קשרי משקיעים
Investor Relations

AMOT

AMOT INVESTMENTS LTD

May 17, 2022

Amot concludes Q1 2022 with strong results and growth in all operating parameters

- **NOI in Q1 2022 grew by approximately 24% compared to the equivalent quarter of last year and amounted to approximately NIS 219 million.**
- **Same Property NOI in Q1 increased by approximately 15% compared to the equivalent quarter of last year and amounted to approximately NIS 205 million.**
- **FFO in Q1 amounted to approximately NIS 172 million, constituting an increase of approximately 36% compared to the previous year.**
- **FFO per share in Q1 amounted to 38.0 agorot, an increase of approximately 23% compared to the equivalent period of last year, this being achieved against an increase of 11% in the weighted number of shares.**
- **The company's 2022 forecast: NOI is expected to amount to NIS 860-890 million, FFO is expected to amount to NIS 675-695 million and FFO per share – to 149-153 agorot per share.**
- **15 Derech HaShalom: In May, Amot submitted a bid in a tender by the Tel Aviv Municipality for the purchase of the full lease rights (49 years with an option to extend for another 49 years) in a complex of approximately 3.2 dunams on Derech Hashalom Street in Tel Aviv. As part of the tender, a public envelope procedure was carried out in which it emerged that Amot's bid, in the amount of approximately NIS 261 million, plus VAT, is the highest bid. The complex is designated for employment, residence and commerce. As of the date of publication of the report, the company has not yet received notification from the municipality of its winning the tender.**

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Shimon Abudraham, CEO of Amot: We are concluding the first quarter with strong results and growth in all operating parameters, alongside continued momentum of work in development in all our lines of business. We are continuing the promotion of projects currently in construction and initiation stages at a scope of approximately NIS 4 billion, and are concurrently acting to expand the company's asset portfolio. Recently we won a tender of the Tel Aviv Municipality for the purchase of a lot sized approximately 0.79 acres on Derech HaShalom in Tel Aviv, for NIS 261 million. The complex, designated for residential, employment and commercial uses, is located near the ToHa project. This purchase further entrenches Amot's presence in that strategic location, which benefits from high transportation accessibility and which in the future is expected to position itself as Israel's central business district. In light of the emerging trend of a mixed-use policy, Amot is expected to continue reinforcing its involvement and to take part in the promotion of significant projects combining several different real estate fields.

Alongside the development of the company's core activities, we are continually acting to identify opportunities to enter new lines of business in which yielding real estate plays a significant part."

Summary of the Q1 2022 data (in NIS millions):

	% of change 2020/21	Q1 2022	Q1 2021	2021
NOI	24%	219	177	780
Net profit		195	102	932
Real FFO	36%	172	126	583
FFO per share (agorot)	23%	38.0	30.8	138.9
Weighted quantity of nominal value shares	11%	453,322	409,902	419,750
Increase in index rate during the period		1.2%	0.1%	2.4%

Key data and points for the statement (according to the extended consolidated statements):

- **In Q1 2022, 106 new contracts were signed, including option realizations and contract renewals at a scope of 45 thousand sqm in annual rent of NIS 44 million.**
- **NOI in the quarter** amounted to NIS 219 million, an increase of 24% compared to the equivalent quarter, arising from new properties purchased, from reliefs granted to the tenants of the commercial centers in the equivalent quarter of last year, as well as from properties the construction of which has been completed and which have begun to yield revenue. The NOI in the first quarter of 2022 includes a one-time income of NIS 2.3 million.
- **Same property NOI in the quarter** amounted to NIS 205 million, compared to NIS 177 million in the equivalent quarter of last year. An increase of 15% arising from reliefs granted due to the lockdown to the tenants of the commercial centers in the equivalent quarter of last year and from additional revenues from existing properties. The increase due to additional revenue from existing properties is approximately 4%.

- **FFO in the quarter** amounted to NIS 172 million, compared to NIS 126 million in the equivalent quarter of last year. An increase of approximately 36% arising from an increase of the NOI and from a decrease in the current taxes as a result of the index's effect.
- **FFO per share in Q1** amounted to 38 agorot, an increase of 23% compared to the equivalent quarter of last year, this being achieved against an increase of 11% in the company's weighted number of shares.
- **Net profit in the quarter** amounted to NIS 195 million, compared to NIS 102 million in the equivalent period of last year. The increase arises from an increase of NIS 132 million in fair value in the current quarter, which has been offset due to the increase in linkage differentials expenses for the company's debt.
- **Total value of investment real estate (both yielding and under construction) as of March 31, 2022** amounted to NIS 17.5 billion.
- **The occupancy rate as of March 31, 2022** remains high and stable, 94.9% (98.3% excluding Amot Holon Campus). Please see below regarding the classification of the Amot Holon Campus from an asset under construction to an income-producing asset
- **The equity attributed to the shareholders as of March 31, 2022** amounted to NIS 7.84 billion (equity per share of NIS 17.23), compared to NIS 7.6 billion as of December 31, 2021 (equity per share of NIS 17.17).
- **As of the date of the statement's publication, the company has cash balances and cash value of NIS 300 million and unutilized credit limits of NIS 1,100 million.**
- All of the company's assets are not charged (with the exception of assets co-owned with partners, valued at approximately 2% of the total value).
- **The net financial debt** as of the balance sheet date is NIS 7.6 billion, constituting approximately 43% of the balance sheet amount (after inclusion of cash and cash equivalents).
- **Cap rate –** The weighted rate of return derived from the yielding investment real estate as of the end of the period is 6.09%.

- **Amot has seven projects under construction in which the company's share is 230 thousand sqm. The total expected scope of investment in the projects is in the range of NIS 3.2-3.4 billion (the company's part):** ToHa2, an office tower in Modi'in, HaLehi Complex in Bnei Brak, K Complex in Jerusalem, Vered House in Givatayim, land in Beit Shemesh and Afek Park.

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- **Events during the period:**
- Amot Campus Holon: At the beginning of 2022, the construction of an office building was completed, which includes 60,000 square meters of gross surface area and a 5-story underground parking lot (the company's share is 77.8%). In light of the aforesaid, in the first quarter of 2022, the Company classified the structure of offices from real estate under construction to investment real estate, in the amount of NIS 470 million. The tower is in the initial stages of occupancy and as of the date of publication of the report, contracts have been signed in the amount of approximately 10,300 square meters, which are expected to yield approximately NIS 10 million per year.
- In January 2022, the company issued 11.6 million shares by way of private placement. The gross consideration received for the issue amounted to approximately NIS 302 million.

2022 forecast:

	Actual 1-3/2022	2022 forecast	2021 Actual
NOI (in NIS millions)	219	860-890	780
Real FFO (in NIS millions)	172	675-695	583
FFO per share (in agorot)	38.0	149-153	138.9

Dividend

In March 2022, the company's board determined that **in 2022 the company intends to distribute a minimal annual dividend in the amount of 106 agorot per share**, to be paid out in 4 quarterly installments. 26 agorot per share for the first and second quarters of the year and 27 agorot per share for the third and fourth quarters, subject to a specific resolution by the board at the end of each quarter.

Accordingly, in May 2022 the company announced the distribution of a dividend for the second quarter in the amount of 26 agorot per share (approximately NIS 118.5 million), to be paid out in June 2022.

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About Amot

Amot, of the Alony Hetz Group, is one of Israel's largest and leading yielding real estate companies. The company's shares are included in the Tel Aviv 35 Index and the Tel Aviv Real Estate Index. Amot holds 176[1] yielding properties in Israel, in a total size of 1.8 million sqm. Most of the company's properties (90%) are located in the large cities in the center of the country and in the areas of demand and feature high occupancy rates (approximately 98%). 48% of the yielding properties' value are offices, 28% logistics and industry parks, 18% commercial, 5% supermarkets and 1% other. The company has 7 projects under construction at a scope of approximately 230 thousand sqm (including ToHa2, an office tower in Modi'in, a commercial and employment complex on HaLehi St.) and 3 properties currently being planned and initiated at a scope of approximately 64 thousand sqm.

Among the company's prominent properties: ToHa1 (Totzeret Ha'Aretz Complex), Atrium Tower in Ramat Gan, Tzrifin Logistics Center, Teva's Logistics Center in Shoham, Shufesal's Online Center in Modi'in, Amot Holon Campus, Amot Tower (formerly IBM House), Amot Law House, Amot Insurance House, Kiryat Ono Mall and a portfolio of approximately 35 supermarkets across the country.

[1] Starting Q1 2022, the property Amot Holon Campus has been reclassified from Real Estate Under Construction to Investment Real Estate.