate the resources and assess the segment results which, in certain cases, differ from the measurements used in the financial statements, as described in Note 36 to the Company’s annual financial statements.

The Northern Europe segment is under a public company controlled by the Company; the other segments are wholly owned by the Company.

For the 9 months ended September 30, 2025

	Northern Europe	Central Europe	Israel	Brazil	USA	Other segments	Adjustments to consolidated	Consolidated
	Unaudited							
	NIS million							
Rental and other income	885	394	243	119	145	22	(76)	1,732
Revenue from the sale of offices	-	-	130	-	-	-	-	130
Segment revenues	885	394	373	119	145	22	(76)	1,862
Operating income, net	612	283	167	97	84	10	(34)	1,219
Segment results:	543	244	157	84	69	11	409	1,517
Financing expenses, net								(1,064)
Profit before taxes on income								453

NOTE 6 - Operating Segments (cont.)

For the 9 months ended September 30, 2024

	Northern Europe	Central Europe	Israel	Brazil	USA	Other segments	Adjustments to consolidated	Consolidated
	Unaudited							
	NIS million							
Segment revenues	967	439	282	131	114	26	(63)	1,896
Operating income, net	645	308	191	108	72	14	(39)	1,299
Segment results:	550	281	180	94	49	13	372	1,539
Financing expenses, net								(976)
Profit before taxes on income								563

For the 3 months ended September 30, 2025

	Northern Europe	Central Europe	Israel	Brazil	USA	Other segments	Adjustments to consolidated	Consolidated
	Unaudited							
	NIS million							
Rental and other income	290	126	86	40	52	7	(27)	574
Revenue from the sale of offices	-	-	130	-	-	-	-	130
Segment revenues	290	126	216	40	52	7	(27)	704
Operating income, net	205	93	69	33	32	3	(13)	422
Segment results:	184	79	67	27	27	5	72	461
Financing expenses, net								(325)
Profit before taxes on income								136

NOTE 6 - Operating Segments (cont.)

For the 3 months ended September 30, 2024

	Northern Europe	Central Europe	Israel	Brazil	USA	Other segments	Adjustments to consolidated	Consolidated
	Unaudited							
	NIS million							
Segment revenues	329	150	110	42	38	9	(35)	643
Operating income, net	223	106	73	35	23	5	(22)	443
Segment results:	203	94	67	32	12	4	(72)	340
Financing expenses, net								(403)
Loss before taxes on income								(63)

Year ended 31 December, 2024

	Northern Europe	Central Europe	Israel	Brazil	USA	Other segments	Adjustments to consolidated	Consolidated
	Audited							
	NIS million							
Segment revenues	1,286	593	355	178	157	34	(70)	2,533
Operating income, net	859	411	240	147	95	17	(35)	1,734
Segment results:	734	368	219	129	73	13	(298)	1,238
Financing expenses, net								(1,066)
Profit before taxes on income								172

NOTE 6 - Operating Segments (cont.)

Segment assets:

		Northern Europe	Central Europe	Israel	Brazil	USA	Other segments	Adjustments to consolidated	Consolidated
		Unaudited							
		NIS million							
September 30, 2025	Investment property	14,777	6,950	3,416	1,970	2,795	242	(1,655)	28,495
	Investment property under development	-	615	926	-	681	-	(191)	2,031
	Inventory of offices	-	-	254	-	-	-	-	254
	Segment assets	15,302	7,622	4,786	2,038	3,496	244	1,100	34,588
September 30, 2024	Investment property	16,754	7,762	3,777	2,223	2,053	293	(3,962)	28,900
	Investment property under development	29	1,127	1,194	48	1,057	-	(622)	2,833
	Segment assets	17,479	8,970	5,059	2,348	4,363	354	632	39,204
December 31, 2024 (Audited)	Investment property	14,081	7,178	3,414	1,854	1,974	258	(1,718)	27,041
	Investment property under development	-	925	1,157	29	1,547	-	(1,235)	2,423
	Segment assets	14,620	8,205	4,617	1,951	3,546	259	2,823	36,021

NOTE 7 - Condensed Financial Information of G Alpha

In February 2024 the Company issued to the public NIS 410 million par value Debentures (Series R) are secured by a fixed first degree lien on all of the Company's holdings in GHI Alpha Portfolio LLC ("G Alpha"), which are held by the Company through Gazit Horizons Inc., a wholly-owned subsidiary of the Company (indirect) and related rights, as well as a single lien on the bank account established and held by G Alpha.

Breakdown of Condensed Financial Information of G Alpha and key notes:

Condensed financial information of financial position -

	September 30		At December 31
	2025	**2024**	**2024**
	USD thousand		
Assets			
Current assets			
Cash and cash equivalents	5,623	7,572	8,675
Trade receivables	239	96	64
Other receivables	348	405	310
	6,210	8,073	9,049
Non-current assets			
Deposits	877	865	871
Investment property	319,451	281,839	282,615
Fixed assets, net	325	358	339
	320,653	283,062	283,825
	326,863	291,135	292,874
Liabilities and Equity			
Current liabilities			
Current maturities of non-current liabilities	26,024	-	-
Trade payables and service providers	1,840	1,733	444
Other payables	216	200	216
	28,080	1,933	660
Non-current liabilities			
Interest-bearing loans from banks and others	63,524	89,440	89,467
Other financial liabilities	1,264	1,086	1,088
	64,788	90,526	90,555
Equity attributable to equity holders of the Company	233,995	198,676	201,659
	326,863	291,135	292,874

NOTE 7 - Condensed Financial Information of G Alpha (cont.)

Condensed financial information of comprehensive income or loss

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	USD thousand				
Rental income - commercial	5,949	5,000	2,271	1,682	6,676
Rental property operating expenses - commercial	1,208	897	520	323	1,184
Net operating income (NOI) - commercial	4,741	4,103	1,751	1,359	5,492
Rental income - residential	7,551	7,575	2,527	2,612	10,116
Rental property operating expenses - residential	2,965	2,950	1,012	989	3,889
Net operating income (NOI) - residential	4,586	4,625	1,515	1,623	6,227
Total operating income, net	9,327	8,728	3,266	2,982	11,719
General and administrative expenses	(122)	(46)	(65)	(14)	(77)
Revaluation of investment property	16,317	(2,434)	7,981	1,871	(1,783)
Operating profit	25,522	6,248	11,182	4,839	9,859
Financing expenses, net	(1,888)	(2,006)	(675)	(645)	(2,635)
Net profit	23,634	4,242	10,507	4,194	7,224

NOTE 7 - Condensed Financial Information of G Alpha (cont.)

Condensed financial information of cash flow

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	USD thousand				
Cash flows from operating activities					
Net profit (loss)	23,634	4,242	10,507	4,194	7,224
Adjustments required for presentation of cash flows from current operations					
Adjustments to profit or loss					
Finance expenses, net	1,888	2,088	675	696	2,635
Revaluation of investment property, net	(16,317)	2,434	(7,981)	(1,871)	1,783
Depreciation and amortization	77	41	27	14	70
	(14,352)	4,563	(7,279)	(1,161)	4,488
Changes in items of assets and liabilities:					
Decrease (increase) in trade receivables and other receivables	(587)	(289)	(50)	70	(132)
Increase (decrease) in trade and other payables	1,571	1,074	472	(157)	(321)
	984	785	422	(87)	(453)
Net cash provided by operating activities before interest Dividends and taxes	10,266	9,590	3,650	2,946	11,259
Interest paid	(2,007)	(2,007)	(669)	(669)	(2,677)
Interest received	201	-	22	-	149
Net cash from operating activities	8,460	7,583	3,003	2,277	8,731
Cash flows from investment activities					
Acquisition, construction, and development of investment property	(449)	(1,045)	(126)	(90)	(1,081)
Investments in property, plant and equipment and other assets	(63)	(127)	(36)	(11)	(137)
Net cash used for investment activities	(512)	(1,172)	(162)	(101)	(1,218)
Cash flow from financing activities					
Shareholders' investment	-	24	-	10	25
Dividend paid to Company shareholders	(11,000)	(545)	-	-	(545)
Net cash used for financing activities	(11,000)	(521)	-	10	(520)
Increase (decrease) in cash and cash	(3,052)	5,890	2,841	2,186	6,993
Cash and cash equivalents at the beginning of the period	8,675	1,682	2,782	5,386	1,682
Cash and cash equivalents at the end of the period	5,623	7,572	5,623	7,572	8,675
Significant non-cash activities of the Company:					
Transfer of property against injection of shareholder capital	19,730	-	-	-	-

NOTE 7 - Condensed Financial Information of G Alpha (cont.)

Key Notes

1. General

   A. G Alpha is a limited liability company established pursuant to the laws of the State of Delaware in the USA, on October 23, 2023.

   B. G Alpha engages, through companies under its control, in the management of income-generating mixed-use real estate properties, including for commercial and residential rental uses, in densely populated urban areas in large cities in the US, mainly in New York, Boston, and Miami, and as at reporting date, it owns 7 income-generating properties.

   C. On February 4, 2024, Gazit Horizons Inc., which holds the entire capital of G Alpha, transferred to G Alpha its entire holdings in 6 wholly-owned private companies, each of which owns an income-generating property.

   D. On June 26, 2025, Gazit Horizons Inc. transferred to G Alpha its rights in the property company 41 Winter Street LLC, which owns an income generating property in Boston valued at USD 20 million. The transfer was made without cash consideration, by way of shareholders' investment in the company.

   E. Furthermore, in the reporting period G Alpha distributed a dividend to its shareholders in an amount of USD 11 million, which was transferred to its parent company, Gazit Horizons, from the trust account.

   F. Due to the establishment of G Alpha on October 23, 2023 and the transfer of the private companies to it as aforesaid, G Alpha prepared these condensed consolidated financial statements pursuant to the provisions of Regulations 9A and 38B of the Securities Regulations (Periodic and Immediate Reports) 1970, which reflect the results of G Alpha's consolidated operations, as though the consolidated companies that were transferred to it were consolidated in its financial statements in the said periods. All the comparable data and financial information presented above that refer to a period prior to the transfer of the private companies to it, are proforma information.

2. Significant Accounting Policies

   The main accounting policies that were applied in the financial statements attributable to G Alpha are consistent with those applied in the preparation of these consolidated financial statements.

NOTE 8 - Condensed Financial Information of CH Targowek

In July 2024, the Company issued to the public NIS 645 million par value Debentures (Series T) that are secured, among other things, by a first degree mortgage on the full interests of CH Targowek (a wholly owned subsidiary, indirectly, of the Company; the "Property Company") in a commercial property known as the Targowek Shopping Center ("Targowek") and the accompanying rights, as well as a single lien on the bank account that was established and held by the Property Company, and a lien on the shares of the Property Company, as well as on the shareholders' loan that was provided for it.

NOTE 8 - Condensed Financial Information of CH Targowek (cont.)

Breakdown of Condensed Financial Information of the Property Company and key notes:

Condensed financial information of financial position -

	September 30		At December 31
	2025	2024	2024
	EUR thousands		
Assets			
Current assets			
Cash and cash equivalents	5,218	3,830	4,338
Trade receivables	394	695	590
Loans to affiliated parties	4,115	-	1,008
Other receivables	1,419	837	1,398
	11,146	5,362	7,334
Non-current assets			
Investment property	248,536	231,002	239,688
Fixed assets, net	27	34	32
	248,563	231,036	239,720
Total assets	259,709	236,398	247,054
Liabilities and Equity			
Current liabilities			
Trade payables and service providers	193	277	247
Other payables	2,382	3,140	4,423
Short term liability with respect to leases	435	530	421
	3,010	3,947	5,091
Non-current liabilities			
Loans from affiliated parties	76,208	69,981	70,043
Other financial liabilities	14,964	10,359	11,632
	91,172	80,340	81,675
Equity attributable to equity holders of the Company	165,527	152,111	160,288
Total equity and liabilities	259,709	236,398	247,054

NOTE 8 - Condensed Financial Information of CH Targowek (cont.)

Condensed financial information of comprehensive income or loss

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	EUR thousands				
Rental and other income	14,186	13,307	4,699	4,578	18,256
Property operating and other expenses	3,847	2,888	1,237	917	3,835
Operating income, net	10,339	10,419	3,462	3,661	14,421
Revaluation of an investment property	8,481	276	82	22	7,380
General and administrative expenses	490	2,151	164	783	2,428
Operating profit	18,330	8,544	3,380	2,900	19,373
Finance expenses, net	3,833	4,294	805	1,665	5,619
Profit before taxes on income	14,497	4,250	2,575	1,235	13,754
Taxes on income	3,258	752	662	302	2,079
Net profit	11,239	3,498	1,913	933	11,675

NOTE 8 - Condensed Financial Information of CH Targowek (cont.)

Condensed financial information of cash flow

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	EUR thousands				
Cash flows from operating activities					
Collected rents	18,194	17,242	6,142	5,681	23,157
Receipt of receivable payments	439	415	193	121	562
Payment to suppliers	(7,607)	(8,943)	(2,422)	(2,916)	(11,589)
Income tax paid	(434)	147	(144)	(143)	(568)
Income tax received	-	-	-	-	572
Net cash from operating activities	10,592	8,861	3,769	2,743	12,134
Cash flows from investment activities					
Investment in investment property	(709)	(262)	(234)	(140)	(2,038)
Loans granted to Group companies	(9,000)	(2,870)	-	-	(3,870)
Repayment of loans to Group companies	6,067	9,625	6,000	-	9,625
Net cash flows from (used in) investment activities	(3,642)	6,493	5,766	(140)	3,717
Cash flow from financing activities					
Repayment of loans among Group	-	(6,701)	-	-	(6,701)
Reduction of Capital	(6,000)	(6,348)	(6,000)	-	(6,348)
Net cash used for financing activities	(6,000)	(13,049)	(6,000)	-	(13,049)
Exchange differences for cash and cash	(70)	4	(21)	7	14
Increase in cash and cash equivalents	880	2,309	3,514	2,610	2,816
Cash and cash equivalents at the beginning of the period	4,338	1,521	1,704	1,220	1,522
Cash and cash equivalents at the end of the period	5,218	3,830	5,218	3,830	4,338

Key Notes

1. CH Targowek sp. Z o. o. is a company incorporated in Poland, which engages in the management of income-generating real estate and owns the Atrium Targowek Shopping Center in Warsaw, Poland.

   The company is wholly owned (indirectly) by the Company. The financial information in these financial statements were consolidated into the consolidated financial statements of the Company for the relevant periods.

2. The highlights of the accounting policies applied in these condensed financial statements are consistent with those applied in preparing the consolidated financial statements of the Company as at December 31, 2024.

G City Ltd.

Financial Information from the Condensed Consolidated Interim Statements attributable to the Company

As at September 30, 2025

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To

The Shareholders of G CITY Ltd.

Dear Sirs/Mmes.,

Re: **Special review report of the separate interim financial information in accordance with Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970**

Introduction

We have reviewed the separate interim financial information disclosed in accordance with Regulation 38d to the Securities Regulations (Periodic and Immediate Reports), 1970 of G City Ltd. ("the Company") as of September 30, 2025 for the nine and three months period then ended. The Company's board of directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion on the separate interim financial information based on our review.

We did not review the separate interim financial information taken from the interim financial information of investees, whose assets less attributable liabilities net amounted to approximately NIS 2,777 million as of September 30, 2025 and the Company's share of their earnings amounted to approximately NIS (101) million and (30) NIS for the nine and three months periods then ended. The separate interim financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the financial information in respect of those companies, is based on the review reports of the other auditors.

Scope of review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information is not prepared, in all material respects, in accordance with Regulation 38d to the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv,
November 27, 2025

Kost Forer Gabbay & Kasierer
Certified Public Accountants

G City Ltd.

Financial Figures and Financial Information from the Condensed Interim Financial Statements attributable to the Company

Below are the separate figures and financial information from the condensed interim financial statements of the Group as at September 30, 2025, published as part of the periodic reports (the "Consolidated Reports"), attributable to the Company, presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports),1970.

The accounting policy applied for presenting this financial information are set out in Note 2 to the annual consolidated financial statements.

Consolidated subsidiaries as defined in Note 1 to the annual consolidated financial statements.

Financial Information from the Condensed Consolidated Statement of Financial Position attributable to the Company

	September 30		At December 31
	2025	2024	2024
	Unaudited		Audited
	NIS million		
Assets			
Current assets			
Cash and cash equivalents	85	156	123
Short-term deposits	12	-	488
Financial assets	-	1	1
Financial derivatives	154	63	45
Other receivables	52	92	109
Trade and revenue receivable, and contractual assets	140	23	15
Inventory of offices	254	-	-
Current tax assets	-	2	-
	697	337	781
Assets held for sale	-	465	-
	697	802	781
Non-current assets			
Financial assets	46	56	61
Financial derivatives	36	2	42
Investment property	3,416	3,325	3,414
Investment property under development	926	1,194	1,157
Other investments, loans and receivables	11	31	16
Loans to subsidiaries	3,397	2,813	3,164
Investments in subsidiaries	7,990	9,055	7,776
Fixed and other assets, net	18	20	19
	15,840	16,496	15,649
	16,537	17,298	16,430

The accompanying additional information is an integral part of the financial information and of the separate

Financial Information from the Condensed Consolidated Statement of Financial Position attributable to the Company

	September 30		At December 31
	2025	2024	2024
	Unaudited		Audited
	NIS million		
Liabilities and Equity			
Current liabilities			
Current maturities of non-current liabilities	1,401	1,647	1,406
Short-term loans from subsidiaries	-	46	130
Financial derivatives	37	-	-
Trade payables and service providers	21	25	25
Other payables	84	83	182
	1,543	1,801	1,743
Liabilities attributed to assets held for sale	-	174	-
	1,543	1,975	1,743
Non-current liabilities			
Loans from banks	2,401	2,721	2,197
Loans from affiliates	41	57	-
Debentures and convertible debentures	8,640	7,379	8,147
Financial derivatives	29	181	150
Other liabilities	6	48	13
Deferred taxes	-	15	-
	11,117	10,401	10,507
Equity attributable to equity holders of the Company			
Share capital	253	235	253
Share premium	4,983	4,745	4,981
Retained earnings	2,352	2,533	2,446
Adjustments due to translation of financial statements of foreign operations	(4,798)	(3,873)	(4,763)
Other reserves	1,268	1,297	1,279
Treasury shares	(181)	(15)	(16)
	3,877	4,922	4,180
Total liabilities and equity	16,537	17,298	16,430

The accompanying additional information is an integral part of the financial information and of the separate

November 27, 2025			
Date of approval of the financial statements	Ehud Arnon Chairman of the Board of Directors	Chaim Katzman CEO and Vice Chairman of the Board of Directors	Gil Kotler CFO

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
Rental and other income	242	266	86	93	355
Net operating rental income	95	88	36	33	115
Net income from rental of buildings and others	147	178	50	60	240
Revenue from the sale of offices	130	-	130	-	-
Cost of sales of offices	110	-	110	-	-
Net income from the sale of offices	20	-	20	-	-
Operating income, net	167	178	70	60	240
Revaluation of investment property and investment property under development, net	71	63	17	9	86
General and administrative expenses	(43)	(41)	(14)	(14)	(58)
Sales and Marketing Expenses	(4)	-	(3)	-	-
Other revenues (expenses), net	(3)	(6)	(3)	(6)	4
Management fees from related companies	3	2	2	1	3
Income from subsidiaries, net	380	448	120	66	320
Operating profit	571	644	189	116	595
Finance expenses	(720)	(674)	(255)	(327)	(762)
Finance income	18	44	19	20	112
Finance income from subsidiaries, net	111	95	37	39	129
Income (loss) before taxes on income	(20)	109	(10)	(152)	74
Taxes on income (tax benefit)	1	(12)	1	(21)	22
Net profit (loss) attributed to the Company	(21)	121	(11)	(131)	52

The accompanying additional information is an integral part of the financial information and of the separate

Financial Information from the Condensed Consolidated Statement of Comprehensive Income attributable to the Company

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
Net profit (loss) attributed to the Company	(21)	121	(11)	(131)	52
Other comprehensive income (loss) attributed to the Company (net of tax effect):					
<u>Amounts classified or reclassified to profit or loss</u>					
Foreign currency translation differences of foreign operations	7	71	23	62	(91)
Other comprehensive income (loss) attributed to the Company	7	71	23	62	(91)
Other comprehensive income (loss) attributed to the subsidiaries	(56)	(3)	(117)	91	(764)
Total other comprehensive income (loss) attributed to the Company	(49)	68	(94)	153	(855)
Total comprehensive income (loss) attributed to the Company	(70)	189	(105)	22	(803)

The accompanying additional information is an integral part of the financial information and of the separate

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
Cash flows from operating activities of the Company:					
Net profit (loss) attributed to the Company	(21)	121	(11)	(131)	52
Adjustments required for presentation of cash flows from operating activities of the Company:					
Adjustments to profit and loss items of the Company:					
Depreciation	2	2	1	1	3
Finance expenses, net	591	535	199	268	521
Revaluation of investment property and investment property under development, net	(71)	(63)	(17)	(9)	(86)
Adjustments to profit and loss items of the Company:	(380)	(448)	(120)	(66)	(320)
Cost of share-based payment	1	2	-	1	3
Other expenses (income), net	3	6	3	6	(4)
Taxes on income (tax benefit)	1	(12)	1	(21)	22
	147	22	67	180	139
Changes in the Company's asset and liability items:					
Decrease (increase) in trade receivables and other receivables	(61)	18	(137)	(58)	90
Decrease in inventory of offices	86	-	86	-	-
Increase (decrease) in trade and other payables	(91)	85	-	101	96
	(66)	103	(51)	43	186
Changes in assets and liabilities items: Decrease (Increase) in other accounts receivable					
Interest paid	(296)	(291)	(101)	(76)	(382)
Interest received from subsidiaries, net	135	142	41	7	143
Taxes paid	(1)	(82)	(1)	-	(83)
Dividend received from subsidiaries	-	50	-	17	66
	(162)	(181)	(61)	(52)	(256)
Net cash from (used for) the Company's ongoing operations	(102)	65	(56)	40	121

The accompanying additional information is an integral part of the financial information and of

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
Cash flows from investment activities of the Company:					
Investment in property, plant and equipment and other assets	(1)	-	(1)	-	(1)
Acquisition, construction, and development of investment property	(174)	(153)	(46)	(97)	(183)
Proceeds from sale of investment property	601	-	116	-	-
Short-term investments, net	2	-	-	-	-
Disposal of investments in subsidiaries, net	32	196	28	254	224
Provision of loans to subsidiaries, net	(164)	(729)	(299)	(570)	(884)
Proceeds from sale of financial assets, net	1	15	-	1	22
Net cash from (used for) the Company's investment operations	297	(671)	(202)	(412)	(822)
Cash flows from the Company's financing activities					
Cash flows from financing activities of the Company:	-	-	-	-	268
Issue of shares (less issue expenses)	-*)	-*)	-*)	-*)	-*)
Acquisition of treasury shares	(165)	(56)	(101)	(46)	(57)
Dividend paid to Company shareholders	(73)	(18)	(23)	(18)	(36)
Issue of debentures and convertible debentures	1,637	2,331	456	1,105	3,058
Repayment and early redemption of debentures and convertible debentures	(1,450)	(1,438)	(108)	(670)	(1,435)
Withdrawal (repayment) of short-term lines of credit from banks, net	(128)	(521)	44	78	(1,232)
Repayment of long-term loans	(139)	(337)	(103)	(86)	(618)
Receipt of long-term loans	85	650	-	-	736
Net cash from (used for) the Company's financing operations	(233)	611	165	363	684
Exchange differences for cash balance and cash equivalents	-	(1)	6	5	(12)
Increase (decrease) in cash and cash equivalents	(38)	4	(87)	(4)	(29)
Cash and cash equivalents at the beginning of the period	123	152	172	160	152
Cash and cash equivalents at the end of the period	85	156	85	156	123

*) Represents an amount of less than NIS 1 million

The accompanying additional information is an integral part of the financial information and of the separate financial

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS million				
Significant non-cash activities of the Company:					
Dividend received from a subsidiary against repayment of loans from subsidiaries	91	467	-	-	813
Sale of investment property and fixed assets against deposits	-	-	-	-	487
Buyback of debentures of a subsidiary against repayment of loans and capital deed	-	120	-	120	-

The accompanying additional information is an integral part of the financial information and of the separate

A. General

1. This separate financial information was drafted in a condensed format as at September 30, 2025 and for the three months then ended, pursuant to the provisions of article 38D of the Securities Regulations (Periodic and Immediate Reports), 1970. This separate financial information should be reviewed in conjunction with the financial information regarding the annual financial statements as at December 31, 2024, and for the year then ended and their accompanying notes, as approved by the Company's board of directors on March 19, 2025, and in conjunction with the condensed interim consolidated financial statements as at September 30, 2025.
2. As at September 30, 2025 (hereinafter - the Reporting Date), the Company has a working capital deficit of NIS 0.8 billion, of which NIS 0.2 billion is short-term debt secured by the Company's assets. The Company and its wholly owned subsidiaries have unused approved credit facilities for an amount of NIS 0.5 billion that can be used immediately. The Company's management believes that these sources, as well as the positive cash flow generated from operating activities of the Company and its wholly owned subsidiaries, will allow the Company to repay its short term liabilities.
3. For further information concerning the effects of the Swords of Iron war and Trump’s tariffs plan on the Company's operations see Notes 1D and 1E to the consolidated financial statements.

B. Significant events during the Reporting Period

1. In the reporting period the Company bought back NIS 113.6 million par value Debentures (Series N and O) for consideration of NIS 127 million. Following the buyback, the Company recorded an early redemption gain of NIS 3.7 million. The buyback debentures were canceled and delisted.
2. In March 2025, the Company issued in a private issuance, by means of expansion of a marketable series, NIS 295.6 million par value Debentures (Series P) secured by a fixed lien on G Europe shares held by wholly-owned subsidiaries of the Company, for a gross amount of NIS 304.4 million at effective interest of 5.05% (linked to the CPI). The proceeds of the issue were received in April 2025.
3. In May 2025, the Company issued in a private issuance, by means of expansion of a marketable series, NIS 71 million par value Debentures (Series O), which are secured by a lien on real estate assets, for a gross consideration of NIS 78.8 million and at an effective interest rate of 3.59% (CPI-linked). Under the expansion of the series, the Company pledged two additional income generating properties (in Tel Aviv and Rishon Le-Zion) in favor of Debentures (Series O).
4. In June 2025, the Company issued to the public, by means of expansion of a marketable series, NIS 430 million par value Debentures (Series N) (unsecured) for gross consideration of NIS 423 million and at effective annual interest of 5.65% (CPI-linked).
5. In May 2025, the Company issued under a private issuance, by means of expansion of a marketable series, NIS 440 million par value Debentures (Series U), which are secured by a fixed charge on CTY shares, for gross proceeds of NIS 436 million and at an effective annual interest of 5.05% (CPI-linked).
6. In July 2025, the Company issued in a private issuance, by means of expansion of a marketable series, NIS 354 million par value Debentures (Series M) (unsecured) for gross proceeds of NIS 404 million and at effective annual interest of 5.03% (CPI-linked).
7. In May 2025, the Company classified a NIS 340 million investment property under development as inventory of offices held for sale, based on the inventory value on date of classification.
8. In the reporting period, the Company bought back 13.2 million shares of the Company for NIS 165 million. The acquired shares are treasury shares.

B. Significant events during the Reporting Period (cont.)

9. Further to the provisions of Note 24(4) to the annual financial statements concerning the civil lawsuit filed by the trustee of Dori Construction Ltd. against the Company and others, in April 2025 the court issued a ruling on the motion filed by the Company to dismiss the lawsuit, as well as on motions to dismiss filed by other defendants (hereinafter: the “Ruling on the Motion to Dismiss”), under which the court partially accepted the Company's motion and ordered the dismissal of the claim on the grounds of statute of limitations with respect to two of the three periods addressed in the claim, as described in the relevant note: the period preceding the discovery of deviations in Dori Construction’s estimates, which led to the filing of the class action against it; and the period between the discovery of said deviations and the sale of control in Amos Luzon Development and Energy Group Ltd. (“Luzon Group”). Regarding the statute of limitations claims pertaining to the third period (the period between the sale of control and the initiation of insolvency proceedings of Dori Construction), as well as other arguments raised by the Company in its motion to dismiss, the court held that these matters should be examined as part of the substantive proceedings and not as part of a preliminary hearing.

   Furthermore, the court accepted in full the motions to dismiss filed by certain individuals who served as officers and directors of Dori Construction during specific periods, as well as by the Dori Construction's external auditors. The court partially accepted motions to dismiss filed by other officers of Dori Construction, and dismissed the motions to dismiss filed by Luzon Group, as well as by another group of officers. In July 2025, the trustee filed an appeal with the Supreme Court against the decision on the motion to dismiss, arguing that the District Court erred in ordering the summary dismissal of the lawsuit on grounds of statute of limitations with respect to the first two periods.

   The defendants later filed a motion to stay of proceedings in the district court until the trustee's appeal is decided, which was dismissed by the court. In November 2025, the Company filed its statement of defense. The Company estimates, based on its legal advisors, at this early stage of the proceedings, that the chances of the claim being accepted are lower than the chances of it being dismissed.

10. In September 2025, the Company received a demand for discovery of documents before a motion for discovery was filed prior to filing of a motion for certification of a derivative claim on behalf of an individual claiming to be a shareholder in the Company (as well as being a shareholder of Norstar, to which the letter was also addressed). The letter alleged that Mr. Chaim Katzman, the controlling shareholder of the Company and of Norstar, and its general manager, who also serves as vice chairman of the boards of directors of the Company and of Norstar, allegedly took advantage of business opportunities of Group companies, as part of private holdings in residential buildings in the US. The Company is reviewing the letter and will respond to it in accordance with the provisions of the law.

11. In the reporting period, the Company announced distribution of a dividend in the amount of NIS 0.375 per share (total amount of NIS 73 million), of which NIS 25 million (NIS 0.125 per share) was paid on April 8, 2025, and NIS 25 million (NIS 0.125 per share) was paid on June 16, 2025, and NIS 23 million (NIS 0.125 per share) was paid on September 08, 2025.

C. Financial instruments

1. Fair value of Financial Instruments:

The carrying amounts of certain financial assets and liabilities, including cash, trade and other receivables, short-term loans and borrowings, trade and other payables corresponds to or are close to their fair value. The fair values of the rest of the financial liabilities and their carrying amounts (including current maturities) presented in the statement of financial position, are as follows:

	At September 30, 2025		At September 30, 2024		At December 31, 2024	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
	NIS million					
Debentures (Level 1)	9,948	9,909	8,686	8,652	9,446	9,478
Loans from banks and others (Level 2)	2,494	2,409	3,061	2,852	2,304	2,179
	12,442	12,318	11,747	11,504	11,750	11,657

2. The financial instruments are classified according to the fair value scale:

In the reporting period there were no material changes regarding the classification of financial assets and liabilities that are measured in the financial statements at fair value, compared to their classification as at December 31, 2024. Furthermore, there were no transfers between Level 1 and Level 2 with respect to fair value measurement of any financial instruments, and there were no transfers to or from Level 3 with respect to fair value measurement of any financial instruments.

D. Subsequent events

1. On November 27, 2025, the Company's Board of Directors approved a distribution in kind of 100% of the shares in Orion Retail Properties Ltd. held by the Company, as set out in Note 1 to the consolidated financial statements.
2. Subsequent to reporting date, the Company issued under a private placement, by means of expansion of a marketable series, NIS 298 million par value Debentures (Series N) (unsecured) for gross consideration of NIS 301 million and at effective annual interest of 5.21% (CPI-linked).
3. For further information concerning the Company's acquisition of CTY shares bringing the Company's holdings to exceed the limit of 50% of CTY's share capital, and therefore requiring it to issue a tender offer to all minority shareholders of CTY, see Note 5C to the Company's consolidated financial statements.
4. In November 2025, the S&P Maalot rating agency announced it was placing the Company's ratings on the watch list with negative outlook reflecting the uncertainty regarding the final scope of the Company's acquisition the CTY non-controlling shares under a tender offer and its impact on the Company's financial risk profile and liquidity.
5. For further information regarding the draft prospectus issued to the public by Orion Retail Properties Ltd. ("Orion"), a company that to date is wholly owned by the Company, for the issue of debentures (Series A and B) and tender offer for part of Orion shares and/or a dividend in kind of Orion shares held by the Company, see Note 1C to the Company's consolidated financial statements.
6. In November 2025, the Midroog rating agency issued an issuer caveat due to the tender offer for CTY shares. Midroog assesses that all the effects resulting from the tender offer are expected to maintain the financial ratios and the rating is not expected to change in the short term.

Quarterly Report regarding the Effectiveness of the Internal Control over the Financial Reporting and Disclosure pursuant to Regulation 38C(a) of the Securities Regulations in Israel

Quarterly Report regarding the Effectiveness of the Internal Control over the Financial Reporting and Disclosure pursuant to Regulation 38C(a)

The Management, under the supervision of the Board of Directors of G City Ltd. (the “Corporation”), is responsible for determining and maintaining proper internal control over the Corporation's financial reporting and disclosure.

For the purposes of this matter, the members of management are:

1. Chaim Katzman - Vice Chairman of the of the Board of Directors and CEO;
2. Gil Kotler, CFO;
3. Revital Kahlon, VP and Legal Counsel;
4. Eli Mualem, Chief Accounting Officer;

Internal control over financial reporting and disclosure includes the Corporation's existing controls and procedures, which were designed by the CEO and the most senior officer in the finance area or under their supervision, or by another party actually executing their functions, under the supervision of the Corporation's Board of Directors, which aims to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements in accordance with the applicable laws, and to ensure that information the Corporation is required to disclose in the statements it publishes under applicable laws is gathered, processed, summarized and reported on the date and in the format prescribed by the law.

Internal control includes, among other things, controls and procedures that were designed to ensure that information the Corporation is required to disclose, as stated, was accumulated and transferred to the Corporation’s management, including to the President and to the most senior officer in the finance area or to another party actually executing their functions, in order to enable decisions to be made at the appropriate time, with respect to disclosure requirements.

Due to its inherent limitations, internal control over the financial reporting and disclosure does not provide complete assurance that a misrepresentation or omission of information in the statements will be prevented or discovered.

The quarterly report regarding the effectiveness of the internal control over the financial reporting and disclosure attached to the quarterly report for the period ended June 30, 2025 (the “Latest Quarterly Report on Internal Control”) found the internal control to be effective.

As at the reporting date no event or matter was brought to the attention of the board of directors or the management, which could change the effectiveness assessment of the internal control as found in the Latest Quarterly Report on Internal Control.

As at reporting date, based on the provisions of the Latest Quarterly Report on Internal Control and on information brought to the attention of the management and board of directors as aforesaid, the internal control remains effective.

Officers' Declarations

A) Declaration of the CEO pursuant to Regulation 38C(d)(l):

Officers' Declarations

Declaration of the CEO

I, Chaim Katzman, hereby declare that:

(1) I have reviewed the Quarterly Report of G City Ltd. (the "Corporation") for the third quarter of 2025 (the "Statements");

(2) As far as I am aware, the Statements do not include any misrepresentation of a material fact and no representation of a material fact that is required has been omitted, so that the representations included therein, in light of the circumstances in which such representations were included, will not be misleading with reference to the period covered by the Statements;

(3) As far as I am aware, the financial statements and other financial information included in the Statements properly reflect, in all material respects, the Corporation's financial position, results of operations and cash flows as of the dates and for the periods to which the Statements relate;

(4) I have disclosed to the Corporation's auditors, the Board of Directors and the Audit Committee of the Board of Directors, based on my most up-to-date evaluation with respect to internal control over the Corporation's financial reporting and disclosure:

(a) All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting and disclosure, which could reasonably have an adverse impact on the Corporation's ability to gather, process, summarize or report financial information in such a manner that could cause doubt with respect to the reliability of the financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -

(b) Any fraud, whether or not significant, wherein the CEO is involved or a party under his direct supervision or other employees are involved that have a significant function in internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation:

(a) Have determined controls and procedures, or have verified the determination and existence of controls and procedures under my supervision, which are designed to ensure that significant information relating to the Corporation, including subsidiaries as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the subsidiaries, particularly during the period of preparation of the financial statements; and -

(b) Have determined controls and procedures, or have verified the determination and existence of controls and procedures under my supervision, which are designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.

(c) No event or matter that occurred during the period from the last Quarterly Report and the date of this Report was brought to my attention, which could change the conclusions of the board of directors and the management regarding the effectiveness of the internal control over and disclosure of the Corporation's financial reporting.

Nothing stated above detracts from my responsibility or the responsibility of any other person under any law.

November 27, 2025

Chaim Katzman, CEO and Vice Chairman of the Board of Directors;

B) Declaration of the Chief Finance Officer of the Corporation pursuant to Regulation 38C(d)(2):

Officers' Declaration

Declaration of the Chief Finance Officer

I, Gil Kotler, hereby declare that:

(1) I have reviewed the interim financial statements and other financial information contained in the reports of the interim period of G City Ltd. (the "Corporation") for the third quarter of 2025 (the "Financial Statements" or the "Interim Periodic Reports");

(2) As far as I am aware, the interim financial statements and other financial information for the interim period included in the Statements do not include any misrepresentation of a material fact and no representation of a material fact that is required has been omitted, so that the representations included therein, in light of the circumstances in which such representations were included, will not be misleading with reference to the period covered by the Financial Statements;

(3) As far as I am aware, the interim financial statements and other financial information included in the Interim Periodic Reports properly reflect, in all material respects, the Corporation's financial position, results of operations and cash flows as of the dates and for the periods to which the Financial Statements relate;

(4) I have disclosed to the Corporation's auditors, the Board of Directors and the Audit Committee of the Board of Directors, based on my most up-to-date evaluation with respect to internal control over the Corporation's financial reporting and disclosure:

a) All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting and disclosure to the extent it relates to the interim financial statements and the other financial information included in the interim Financial Statements, which could reasonably have an adverse impact on the Corporation's ability to gather, process, summarize or report financial information in such a manner that could cause doubt with respect to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and

b) Any fraud, whether or not significant, wherein the CEO is involved or a party under his direct supervision or other employees are involved that have a significant function in internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation:

a) Have determined controls and procedures, or have verified the determination and existence of controls and procedures under my supervision, which are designed to ensure that significant information relating to the Corporation, including subsidiaries as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and the subsidiaries, particularly during the period of preparation of the financial statements; and -

b) Have determined controls and procedures, or have verified the determination and existence of controls and procedures under my supervision, which are designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles.

c) No event or matter that occurred during the period from the last Quarterly Report and the date of this Report that relates to the interim Financial Statements and to all other financial information contained in the interim Financial Statements, was brought to my attention, which could change, in my opinion, the conclusions of the board of directors and the management regarding the effectiveness of the internal control over and disclosure of the Corporation's financial reporting.

Nothing stated above detracts from my responsibility or the responsibility of any other person under any law.

November 27, 2025

Gil Kotler, CFO

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November 27, 2025

To:
Board of Directors of G City Ltd.
8 Aharon Becker Street,
Tel Aviv

Dear sir or madam,

re: Letter of Consent Concerning the Shelf Prospectus of G City Ltd. (the "Company") dated May 2024

We hereby inform you that we consent to the inclusion (including by way of reference) of our reports as listed below in a shelf prospectus of May 2024:

1) Review report dated November 27, 2025, concerning the condensed consolidated financial information of the Company as at September 30, 2025 and for the nine and three months then ended.
2) The Auditors' special report dated September 27 2025, on the separate financial information of the Company as at September 30, 2025, and for the nine and three months then ended, pursuant to Regulation 38C of the Securities Regulations (Periodic and Immediate Reports), 1970.

Kost Forer Gabbay & Kasierer
Certified Public Accountants