

November 22, 2020

ADGAR PUBLISHES THIRD QUARTER RESULTS FOR 2020

**NOI amounted to about NIS 57.1 million, an increase of 4% compared with last year
FFO for Shareholders amounted to about NIS 21.1 million, an increase of 11% compared
with last year**

**Equity attributed to the Shareholders amounted to about NIS 1.2 billion
as of September 30, 2020, approximately NIS 7.9 per share**

**It was decided to distribute a quarterly dividend in the amount of NIS 10.6 million,
which represents an annual return of approximately 5.4%.**

**After the reporting period, Migdal announced the exercise of the conversion right of
approximately 20% of their holding in operations in Poland in favor of Adgar shares.**

**In the Company's estimation, completion of the move is expected to increase
Shareholders' equity by about NIS 90 million and contribute to an improvement in
the annual FFO by an additional NIS 4-5 million.**

**The Company approves the NOI and FFO forecast for the years 2020-2021 (excluding
the Migdal transaction)***

2020	2021	
	NIS millions	
NOI forecast	255-260	225-230
FFO forecast*	90-95	75-80

FFO forecast *: The forecast is based on a return to activity in the various markets in which the Company operates and does not take into account other significant restrictions following the re-emergence of the virus, as well as the effect of possible changes such as changes in exchange rates and changes in financing expenses following future changes in interest rates. **(Regarding Forward-Looking Information see note at the bottom of the page)**

Roy Gadish, Company CEO, said: "We are summing up a good quarter with growth in all operating parameters. The results are further evidence of the quality of the tenants and the quality of the Company's properties which continue to demonstrate impressive stability, despite the Corona crisis we continue to act in accordance with the work plan in order to adapt the properties to the changing reality and the needs of the tenants, such as the "BRAIN EMBASSY" brand, which provides a creative and quality solution for the tenants even in a period of uncertainty that we are experiencing".

Highlights of the Results

- **Revenues from rental properties amounted in the third quarter** to about NIS 60.7 million, an increase of about 4% compared with NIS 58.2 million in the corresponding quarter last year. The increase is mainly due to occupancy of Edgar 360C, whose construction was completed at the beginning of the year, as well as increases in occupancy rates in Canada together with the acquisition of a new property at the end of the second quarter. This was despite the effect of exchange rates which offset revenues relative to the same period last year.
- **NOI for the quarter** amounted to about NIS 57.1 million, an increase of about 4% compared with NIS 55.1 million in the corresponding quarter last year.
- **FFO for the quarter** amounted to about NIS 21.1 million, an increase of about 11% compared with about NIS 19 million in the corresponding quarter last year, in light of the increase in NOI for the quarter.
- **Profit attributed to Shareholders in the quarter** amounted to about NIS 2.6 million, compared with a profit of about NIS 55.8 million recorded in the corresponding period last year. The decrease is mainly due to the fact that the Company did not record revaluations in the current quarter compared with a positive revaluation of approximately 33.2 recorded in the corresponding quarter last year, and also due to revaluation of hedging transactions that the Company executes to reduce exposure to exchange rate changes partly presented in financing expenses of the Company (the balance of the effect of exchange rates as reported in other comprehensive profit / loss).
- **The comprehensive profit attributed to Shareholders in the quarter** amounted to about NIS 17.6 million, compared with a comprehensive profit of about NIS 20.7 million last year.
- **Equity attributed to the Shareholders** amounted to about NIS 1,207 million as of September 30, 2020, approximately NIS 7.9 per share, compared with about NIS 1,271 million (approximately NIS 8.35 per share) as of December 31, 2019.
- **Cash flow from operating activities in the third quarter of 2020** amounted to approximately **NIS 11.7 million, similar to the corresponding period last year.**
- **The cash and cash equivalents position** as of September 30, 2020 amounted to about NIS 270.6 million. In addition, the Company has unutilized credit facilities in the amount of NIS 315 million.
- **Investment real estate** (including real estate under construction) - During the first nine months of the year, the Company invested approximately NIS 213 million, of which a total of approximately NIS 124 million in respect of the purchase of a new property in the Canadian subsidiary, and about NIS 23 million in respect of the property under construction at 33 Eyal Street, Petah Tikva. In addition, impairments of approximately NIS 71.6 million were recorded in the first half of the year. In addition, during the reporting period, there was an increase in the exchange rate of the euro against the shekel by about 3.8% and, on the other hand, a depreciation of the Canadian dollar against the shekel by about 3.2%. These changes resulted in a net decrease in this item, in the amount of approximately NIS 7 million .

About the Company

Adgar Investments and Development Ltd. is the real estate investment arm of the Tzur Shamir Holdings Group Ltd. Adgar operates in the field of income-producing real estate and specializes in the acquisition, development and improvement of real estate properties. The Company has extensive international operations spread over 4 countries: Canada (mainly Toronto), Israel, Belgium and Poland (Warsaw). The Company owns properties with a total value of about NIS 4 billion, and it operates from time to time in

entrepreneurial activities, by way of improving existing properties and constructing new office buildings for rent.

*) The information is forward-looking information whose realization is uncertain and may differ materially, inter alia, due to factors that are not dependent of the Company. **The forecast does not take into account possible effects of the Corona virus outbreak on Group operations.**

For further details:

Tomy Meltzer
Investor Relations Ltd.
Tel: 03-5167620
Tomy@km-ir.co.il
www.km-ir.co.il