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Q2 2024 results - Amot continues to deliver operating income growth and momentum across the business

Financial performance for Q2 2024:

- Q2 2024 NOI increased by about 2.3% versus the prior year quarter, amounting to ILS 259 million
- Same Property NOI in Q2 2024 increased by about 2.2% versus the prior year quarter, amounting to ILS 255 million
- Q2 2024 FFO per management approach increased by about 1% versus the prior year quarter, amounting to ILS 206 million
- Q2 2024 Net Profit amounted to ILS 166 million, compared to ILS 213 million in the prior year quarter. The decrease is a result of higher valuation scopes during the prior year quarter, and of an increase in financing expenditures relative to the corresponding quarter due to a higher Index
- During Q2 2024, the company signed a long-term agreement with Alphabet - the global technology company - to rent about 60 thousand sqm in the ToHa2 project at a fee of about ILS 115 million per year (shell and core) from Q1 2027. This constitutes a significant milestone in the company's strategic plan
- The occupancy rate at end of Q2 2024 is high at 93.2% (unchanged from end of Q1 2024)
- Strong pipeline of properties both under construction and for future development
- Dividend distribution for Q3 2024 will be circa ILS 127 million (27 Agorot per share)
- NOI and FFO guidance for FY 2024 are reiterated, with a narrowing of the forecast range for NOI towards the upper end of the previously stated forecast and a small increase in the forecast range for FFO

Shimon Abudarham, CEO of Amot: "We conclude another quarter with continued growth in NOI and FFO while retaining high occupancy rates in our projects, despite the effects of the ongoing war and high interest rates. Over the course of this quarter, we signed a very significant contract with Google in the ToHa2 project, supporting our strategy – according to which, high-quality properties in the Tel Aviv CBDs with high transportation accessibility, will continue demonstrating strength. We believe that high demand at the HaShalom CBD in Tel Aviv will continue for the long term, and so, in the beginning of the year, we conducted another transaction to acquire land in this strategic location to support the Company's continued growth in the coming years. We continue to advance per our long-term plans in projects under performance and we are meeting the schedules that we have set – despite the effects of the war and the workforce shortages in the economy.

Amot has a diverse portfolio of properties, including offices, logistics, commerce, and supermarkets. Our properties in the logistics and industry field encompass built 518,000 sqm, constituting about 29% of our total portfolio, and benefit from high and steady levels of occupancy.

Our many years of investment in our properties, and our capabilities to provide our clients with a holistic, optimal solution for construction and routine maintenance of properties, provide us with a substantial advantage in the market. Our high financial robustness and broad flexibility will continue to support the Company's growth and our meeting of the goals of our strategic plan."

Summary of Data for Q2 2024:

	% Change 2023/24	H1 2024	H1 2023	% Change 2023/24	Q2 2024	Q2 2023	2023
NOI	3%	514	499	2%	259	253	1,004
Net Profit	(2%)	315	323	(22%)	166	213	683
FFO per management's approach	1%	408	403	1%	206	204	803
FFO per share (Agorot)	1%	86.6	85.8	1%	43.7	43.4	170.7
Nominal FFO	22%	244	200	(27%)	66	91	530
Weighted quantity of shares, N.V.		471,101	469,943		471,500	470,079	470,076
Increase in Index over the period		1.90%	2.46%		1.60%	1.38%	3.34%

Key data for Q2 2024 (per consolidated, expanded reports):

- **Over the course of H1 2024, 236 new contracts were signed, including option exercising and contract renewals, at a scope of 94 thousand sqm and annual rental fees totaling ILS 95 million (an increase of 1% as a weighted average).**
- **NOI over the quarter** increased by about 2.3%, totaling at about ILS 259 million, compared to about ILS 253 million in the corresponding quarter. The increase is largely a result of growth in same property revenues.
- **Same Property NOI over the quarter** increased by about 2.2%, totaling at about ILS 255 million, compared to about ILS 250 million in the corresponding quarter.
- **FFO per the management's approach over the quarter** increased by about 1%, totaling at about ILS 206 million, compared to about ILS 204 million in the corresponding quarter. The increase is largely a result of the increase in NOI, offset from an increase in real interest expenditures and an increase in ongoing tax expenditures.
- **FFO per share over the quarter** totaled at 43.7 Agorot, compared to 43.4 Agorot in the corresponding quarter.
- **Net profit over the quarter** totaled at about ILS 166 million, compared to about ILS 213 million in the corresponding quarter – a decrease of about 22%. The decrease is a result of higher valuations in the corresponding quarter and of an increase in the expenses of inflation linkage differences compared to the corresponding quarter due to the higher index of the quarter.

- **Total value of investment real estate (both performing and under construction) for 30.06.2024** totaled at about ILS 19.9 billion. **The occupancy rate for 30.06.2024** is high, standing at about 93.2%,neutralizing assets populated for the first time 95.9%. In the beginning of 2024, two properties were realized for a total consideration of about ILS 178 million, and the upper logistics center at Beit Shemesh was reclassified as a performing property.
- **Equity capital attributed to shareholders for 30.06.2024** totaled at ILS 8.81 billion (equity capital of ILS 18.69 per share), compared to ILS 8.84 billion for 31.12.2023 (equity capital of ILS 18.78 per share). This decrease is a result of the overall profit for the period, with the distribution of a dividend offset.
- **At the time the report was published, the company's cash balances are at a scope of about ILS 400 million, and it has unused credit facilities of about ILS 1.05 billion.**
- The Company's properties are not encumbered (with the exception of properties co-owned with partners, about 2% of the total value).
- **Net financial debt** at the balance date is about ILS 9 billion, constituting about 45% of the balance sheet total (neutralizing cash and cash equivalents).
- **Cap Rate –** the weighted return rate derived from performing investment real estate at the end of the period is 6.45%.
- **Amot has 6 projects under construction, of which the Company's share is 201 thousand sqm. The expected total scope of investment in these projects is about ILS 3.4 billion (Company's share):** ToHa2, Amot Modi'in, Ha'Lehi complex at Bnei Brak, Jerusalem K Complex, Beit Shemesh Logistics Center and an additional office building at (Building D) at the Amot Park Afek Complex. **Additionally, the Company has three additional projects in planning stages, the Company's share thereof is 56 thousand sqm.**

Events over the course of the quarter and subsequently:

Under the scope of the Company's joint transaction with Gav Yam in the ToHa2 project, an agreement with Google Israel was signed in June. Per this agreement, Google will rent about 60 thousand sqm in the upper part of the tower, as well as a few hundreds of parking spaces, for a rental period of 10 years (with a one-time right of exit after 5 years), in consideration of a total rental fee of about ILS 115 million per year (shell and core) (companyws share-50%))The rental period shall commence in Q1 2027, when the project's construction is complete

The following is the Company's forecast for its key operational results for 2024 - The company narrows the forecast range for NOI and raises the forecast range for FFO

	1-6/2024 Actual	Update forecast 2024	Original forecast 2024	2023 Actual
NOI (In ILS millions)	514	1,020-1,040	1,000-1,040	1,004
Real FFO (In ILS millions)	408	800-820	775-805	803
FFO/per share (in Agorot)	86.6	170-174	165-171	170.7

Dividend

In 2024, the Company intends to distribute a minimum annual dividend at a total of 108 Agorot per share, to be paid in four quarterly installments of 27 Agorot per share, subject to a specific decision by the Board of Directors at the end of each Quarter. Accordingly, in August 2024, the Company declared the distribution of a dividend for Q3 of the year, at a total of about ILS 127 million (27 Agorot per share), to be paid in August.

About Amot

Amot Investments, of the Alony Hetz Group, is one of Israel's largest, leading performing real estate companies. The Company's shares are included in the Tel Aviv 35 Index and in the Tel Aviv Real Estate Index. Amot holds 113 performing properties in Israel, with a total area of 1.85 million sqm. The majority of the Group's properties (90%) are situated in major cities in the center of Israel and in high-demand areas, and their occupancy rates are high. The value of 49% of the performing properties derives from offices, 29% from logistics and industrial parks, 17% from commerce, 5% from supermarkets. The Company has 6 projects under construction, spanning about 201 thousand sqm (including: ToHa2, a business and commerce complex at Ha'Lehi street and the K complex at the entrance to Jerusalem), and 3 properties in planning and initiation phases, spanning of about 56 thousand sqm.

Among the Company's prominent properties: ToHa1 (Totzeret HaAretz Complex), Amot Atrium Tower, Amot Holon Campus, Amot Tower, Beit Amot Mishpat, Beit Amot Bituach, Tzrifin Logistics Park, Teva's logistics center at Shoham, Shufersal's Online Center at Modi'in, Kiryat Ono Mall, Arim Mall Kfar Saba, Center Galilee Rosh Pina, Power Center B7 at Be'er Sheva, and a portfolio of about 35 supermarkets countrywide.