22.02.2022

Amot Concludes Q4 and 2022 with Strong Results and Growth in All Operating Parameters

NOI in 2022 grew by around 19% relative to last year, and amounted to around NIS 931 million

Same property NOI in Q4 grew by around 10% relative to the corresponding quarter, and amounted to around NIS 234 million

FFO in 2022 grew by around 27% relative to last year, and amounted to around NIS 743 million

FFO per share in 2022 amounted to around 160.4 agorot, an increase of around 15% relative to last year, along with growth of around 10% in the Company's weighted number of shares

The Company's forecast for 2023:

NOI is expected to amount to around NIS 970-1,000 million, while FFO is expected to amount to around NIS 770-800 million

Shimon Abudraham, CEO of Amot: "We are concluding a successful quarter and record year with double digit growth in NOI, FFO and the other operating parameters. In 2022, we met the targets according to our long term strategic plan, invested in the improvement of the Company's existing properties and projects under construction, maintained high occupancy rates, and improved the quality of our customer service. We published the Company's forecast for 2023, and for the first time NOI is expected to reach NIS 1 billion, a figure which reflects the Company's strength and robustness.

The office activity continues presenting strong results, and during the quarter we reported the signing of a memorandum of understanding with a major anchor tenant, for the rental of around 55,000 square meters in ToHa2 Tower, in a long term agreement. In the logistics and commercial segments, distributed throughout the country, the activity is strong, and the properties are at full occupancy.

Along with management and rental of revenue-generating real estate at a value of around NIS 16 billion, we are also engaged in the initiation, development, planning and execution of 9 projects in strategic locations, with a total investment of around NIS 3.6 billion (the Company's share).

We will continue strengthening the Company and focusing on high-quality revenue-generating real estate activity for office, logistical and commercial purposes in Israel, while taking into account the various developments in the business environment. The core activities will support the Company's continued growth in the coming years.

Summary data for Q4 and 2022:

	% change 2021/22	2022	2021	% change 2021/22	Q4 2022	Q4 2021
NOI	**19%**	**931**	**780**	**14%**	**243**	**213**
Net profit		**1,171**	**932**		**476**	**618**
Real FFO	**27%**	**743**	**583**	**20%**	**196**	**163**
FFO per share (agorot)	**15%**	**160.4**	**138.9**	**13%**	**41.7**	**37**
Weighted number of shares par value	**10%**	**463,438**	**419,750**	**10%**	**463,438**	**419,750**
Increase of CPI during the period		**5.30%**	**2.40%**		**0.9%**	**0.2%**

Main data in the report (according to the extended consolidated reports):

- **99 new contracts were signed during the fourth quarter, including exercised options and contract renewals at a scope of 38 thousand square meters, for annual rent in the amount of NIS 48 million (a weighted average increase of 7%). 407 new contracts were signed in 2022, including exercised options and contract renewals at a scope of 150 thousand square meters, with annual rent in the amount of NIS 164 million (a weighted average increase of 11%).**

- **NOI during the quarter** increased by around 14%, and amounted to around NIS 243 million, as compared with around NIS 213 million in the corresponding quarter. The growth was due to newly acquired properties, the growth in existing properties, and the increase in revenue with respect to areas whose construction concluded.
- **Same property NOI during the quarter** amounted to around NIS 234 million, as compared with around 213 million in the corresponding quarter, an increase of around 10%.
- **FFO during the quarter** grew by around 20%, and amounted to around NIS 195 million, as compared with around NIS 163 million in the corresponding quarter. The growth was due to the increase in NOI and the decrease in current taxes due to the impact of the CPI.
- **FFO per share in the fourth quarter** amounted to 41.7 agorot, growth of around 13% relative to the corresponding period, along with growth of 10% in the Company's weighted number of shares.
- **Net profit** during the quarter amounted to around NIS 476 million, as compared with around NIS 618 million in the corresponding quarter. The change was mostly due to the increase in fair value of around NIS 459 million in the current quarter, as compared with around NIS 618 million in the corresponding quarter
- **The total value of investment property (revenue-generating and under construction) as of December 31, 2022** amounted to around NIS 19 billion. The occupancy rate as of December 31, 2022 was high, at 94.4%.
- Shareholders' equity as of December 31, 2022 amounted to a total of NIS 8.77 billion (equity per share of NIS 18.68), as compared with NIS 7.6 billion as of December 31, 2021 (equity per share of NIS 17.17).
- **As of the publication date of the report, the Company had balances of cash and cash equivalents in the amount of around NIS 1,096 million, and unused credit facilities in the amount of around NIS 1.1 billion.**
- The Company's properties are unpledged (except for properties owned with partners, around 2% of the total value).
- **Net financial debt** as of the balance sheet date was around NIS 7.8 billion, representing around 41% of the total balance sheet (after neutralizing cash and cash equivalents).
- **Cap rate** - The weighted rate of return derived from revenue-generating investment property as of the end of the period amounted to 6.20%.
- **Amot has 6 projects under construction, in which the Company's share amounts to 223 thousand square meters. The total expected scope of the investment in projects under construction is around NIS 3 billion (the Company's share):** ToHa2, the office building in Modiin, HaLechi complex in Bnei Brak, K complex in Jerusalem, the logistics center in Beit

Shemesh, and another office building (Building D) in Amot Park Afek complex. **The Company also has 3 additional projects in planning stages, in which the Company's share is around 57 thousand square meters.**

- **Events during and after the quarter:**
- ToHa2:In November, the Company announced that it had engaged with a third party in a letter of intent for the rental of around 55 thousand square meters (including an option for an additional around 20 thousand square meters), for a 10 year period beginning in January 2027, in consideration of annual rent in the amount of around NIS 105 million (with respect to the area on a core and shell basis, the Company's share - 50%).
- In December 2022, the Company raised debt by way of an extension of bond series D, E and H at a scope of NIS 1,040 million par value, and for a total net consideration of NIS 990 million. The bonds bear weighted effective interest at a rate of 2.6%, and have a weighted average lifetime of 6.7 years.
- **Presented below is the Company's forecast regarding the Company's main operating results in 2023**

	Forecast 2023	Actual 2022	Updated forecast 2022
NOI (Millions of NIS)	970-1,000	931	Around 930
Real FFO (Millions of NIS)	770-800	743	Around 740
FFO per share (in agorot)	163-169	160.4	Around 159

Dividend

With respect to 2022, the Company distributed dividends in the amount of around NIS 494 million (106 agorot per share). The Company also announced another dividend with respect to 2022, in the amount of around NIS 132 million (28 agorot per share).

In 2023, the Company intends to distribute minimum annual dividends in the amount of 106 agorot per share, to be paid in 4 quarterly payments, subject to a specific resolution of the board of directors at the end of each quarter.

Accordingly, in February 2023, the Company announced a dividend distribution for the first quarter of 2023 in the amount of around NIS 127 million (27 agorot per share), which will be paid in March 2023.

About Amot

Amot Investments, a member of Alony Hetz Group, is one of the leading and largest revenue-generating real estate companies in Israel. The Company's stock is included on the Tel Aviv 35 Index and on the Tel Aviv Real Estate Index. Amot holds 176[1] revenue-generating properties in Israel, with a total area of 1.85 million square meters. Most of the Group's properties (91%) are located in large cities in Central Israel, and in high demand areas with high occupancy rates. 49% of the value of the revenue-generating properties represent offices; 28% logistics and industrial parks; 17% commercial; 5% supermarkets; and 1% others. The Company has 6 projects under construction at a scope of around 223 thousand square meters, including ToHa2, the commercial and office complex on HaLechi St., and HaLechi complex at the entrance to Jerusalem), as well as 3 properties in planning and initiation stages, with a total area of around 57 thousand square meters.

The Company's major properties include ToHa1 (Totzeret Ha'aretz complex), Amot Atrium Tower in Ramat Gan, Amot Holon Campus, Beit Amot Mishpat, Amot Insurance House, the logistics park in Tzrifin, the Teva logistics center in Shoham, Shufersal's online center in Modiin, Kiryat Ono Shopping Mall, Arim Kfar Sabba Shopping Mall, Center HaGalil Rosh Pina, Power Center B7 in Beer Sheva, and a portfolio of around 35 supermarkets throughout the country.