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Quarterly Report as at March 31, 2026

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G City Ltd.
Board of Directors Report to the Shareholders
for the Period ended on March 31, 2026

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 March 31, 2026 (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, 2025, which was published on March 17, 2026 (Ref. No.: 2026-01-023271) (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.

In recent years, the Company has worked to increase the proportion of its privately held real estate (i.e., properties not held through publicly traded companies) in Europe and North America, with the aim of being closer to the properties and for effectively directing the Group’s operations. As part of this strategy, during the reporting period, the Company significantly increased its holdings in its subsidiary, Citycon Oyj. (“CTY”), incorporated in Finland.

The Group’s operations in Israel are carried out indirectly by G City Europe Limited (“G Europe”)², that operates in central Europe (mainly in Poland) through CTY, a public company controlled by the Company that operates in Northern Europe, 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”).

1.2. 2028 Strategic Plan

In September 2024, the Company adopted a strategic plan for 2028 (“2028 Strategic Plan”), that refers to multi-departmental growth and includes organic growth, enhancing the Group’s property rights, selective acquisition of properties with betterment potential and their improvement, further sale of properties or entering into partnerships in properties for which betterment has been completed, and in properties being constructed or that will be constructed by the Company for sale. Among other things, the Group is exploring significant sale of properties, including in a manner similar to the disposal of properties carried out under the Orion transaction (as set out in section 1.3 below).

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.

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.

Furthermore, in February 2026, CTY announced its intention to sell off its non-core properties at a total value of EUR 1 billion over the coming 24 months.

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 macroeconomic 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 periodic 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 7.2 billion, as follows: G Europe - NIS 5.3 billion; G Israel - NIS 0.7 billion; Gazit Horizons - NIS 0.6 billion; Gazit Brazil - NIS 0.6 billion.

1.3. The Orion Transaction

In accordance with the Company's strategy as set out above, in December 2025 the Group completed the disposal of 3 income generating properties in Poland with total value (as at September 30, 2025) of EUR 456 million, by selling them to Orion Retail Properties Ltd. ("Orion"), and issuing Orion securities on the Tel Aviv Stock Exchange Ltd., with the proceeds of the issue used to repay loans that the Company had extended to Orion for the purpose of acquiring the foregoing properties.

As part of this, in December 2025, the Company's entire holdings in Orion were distributed to its shareholders as a dividend in kind. For further information, see Note 9G to the financial statements of the Company as at December 31, 2025.

Furthermore, under the tender offer, Orion is acting to raise debt secured by first and second degree liens on the properties sold to it as aforesaid, for an amount of up to NIS 1,370 million par value.

Furthermore, the Company and Orion have engaged in several agreements (including through subsidiaries owned by G Europe), including, among other things, agreements under which the Group provides Orion with property management services in Poland, as well as a non-compete agreement. For further information, see Note 9G to the annual financial statements, section 7.1 of the Description of the Company's Business in the Periodic Report, and Note 5A to the condensed consolidated interim financial statements as at March 31, 2026.

1.4. Increased holdings in CTY

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 56.73 million).

Under the provisions of Finnish law, as the Company's holdings exceed the limit of 50% of CTY's share capital, the Company was 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.

Accordingly, On December 31, 2025, the Company issued a tender offer specification in which it offered to purchase all minority interests of CTY (including securities convertible into CTY shares) at a price of EUR 4 per share (the "Tender Offer"), which in January 2026 was adjusted to EUR 3.80 per share following a dividend distribution by way of capital repayment in the amount of EUR 0.2 per share by CTY.

In March 2026, the results of the Tender Offer were published, indicating that holders of 50 million CTY shares, representing about 27.3% of its share capital, accepted the offer. Upon completion of the Tender Offer, the Company's holdings in CTY increased to 86.4%. The total consideration paid under the Tender Offer amounted to EUR 190 million (NIS 700 million). The consideration is financed primarily from the Company's own resources.³

³ Prior to the completion of the Tender Offer, the Company engaged in an agreement with a financial institution for financing the acquisition of CTY shares, for an amount of up to EUR 195 million, of which, to date, the Company is entitled to draw EUR 85 million.

In March 2026, CTY announced the distribution of an additional dividend to its shareholders in the amount of EUR 0.9 per share. It should be noted that the total consideration the Company is expected to pay in the tender offer, net of special dividends declared by CTY and expected to be received by G City in the amount of EUR 164 million, is EUR 26 million.

The acquisition of shares under the Tender Offer is expected to result in an increase of NIS 619 million in the Company's equity (NIS 3.46 per share), a reduction of 2.3% in the expanded standalone leverage ratio, and an increase in the consolidated leverage ratio of 2.7%, and is expected to increase the FFO for 2026 by NIS 38 million (NIS 0.21 per share)⁴.

The Company's estimates regarding the manifestation of the foregoing strategic plan, including the sale of properties and 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 and the military operations that followed it, including Operation Lion's Roar. 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 security situation 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 March 31, 2026 (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	86.4%	31	-	-	988
G Europe	Poland	100.0%	11	1	1	245
Gazit Brasil	Brazil (Sao Paulo)	83.5%	7	-	-	151
G Israel	Israel	100.0%	9	2	1	139
Gazit Horizons	USA	100.0%	14	2	1	72
Total carrying amount			72	5	3	1,595
Jointly controlled properties			4	-	1	75
Total			76	5	4	1,670

⁴ All based on the Company's financial results as at December 31, 2025, and on the dividend distributions announced by CTY as of the date of the Tender Offer through the date of publication of this Report.

Investment property and investment property under development					
		Income-producing property	Properties under development ¹	Land	Total
Key Countries of Operation		NIS million			
CTY	Finland, Norway, Sweden, Estonia and Denmark	13,918	-	-	13,918
G Europe	Poland	4,982	295	112	5,389
Gazit Brasil	Brazil (Sao Paulo)	1,847	-	-	1,847
G Israel	Israel	3,493	534	453	4,480
Gazit Horizons	USA	1,693	348	253	2,294
Total carrying amount		25,933 ^{2,3}	1,177	818	27,928
Jointly controlled properties		1,420	-	1	1,421
*Total		27,353	1,177	819	29,349

* The Group's assets include, among other things, 2,700 apartments for rent and under construction.

¹ Including extensions to income-generating assets

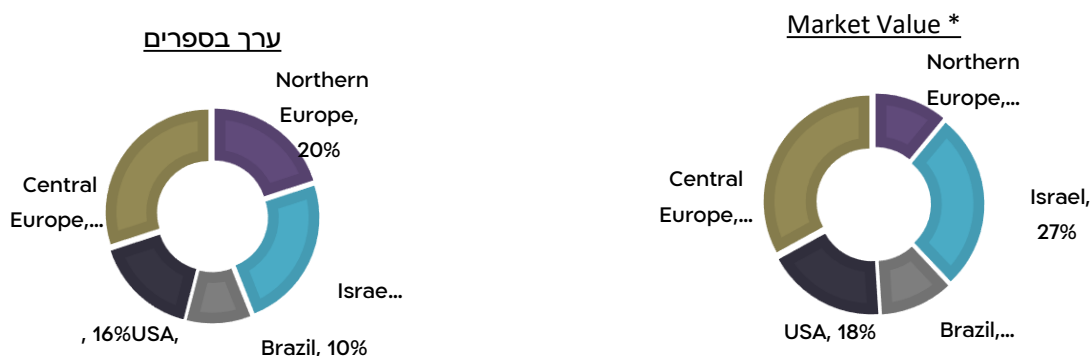
² The balance of the yielding assets attributed to the expanded separate information (not incl CTY), an amount of NIS 0.8 billion is attributed to vacant space. For the purpose of calculating the value attributed to vacant spaces, vacant space was defined as space that did not generate rent during the 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 1.0 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 March 31, 2026:

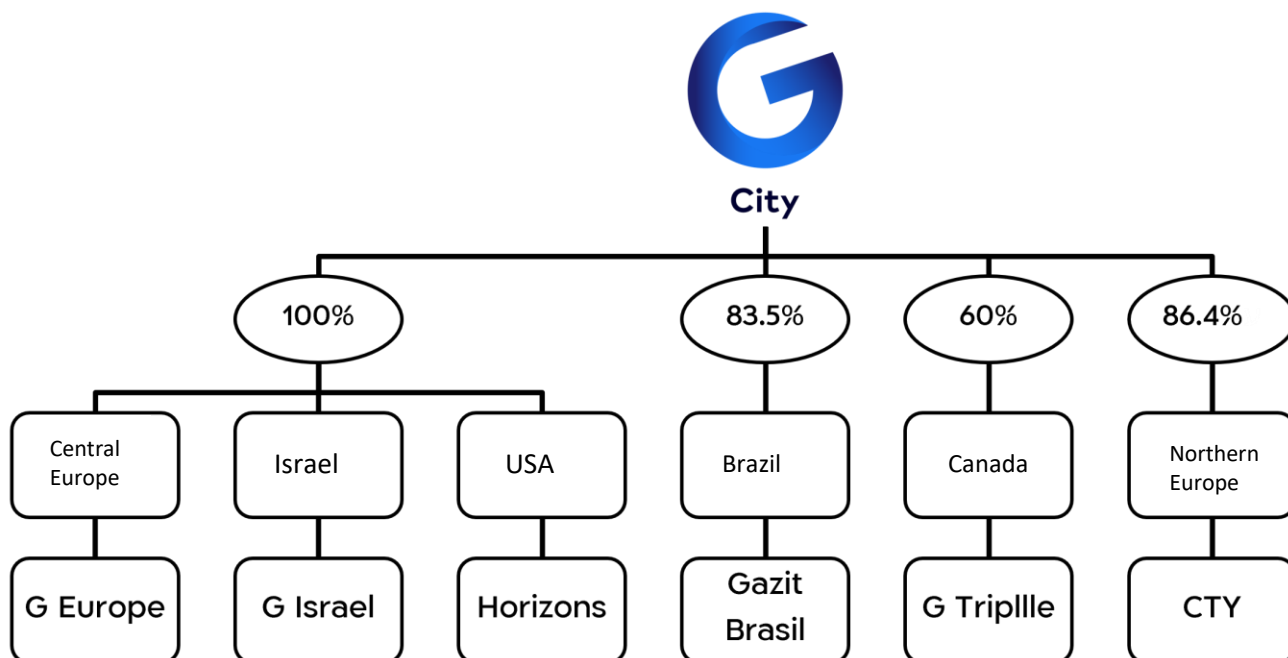
	Country	Number of properties	Carrying amount NIS million
G Europe	Poland	1	10
CTY	Finland, Estonia, Sweden and Denmark	6	1,852
Total carrying amount		7	1,862

1.6. Breakdown of the Company's investments in its operating segments (on an expanded separate basis) as of March 31, 2026:



* The investment in CTY is presented as market value

1.7. The Company's Major Holdings (holding structure and interests are as of March 31, 2026):



1.8. Highlights - First Quarter of 2026 (the “Quarter”)

(NIS millions, other than per share data)	March 31	December 31		
	2026	2025		
Net debt to total assets ratio (expanded separate information)	66.3%	68.4%		
Net debt to balance sheet ratio (consolidated) ¹	64.7%	62.4%		
Equity attributable to equity holders of the Company	4,503	3,920		
Equity per share attributable to shareholders of the Company (NIS)	25.5	21.1		
	For the 3 months ended March 31			
	2026	2025	Change	
Rental and other income	509	569	(10.5%)	
NOI ²	354	385	(8.1%)	
NOI based on proportionate consolidation, excluding exchange rate changes ³	318	278	14.4%	
Funds from operations (FFO) per share (expanded separate information) (in NIS) ⁴	0.79	0.42	88.1%	
FFO ⁶	125	69	81.2%	
FFO per share (in NIS) ⁵	0.68	0.35	94.3%	
FFO from the income generating properties segment ⁶	101	78	29.5%	
FFO per share from the income generating properties segment ⁶	0.55	0.39	41.0%	
Number of shares used in calculating the FFO per share (thousands)	183,353	199,246	(8.0%)	
Early payment and redemption of debentures ⁷	(703)	(782)		
Net income (loss) attributable to shareholders of the Company	9	(246)		
Diluted net earnings (loss) per share (NIS)	0.04	(1.24)		
Comprehensive income to shareholders of the Company	77	223		

¹ For further information concerning the net debt to total (consolidated) balance sheet ratio, including accrued interest for this debt, see section 6 below.

² NOI - Net Operating Income - rental and other income, net of property operating and other expenses

³ Excluding NOI attributable to CTY non-controlling interests

⁴ See section 2.2 below.

⁵ 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.

⁶ See section 2.3 below.

⁷ From the consolidated statements of cash flows attributable to the Company

- Net operating income from identical properties increased by 5.4% in the quarter compared with the corresponding quarter last year (5.5% based on proportionate consolidation). For further information, see section 3.2 below.
- In the first quarter of 2025, the Group recorded increased footfall in its properties by 0.7%, and a 3.1% increase in tenant revenue compared with the corresponding period last year.
- As at March 31, 2026, the Company and its subsidiaries have liquid balances and unutilized lines of credit available for immediate withdrawal amounting to NIS 2.7 billion (of which NIS 2.1 billion in the Company and its wholly owned subsidiaries, and includes cash and cash equivalents, marketable securities and short term deposits of NIS 1.1 billion).
- During the quarter, the Company completed the tender offer for CTY’s shares, through which it acquired 27.3% of CTY’s share capital for consideration of EUR 190 million. For additional details refer to section 1.4 above.
- 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 increased in the quarter by NIS 37 million (net of the effect of currency swap transactions). The Company also estimates that the impact of exchange-rate fluctuations on its equity as of the beginning of the year through the date of publication of this report is not material.

Board of Directors Report

In general, the strengthening of the NIS against all the currencies in which the Group operates has a negative effect on the Company's equity, and conversely, the weakening of the NIS against those currencies has a positive effect on equity.

1.9. Credit rating of subsidiaries:

Rating Agency	G City	CTY	G Europe
Moody's	ilA3/ Stable ⁽¹⁾	-	B2/Stable
S&P	ilA-/ Stable ⁽¹⁾	B+/ Stable ⁽²⁾	-

⁽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.

2. Additional Information Concerning the Company's Assets and Liabilities

2.1. Consolidated Balance Sheet and Extended Separate Balance Sheet (the Company's balance sheet with the investment in CTY presented according to the equity method), as at March 31, 2026

Properties	Consolidated NIS million	Extended Separate NIS million
Investment in real estate properties in Northern Europe	12,073	3,617 ¹
Investment in real estate properties in Central Europe ²	5,380	5,380
Investment in real estate properties in Israel	4,480	4,480
Investment in real estate properties in the USA ²	3,025	3,025
Investment in real estate properties in Brazil	1,847	1,847
Investment in real estate properties in Canada ²	47	47
Total investment in investment property	26,852	18,396
Other assets	4,014	1,433³
Total assets	30,866	19,829
Liabilities:		
Interest-bearing liabilities *	21,664	14,281
Net of cash and cash equivalents, marketable securities and short	(1,705)	(1,130)
Interest-bearing liabilities, net	19,959	13,151
Other liabilities	2,534	1,038⁴
Total liabilities	22,493	14,189
Capital		
Equity attributable to the Company's shareholders	4,503	4,503
Non-controlling interests	3,870	1,137⁵
Equity	8,373	5,640
Net interest bearing liabilities to total balance sheet	64.7%	66.3%

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

Year	Company's debentures		Debentures of G Europe	Financial Institutions		Mortgages	Total	CTY	Total	%
	Secured	Unsecured		Secured	Unsecured					
2026	79	1,040	-	28	32	745 ⁶	1,924	449	2,373	11.0%
2027	756	721	418	119	189	341	2,544	467	3,011	13.9%
2028	834	1,277	-	28	-	1,161	3,300	1,246	4,546	21.0%
2029	1,028	1,288	-	34	-	309	2,659	2,020	4,679	21.6%
2030	798	-	-	41	-	1,074	1,913	1,589	3,502	16.2%
2031 onwards	839	761	-	341	-	-	1,941	1,612	3,553	16.3%
Total	4,334	5,087	418	591	221	3,630	14,281	7,383	21,664	100%

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

million):

	2023	2024	2025	March 2026
Opening balance	17,635	17,029	15,501	14,990
Receipt of loans or lines of credit / issue of debentures	2,049	3,936	2,472	225
Repayment of loans, lines of credit and debentures	(3,295)	(5,439)	(3,185)	(893)
CPI linkage and exchange rate differentials	750	67	323	(5)
Other changes ⁷	(110)	(92)	(121)	(36)
Closing balance	17,029	15,501	14,990	14,281
Net of cash and cash equivalents, marketable securities and short term investments and foreign currency derivatives	(594)	(1,211)	(2,084)	(1,130)
Closing balance	16,435	14,290	12,906	13,151

- Investments in the extended separate balance sheet are presented using the equity method. The Company holds 158.5 million shares of CTY (86.4%). The market value of the investment in CTY as at March 31, 2026, is NIS 1,840 million (EUR 3.2 per share).
- Including an investment in assets through joint transactions presented in the financial statements according to the equity method.
- Including mainly loans and receivables in an amount of NIS 1.2 billion, and inventory of offices for sale in an amount of NIS 0.2 billion.
- Including mainly trade payables and other payables in an amount of NIS 0.5 billion, deferred tax liabilities of NIS 0.4 billion, and derivative financial instruments of NIS 0.1 billion.
- Includes G Europe hybrid debentures in an amount of NIS 0.7 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).
- Of the total loan balance, an amount of NIS 82 was extended to 2029.
- Including, mainly, depreciation of premium and discounting and income from early redemption of debentures.

2.2. FFO - expanded separate information

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
(NIS millions, other than per share data)			
Available sources for distribution from a public subsidiary (CTY)	51	33	155
Available sources for distribution from private subsidiaries ²	176	171	705
Total income	227	204	860
General and administrative expenses	(16)	(18)	(64)
Interest expenses, net	(67)	(99)	(301)
Taxes	-	(3)	(14)
Total expenses	(83)	(120)	(379)
FFO	144	84	481
FFO per share (in NIS)	0.79	0.42	2.48

- Calculated based on adjusted FFO net of current capex
In February 2026, CTY published a distribution policy stating that it will use its excess cash to distribute dividends from time to time, taking into account its financial results, proceeds from sale of properties, financing, and refinancing.
For the three-month period ended March 31, 2026, CTY distributed dividends totaling EUR 0.2 per share (the Company's share EUR 22 million), and also announced a special dividend of EUR 0.9 per share (the Company's share EUR 143 million), which was actually distributed in April 2026. In 2025, CTY did not distribute dividends.
- Includes income from early repayment of interest-bearing debt, as well as CAPEX in the amount of NIS 45 million in 2025, and NIS 11 million in the first quarter of 2026 and 2025.

2.3. (Funds From Operations) 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.

Board of Directors 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:

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	(NIS millions, other than per share data)		
Net profit (loss)	41	(206)	390
<u>Adjustments:</u>			
Net of (profit) loss from secondary operations ¹	(3)	-	(13)
Fair value gain from investment property and investment property under development, net	(27)	(63)	(674)
Capital loss on sale of investment property	4	62	206
Changes in the fair value of financial instruments, including measured derivatives			
Presented at fair value through profit or loss	113	272	277
Adjustments with respect to equity-accounted investees	1	-	(75)
Deferred taxes and current taxes with respect to disposal of properties	11	34	267
Nonrecurring or exceptional expenses/income ²	9	6	9
FFO as per Securities Authority method	149	105	387
Non-controlling interests' share in above adjustments	(15)	(64)	(246)
Interest on hybrid debentures paid to non-controlling interests	(19)	(25)	(101)
FFO as per the Security Authority method attributed to the Company's shareholders	115	16	40
<u>Additional adjustments (attributable to the Company's shareholders)</u>			
CPI and exchange rate linkage differentials ³	(4)	36	256
Depreciation and amortization	4	4	17
Earnings from early redemption of hybrid debentures	-	-	(4)
Other adjustments ⁴	10	13	59
FFO according to management method (AFFO)	125	69	368
AFFO per share (in NIS)	0.68	0.35	1.90
Number of shares used in calculating the FFO per share (in thousands) ⁵	183,353	199,246	193,584

1. Attributed to sale of offices activity.
2. 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.
3. See also section 2.4 below.
4. 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.
5. Average weighted for the period.

Board of Directors Report

Below is a breakdown of FFO sources

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
(NIS millions, other than per share data)			
<u>FFO from the income generating properties segment</u>			
<u>Income</u>			
NOI from investment property	160	185	743
The Group's share of CTY's FFO ¹	54	38	167
The Group's share of the FFO of subsidiaries other than CTY	8	4	27
Total income	222	227	937
<u>Expenses</u>			
Real financing, net	(78)	(100)	(340)
Profits for hybrid debentures	(8)	(9)	(32)
General and administrative	(35)	(37)	(163)
Current taxes	-	(3)	(15)
Total expenses	(121)	(149)	(550)
FFO from the income generating properties segment	101	78	387
FFO per share from the income generating properties segment (NIS)	0.55	0.39	2.00
<u>FFO from special financing activities</u>			
<u>Income</u>			
Gains from buyback of debentures and hybrid debentures	32	1	22
<u>Expenses</u>			
Net financing expenses from buyback of debentures and hybrid	(8)	(10)	(41)
FFO from special financing activities	24	(9)	(19)
FFO per share from special financing activities (NIS)	0.13	(0.04)	(0.10)
FFO as per management approach	125	69	368
FFO per share according to management approach (in NIS)	0.68	0.35	1.90
Gains from buyback of debentures and hybrid debentures using the long term spread method ³	28	31	121

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.

Forecast of same property NOI and FFO from income generating real estate operations

The forecast of same property NOI and FFO 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 a forecast of the increase in same property NOI and FFO from income generating real estate operations for 2026, 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.

	Three months ended March 31	Year ended December 31	Year ended December 31
	2026	2026	2025
	Actual	Forecast	Actual
FFO per share from the income generating properties segment (NIS)	0.55	1.98-2.08	2.00
Rate of increase in same property NOI	5.4%	6.0%	6.3%

The Company believes that, in view of the property disposal plan for 2026 and for the subsequent years, as well as the high volatility in exchange rates, the forecasted growth rate in same property NOI, which offsets the effects of foreign exchange rates, provides a more appropriate reflection of the Company’s operations compared with the Company’s consolidated NOI for 2026 as compared to 2025. Accordingly, the forecast will be presented in terms of the growth rate in same property NOI.

The Company’s forecast for same property NOI and FFO from income generating real estate operations for 2026 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. Adjustment of CPI linked income and CPI linked interest expenses

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 4.8 billion.

The effect of transactions made through to the end of the first quarter of 2026 amounted to increased interest revenue of NIS 21 million (in 2025 - NIS 83 million).

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
2024	1,521.4	140.7	105.9
Q1/2025	-	-	30.8
Q2-Q4/2025	602.4	25.2	90.6
Q1/2026	639.6	32.1	28.2
Q1-Q4/2026			68.3
2027 onwards			58.2
Total	3,721.7	418.1	418.1

Board of Directors Report

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:

	March 31		December 31,
	2026	2025	2025
EPRA NRV			
Equity attributable to the shareholders of the Company, per the financial	4,503	4,382	3,920
Exclusion of deferred tax liability on revaluation of investment property to fair value (net of minority's share) ¹	989	721	809
Fair value asset adjustment for financial derivatives, net ²	36	24	24
EPRA NRV	5,528	5,127	4,753
EPRA NRV per share (in NIS)	31.3	25.7	25.5
EPRA NTA			
Equity attributable to the shareholders of the Company, per the financial	4,503	4,382	3,920
Exclusion of deferred tax liability on revaluation of investment property to fair value (net of minority's share) ¹	569	407	454
Goodwill adjustment attributable to assets	(288)	(182)	(199)
Fair value asset adjustment for financial derivatives, net ²	36	24	24
EPRA NTA	4,820	4,631	4,199
EPRA NTA per share (in NIS)	27.3	23.2	22.5
EPRA NDV			
Equity attributable to the shareholders of the Company, per the financial	4,503	4,382	3,920
Goodwill adjustment attributable to assets	(288)	(182)	(199)
Adjustment of financial liabilities to fair value	630	563	823
EPRA NDV	4,845	4,763	4,544
EPRA NDV per share (in NIS)	27.4	23.9	24.4
Number of issued shares of the Company used in the calculation (in thousands) ³	176,794	199,449	186,202

^{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

- **Europe:** In the reporting period G Europe sold land in Romania for consideration of EUR 9 million.
- **Israel:**
Rishon Le-Zion G City Tower: Marketing of office space continued; to date office sales transactions worth NIS 376 million (27.9 thousand m²) were sold.
- **USA:** A shopping mall in Florida was purchased for USD 16.9 million.

3.1.2. Financing activities and other significant events

- **Debt management, debt raising, and debenture buybacks** (for further details, see Notes 3A and 5B to the financial statements):

G City (separate) - during the reporting period, the Company bought back NIS 640 million par value debentures of the Company for a consideration of NIS 675 million, and subsequent to the reporting period, it executed additional buybacks of NIS 66 million par value debentures of the Company for NIS 72 million.

CTY - in March 2026, CTY announced its intention to make full early redemption of its Debentures (Series 2026). The actual redemption was carried out on April 7, 2026. As of reporting date, EUR 123 million par value remains outstanding.

Similarly, in March 2026, CTY announced its intention to carry out full early redemption of its Debentures (Series 2027) on May 29, 2026. As of reporting date, EUR 128.6 million par value remains outstanding.

- **Equity transactions and holdings structure** (for further details, see Notes 3B1, 3B2, 3B6 and 5E to the financial statements):

Increase in holdings in CTY – as set out in section 1.4, in March 2026, the Company completed the tender offer for CTY shares under which it acquired 50 million shares. Subsequent to the tender offer, the Company recorded gains of NIS 619 million, carried to capital reserves.

Rights issue in Brazil - in March 2026, Gazit Malls announced a rights offering for a total amount of BRL 72 million, as the minority interests did not exercise their share, a subsidiary of the Company invested the entire amount and thereby increasing its holdings in Gazit Malls to 83.5%. The proceeds are used for the expansion of the parking facility at the Internacional property, which is expected to contribute to increased footfall and NOI in the property.

Share Buybacks – in the reporting period, the Company bought back 9.4 million of its shares for a consideration of NIS 85 million. Subsequent to the reporting period, the Company bought back an additional 5.2 million shares for a consideration of NIS 67 million.

- **Credit rating:**

The Company – following publication of the tender offer to CTY's minority shareholders in November 2025, the rating agency S&P Maalot announced that the Company's ratings had been placed on CreditWatch with negative implications, due to uncertainty regarding the final scope of the tender offer (see above) and its potential impact on the rating. After the publication of the tender offer results in March 2026, the rating agency removed the Company's rating from the CreditWatch list, ratified the existing rating, and revised the rating outlook to Stable. At the same time, the rating agency Midroog published an Issuer Caveat with respect to the CTY tender offer, and following the publication of the tender offer results, Midroog announced that, according to its assessment, the rating is not expected to change in the short term. In May 2026, as part of the annual monitoring, Midroog ratified the Company's ratings.

CTY - in view of the uncertainty concerning the final scope of the Company's tender offer to purchase CTY's non-controlling interests, in December 2025, S&P Maalot rating agency placed CTY ratings on the watch list

with negative outlook. Subsequent to publication of the tender offer, in March 2026, the rating agency removed the company's rating from the watch list and updated CTY's debt rating to B+ and issuer rating to B.

G Europe - in March 2026, Moody's rating agency upgraded G Europe's credit rating from B3 to B2 with stable outlook.

3.2. Real estate operations

Key operating information and projects under development

	Income-generating properties ¹		GLA (square meters in thousands)	Occupancy rates		
				Mar 30, 2026	Mar 30, 2025	
G Israel	9		139	97.7%	98.1%	
Gazit Brazil	7		151	95.9% ²	97.0% ²	
Gazit Horizons	16		86	94.9%	94.3%	
CTY	31		988	94.8%	94.8%	
G Europe	11		245	94.7%	95.9%	
	Average basic monthly rent		Change in net cash flow from these properties in reporting period ³	OCR ⁴	Net property NOI (millions)	
	Mar 30, 2026	Mar 30, 2025		Mar 30, 2026	Q1.2026	Q1.2025
G Israel	NIS 127.8	NIS 123.7	6.3%	11.1%	NIS 56.8	NIS 49.9
Gazit Brazil	R\$ 66.1	R\$ 64.1	0.1%	11.4%	R\$ 47.2	R\$ 50.0
Gazit Horizons	USD 47.2 ⁵	USD 45.7 ⁵	6.4%	⁴	USD 6.0	USD 5.0
CTY	EUR 28.4	EUR 25.3	4.5%	9.6%	EUR 51.8	EUR 50.1
G Europe	EUR 31.9 ⁶	EUR 27.3 ⁶	11.1%	12.3%	EUR 16.8	EUR 25.1

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. Horizons does not receive the revenue figures of the tenants in its retail properties.
5. Without residential properties.
6. For shopping centers only, without leases based solely on revenue.

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 March 31, 2026 ⁽¹⁾	Inventory of offices as at date	Fair value at March 31, 2026	Estimated Cost to Completion	Proceeds expected from sales	Annual NOI
										Expected
(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	408	221	231	244	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.	34,500	100%	2028	61		303	389		24
		Total – 100%			469	221	534	633	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 March 31, 2026 (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	404
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	250
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	94
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	107
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	59
Total					914

* 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)		Unemployment rate in 2026	CPI forecast for 2026	Nominal return on government bonds (10 years)	Credit rating (S&P)
	2026 forecast	2025				
Israel	3.40%	3.15%	3.25%	2.10%	3.98%	A
Poland	3.50%	3.60%	5.85%	3.05%	5.99%	A-
Finland	0.90%	0.20%	10.00%	1.80%	3.45%	AA+u
Norway	1.50%	1.76%	4.47%	3.31%	4.55%	AAAu
Brazil	1.80%	2.30%	5.80%	4.50%	14.44%	BB
Sweden	2.20%	1.82%	8.50%	0.77%	2.91%	AAAu
USA	2.20%	2.10%	4.40%	3.30%	4.59%	AA+u
Canada	1.19%	1.75%	6.61%	2.50%	3.69%	AAA

* Data source: Bloomberg May 2026

Furthermore, 93% 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 2025.

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 2026, the Company's Board of Directors approved a quarterly dividend distribution policy for 2026 for an amount of NIS 0.16 per share (reflecting an annual rate of NIS 0.64 per share), replacing the annual dividend of NIS 0.5 per share in 2025, of which NIS 0.375 per share was distributed in cash due to the dividend in kind of 100% of Orion's shares distributed in December 2025, as described in section 1.3 above). In May 2026, the Company's Board of Directors approved a revision of the quarterly dividend distribution policy for 2026 for an amount of NIS 0.20 per share (reflecting an annual rate of NIS 0.80 per share, replacing the annual dividend of NIS 0.64 per share as decided in March this year).

The Company's board of directors carried out these distributions after it had reviewed the Company's financial position, including its projected cash flows, and other considerations, and based on the distribution tests set out in the Companies Law, 1999 and the distribution restrictions applicable to the Company under the deeds of trust of its debentures.

3.5. Financial Position

Item in the statement of financial position	December		Notes and explanations
	March 31, 2026	31, 2025	
Cash and cash equivalents	1,516	796	For explanations regarding cash flows, see section 3.8 below.
Short-term investments and loans	77	1,412	The decrease is mainly due to the repayment of loans provided with regard to the sale of properties
Equity accounted investments	935	943	
Investment property and investment property under development (including properties held for sale)	27,886	28,049	
Other assets	2,157	2,056	The increase is mainly due to an increase in long term receivables following the payment of payments
Total assets	32,571	33,256	
Interest bearing liabilities and debentures	21,664	21,628	Significant movements in the period: Repayment of loans and debentures in an amount of NIS 0.9 billion Receipt of loans and lines of credit in an amount of NIS 1.5 billion A decrease with respect to index differentials in the amount of NIS 0.6 billion
Other liabilities	2,534	2,337	The increase is mainly due to an increase in the value of derivatives and an increase in receivables for leases.
Total liabilities	24,198	23,965	
Equity attributable to the Company's shareholders	4,503	3,920	The increase is mainly due to a gain of NIS 619 million recognized in connection with the acquisition of CTY shares during the period, and to other comprehensive income of NIS 68 million (primarily from translation of financial statements), offset by dividends declared during the period in a total amount of NIS 28 million and acquisition of treasury-shares in an amount of NIS 85 million.
Non-controlling interests	3,870	5,371	"The decrease is mainly due to the acquisition of CTY's non-controlling interests in the amount of NIS 1.3 billion, distribution of dividends and the payment of interest on the hybrid debentures to the non-controlling interests in a total amount of NIS 143 million, and the minority interest share in total income, amounting to NIS 47 million.
Equity	8,373	9,291	
Total liabilities and equity	32,571	33,256	

3.6. Operating results and analysis

A. Breakdown of operating results:

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
NIS million			
(Other than earnings (loss) per share)			
Rental and other income	509	569	2,299
Property operating and other expenses	162	184	710
Net income from rental of buildings	347	385	1,589
Revenue from the sale of offices	47	-	185
Cost of sales of offices	40	-	157
Net income from the sale of offices	7	-	28
Operating income, net	354	385	1,617
Fair value gain from investment property and investment property under development, net	27	63	674
General and administrative expenses	(60)	(75)	(284)
Sales and Marketing Expenses	(2)	-	(6)
Other income	-	3	3
Other expenses	(4)	(65)	(208)
Company's share in earnings (losses) of equity-accounted investees, net	3	(1)	78
Operating profit	318	310	1,874
Financing expenses	(310)	(511)	(1,345)
Financing income	64	32	147
Income (loss) before taxes on income	72	(169)	676
Taxes on income	31	37	286
Net profit (loss)	41	(206)	390
Attributable to:			
Equity holders of the Company	9	(246)	70
Non-controlling interests	32	40	320
	41	(206)	390
<u>Net earnings (loss) per share attributable to equity holders of the Company (NIS)</u>			
Total basic net earnings (loss)	0.04	(1.24)	0.36
Total diluted net earnings (loss)	0.04	(1.24)	0.36

Presentation of statement of comprehensive income

	Three months ended March 31		Year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
Net profit (loss)	41	(206)	390
Other comprehensive income (net of tax effect):			
<u>Amounts not subsequently reclassified to profit or loss</u>			
Income with respect to financial assets at fair value through other	-	-	28
<u>Amounts classified or reclassified to profit or loss</u>			
Adjustments for conversion of financial statements of foreign operations	(19)	916	(316)
Profit (loss) for cash flow hedges	8	(17)	(19)
Exercise of foreign currency translation reserve attributable to subsidiaries previously consolidated	-	-	31
<u>Total other comprehensive income (loss)</u>	<u>(11)</u>	<u>899</u>	<u>(276)</u>
<u>Total comprehensive income</u>	<u>30</u>	<u>693</u>	<u>114</u>
Attributable to:			
Shareholders of the Company (1)	77	223	(165)
Non-controlling interests	(47)	470	279
	<u>30</u>	<u>693</u>	<u>114</u>

ג. Analysis of operating results in the reporting period

Three months ended March 31			
	2026	2025	
Item in the consolidated	NIS million		Notes and explanations
Net operating income (NOI)	354	385	A decrease of 8.1% 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 5.4%.
Rate of revenue	69.5%	67.7%	
Fair value gain from investment property and investment property under development	27	63	
Administrative and general, and sales and marketing expenses	(62)	(75)	The decrease is mainly due to streamlining measures carried out in the Group
Other expenses, net	(4)	(62)	In the corresponding period, expenses included mainly capital losses incurred from the sale of properties, price adjustments and transaction costs.
The Company's share in earnings (losses) of equity-accounted investees	3	(1)	
Operating profit	318	310	
Financing expenses, net	(246)	(479)	The decrease in financing expenses is mainly due to expenses with respect to the revaluation of derivatives in an amount of NIS 144 million in the reporting period, compared to NIS 258 million in the corresponding period last year, and a decrease in interest and linkage differential expenses of NIS 73 million compared to the corresponding quarter last year.
Income tax	(31)	(37)	
Net profit (loss)	41	(206)	

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, 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 March 31, 2026, the Company and its subsidiaries have unutilized approved long-term credit facilities⁵ available for immediate withdrawal and liquid balances of NIS 2.7 billion (of which NIS 2.1 billion for the Company and its wholly-owned subsidiaries) which includes cash and short-term deposits of NIS 1.7 billion and have unutilized approved long term credit facilities available for immediate withdrawal in the amount of NIS 1.0 billion.

Moreover, as at March 31, 2026, 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 12.6 billion (45.1% 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 1.9 billion⁶ (NIS 0.8 billion in G Europe, NIS 0.8 billion in the US, NIS 0.2 billion in Brazil and NIS 0.1 billion in Israel).

As at March 31, 2026, the Company had, based on its consolidated financial statements, negative working capital of NIS 0.4 billion and negative cash flows from operations ("FFO"); and based on its separate financial statements, negative working capital of NIS 1.5 billion and positive FFO. Moreover, the Company has (extended separate) positive FFO, see section 2.2 above. 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 1.0 billion and NIS 1.0 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 based on cash flow tests, 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.

⁵ 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.

⁶ In addition, the Company has 2 income generating properties in Europe, worth a total of NIS 2.7 billion used to secure existing debts in the amount of NIS 0.1 billion, with expected maturity dates within the next three 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 0.9 billion over the current existing debt.

3.8. Cash flows

Cash flows used for operating activities amounted to NIS (42) million, compared to FFO of NIS 13 million in the corresponding period last year. The negative cash flows in the reporting period is mainly due to tax prepayments of NIS 70 million in respect to disputed assessments, with regard to which the Group believes, based on the opinion of its legal counsel, its appeals are more likely to be accepted rather than rejected, and accordingly, the Group expects these amounts to be refunded once the related proceedings are concluded (for further information, see Note 3B8 to the financial statements).

In the reporting period, the Company and its subsidiaries financed their operations mainly by disposing of investment property in a net amount of NIS 1,194 million, and offsets loans and lines of credit of a net amount of NIS 1,213 million. These cash flows were used mainly for the acquisition of CTY's non-controlling interests in an amount of NIS 686 million, the repayment of debentures in an amount of NIS 703 million, the acquisition of treasury shares for an amount of NIS 85 million, and dividend payments in the Group totaling NIS 143 million.

3.9. Buyback plan

Below is a description of the latest buyback plan that was approved by the Company's Board of Directors:

A. Debenture buyback plan

Date of approval	Scope approved	Valid until / status	Amount utilized by the end of the plan / close to the date of publication of the report
March 2026	NIS 770 million par value	March 2027 / active	NIS 369 million par value
February 2026	NIS 300 million par value	March 2026 / completed	NIS 247 million par value
March 2025	NIS 300 million par value	February 2026 / completed	NIS 300 million par value

B. Share buyback plan

Date of approval	Scope approved	Valid until / status	Amount utilized by the end of the plan / close to the date of publication of the report
February 2026	NIS 225 million	March 2027 / active	12.3 million shares at cost of NIS 134 million
August 2025	NIS 120 million	February 2026 / completed	10 million shares at cost of NIS 115 million
March 2025	NIS 100 million	August 2025 / completed	5.6 million shares at cost of NIS 67 million

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.

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 EUR, USD and BRL. Since March 16, 2026, (date 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, 2026 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 exchange rates – below is a breakdown of the changes in the NIS exchange rate against the principal currencies in which the Group operates:

Currency	In reporting period	Subsequent to reporting period through to close to publication date	From the beginning of the year through close to date of publication of the report
EUR	(2.9)%	(7.1)%	(9.8)%
USD	(0.8)%	(8.2)%	(8.9)%
BRL	4.6%	(5.4)%	(1.0)%
NOK	2.4%	(3.3)%	(1.0)%
Swedish Krona	(3.7)%	(6.9)%	(10.3)%

Moreover, some of the Company's liabilities are linked to CPI changes in Israel (mainly for its operations in Israel). As of January 1, 2026 through March 31, 2026, the CPI (known) rose by 0.1%. Moreover, since March 31, 2026 through to immediately prior to the date of approval of this report, the (known) CPI rose by 1.5%. 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, preferring to increase the exposure of shareholders' equity to the NIS, given that the Company is traded in Israel, 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. Furthermore, for the purpose of protecting cash flows relating to the foregoing hedging transactions, the Company began engaging in cylinder transactions to reduce its cash flow exposure in the event of a sharp depreciation of the NIS.

For further information concerning the Company's currency exposure to its operating currencies (EUR, USD, CAD, NIS and BRL) as at March 31, 2026, 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 400 thousand.

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 March 31, 2026, is NIS 474 million.

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 20C7 to the financial statements of the Company as at December 31, 2025, Appendix B to the Company's Board of Directors Report as at December 31, 2024, and the valuations attached to the periodic report.

B. Collateral for debentures (Series P)

Debentures (Series P) are secured by a first ranking fixed charge on G Europe shares. 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 20C6 to the Company's financial statements as at December 31, 2025. For further information concerning G Europe, see section 7 of Chapter A to the periodic report and G Europe's financial statements as at March 31, 2026 as published in an immediate report issued by the Company on May 15, 2026 (Ref. No.: 2026-01-045002), whereby the information contained therein is hereby presented by way of reference. The EPRA NRV per G Europe share as at March 31, 2026 is EUR 3.45.

C. Collateral for debentures (Series R)

Debentures (Series R) are secured by a first ranking fixed charge over all of the Company's holdings (through Gazit Horizons) in GHI Alpha Portfolio LLC ("G Alpha") and the attached rights, a lien on G Alpha's bank account, as well as a guarantee provided by G Alpha. G Alpha operates in the income generating real estate sector in the United States.

G Alpha holds seven income generating properties in the US, which as at reporting date are worth USD 321 million.

For further information concerning the terms of Debentures (Series R) see Note 20C4 to the Company's financial statements as at December 31, 2025. 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.

In the reporting period, G Alpha purchased NIS 18.5 million par value Debentures (Series R) of the Company for a consideration of USD 6.2 million. Subsequently, these debentures were transferred to the Company free of consideration, in accordance with the provisions of the deed of trust. Debentures (Series R) that were bought back were canceled and delisted.

D. Collateral for debentures (Series S)

Debentures (Series S) are secured by a second ranking mortgage over all of the Company's rights in a real estate property owned by the Company (the G Rishon LeZion complex), as well as by a second ranking fixed charge over the pledged revenues derived from the pledged assets (as these terms are defined in the deed of trust)⁷. The value of the foregoing pledged property as of March 31, 2026, is NIS 2,015 million. The Company is taking steps to sell parts of the office tower under construction in the G Rishon LeZion complex, and prior to such sales, the Company from time to time coordinates with the debenture trustee to release the relevant portions from the existing charge, in accordance with the provisions of the deed of trust. Accordingly, thus far the trustee has signed a letter excluding 21 floors and three underground levels that contain 415 parking spaces in the office tower from the second degree lien registered to secure the debentures.

For further information concerning the terms of Debentures (Series S) see Note 20C3 to the Company's financial statements as at December 31, 2025. For further information regarding the foregoing pledged property, as required pursuant to the regulations of the Israel Securities Authority regarding investment property operations, see Chapter A to the periodic report and the valuation attached to the periodic report.

E. Collateral for debentures (Series T)

Debentures (Series T) are secured by: (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 than 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 company⁸. The value of the foregoing pledged property as of March 31, 2026, is EUR 253 million.

For further information, see Note 20C2 to the financial statements as at December 31, 2025.

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

F. Collateral for debentures (Series U)

Debentures (Series U) are secured by a first degree fixed lien on custodian accounts in which CTY shares held by the Company and a wholly owned subsidiary of the Company and all the foregoing Pledged Companies' rights are deposited, with everything deposited therein (other than exceptions)⁹.

For further information concerning the terms of Debentures (Series U) see Note 20C1 to the Company's financial statements. For further information concerning CTY, see section 6 of Chapter A to the periodic report and CTY's financial statements as at March 31, 2026, as published in an immediate report issued by the Company on May 14, 2026 (Ref. No.: 2026-01-044465), whereby the information contained therein is hereby presented by way of reference.

⁷ As set out in section 5 of the deed of trust for (Series S), attached as Appendix B to the Company's shelf offering memorandum issued on April 9, 2024 (Ref. No.: 2024-01-041019), and the amendment to the deed of trust published on October 28, 2024 (Ref. No.: 2024-01-612201), where the information presented therein is noted here by way of reference.

⁸ As set out in section 5 of the deed of trust for Debentures (Series S), attached as Appendix B to the Company's shelf offering memorandum issued on July 14, 2024 (Ref. No.: 2024-01-073495), and the amendment to the deed of trust published on February 06, 2025 (Ref. No.: 2025-01-009257), where the information presented therein is noted here by way of reference.

⁹ 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.

Board of Directors Report

- 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 buyback of debentures, see Notes 3A and 5E to the financial statements.
- I. Below are the principal financial covenants the Company's debentures:

Financial ratio	Financial covenants	March 31, 2026
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	1,423
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	1,423
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	65.1% 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 O, P, R, S, T - lower than 75% for 3 consecutive quarters	64.7% 65.1% ¹
Minimum rating for debentures	N, Q, S and U O, R, and T	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 March 31, 2026, and shortly prior to date of approval of the financial statements, the Company was in compliance with the covenants for its debentures.

May 25, 2026		
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 March 31, 2026. 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	4,679	1,071	4,640	102	3,006	-
Assets in NIS	4,679	3,389	16,872	232	1,817	26,989
% of total assets	17	13	62	1	7	100
Liabilities in original currency	11,143	395	2,386	64	675	-
Cross-currency swap transactions in original currency	8,500	(907)	(1,550)	-	-	-
Liabilities in original currency	2,643	1,302	3,936	64	675	-
Liabilities in NIS adjusted for swaps	2,643	4,121	14,312	145	408	21,629
% of total liabilities	12	19	66	1	2	100
Total equity in original currency	2,036	(231)	704	38	2,331	-
Total financial equity in NIS ^{4,5}	2,036	(732)	2,560	87	1,409	5,360
% of total equity	38	(14)	48	2	26	100

1. According to currency exchange rates as of March 31, 2026.
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) - 29%, the operations in Norway whose currency is the Norwegian crown (NOK) - 31% and for the residential rental operations in Poland whose currency is the zloty (PLN) - 7%. 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 March 31, 2026.
5. Scope of currency exposure close to the date of publication of the reports is as follows:

	NIS	USD	EUR	CAD	BRL	Total
% of total equity	38	(13)	47	2	26	100

Update to Description of the Company's Business

Update of the Description of the Company's Business of G City to the 2025 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 2025 (the "Periodic Report"), in any matter required to be described in the Periodic Report.

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

- A. As at January 1, 2025, and through to close to date of publication of this report, the Company has bought back 14.6 million shares of the Company for NIS 152 million.

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

- A. On April 28, 2026, the Company distributed a dividend to its shareholders in an amount of NIS 28 million (NIS 0.16 per share).
- B. For further information regarding the dividend announced by the Company subsequent to reporting date see Note 5D 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 currency exchange rates** - in January 2026, the Bank of Israel Research Department published a macroeconomic forecast according to which the GDP is expected to grow by 5.2% in 2026 and by 4.3% in 2027.

The inflation rate in 2025 was 3% and is expected to decline in 2026 to 2.1%. Unemployment in 2026 is expected to remain very low at 3.3%, while maintaining a debt-to-GDP ratio of 68.5%.

The Division assumes that the Bank of Israel base interest is expected to be 3.5% at the end of 2026. In July 2025, the international rating agency S&P Global Ratings reaffirmed the State of Israel's credit rating at A and revised the outlook from negative to stable, and in May 2026, the rating and outlook were ratified at these levels.

- B. **Swords of Iron War** - further to the provisions of section 5 of the periodic report, in April 2026 and subsequent to the reporting period, a ceasefire was announced with Iran and with Hezbollah. Nonetheless, as at the date of this report, the security situation across the various fronts has not yet stabilized and the uncertainty characteristic of the war and its resulting effects continues to persist. The Company estimates that the multiple-front war has not had a significant effect on the Company's businesses and its financial results. Nevertheless, it should be noted that a return to intense and prolonged fighting, and its potential consequences, could affect the Company's 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.

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

- A. In April 2026, CTY completed the proactive full early redemption of its Debentures (Series 2026) for an amount of EUR 123 million.

Update to Description of the Company's Business

- B. In March 2026, CTY announced its intention to carry out full early redemption of its Debentures (Series 2027) on May 29, 2026. As of the reporting date, EUR 128.6 million par value remains outstanding.
- C. In January 2026, CTY engaged in a new financing agreement consisting of a credit line of up to EUR 520 million. Of this credit line, EUR 270 million is for a three-year term, effective through January 2029, with two one-year extension options. The remaining EUR 250 million is available as an expansion option at CTY's discretion.
- D. In May 2026, the Company, CTY, and their wholly owned subsidiaries engaged in a credit framework agreement effective until February 15, 2028. Under the agreement, each party may borrow from the other up to EUR 200 million, at market terms and subject to the approval of the other party's authorized corporate organs. The lender may demand repayment of any amounts provided under the agreement at any time with 10 trading days' notice.

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

- A. In March 2026, Moody's rating agency upgraded G Europe's credit rating from B3 to B2 with stable outlook.
- B. In the reporting period G Europe sold land in Romania for consideration of EUR 9 million.

Update to section 9 - Gazit Brasil

In March 2026, Gazit Malls announced a rights offering for a total amount of BRL 72 million, as the minority interests did not exercise their share, a subsidiary of the Company invested the entire amount and thereby increasing its holdings in Gazit Malls to 83.5%. The proceeds are designated for completing the expansion of the parking facility at the Internacional property, which is expected to contribute to increased footfall and NOI in the property.

Update to section 10 - Gazit Horizons

A shopping mall in Florida was purchased for USD 16.9 million.

Update to section 19 - Financing

- A. In and subsequent to the reporting period, the Company bought back NIS 675 million par value debentures of the Company for NIS 747 million. The debentures were acquired on and off stock exchange trading, including as part of a tender offer to purchase the Company's debentures (Series L and Series U) from classified investors, published by the Company in March 2026

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

G Savvon (Company's share, 50%)	Q1 2026	Year 2025
Value of partially income generating property	132,168	131,549
Value of the lands reserves property (NIS	15,800	15,800
Total value of the property (NIS thousand)	147,968	147,349
NOI for the period (NIS thousands) (1)	4,253	6,902
Revaluation (losses) profits for the period	-	1,093
Average occupancy rate in the period	99.3%	99.4%
Actual rate of return (%)	6.4%	5.2%
Average rent per sq. m. (per month in NIS)	170.6	167.7
Average rent per sq.m. in contracts signed in the period (per month in NIS) (2)	133	172

(1) Excluding provision expenses for Operation Rising Lion in the amount of NIS 48,000.

(2) Offices only.

G Rothschild (Company's share, 51%)	Q1 2026	Year 2025
Value of partially income generating property	127,426	127,400
Value of the building rights in the property	3,825	3,825
Total value of the property (NIS thousand)	131,251	131,225
NOI for the period (NIS thousands) (1)	2,024	7,856
Revaluation (losses) profits for the period	-	1,809
Average occupancy rate in the period	98.6%	97.9%
Actual rate of return (%)	6.4%	6.2%
Average rent per sq. m. (per month in NIS)	108.4	108.1
Average rent per sq.m. in contracts signed in the period (per month in NIS) (2)	75	96

(1) Excluding provision expenses for Operation Rising Lion in the amount of NIS 64,000

(2) Including 3 offices.

G Kochav Hatzafon (Company's share, 50%)	Q1 2026	Year 2025
Total value of the property (NIS thousand)	58,049	58,021
NOI for the period (NIS thousands) (1)	761	2,909
Revaluation (losses) profits for the period	-	2,415
Average occupancy rate in the period	100%	100%
Actual rate of return (%)	5.2%	5.0%
Average rent per sq. m. (per month in NIS)	298.6	297.1
Average rent per sq.m. in contracts signed in the period (per month in NIS)	284	325

(1) Excluding provision expenses for Operation Rising Lion in the amount of NIS 28,000

<u>G City Rishon Le-Zion</u>	Q1 2026	Year 2025
Value of partially income generating property	1,728,608	1,725,000
Value of the lands reserves property (NIS)	286,258	352,303
Total value of the property (NIS thousand)	2,014,866	2,077,803
NOI for the period (NIS thousands) (1)	27,650	103,812
Revaluation (losses) profits for the period	-	134,244
Average occupancy rate in the period	97.8%	99%
Actual rate of return (%)	6.4%	6.0%
Average rent per sq. m. (per month in NIS)	110.4	109.6
Average rent per sq.m. in contracts signed in the period (per month in NIS)	228	183

(1) Excluding provision expenses for Operation Rising Lion in the amount of NIS 898,000

<u>Dizengoff</u>	Q1 2026	Year 2025
Value of partially income generating property	60,800	60,800
NOI for the period (NIS thousands)	888	3,597
Revaluation (losses) profits for the period	-	-
Average occupancy rate in the period	100%	100%
Actual rate of return (%)	5.8%	5.9%
Average rent per sq. m. (per month in NIS)	428.3	428.8
Average rent per sq.m. in contracts signed in the period (per month in NIS)	-	-

<u>Leshinsky</u>	Q1 2026	Year 2025
Value of partially income generating property	76,026	70,375
NOI for the period (NIS thousands) (1)	477	1,495
Revaluation (losses) profits for the period	-	(1,409)
Average occupancy rate in the period	98.7%	98.7%
Actual rate of return (%)	2.5%	2.1%
Average rent per sq. m. (per month in NIS)	87.3	87.3
Average rent per sq.m. in contracts signed in	-	-

(1) Excluding provision expenses for Operation Rising Lion in the amount of NIS 27,000

<u>Targowek</u>	Q1 2026	Year 2025
Total value of the property (EUR thousand)	252,400	249,300
NOI in the period (EUR thousands) 1	3,780	14,199
Revaluation gains (losses) for the period (EUR	3,100	9,748
Average occupancy rate in the period	99.4%	99.4%
Actual rate of return (%)	6.0%	5.7%
Average rent per sq. m. (per month in EUR)	35.4	34.5
Average rent per sq.m. in contracts signed in the period (per month in EUR)	37.2	45.8

G City Ltd.

Condensed Consolidated Interim Financial Statements as at March 31, 2026

Unaudited

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with confidence

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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 March 31, 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the 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 47% of total consolidated assets as of March 31, 2026 and whose included in consolidation constitute approximately 51% of total consolidated revenues for the 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,
May 25, 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

G City Ltd. | Quarterly Report Q1 2026

Condensed Consolidated Statements of Financial Position

	March 31		At
	2026	2025	December 31
	Unaudited		Audited
	NIS million		
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	1,516	1,208	796
Short-term investments and loans	77	359	1,412
Financial assets	112	41	114
Financial derivatives	43	69	80
Trade and revenue receivable, and contractual assets	263	95	229
Other receivables	226	360	205
Inventory of offices	221	-	236
Current tax assets	2	2	2
	<u>2,460</u>	<u>2,134</u>	<u>3,074</u>
Assets held for sale	<u>1,862</u>	<u>329</u>	<u>1,953</u>
	<u>4,322</u>	<u>2,463</u>	<u>5,027</u>
<u>Non-current assets</u>			
Equity accounted investments	935	1,008	943
Other investments, loans and receivables	701	411	581
Financial assets	30	66	26
Financial derivatives	92	350	114
Investment property	24,029	29,228	24,113
Investment property under development	1,995	2,416	1,983
Fixed assets, net	75	93	75
Intangible assets, net	334	367	336
Deferred taxes	58	69	58
	<u>28,249</u>	<u>34,008</u>	<u>28,229</u>
	<u>32,571</u>	<u>36,471</u>	<u>33,256</u>

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

Condensed Consolidated Statements of Financial Position

	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
<u>Liabilities and Equity</u>			
<u>Current liabilities</u>			
Borrowings from banks and others	-	195	-
Current maturities of non-current liabilities	4,013	1,542	2,610
Financial derivatives	44	368	9
Trade payables and service providers	56	96	54
Other payables	625	532	572
Current tax liabilities	9	10	7
	<u>4,747</u>	<u>2,743</u>	<u>3,252</u>
<u>Non-current liabilities</u>			
Debentures and convertible debentures	13,156	15,271	15,110
Interest-bearing loans from banks and others	4,495	5,794	3,908
Financial derivatives	147	271	147
Other liabilities	426	430	313
Deferred taxes	1,227	1,212	1,235
	<u>19,451</u>	<u>22,978</u>	<u>20,713</u>
<u>Equity attributable to equity holders of the Company</u>			
Share capital	253	253	253
Share premium	4,984	4,982	4,984
Retained earnings	2,348	2,175	2,367
Adjustments due to translation of financial statements of foreign operations	(6,192)	(4,277)	(5,316)
Other reserves	3,376	1,265	1,813
Treasury shares	(266)	(16)	(181)
	<u>4,503</u>	<u>4,382</u>	<u>3,920</u>
<u>Non-controlling interests</u>	<u>3,870</u>	<u>6,368</u>	<u>5,371</u>
<u>Total equity</u>	<u>8,373</u>	<u>10,750</u>	<u>9,291</u>
	<u><u>32,571</u></u>	<u><u>36,471</u></u>	<u><u>33,256</u></u>

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

May 25, 2026			
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

Condensed Consolidated Statements of Income

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
	(Other than earnings (loss) per share)		
Rental and other income	509	569	2,299
Property operating and other expenses	162	184	710
Net revenue from rental of buildings	347	385	1,589
Revenue from the sale of offices	47	-	185
Cost of sales of offices	40	-	157
Net income from sale of offices	7	-	28
Net operating income	354	385	1,617
Revaluation of investment property and investment property under development, net	27	63	674
General and administrative expenses	(60)	(75)	(284)
Sales and Marketing Expenses	(2)	-	(6)
Other income	-	3	3
Other expenses	(4)	(65)	(208)
Company's share in earnings (losses) of equity-accounted investees, net	3	(1)	78
Operating profit	318	310	1,874
Finance expenses	(310)	(511)	(1,345)
Finance income	64	32	147
Profit (loss) before taxes on income	72	(169)	676
Taxes on income	31	37	286
Net profit (loss)	41	(206)	390
Attributable to:			
Equity holders of the Company	9	(246)	70
Non-controlling interests	32	40	320
	41	(206)	390
<u>Net earnings (loss) per share attributable to equity holders of the Company (NIS)</u>			
Total basic net earnings (loss)	0.04	(1.24)	0.36
Total diluted net earnings (loss)	0.04	(1.24)	0.36

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

Condensed Consolidated Statements of Comprehensive Income

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
Net profit (loss)	41	(206)	390
Other comprehensive income (net of tax effect):			
<u>Amounts not subsequently reclassified to profit or loss</u>			
Profit (loss) for financial assets at fair value through other comprehensive income	-	-	28
<u>Amounts classified or reclassified to profit or loss</u>			
Foreign currency translation differences of foreign operations	(19)	916	(316)
Profit (loss) for cash flow hedges	8	(17)	(19)
Exercise of foreign currency translation reserve attributable to subsidiaries previously consolidated	-	-	31
Total other comprehensive income (loss)	(11)	899	(276)
Total comprehensive income	<u>30</u>	<u>693</u>	<u>114</u>
Attributable to:			
Shareholders of the Company (1)	77	223	(165)
Non-controlling interests	(47)	470	279
	<u>30</u>	<u>693</u>	<u>114</u>
(1) Earnings (loss) per share attributable to shareholders of the Company:			
Net profit (loss)	9	(246)	70
Foreign currency translation differences of foreign operations	60	486	(272)
Profit (loss) for cash flow hedges	8	(17)	(22)
Profit (loss) for financial assets at fair value through other comprehensive income	-	-	28
Exercise of foreign currency translation reserve attributable to subsidiaries previously consolidated	-	-	31
	<u>77</u>	<u>223</u>	<u>(165)</u>

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								
<u>Balance as at December 31, 2025 (Audited)</u>	253	4,984	2,367	(5,316)	1,813	(181)	3,920	5,371	9,291
Net profit	-	-	9	-	-	-	9	32	41
Other comprehensive loss	-	-	-	60	8	-	68	(79)	(11)
Total comprehensive income	-	-	9	60	8	-	77	(47)	30
Expiration of options for Company shares	-	*)	-	-	*)	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	(85)	(85)	-	(85)
Cost of share-based payment	-	-	-	-	*)	-	*)	-	*)
Interest on hybrid debentures paid to non-controlling interests	-	-	-	-	-	-	-	(6)	(6)
Dividend announced **)	-	-	(28)	-	-	-	(28)	-	(28)
Acquisition of non-controlling interests and an issuance of subsidiary's shares	-	-	-	(936)	1,555	-	619	(1,305)	(686)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(143)	(143)
<u>Balance as at March 31, 2026</u>	<u>253</u>	<u>4,984</u>	<u>2,348</u>	<u>(6,192)</u>	<u>3,376</u>	<u>(266)</u>	<u>4,503</u>	<u>3,870</u>	<u>8,373</u>

*) Represents an amount of less than NIS 1 million

**) In the three months ended March 31, 2026, the Company announced the distribution of a dividend at NIS 0.16 per share (total amount of NIS 28 million) which was paid on April 28, 2026. 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								
<u>Balance as at December 31, 2024 (Audited)</u>	253	4,981	2,446	(4,763)	1,279	(16)	4,180	5,918	10,098
Loss	-	-	(246)	-	-	-	(246)	40	(206)
Other comprehensive income	-	-	-	486	(17)	-	469	430	899
Total comprehensive income	-	-	(246)	486	(17)	-	223	470	693
Exercise of options for Company shares	*)	1	-	-	(1)	-	*)	-	*)
Cost of share-based payment	-	-	-	-	1	-	1	-	1
Interest on hybrid debentures paid to non-controlling interests	-	-	-	-	-	-	-	(8)	(8)
Dividend announced	-	-	(25)	-	-	-	(25)	-	(25)
Acquisition of non-controlling interests	-	-	-	-	3	-	3	(7)	(4)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5)	(5)
<u>Balance as at March 31, 2025</u>	<u>253</u>	<u>4,982</u>	<u>2,175</u>	<u>(4,277)</u>	<u>1,265</u>	<u>(16)</u>	<u>4,382</u>	<u>6,368</u>	<u>10,750</u>

*) 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	Other reserves	Treasury shares	Total	Non-controlling interests	Total equity
				due to translation of financial statements of foreign operations					
Audited									
NIS million									
<u>Balance as at December 31, 2024 (Audited)</u>	253	4,981	2,446	(4,763)	1,279	(16)	4,180	5,918	10,098
Net profit	-	-	70	-	-	-	70	320	390
Other comprehensive loss	-	-	-	(241)	6	-	(235)	(41)	(276)
Total comprehensive income	-	-	70	(241)	6	-	(165)	279	114
Exercise and expiration of options for Company shares	*)	3	-	-	(3)	-	*)	-	*)
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	-	-	-	-	-	-	-	(161)	(161)
Dividend announced	-	-	(149)	-	-	-	(149)	-	(149)
Acquisition of non-controlling interests and an issuance of subsidiary's shares	-	-	-	(312)	533	-	221	(493)	(272)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(28)	(28)
<u>Balance as at December 31, 2025 (Audited)</u>	253	4,984	2,367	(5,316)	1,813	(181)	3,920	5,371	9,291

*) 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 Cash Flows

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
<u>Cash flows from operating activities</u>			
Net profit (loss)	41	(206)	390
<u>Adjustments required for presentation of cash flows from current</u>			
<u>Adjustments to profit or loss</u>			
Finance expenses, net	246	479	1,198
Company's share in earnings of equity-accounted investees, net	(3)	1	(78)
Revaluation of investment property and investment property under development, net	(27)	(63)	(674)
Depreciation and amortization	4	5	22
Income tax	31	37	286
Other expenses, net	4	62	205
Cost of share-based payment	-*)	1	2
	<u>255</u>	<u>522</u>	<u>961</u>
<u>Changes in items of assets and liabilities:</u>			
Decrease (increase) in trade receivables and other receivables	(59)	44	(37)
Decrease in inventory of offices	15	-	104
Increase (decrease) in trade and other payables	30	(88)	(139)
	<u>(14)</u>	<u>(44)</u>	<u>(72)</u>
Net cash provided by operating activities before interest, dividend, and taxes	<u>282</u>	<u>272</u>	<u>1,279</u>
<u>Cash paid and received during the period for:</u>			
Interest paid	(302)	(272)	(768)
Interest received	45	20	127
Dividends received	4	3	21
Taxes paid	(71)	(10)	(32)
Taxes received	-	-	11
	<u>(324)</u>	<u>(259)</u>	<u>(641)</u>
Net cash from (used for) operating activities	<u>(42)</u>	<u>13</u>	<u>638</u>

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

Condensed Consolidated Statements of Cash Flows

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
<u>Cash flows from investment activities</u>			
Proceeds from the sale of investees	-	-	5
Investments and loans to investees	-	-	(1)
Acquisition, construction, and development of investment property	(150)	(236)	(563)
Investments in property, plant and equipment and other assets	(7)	(1)	(11)
Proceeds from sale of investment property	1,344	898	1,293
Grant of long-term loans	-	-	(19)
Repayment of long-term loans	-	1	26
Short-term investments, net	-	-	2
Investments in financial assets, net	(13)	-	(47)
Proceeds from the sale of financial assets and withdrawal of deposits, net of tax paid	-	6	23
Net cash provided by investing activities	<u>1,174</u>	<u>668</u>	<u>708</u>
<u>Cash flow from financing activities</u>			
Exercise of warrants for Company shares	-	-*)	-*)
Acquisition of treasury shares	(85)	-	(165)
Acquisition of non-controlling interests and an issuance of subsidiary's shares	(686)	(4)	(272)
Dividend paid to Company shareholders	-	-	(73)
Dividend paid to non-controlling interests	(143)	(5)	(28)
Receipt of long-term loans	176	11	304
Repayment of long-term loans	(237)	(608)	(1,061)
Receipt (repayment) of long-term credit from banks, net	1,274	(288)	(1,056)
Receipt (repayment) of short-term credit from banks, net	-	148	(40)
Repayment and early redemption of debentures	(703)	(782)	(3,560)
Issue of debentures	-	-	3,737
Buyback of hybrid debentures from non-controlling interests	-	-	(153)
Interest on hybrid debentures paid to non-controlling interests	(6)	(8)	(161)
Net cash used for financing activities	<u>(410)</u>	<u>(1,536)</u>	<u>(2,528)</u>
Exchange differences for cash and cash equivalents	(2)	72	(13)
<u>Increase (decrease) in cash and cash equivalents</u>	<u>720</u>	<u>(783)</u>	<u>(1,195)</u>
<u>Cash and cash equivalents at the beginning of the period</u>	<u>796</u>	<u>1,991</u>	<u>1,991</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>1,516</u>	<u>1,208</u>	<u>796</u>

*) 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 Cash Flows

Three months ended		Year ended
March 31		December 31
2026	2025	2025
Unaudited		Audited
NIS million		

(A) Significant non-cash activities

Sale of investment property against receivables

-	-	1,821
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Dividend to be paid to Company shareholders

28	25	-
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Issue of debentures against receivables

-	304	-
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Distribution of a dividend in kind

-	-	76
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NOTE 1 – General

- A. These financial statements have been prepared in condensed format as at March 31, 2026, and for the three months then ended (the “Reporting Period” and the “Consolidated Interim Financial Statements”). The financial statements should be read in conjunction with the Company’s annual financial statements as at December 31, 2025, for the year then ended, and their accompanying notes, which were approved by the Company’s board of directors on March 16, 2026 (the “Annual Financial Statements”).
- B. As at March 31, 2026, (the “Reporting Date”) the consolidated Company (the “Group”) had a working capital deficit in the amount of NIS 0.43 billion. The Group has unused approved credit facilities in the amount of NIS 1.0 billion available for immediate withdrawal. The Company’s management believe that the foregoing sources, 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 and its wholly owned subsidiaries, have 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 March 31, 2026, 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 1.1 billion, of which NIS 0.1 billion have been utilized as at the foregoing date.

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 lines of credit of the Company and of its consolidated subsidiaries, include financial covenants which include, among other things, minimum equity requirements, leverage ratios, utilized debt to collateral value ratios, and additional measures. As at March 31, 2026, and close to the date of publication of this report, the Company and its subsidiaries are in compliance with all the prescribed covenants.

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 (“2028 Strategic Plan”), that refers to multi-departmental growth and includes organic growth, enhancing the Group’s property rights, selective acquisition of properties with betterment potential and their improvement, further sale of properties or entering into partnerships in properties for which betterment has been completed, and in properties being constructed or that will be constructed by the Company for sale.

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 pace at which the Group progresses in executing such disposals, including the rate at which properties are offered for sale in the various territories in which the G City Group operates, are dynamic and are carried out based on market conditions in those territories 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 macroeconomic 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 macroeconomic changes as well as due to generation or absence of business opportunities to promote certain parts of the strategic plan.

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1 – General (cont.)

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 7.2 billion, as follows: G Europe - NIS -5.3 billion; G Israel - NIS -0.7 billion; Gazit Horizons - NIS -0.6 billion; Gazit Brazil - NIS -0.6 billion.

- D. The effects of Swords of Iron war, and the “Rising Lion” and “Roar of the Lion” operations, and the security and political situation in Israel:

In October 2023, the Hamas terror organization launched a murderous terrorist attack on residents of the State of Israel, which led to the start of the Swords of Iron War. The State of Israel waged war on seven fronts, including in the north of the country, against Iran and the Houthis in Yemen. Furthermore, in June 2025, Operation “Rising Lion” was launched against Iran and lasted two weeks, and in February 2026, the State of Israel and the United States jointly launched an offensive known as Operation Lion’s Roar, against Iran. This offensive was met with missile fire toward Israel, followed by Hezbollah’s entry into the conflict. In accordance with the Home Front Command’s directives, the Company’s shopping malls were closed for four days, with the exception of essential tenants that remained open throughout Operation Lion’s Roar. In April 2026, subsequent to the reporting period, a ceasefire was announced on the Iranian and Hezbollah fronts. Nonetheless, as at the date of this report, the security situation across the various fronts has not yet stabilized and the uncertainty characteristic of the war and its resulting effects continues to persist.

- E. Definitions in these financial statements:

Company	-	G City Ltd. (formerly Gazit-Globe Ltd.)
Parent Company	-	Norstar Holdings Inc. ("Norstar") through its wholly-owned subsidiary (collectively, "Norstar Group").
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 Consolidated Annual Financial Statements.

Note 3 – Material Events in the reporting period

A. Debt raising and redemption in the Group

1. During the reporting period the Company bought back NIS 640 million par value Debentures (Series L, M, N, P, R, and U), in return for NIS 675 million. Following the buyback, the Company recognized an early redemption gain in the amount of NIS 32.1 million. The buyback debentures were canceled and delisted.

B. Other events

1. During the reporting period, the Company bought back 9.4 million shares of the Company for NIS 84.9 million. The acquired shares are treasury shares.
2. 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 the Company to issue a full tender offer to the minority shareholders of CTY, as set out below.

Furthermore, after the foregoing share acquisition and prior to completion of the tender offer as set out above, the Company acquired 3 million additional CTY shares as part of regular stock exchange trading, for consideration of EUR 12 million (NIS 45.6 million).

As a result of the acquisition of the shares as aforesaid, the Company's holdings in CTY increased to 59.09% of its issued share capital and the capital attributed to the Company's shareholders increased by NIS 106 million. Under the provisions of Finnish law, as the Company's holdings exceed the threshold 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. Accordingly, the Company issued a tender offer specification in which it offered to purchase all minority interests of CTY (including securities convertible into CTY shares) at a price of EUR 4 per share, which was later adjusted to EUR 3.8 per share following a EUR 0.2 per share dividend distributed to CTY's shareholders (the 'Tender Offer').

On March 6, 2026, the tender offer for the acquisition of CTY shares was completed. As part of the tender offer, 50 million CTY shares were acquired, representing 27.3% of CTY's share capital, at a price of EUR 3.8 per share, for total consideration of EUR 190 million (NIS 700 million). The consideration is financed primarily from the Company's own resources. As a result of completing the tender offer, the Company's holdings in CTY increased to 86.4%, and equity attributable to the Company's shareholders increased by NIS 619 million.

It should be noted that the total consideration the Company paid in the tender offer, net of special dividends declared by CTY and paid in the reporting period, in the amount of EUR 164 million, is EUR 26 million.

Prior to the tender offer described above, the Company engaged into an agreement with a financial institution for the financing of the acquisition of CTY shares, for an amount of up to EUR 195 million, of which, as of the reporting date, the Company is entitled to draw EUR 85 million.

3. In March 2026, subsequent to publication of the results of the tender offer to acquire the minority shares of CTY, S&P Maalot removed the Company's ratings from the watch list with negative outlook, affirm the existing rating, and revised the rating outlook to stable.
4. In March 2026, following the increase in the Company's holdings in CTY, the rating agency S&P Maalot downgraded CTY's Series B debentures to B+, and downgraded CTY's issuer rating to B.
5. In March 2026, Moody's rating agency ratified the rating for G Europe debentures at B2 and upgraded the rating outlook from stable to positive.
6. In March 2026, Gazit Malls announced a rights offering for a total amount of BRL 72 million, as the minority interests did not exercise their share, a subsidiary of the Company invested the entire amount and thereby increasing its holdings in Gazit Malls to 83.5%.

Note 3 – Material Events in the reporting period

7. In January 2026, 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. In its response to the letter, the Company rejected the allegations raised therein. Nonetheless, the applicant filed a motion with the District Court for disclosure of documents prior to submitting a motion to certify a derivative claim, and in May 2026 the Company filed its response with the court
8. The Polish tax authorities are examining the withholding and treatment of tax in Polish real estate companies which were or are fully controlled by G Europe in the years 2018-2024.

In January 2026, a Polish court (first instance) issued an adverse ruling in the most advanced case concerning a wholly owned subsidiary of G Europe in 2018. The court determined that the Company is to pay 20% withholding tax, with the addition of interest and penalties, in accordance with the Polish tax authority's assessment. The Company is working to appeal the decision to the Supreme Court in Poland.

For the years 2019–2020, second-instance tax assessments were issued contrary to the Company's position, which are enforceable, and appeals have already been filed with the Polish court in the vast majority of these cases.

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:

	<u>March 31, 2026</u>		<u>March 31, 2025</u>		<u>December 31, 2025</u>	
	<u>Balance</u>	<u>Fair value</u>	<u>Balance</u>	<u>Fair value</u>	<u>Balance</u>	<u>Fair value</u>
	NIS million					
Debentures (Level 1)	15,931	15,480	16,516	16,289	16,844	16,227
Interest bearing liabilities to banks and others (Level 2)	5,733	5,551	6,091	5,765	4,784	4,508
	<u>21,664</u>	<u>21,031</u>	<u>22,607</u>	<u>22,054</u>	<u>21,628</u>	<u>20,735</u>

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, 2025. 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. Further to the provisions of Note 9G to the consolidated financial statements as at December 31, 2025, with regard to the disposal of three income-producing properties in Poland with aggregate value (as of September 30, 2025) of EUR 456 million through their sale to Orion Retail Properties Ltd. (“Orion”), in April 2026 the Company increased the guarantee it had provided to a financial institution with regard to Orion’s currency-hedging transaction, by EUR 9 million. In addition, in April 2026 the Company’s Board of Directors approved a commitment to extend a loan to Orion, should Orion be required to pay any amounts to the Polish tax authorities in respect of withholding tax for the years 2021 and 2022. The loan will be repaid in full at the earlier date of either January 31, 2031; or the date of termination of the property management agreement between the parties.
- B. Subsequent to the reporting date, the Company bought back NIS 66 million par value Debentures (Series L, M, N, and P), in return for NIS 71.7 million. Following the buyback, the Company is expected to recognize an early redemption gain in the amount of NIS 3 million. The buyback debentures were canceled and delisted.
- C. In April, CTY completed full redemption of its 2026 debentures for EUR 123.5 million.
- D. On May 25, 2026, the Company announced a dividend in the amount of NIS 0.20 per share (a total amount of NIS 34.3 million), payable on June 16, 2026, to the shareholders of the Company as at June 8, 2026.
- E. Subsequent to the reporting period, the Company acquired 5.2 million shares of the Company for consideration of NIS 66.6 million. The acquired shares are treasury shares.

Notes to the Condensed Consolidated Interim Financial Statements

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 37 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 3 months ended March 31, 2026

	<u>Northern Europe</u>	<u>Central Europe</u>	<u>Israel</u>	<u>Brazil</u>	<u>USA</u>	<u>Other segments</u>	<u>Adjustments to consolidated</u>	<u>Consolidated</u>
	Unaudited							
	NIS million							
Rental and other income	284	85	77	35	48	7	(27)	509
Revenue from the sale of offices	-	-	47	-	-	-	-	47
Segment revenues	<u>284</u>	<u>85</u>	<u>124</u>	<u>35</u>	<u>48</u>	<u>7</u>	<u>(27)</u>	<u>556</u>
Operating income, net	<u>189</u>	<u>61</u>	<u>57</u>	<u>28</u>	<u>29</u>	<u>4</u>	<u>(13)</u>	<u>354</u>
Segment results:	<u>170</u>	<u>51</u>	<u>55</u>	<u>25</u>	<u>17</u>	<u>5</u>	<u>(5)</u>	<u>318</u>
Financing expenses, net								<u>(246)</u>
Profit before taxes on income								<u>72</u>

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 6 - Operating Segments

For the 3 months ended March 31, 2025

	<u>Northern Europe</u>	<u>Central Europe</u>	<u>Israel</u>	<u>Brazil</u>	<u>USA</u>	<u>Other segments</u>	<u>Adjustments to consolidated</u>	<u>Consolidated</u>
Unaudited								
NIS million								
Segment revenues	<u>291</u>	<u>135</u>	<u>78</u>	<u>37</u>	<u>44</u>	<u>7</u>	<u>(23)</u>	<u>569</u>
Operating income,	<u>190</u>	<u>95</u>	<u>51</u>	<u>31</u>	<u>24</u>	<u>3</u>	<u>(10)</u>	<u>385</u>
Segment results:	<u>164</u>	<u>82</u>	<u>49</u>	<u>27</u>	<u>20</u>	<u>4</u>	<u>(36)</u>	<u>310</u>
Financing expenses, net								<u>(479)</u>
Loss before taxes on income								<u>(169)</u>

For the year ended December 31, 2025

	<u>Northern Europe</u>	<u>Central Europe</u>	<u>Israel</u>	<u>Brazil</u>	<u>USA</u>	<u>Other segments</u>	<u>Adjustments to consolidated</u>	<u>Consolidated</u>
Audited								
NIS million								
Rental and other income	1,181	514	320	163	196	30	(105)	2,299
Revenue from the sale of offices	<u>-</u>	<u>-</u>	<u>185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185</u>
Segment revenues	<u>1,181</u>	<u>514</u>	<u>505</u>	<u>163</u>	<u>196</u>	<u>30</u>	<u>(105)</u>	<u>2,484</u>
Operating income, net	<u>814</u>	<u>366</u>	<u>226</u>	<u>132</u>	<u>108</u>	<u>14</u>	<u>(43)</u>	<u>1,617</u>
Segment results:	<u>722</u>	<u>311</u>	<u>102</u>	<u>117</u>	<u>62</u>	<u>19</u>	<u>541</u>	<u>1,874</u>
Financing expenses, net								<u>(1,198)</u>
Profit before taxes on income								<u>676</u>

NOTE 6 - Operating SegmentsSegment assets:

	<u>Northern Europe</u>	<u>Central Europe</u>	<u>Israel</u>	<u>Brazil</u>	<u>USA</u>	<u>Other segments</u>	<u>Adjustment s to consolidated z</u>	<u>Consolidated</u>	
	Unaudited								
	NIS million								
March 31, 2026	Investment property	13,918	4,982	3,472	1,826	2,822	232	(3,223)	24,029
	Investment property under development	-	520	987	-	669	-	(181)	1,995
	Inventory of offices	-	-	221	-	-	-	-	221
	Segment assets	<u>14,398</u>	<u>5,562</u>	<u>4,906</u>	<u>1,878</u>	<u>3,534</u>	<u>234</u>	<u>2,059</u>	<u>32,571</u>
March 31, 2025	Investment property	15,273	7,051	3,423	2,060	2,988	264	(1,831)	29,228
	Investment property under development	-	642	1,188	33	750	-	(197)	2,416
	Segment assets	<u>15,885</u>	<u>7,773</u>	<u>4,651</u>	<u>2,162</u>	<u>3,763</u>	<u>266</u>	<u>1,971</u>	<u>36,471</u>
December 31, 2025 (Audited)	Investment property	14,142	5,086	3,461	1,734	2,736	238	(3,284)	24,113
	Investment property under development	-	578	963	-	670	-	(228)	1,983
	Inventory of offices	-	-	236	-	-	-	-	236
	Segment assets	<u>14,612</u>	<u>5,708</u>	<u>4,846</u>	<u>1,799</u>	<u>3,447</u>	<u>238</u>	<u>2,606</u>	<u>33,256</u>

Notes to the Condensed Consolidated Interim Financial Statements

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) secured by a first-ranking fixed lien over all of the Company's holdings in GHI Alpha Portfolio LLC ("G Alpha"), which indirectly owns several properties in the United States. G Alpha is 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 a 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 -

	March 31		December 31
	2026	2025	2025
	USD thousand		
<u>Properties</u>			
<u>Current assets</u>			
Cash and cash equivalents	3,101	11,546	6,644
Trade receivables	204	115	234
Other receivables	152	151	299
	<u>3,457</u>	<u>11,812</u>	<u>7,177</u>
<u>Non-current assets</u>			
Deposits	850	871	874
Investment property	321,487	282,956	321,379
Fixed assets, net	770	320	734
	<u>323,107</u>	<u>284,147</u>	<u>322,987</u>
	<u>326,564</u>	<u>295,959</u>	<u>330,164</u>
<u>Liabilities and Equity</u>			
<u>Current liabilities</u>			
Current maturities of non-current liabilities	25,426	-	26,014
Trade payables and service providers	943	971	434
Other payables	196	193	230
	<u>26,565</u>	<u>1,164</u>	<u>26,678</u>
<u>Non-current liabilities</u>			
Interest-bearing loans from banks and others	63,605	89,494	63,561
Other liabilities	1,263	1,180	1,261
	<u>64,868</u>	<u>90,674</u>	<u>64,822</u>
Equity attributable to equity holders of the Company	<u>235,131</u>	<u>204,121</u>	<u>238,664</u>
	<u>326,564</u>	<u>295,959</u>	<u>330,164</u>

Notes to the Condensed Consolidated Interim Financial Statements

Note 7 - Condensed Financial Information of G Alpha

Condensed financial information of comprehensive income or loss

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	USD thousand		
Rental income - commercial	2,197	1,861	8,147
Rental property operating expenses - commercial	454	304	1,632
Net operating income (NOI) - commercial	1,743	1,557	6,515
Rental income - residential	2,574	2,494	10,109
Rental property operating expenses - residential	972	943	3,834
Net operating income (NOI) - residential	1,602	1,551	6,275
Total operating income, net	3,345	3,108	12,790
General and administrative expenses	(33)	(27)	(150)
Revaluation of investment property and investment property under development, net	-	-	18,219
Operating profit	3,312	3,081	30,859
Financing expenses, net	(679)	(619)	(2,556)
Net profit	2,633	2,462	28,303

Note 7 - Condensed Financial Information of G Alpha

Condensed financial information of cash flow

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	USD thousand		
<u>Cash flows from operating activities</u>			
Net profit	2,633	2,462	28,303
<u>Adjustments required for presentation of cash flows from</u>			
<u>Adjustments to profit or loss</u>			
Financing expenses, net	679	619	2,556
Revaluation of investment property and investment property under development, net	-	-	(18,219)
Depreciation and amortization	26	25	103
	<u>705</u>	<u>644</u>	<u>(15,560)</u>
<u>Changes in items of assets and liabilities:</u>			
Decrease (increase) in trade receivables and other receivables	161	(100)	(586)
Increase in trade and other payables	475	596	176
	<u>636</u>	<u>496</u>	<u>(410)</u>
Net cash provided by operating activities before interest	<u>3,974</u>	<u>3,602</u>	<u>12,333</u>
<u>Cash paid and received during the period for:</u>			
Interest paid	(669)	(669)	(2,677)
Interest received	17	78	229
Net cash from operating activities	<u>3,322</u>	<u>3,011</u>	<u>9,885</u>
<u>Cash flows from investment activities</u>			
Acquisition, construction, and development of investment	(68)	(134)	(417)
Investment in financial assets (see Note 1E)	(6,166)	-	-
Investments in property, plant and equipment and other assets	(61)	(6)	(499)
Net cash used for investment activities	<u>(6,295)</u>	<u>(140)</u>	<u>(916)</u>
<u>Cash flow from financing activities</u>			
Loan extension costs	(570)	-	-
Distribution to shareholders of the Company	-	-	(11,000)
Net cash used for financing activities	<u>(570)</u>	<u>-</u>	<u>(11,000)</u>
<u>Increase in cash and cash equivalents</u>	<u>(3,543)</u>	<u>2,871</u>	<u>(2,031)</u>
<u>Cash and cash equivalents at the beginning of the period</u>	<u>6,644</u>	<u>8,675</u>	<u>8,675</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>3,101</u>	<u>11,546</u>	<u>6,644</u>
<u>Significant non-cash activities of the Company:</u>			
Transfer of property against injection of shareholder capital	-	-	19,730
Distribution to owners (see Note 1E)	6,166	-	-

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. During the reporting period, G Alpha purchased NIS 18.5 million par value Debentures (Series R) of the Company for a consideration of USD 6.2 million. Subsequently, these debentures were transferred to the Company free of consideration, in accordance with the provisions of the deed of trust. Debentures (Series R) that were bought back were canceled and delisted.

2. Significant Accounting Policies

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

Notes to the Condensed Consolidated Interim 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-ranking 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.

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

Condensed financial information of financial position -

	<u>March 31</u>		<u>December 31</u>
	<u>2026</u>	<u>2025</u>	<u>2025</u>
	<u>EUR thousands</u>		
<u>Properties</u>			
<u>Current assets</u>			
Cash and cash equivalents	3,387	4,023	3,542
Trade receivables	994	761	391
Loans to affiliated parties	10,112	5,000	10,000
Other receivables	1,451	1,298	939
	<u>15,944</u>	<u>11,082</u>	<u>14,872</u>
<u>Non-current assets</u>			
Investment property	252,988	241,013	249,888
Other receivables	3,017	-	-
Fixed assets, net	25	31	26
	<u>256,030</u>	<u>241,044</u>	<u>249,914</u>
<u>Total assets</u>	<u>271,974</u>	<u>252,126</u>	<u>264,786</u>
<u>Liabilities and Equity</u>			
<u>Current liabilities</u>			
Trade payables and service providers	307	513	96
Other payables	2,581	2,686	2,442
Interest payable to related parties	8,705	3,567	7,490
Short term liability with respect to leases	435	435	435
	<u>12,028</u>	<u>7,201</u>	<u>10,463</u>
<u>Non-current liabilities</u>			
Loans from affiliated parties	69,815	71,567	70,949
Other liabilities	16,802	11,536	15,315
	<u>86,617</u>	<u>83,103</u>	<u>86,264</u>
Equity attributable to equity holders of the Company	<u>173,329</u>	<u>161,822</u>	<u>168,059</u>
Total equity and liabilities	<u>271,974</u>	<u>252,126</u>	<u>264,786</u>

Notes to the Condensed Consolidated Interim Financial Statements

Note 8 - Condensed Financial Information of CH Targowek

Condensed financial information of comprehensive income or loss

	Three months ended March 31		Year ended December 31
	2026	2025	2025
	EUR thousands		
Rental and other income	4,983	4,753	19,430
Property operating and other expenses	<u>1,202</u>	<u>1,355</u>	<u>5,231</u>
Operating income, net	3,781	3,398	14,199
Revaluation of investment property and investment property under development, net	3,166	1,189	9,748
General and administrative expenses	<u>(178)</u>	<u>(302)</u>	<u>(665)</u>
Operating profit	6,769	4,285	23,282
Financing expenses, net	<u>(44)</u>	<u>(2,751)</u>	<u>(5,912)</u>
Profit before taxes on income	<u>6,725</u>	<u>1,534</u>	<u>17,370</u>
Taxes on income	1,455	-	3,599
Net profit	<u><u>5,270</u></u>	<u><u>1,534</u></u>	<u><u>13,771</u></u>

Note 8 - Condensed Financial Information of CH Targowek

Condensed financial information of cash flow

	Three months ended March 31		Year ended December 31
	2026	2025	2025
EUR thousands			
<u>Cash flows from operating activities</u>			
Collections from tenants	5,881	5,997	24,502
Receipts from receivables	31	94	1,129
Payment to suppliers	(2,871)	(2,160)	(10,176)
Income tax paid	(3,163)	(146)	(579)
Net cash from operating activities	<u>(122)</u>	<u>3,785</u>	<u>14,876</u>
<u>Cash flows from investment activities</u>			
Investment in investment property	-	(160)	(917)
Loans granted to Group companies	-	(4,000)	(14,933)
Repayment of loans to Group companies	-	67	6,194
Net cash used for investment activities	<u>-</u>	<u>(4,093)</u>	<u>(9,656)</u>
<u>Cash flow from financing activities</u>			
Capital reduction	-	-	(6,000)
Net cash used for financing activities	<u>-</u>	<u>-</u>	<u>(6,000)</u>
Exchange differences for cash and cash equivalents	(33)	(7)	(16)
<u>Increase in cash and cash equivalents</u>	<u>(155)</u>	<u>(315)</u>	<u>(796)</u>
<u>Cash and cash equivalents at the beginning of the period</u>	<u>3,542</u>	<u>4,338</u>	<u>4,338</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>3,387</u>	<u>4,023</u>	<u>3,542</u>

Key Notes

- 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.
- The significant accounting policies applied in the financial information attributable to CH Targowek are consistent with those applied in the preparation of these consolidated financial statements.

G City Ltd.

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

As at March 31, 2026

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Shape the future
with confidence

To

The Shareholders of G CITY Ltd.

Kost Forer Gabbay & Kasierer Tel: +972-3-6232525
144 Menachem Begin Road, Tel Fax: 972-3-5622555
Aviv, 6492102 ey.com

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 March 31, 2026, for the three months periods 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 3,950 million as of March 31, 2026 and the Company's share of their earnings amounted to approximately NIS 44 million for the 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,
May 25, 2026

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 March 31, 2026, 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

	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
NIS million			
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	82	129	71
Short-term deposits	77	308	48
Short-term loans and current maturities of long-term loans to subsidiaries	-	-	1,336
Financial assets	9	1	9
Financial derivatives	25	64	73
Other receivables	35	72	37
Trade and revenue receivable, and contractual assets	188	13	155
Inventory of offices	221	-	236
Dividend receivable from consolidated subsidiaries	401	-	262
	<u>1,038</u>	<u>587</u>	<u>2,227</u>
<u>Non-current assets</u>			
Financial assets	25	63	26
Financial derivatives	32	212	34
Investment property	3,472	3,423	3,461
Investment property under development	987	1,188	963
Other investments, loans and receivables	151	18	141
Loans to subsidiaries	1,898	3,328	2,092
Investments in subsidiaries	8,912	8,311	8,003
Fixed and other assets, net	18	20	18
	<u>15,495</u>	<u>16,563</u>	<u>14,738</u>
	<u>16,533</u>	<u>17,150</u>	<u>16,965</u>

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

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

	<u>March 31</u>		<u>December 31</u>
	<u>2026</u>	<u>2025</u>	<u>2025</u>
	<u>Unaudited</u>		<u>Audited</u>
<u>NIS million</u>			
<u>Liabilities and Equity</u>			
<u>Current liabilities</u>			
Current maturities of non-current liabilities	2,333	1,355	1,364
Short-term loans from subsidiaries	-	96	448
Financial derivatives	14	294	3
Trade payables and service providers	20	33	22
Other payables	115	98	109
Current tax liabilities	-	1	-
Dividend payable	28	25	-
	<u>2,510</u>	<u>1,902</u>	<u>1,946</u>
<u>Non-current liabilities</u>			
Loans from banks	1,847	2,178	2,197
Loans from affiliates	42	44	42
Debentures and convertible debentures	7,560	8,469	8,851
Financial derivatives	27	119	-
Other liabilities	44	56	6
Deferred taxes	-	-	3
	<u>9,520</u>	<u>10,866</u>	<u>11,099</u>
<u>Equity attributable to equity holders of the Company</u>			
Share capital	253	253	253
Share premium	4,984	4,982	4,984
Retained earnings	2,348	2,175	2,367
Adjustments due to translation of financial statements of foreign operations	(6,192)	(4,277)	(5,316)
Other reserves	3,376	1,265	1,813
Treasury shares	(266)	(16)	(181)
	<u>4,503</u>	<u>4,382</u>	<u>3,920</u>
Total liabilities and equity	<u><u>16,533</u></u>	<u><u>17,150</u></u>	<u><u>16,965</u></u>

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

<u>May 25, 2026</u>			
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

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

	Three months ended March 31		Year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
Rental and other income	77	77	320
Net operating rental income	27	27	122
Operating income, net	50	50	198
Revenue from the sale of offices	47	-	185
Cost of sales of offices	40	-	157
Net income from the sale of offices	7	-	28
Operating income, net	57	50	226
Revaluation of investment property and investment property under development, net	(16)	(17)	113
General and administrative expenses	(13)	(16)	(59)
Sales and Marketing Expenses	(1)	-	(6)
Other expenses, net	(2)	-	(85)
Management fees from related companies	1	1	3
Income from subsidiaries, net	82	9	449
Operating profit	108	27	641
Finance expenses	(169)	(318)	(742)
Finance income	41	8	30
Finance income from subsidiaries, net	27	38	146
Profit (loss) before taxes on income	7	(245)	75
Taxes on income (tax benefit)	(2)	1	5
Net profit (loss) attributed to the Company	9	(246)	70

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

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

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
Net profit (loss) attributed to the Company	9	(246)	70
Other comprehensive income (loss) attributed to the Company (net of tax effect):			
<u>Amounts not subsequently reclassified to profit or loss:</u>			
<u>Amounts classified or reclassified to profit or loss</u>			
Foreign currency translation differences of foreign operations	90	(53)	123
Exercise of foreign currency translation reserve attributable to subsidiaries previously consolidated	-	-	31
Other comprehensive income (loss) attributed to the Company	90	(53)	154
Other comprehensive income (loss) attributed to the subsidiaries	(22)	522	(389)
Total other comprehensive income (loss) attributed to the Company	68	469	(235)
Total comprehensive income (loss) attributed to the Company	77	223	(165)

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

Financial Information from the Condensed Consolidated Statement of Cash Flows attributable to the Company

	Three months ended March 31		Year ended December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
<u>Cash flows from operating activities of the Company:</u>			
Net profit (loss) attributed to the Company	9	(246)	70
<u>Adjustments for presentation of statement of cash flows from the Company's ongoing operations:</u>			
<u>Adjustments to profit and loss items of the Company:</u>			
Depreciation	-*)	1	2
Finance expenses, net	101	272	566
Revaluation of investment property and investment property under development, net	16	17	(113)
Adjustments to profit and loss items of the Company:	(82)	(9)	(449)
Cost of share-based payment	-*)	-	2
Other expenses (income), net	2	-	85
Taxes on income (tax benefit)	(2)	1	5
	<u>35</u>	<u>282</u>	<u>98</u>
<u>Changes in the Company's asset and liability items:</u>			
Decrease (increase) in trade receivables and other receivables	(80)	47	(108)
Decrease in inventory of offices	15	-	104
Decrease in trade and other payables	(14)	(83)	(86)
	<u>(79)</u>	<u>(36)</u>	<u>(90)</u>
<u>Cash paid and received during the period by the Company for:</u>			
Interest paid	(92)	(82)	(377)
Interest received from subsidiaries, net	27	30	292
Taxes paid	-	-	(3)
Dividend received from subsidiaries	316	-	-
	<u>251</u>	<u>(52)</u>	<u>(88)</u>
Net cash from (used for) the Company's ongoing operations	<u>216</u>	<u>(52)</u>	<u>(10)</u>

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

Financial Information from the Condensed Consolidated Statement of Cash Flows attributable to the Company

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
<u>Cash flows from investment activities of the Company:</u>			
Proceeds from the sale of investees	-	-	5
Investment in property, plant and equipment and other assets	-	-	(1)
Acquisition, construction, and development of investment property	(52)	(58)	(214)
Proceeds from the sale of investment property net of tax paid	-	485	610
Short-term investments, net	-	-	2
Investments in subsidiaries, net	(686)	-	(227)
Receipt (provision) of loans from subsidiaries, net	(307)	13	(252)
Repayment of loans provided	1,315	-	-
Grant of long-term loans	-	-	(19)
Proceeds from sale of financial assets, net	-	-	1
Net cash provided by (used for) investment activities of the Company	<u>270</u>	<u>440</u>	<u>(95)</u>
<u>Cash flows from the Company's financing activities</u>			
Exercise of share options into shares	-*)	-*)	-*)
Acquisition of treasury shares	(85)	-	(165)
Dividend paid to Company shareholders	-	-	(73)
Issue of debentures less issue expenses	-	-	1,937
Repayment and early redemption of debentures	(685)	(74)	(1,527)
Withdrawal (repayment) of short-term lines of credit from banks, net	310	(288)	(47)
Repayment of long-term loans	(194)	(23)	(153)
Receipt of long-term loans	176	-	85
Net cash from (used for) the Company's financing operations	<u>(478)</u>	<u>(385)</u>	<u>57</u>
Exchange differences for cash balance and cash equivalents	3	3	(4)
<u>Increase (decrease) in cash and cash equivalents</u>	<u>11</u>	<u>6</u>	<u>(52)</u>
<u>Cash and cash equivalents at the beginning of the period</u>	<u>71</u>	<u>123</u>	<u>123</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>82</u>	<u>129</u>	<u>71</u>

*) 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 information.

Financial Information from the Condensed Consolidated Statement of Cash Flows attributable to the Company

	Three months ended		Year ended
	March 31		December 31
	2026	2025	2025
	Unaudited		Audited
	NIS million		
<u>Significant non-cash activities of the Company:</u>			
Dividend payable	28	25	-
Dividend received from a subsidiary against repayment of loans from a subsidiary	-	-	20
Issue of debentures against receivables	-	304	-
Reimbursement of investment in a subsidiary	-	-	71
Dividend receivable from consolidated subsidiaries	-	-	262
Distribution of a dividend in kind	-	-	76

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

Additional Details to the Separate Financial Information

A. General

1. This separate financial information was drafted in a condensed format as at March 31, 2026 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, 2025, and for the year then ended and their accompanying notes, as approved by the Company's board of directors on March 16, 2026, and in conjunction with the condensed interim consolidated financial statements as at March 31, 2026.
2. As at March 31, 2026, (the "Reporting Date") the Company had working capital deficit in the amount of NIS 1.5 billion. The Company and its wholly owned subsidiaries have unused approved credit facilities for an amount of NIS 1.0 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 information concerning the effect of the Swords of "Iron war", "Rising Lion" operation, "Roar of the Lion" operation, and the current security and political situation in Israel, see Note 1D to the consolidated financial statements.

B. Significant events during the Reporting Period

1. In the reporting period the Company bought back NIS 640 million par value debentures (Series L, M, N, O, P, R, and U), for a total consideration of NIS 675 million. Following the buyback, the Company recognized an early redemption gain in the amount of NIS 32.1 million. The buyback debentures were canceled and delisted.
2. In the reporting period, the Company bought back 9.4 million shares of the Company for NIS 84.9 million. The acquired shares are treasury shares.
3. In the reporting period, the Company announced the distribution of a dividend at NIS 0.16 per share (total amount of NIS 28 million) which was paid on April 28, 2026.
4. For further information regarding the results of the tender offer to purchase all minority shares of CTY, see Note 3B2 to the consolidated financial statements.
5. In March 2026, subsequent to publication of the results of the tender offer to acquire the minority shares of CTY, S&P Maalot removed the Company's ratings from the watch list with negative outlook, ratified the existing rating, and revised the rating outlook to stable.
6. In January 2026, 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. In its response to the letter, the Company rejected the allegations raised therein. Nonetheless, the applicant filed a motion with the District Court for disclosure of documents prior to submitting a motion to certify a derivative claim, and in May 2026 the Company filed its response with the court

Additional Details to the Separate Financial Information

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:

	March 31, 2026		March 31, 2025		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	NIS million					
Debentures (Level 1)	9,418	9,267	9,714	9,620	10,123	9,718
Loans from banks and others (Level 2)	2,322	2,236	2,288	2,105	2,289	2,210
	<u>11,740</u>	<u>11,503</u>	<u>12,002</u>	<u>11,725</u>	<u>12,412</u>	<u>11,928</u>

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, 2025. 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

- On May 25, 2026, the Company announced a dividend in the amount of NIS 0.20 per share (a total amount of NIS 34.3 million), payable on June 16, 2026, to the shareholders of the Company as at June 8, 2026.
- Subsequent to the reporting date date, the Company bought back NIS 66 million par value Debentures (Series L, M, N, and P), for a total consideration of NIS 71.7 million. Following the buyback, the Company is expected to recognize an early redemption gain in the amount of NIS 3 million. The buyback debentures were canceled and delisted.
- Subsequent to the reporting period, the Company acquired 5.2 million shares of the Company for consideration of NIS 66.6 million. The acquired shares are treasury shares.
- Further to the provisions of Note 9G to the consolidated financial statements as at December 31, 2025, with regard to the disposal of three income-producing properties in Poland with aggregate value (as of September 30, 2025) of EUR 456 million through their sale to Orion Retail Properties Ltd. ("Orion"), in April 2026 the Company increased the guarantee it had provided to a financial institution with regard to Orion's currency-hedging transaction, by EUR 9 million. In addition, in April 2026 the Company's Board of Directors approved a commitment to extend a loan to Orion, should Orion be required to pay any amounts to the Polish tax authorities in respect of withholding tax for the years 2021 and 2022. The loan will be repaid in full at the earlier date of either January 31, 2031; or the date of termination of the property management agreement between the parties.

**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.

In the annual report regarding the effectiveness of the internal control over the financial reporting and disclosure that is attached to the periodic report for the period ended December 31, 2025 (“the Latest Annual Report on Internal Control”), the Board of Directors and management assessed the Company’s internal audit. Based on this assessment, the Company’s board of directors and management concluded that the foregoing internal audit, as at December 31, 2025, is effective.

As at 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 expressed in the Latest Annual Report on Internal Control.

As at reporting date, based on the assessment of effectiveness of the internal audit in the Latest Annual 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' Declaration

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 first quarter of 2026 (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 Periodic 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.

May 25, 2026

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 most senior officer in the finance area

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 first quarter of 2026 (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) (c) No event or matter that occurred during the period from the last Periodic 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.

May 25, 2026

Gil Kotler, CFO



Shape the future
with confidence

May 25, 2026

Kost Forer Gabbay & Kasierer Tel: +972-3-6232525
144 Menachem Begin Road, Tel Aviv, 6492102 Fax: 972-3-5622555
ey.com

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 May 25, 2026, concerning the condensed consolidated financial information of the Company as at March 31, 2026 and for the three months then ended.
- 2) The Auditors' special report dated May 25 2026, on the separate financial information of the Company as at March 31, 2026, and for the three months then ended, pursuant to Regulation 38C of the Securities Regulations (Periodic and Immediate Reports), 1970.

Kost Forer Gabbay & Kasierer
Certified Public Accountants