



GAZIT GLOBE  
GROUP

# FINANCIAL RESULTS SECOND QUARTER 2021

AUGUST 2021

GREAT THINGS HAPPEN WHEN  
YOU OWN GREAT REAL ESTATE

# DISCLAIMER

This presentation may include forward-looking statements as defined in section 32A of the Securities Law, 1968, including forecasts, evaluations, estimates, financial and operational data that refers to future events whose fulfillment is not certain and is not under the control of the Company and its investee companies, forecasts and data in respect of projects in planning and development, forecast development timetables, construction costs and future revenues and other financial information, and the impact of the COVID-19 pandemic and the resulting global economic crisis. Such information is based on the Company's subjective evaluation based upon past experience and the professional knowledge the Company has accumulated, using the Company's and its investee companies' existing knowledge, and on the Company's expectations and current estimates concerning future developments and trends, and their expected impact on the Company's operations, as known to the Company at the time of preparation of this presentation.

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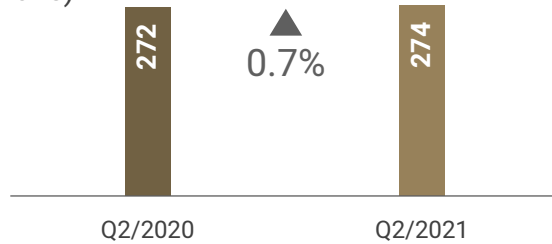


# Second Quarter of 2021

## OPERATIONAL PERFORMANCE – MAIN RESULTS

### Proportionate NOI

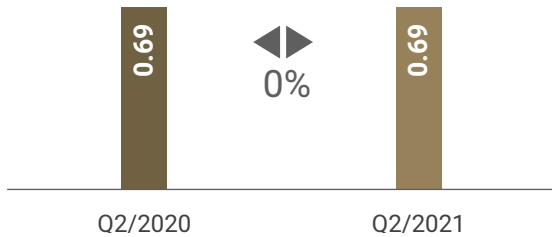
(NIS Millions)



The proportionate NOI increased by approx. 0.7% (at a comparable exchange rate increased by 0.4%) compared to the same period of 2020

### FFO Per Share

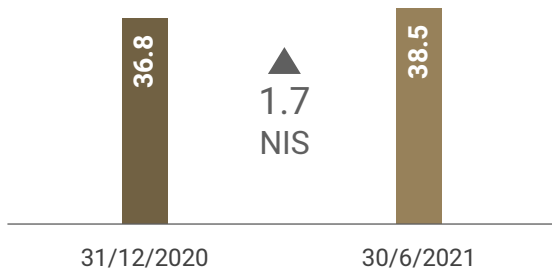
(NIS)



The FFO per share has not changed compared to the same period in 2020

### Equity Per Share

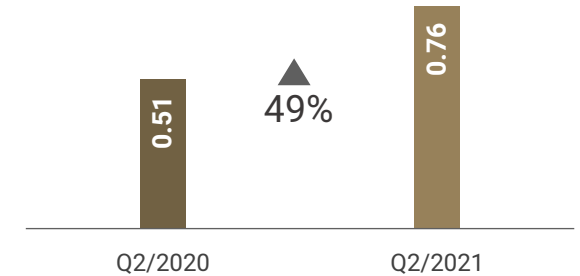
(NIS)



Equity per share increased by approx. NIS 1.7

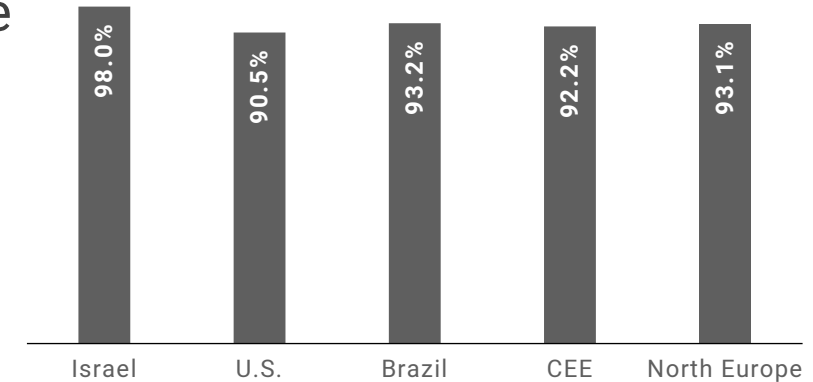
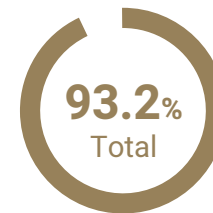
### Operating Cash Flow Per Share

Expanded Solo (NIS)



### Occupancy Rate

As of June 30, 2021



### Liquidity

As of June 30, 2021 (Expended Solo)

2.3  
NIS Billion

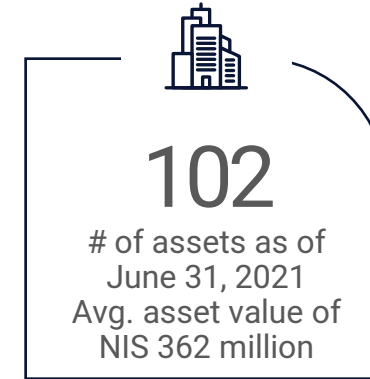
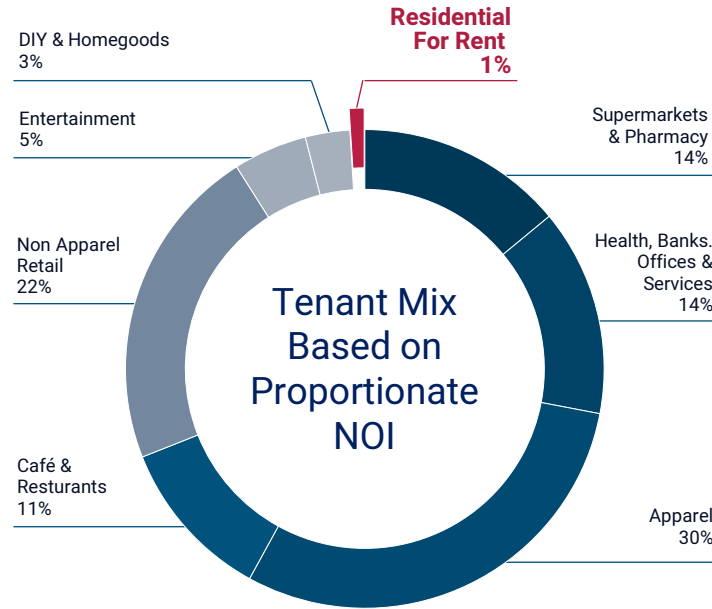
# Development This Quarter and After

- Ⓞ **In Israel** – Construction of G CITY Rishon Lezion has begun.
- Ⓞ **Gazit Horizons** has acquired a residential building including 262 apartments in the center of the business area of Miami, Florida, with an investment of approx. \$102 million, since the acquisition, due to the great demand of residential leasing in the area rent rate has increased by 10%.
- Ⓞ **After the balance sheet date Gazit Horizons** has completed Non-Recourse funding backed by a lease agreement with Home-Depot of an asset in Manhattan at an amount of approx. \$134 million. The new funding replaces a funding that would have caused tax invasion and will generate proceeds on the investment of approx. \$34 million in cash while maintaining full ownership of the property and generating over \$600,000 in free cash flow. As of June 30, 2021, the asset is documented in company books IFRS at \$116 million. The company estimates that a significant increase in value is expected, given the funding it has received and the lease agreement with Home-Depot.
- Ⓞ **The first phase of the IPO in the Sao Paulo Stock Exchange has been successfully completed**, the Company has completed its targeted debt capital raise (in the local currency) of BRL 650 million (NIS 405 million). The offering generated strong demand among Brazilian institutional investors and closed with a spread of 170 basis points over Brazilian government bonds, at an interest rate of 5.89% linked to the Brazilian index (IPCA) with a duration of 9.4 years.
- Ⓞ **Prospectus documents of the IPO in Brazil** has been submitted and the company estimates the IPO is predicted to start the next quarter.
- Ⓞ On August 2<sup>nd</sup>, 2021, Gazit Globe submitted to the board members of Atrium **a non-binding offer to acquire Atrium's minority shareholders** in a price of 3.35 euros per share, a premium of approx. 14.3% over the closing price of Atrium share.

# URBAN ASSET PORTFOLIO PROVIDING DAILY NEEDS AND SERVICES

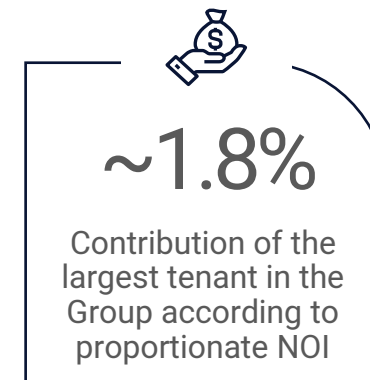
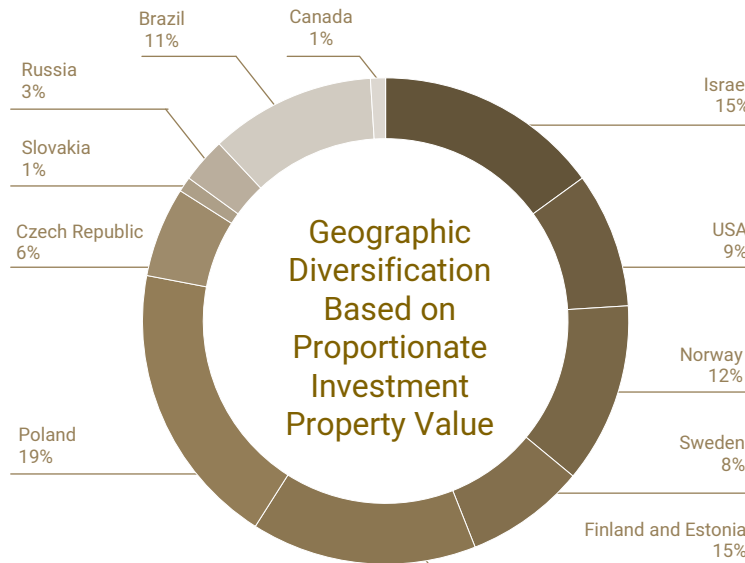


Quality Assets Portfolio that Incorporates Partially Open-Air Assets in Densely Populated Urban Areas, Not relied On Dominant Tenants



80% Of Gazit's Assets Are Located In 16 Metropolitan Areas

- |           |          |
|-----------|----------|
| Prague    | Tel Aviv |
| Stockholm | Boston   |
| Helesinki | New York |
| Sau Paulo | Warsaw   |



# Lockdown Period in Wholly-Owned Companies

(Except Essential Businesses)

## Strong Rebound When Centers Reopened

### Israel

The centers were close for 52 days (29%) throughout the period, cinemas were closed for 147 (81%) throughout the period and were opened on May 27, 2021

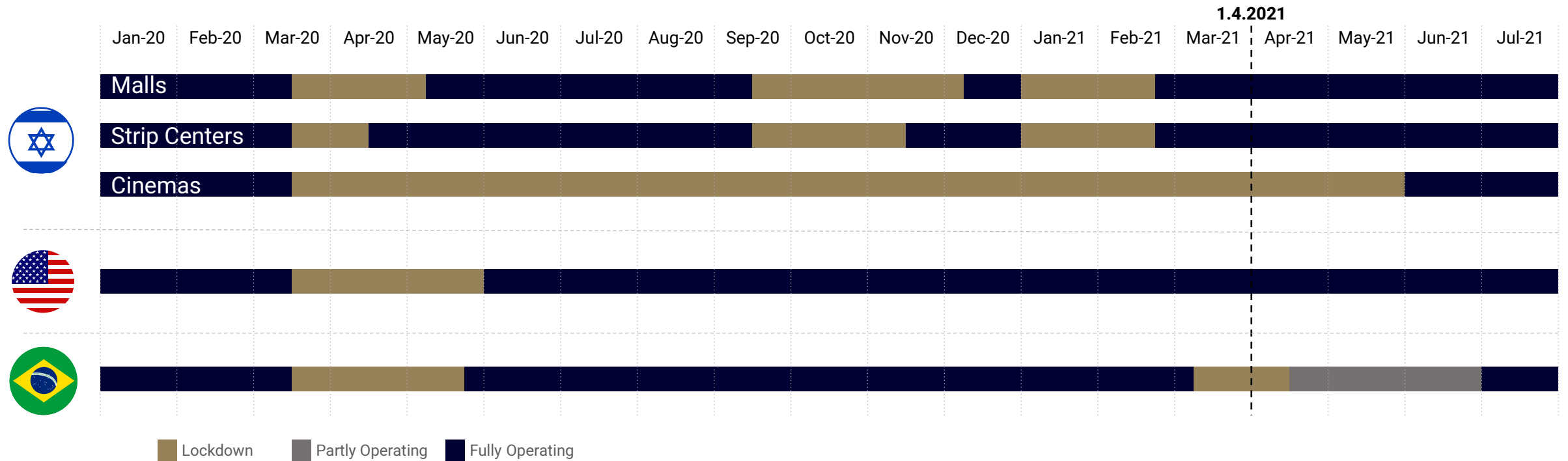
### U.S

The assets were fully operating throughout the whole period

### Brazil, Sao Paulo




The centers were closed from March 6, 2021 and were partly opened on April 18, 2021, as of reporting date the centers are fully operating

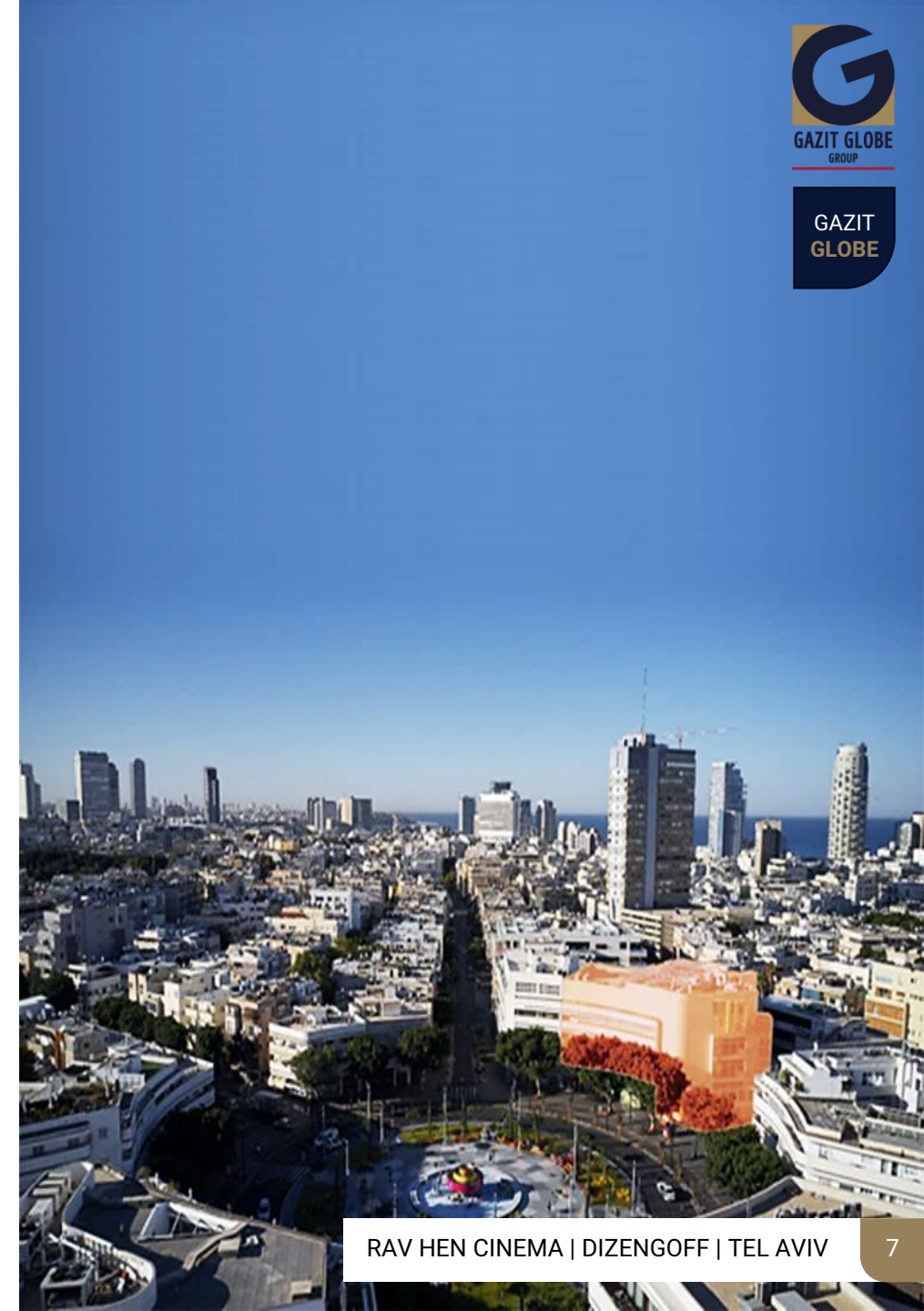
As of the reporting date all centers are fully operating



# Second Quarter of 2021

## Key Items in Wholly Owned Companies

	 <b>Israel</b>	 <b>North America</b>	 <b>Brazil</b>	<b>Total</b>
<b>GLA (SQM)</b>	162,000	113,373	179,000	<b>454,373</b>
<b># of Assets</b>	12	18	7	<b>37</b>
<b>Uses</b>	Commercial, Office & Services	Commercial, Office & Residential	Commercial, Office & Services	-
<b>Occupancy Rate</b>	98.00%	90.50%	93.20%	<b>94.24%</b>
<b>New Lease Agreements, Including Exercise of Options This Quarter (SQM)</b>	10,530	1,264	2,212	<b>14,006</b>
<b>Changes in New Lease Agreements, Including the Exercise of Options</b>	4.6%	4.6%	7.0%	<b>5.0%</b>
<b>Investment Property (NIS Million)</b>	3,257	1,514	2,580	<b>7,351</b>
<b>Investment Property Under Development and Land (NIS Million)</b>	276	825	64	<b>1,165</b>



# Growth Engines

## Projects Under Construction and In Planning Stage (Gross)



The Project	Plan	Gross GLA Area (SQM)	Gazit Globe Share	Completion	Fair Value As of 30.06.21 (100%, Million NIS)	Cost to Complete (100%, Million NIS)	Expected Annual NOI (100%, NIS Million)
<b>Savyon</b>	Expanding commercial and office area: Construction started in June 2021.	5,500	100%	Q4-22	53	37	7-8
<b>Water Plant Kfar Saba</b>	Store and office headquarters of Decathlon and a shopping wing: Final stages of construction towards providing the building during the last quarter this year.	13,100	25.5%	Q4/21-Q4/23	133	102	9.5-10
<b>G City Rishon Lezion</b>	Office Tower: Redevelopment permit has been granted. Excavation and deepening work started during the month of May 2021.	67,000	100%	Q1-26	115	709-754	65-70
<b>G Kfar Saba</b>	Expanding commercial area: The project is in planning and licensing stage.	6,000	51%	Will be updated	12	108-118	8-8.5
<b>G Kfar Saba</b>	Office Tower: City zoning plan has been approved for an office tower. The project is currently at the first stage of planning, the company is looking to change the zoning to a residential tower.	25,500	51%	Will be updated	49	344-364	27-29
<b>Brickell, Miami</b>	Constructing a 48-story tower for mixed uses, a request for extension of rights has been submitted due to the changes in masterplan of Brickell, Miami.	35,000	100%	2025	95	424	31
<b>Market Place, Boston</b>	Adding 9,300 SQM approx. 7 stories of office space above the existing 3-story building.	9,300	65%	2024	-	346	37
<b>Total 100%</b>					<b>457</b>	<b>2,069-2,144</b>	<b>185-196</b>
<b>Company Share</b>					<b>328</b>	<b>1,651-1,711</b>	<b>147-157</b>

The information above includes information regarding projects under planning and construction (including additional projected area, projected time to complete, cost to complete and projected annual NOI), which constitutes a forward Looking Statements, as defined under Israeli Securities Law – 1968. Such information is based on the Company's estimations as of the date of this presentation and might change in the future. For additional information please see page 2 of the presentation.



# Additional & Potential Existing Building Rights

The Company is Engaged In Promotion of City Building Plans In Several Assets In Israel

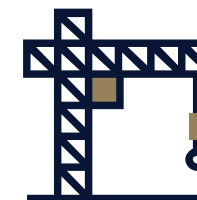
The Project	Location	Used Building Rights	Building Rights in Planning and Construction Stages	Existing Rights That Have Not Yet Been Exercised <sup>(1)</sup>	Building Right in City Building Plan Planning Procedures	Gazit Globe Share	Current and Future Uses
<b>G City</b>	Rishon Lezion	95,300 sqm	64,000 sqm	13,600 sqm	347,100 sqm <sup>(2)</sup>	100%	Mixed-use and Hotels
<b>G Kfar Saba</b>	Kfar Saba	55,300 sqm	31,500 sqm	9,800 sqm	216,100 sqm <sup>(3)</sup>	51%	Mixed-use
<b>Rothschild</b>	Rishon Lezion	20,300 sqm	-	2,500 sqm	12,500 sqm	51%	Mixed-use
<b>Horev</b>	Haifa	18,100 sqm	-	4,000 sqm	12,700 sqm	50%	Mixed-use
<b>Savyon</b>	Savyon	3,300 sqm	5,500 sqm	1,000 sqm	5,700 sqm	100%	Mixed-use
<b>Kochav Hatzafon</b>	Tel Aviv	2,100 sqm	-	-	2,000 sqm	100%	Commercial and Office
<b>Water Plant</b>	Kfar Saba	-	13,100 sqm	3,100 sqm	-	25.50%	Commercial and Office
<b>Remaining Assets</b>	Nationwide deployment	56,900 sqm	-	19,900 sqm	-	22% - 100%	Mixed-use
<b>Total 100%</b>		<b>251,300 sqm</b>	<b>114,100 sqm</b>	<b>53,900 sqm</b>	<b>596,100 sqm</b>		
<b>Total Company's Share</b>		<b>191,600 sqm</b>	<b>89,000 sqm</b>	<b>32,800 sqm</b>	<b>478,000 sqm</b>		

<sup>1</sup>Including rights in facilitations / regulatory approvals / legal proceedings

<sup>2</sup>In accordance with Municipal Policy Document - Complex 109.

<sup>3</sup>In accordance with carrier plans which are promoted by the local council of Kfar Saba.

Rights do not include underground service areas. | The future building rights address the current planning by the company, there may be changes in the planning committee



# Investments In Europe



SANPSHOT  
JUNE 2021

GAZIT  
SHARE 75%

Value in Gazit's  
Books (IFRS)

4.26  
NIS Billion



GAZIT  
GLOBE



Portfolio Value

2.5 Euro Billion



GLA

809<sup>1</sup> Thousand sqm



# of Assets

26<sup>1</sup>



Occupancy  
Rate

92.2%



LTV

26.0%



International  
Investment Credit  
Rating

BBB (Stable) Fitch  
Baa3 (Stable) Moody's



% Unencumbered  
Assets

71%



Cash Balance  
(15/7/2021)

520 Euro Million

Unutilized credit  
facilities

300 Euro Million

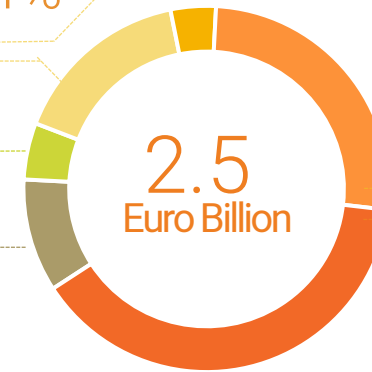
## Portfolio Overview

CZECH  
REPUBLIC 21%

PRAGUE 17%  
OTHER CZECH 4%

SLOVAKIA 5%

RUSSIA 10%



POLAND 64%

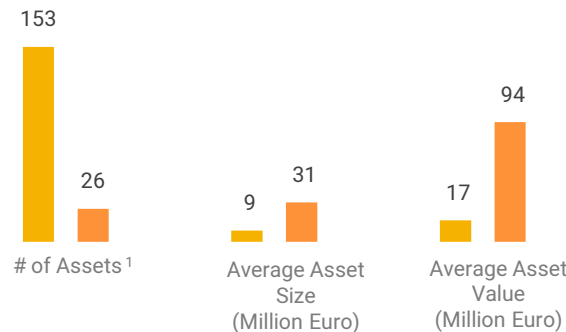
WARSAW 38%

OTHER POLAND 26%

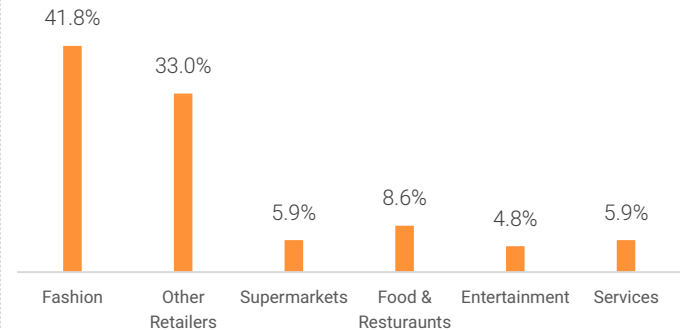
2.5  
Euro Billion

## Assets Rotation

2014 Jun-21



## Tenant Mix Based on GLA



<sup>1</sup> Including asset in shared control

# Investments In Europe



SANPSHOT  
JUNE 2021

GAZIT  
SHARE 49%

Value in Gazit's  
Books (IFRS) 3.50  
NIS Billion



GAZIT  
GLOBE

Portfolio Value 4.5<sup>1</sup> Euro Billion

GLA 1,184<sup>1</sup> Thousand SQM

# of Assets 38<sup>1</sup>

Occupancy Rate 93.1%

LTV 38.9%

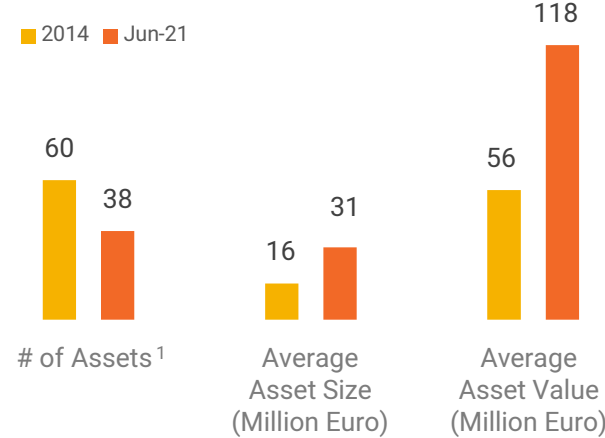
International Investment Credit Rating BBB- (Stable) Fitch  
Baa3 (Stable) Moody's  
BBB- (Stable) S&P

% Unencumbered Assets 88%

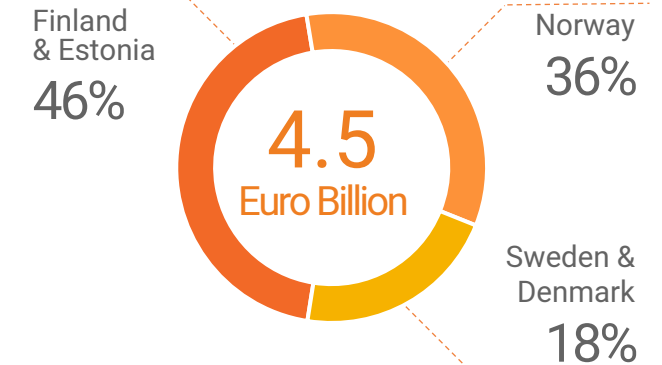
Cash Balance (15/7/2021) 836 Euro Billion

Additional Building Rights In Existing Properties 170 Euro Billion

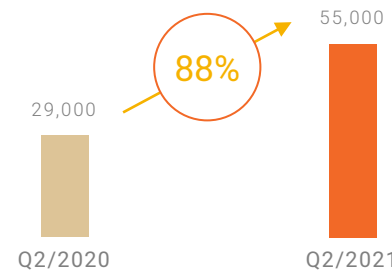
## Assets Rotation and Portfolio Improvement



## Asset Portfolio Composition



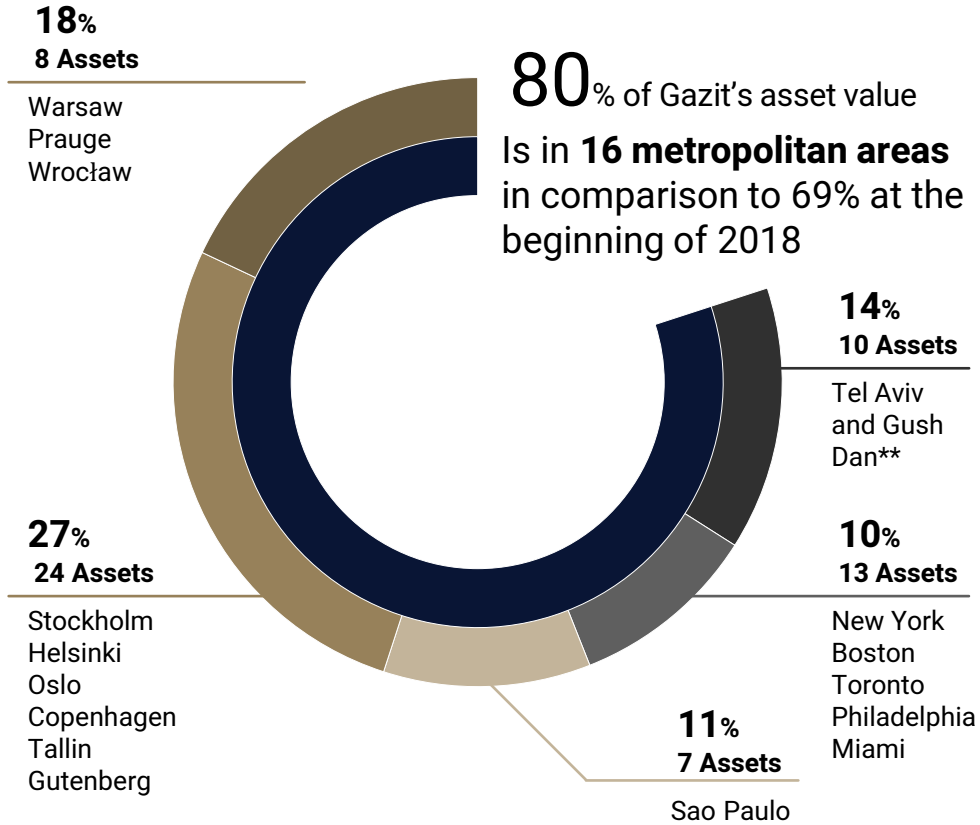
## New Signed Agreements (SQM)



## Tenant Mix Based on Income



<sup>1</sup> Including asset in shared control



## Value Creation Through Acquisition, Development and Increase of Building Rights in Mixed-Use Properties Located in an Urban Location of Densely Populated Areas



**Plans of Residential for Rent Properties**

\*The Company's relative share of the total value of the assets of the subsidiaries.

\*\* Including G. Kfar Saba, G. Rishon Lezion, Savyon and land parcels.



The Company has submitted a draft prospectus for the offering in a way of sales offer in Sao Paulo stock market\*.

**The first phase of the IPO in Sao Paulo stock market was successfully completed,** after the balance sheet date Gazit Brazil for the first time, completed dept capital raise of 650 million BRL (approx. 405 million NIS)

The offering has generated strong demand from Brazilian institutional investors and was closed with a gap of 170 points above the basis of the government bonds, at an interest rate of 5.89% linked to the Brazilian index (IPCA) with a duration of 9.4 years.

## Issued Fund Assets

At a value of approx. BRL 2.7 Billion, approx. NIS 1.8 Billion in company books<sup>1</sup>



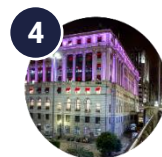
**1**  
**Internacional Shopping**  
80.1% ownership  
GLA: 76k sqm



**2**  
**Mais Shopping**  
Fully Owned  
GLA: 23k sqm



**3**  
**Morumbi Town**  
Fully Owned  
GLA: 31k sqm  
+  
Landbank:  
4,624 sqm



**4**  
**Shopping Light**  
Fully Owned  
GLA: 19k sqm



**5**  
**Prado Boulevard**  
98% ownership  
GLA: 10k sqm  
Located in Campinas

## Non-Issued Fund Assets

At a value of approx. BRL 1.3 Billion, approx. NIS 0.9 Billion in company books<sup>1</sup>



**Cidade Jardim**  
33% ownership  
GLA: 38k sqm



**Top Center**  
Fully Owned  
GLA: 20k sqm



**Paulista 1267**  
Landbank Potential  
GLA: 4k sqm

(1) As of 30/6/2021, Exchange Rate of BRL as of time of translation is 0.656

\*The completion of the offering is not under the company's control and is subject, among other things, to the condition of the market and morbidity status due the covid pandemic and it's effects, in addition its is subject to obtaining the approvals required by law.



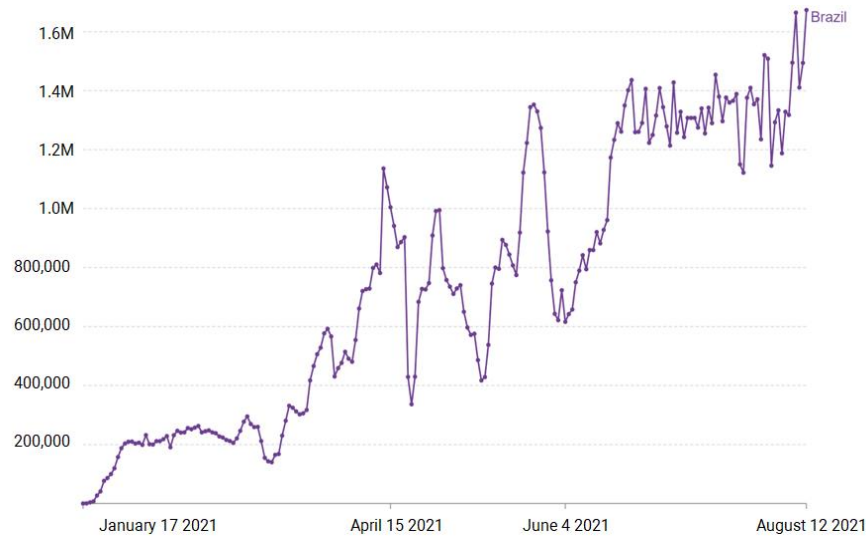
# Brazil

The daily morbidity rate is decreasing, and the vaccination rate is continuing to rise with approx. 1.71 million vaccinations a day (moving avg. 7 days)

**Number of daily new Covid cases to a million residents**  
(moving avg. 7 days)



**Number of daily vaccinations**  
(moving avg. 7 days)



120.2 million residents have received at least one dose of the vaccine  
56% out of the whole population, 75% above the age of 18

50.2 million residents have received two doses of the vaccine  
24% of the population, 31% above the age of 18

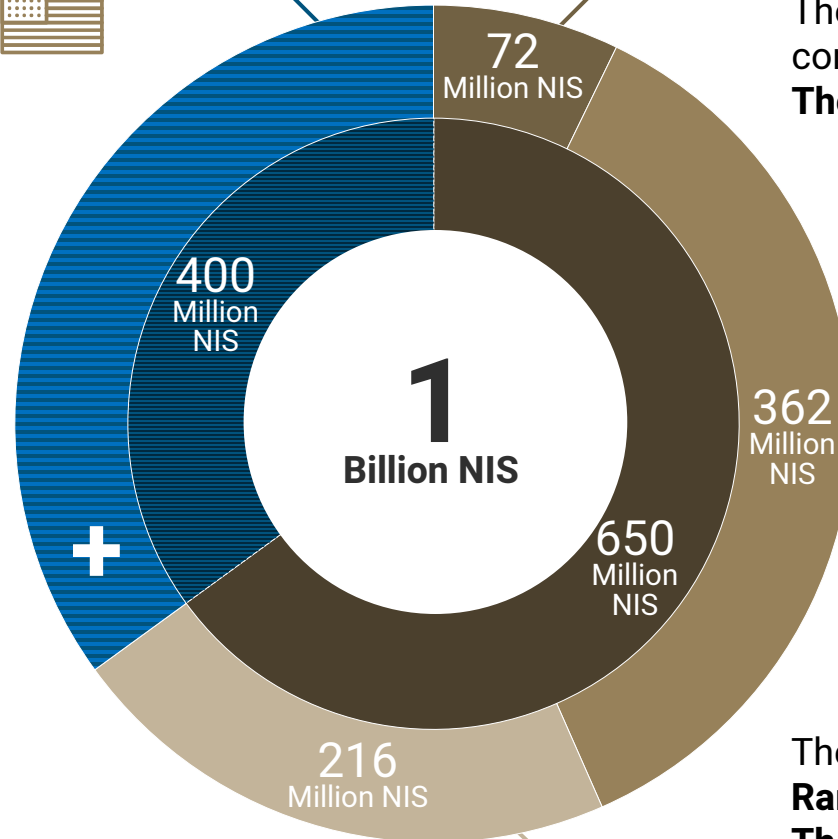


# ACTIONS TO INCREASE AND STRENGTHEN CAPITAL STRUCTURE



Disposition of assets in an amount of – **NIS 1,100\* Million**

A non-resource funding agreement was complete at the amount of approx. **USD 134 million**  
**The Company has decided to fund the asset rather than sell the asset which would have caused tax event**



The sale of land in **Macedonia** was completed for **NIS 72 Million**  
**The consideration was received in whole**



The sale of an asset in **Munich, Germany** was completed for **NIS 362 Million**  
**The consideration was received in whole**



The sale of the company's share of a land in **Ramat Aviv** was completed for **NIS 216 Million**  
**The consideration was received in whole**



\* Including a CTL ("Credit Lease Term") agreement HD contract at the amount of 134 million USD and is non-recourse to Gazit. As of June 30, 2021, the asset value in the company's books (IFRS) is USD 116 million.



# Results

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Second Quarter 2021

LIPPULAIVA | HELSINKI (Illustration)



# Financial Strength

## Key Items

As of June 30, 2021



Approx. **1.1**  
Billion NIS  
Cash and Cash  
Equivalent  
(Expanded Solo)

**61.9%**  
Net Debt to Total  
Assets  
(Expanded Solo)

**51.9%**  
Net debt to total  
assets  
(Consolidated)

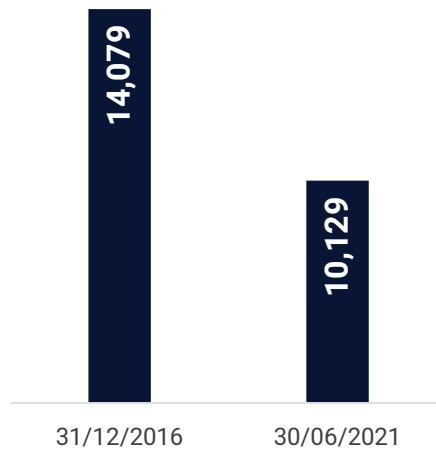
**4.26**  
Years  
Debt weighted  
duration  
(Expanded Solo)

**3.57%**  
Average interest  
rate of debt  
(Expanded Solo)

## Net Debt

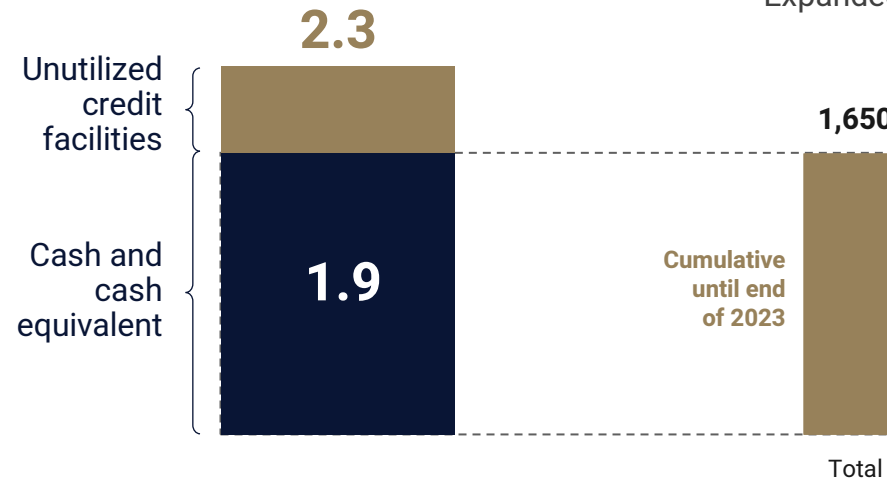
Expanded Solo As of June 30, 2021  
(NIS Millions)

Net Debt  
Decreased  
by **▼4.0**  
NIS Billion



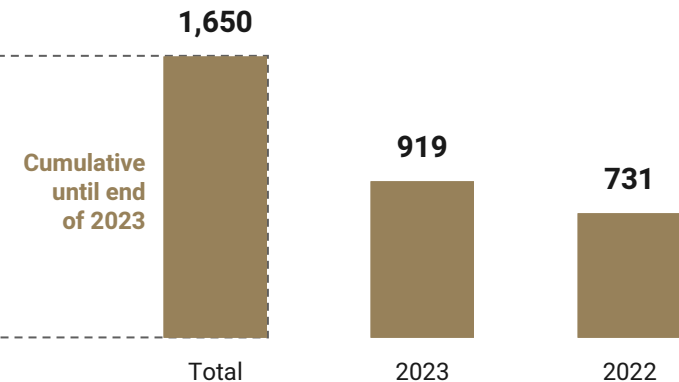
## Liquidity

As of 30.6.2021 (NIS Billions)



## Bond Maturity Schedule Until End of 2023

Expanded Solo As of 30/06/2021



# Bond Maturity Schedule (Expanded Solo)

## Bond Maturity Schedule

Expanded Solo As Of June 30 ,2021

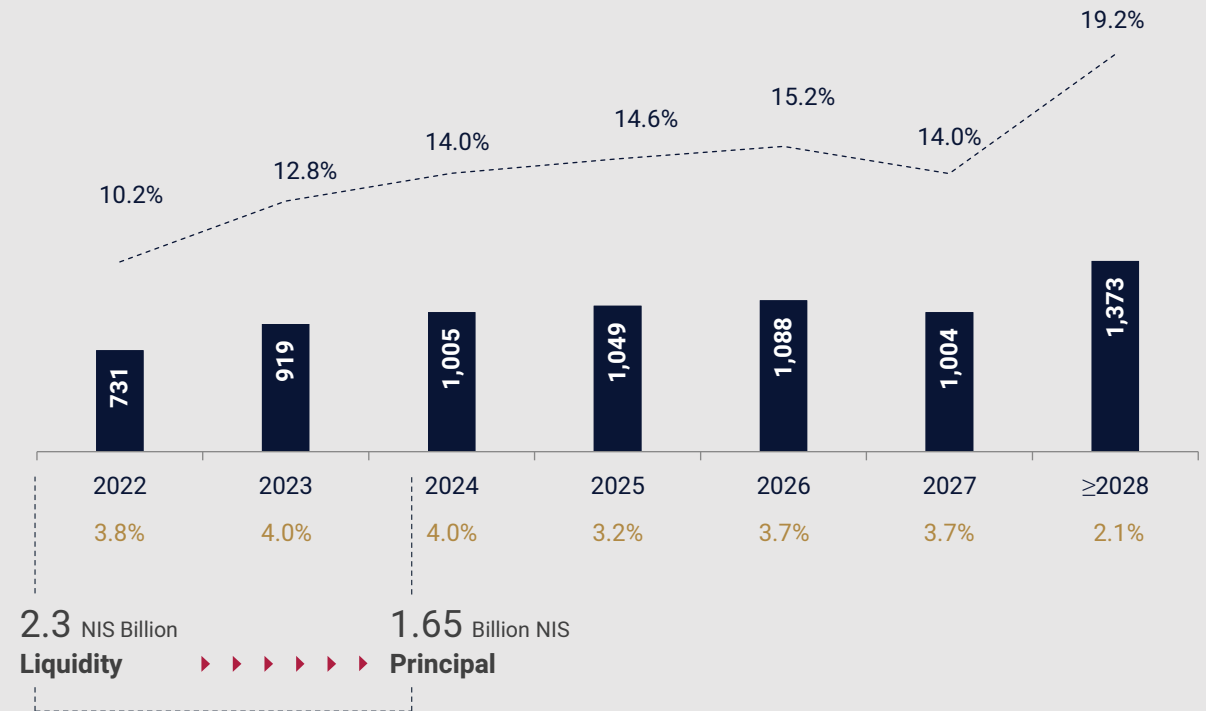
**4.2 Years**

Weighted duration  
(Bonds)

**3.4%**

Average interest rate of debt  
(Bonds)

(NIS Millions)

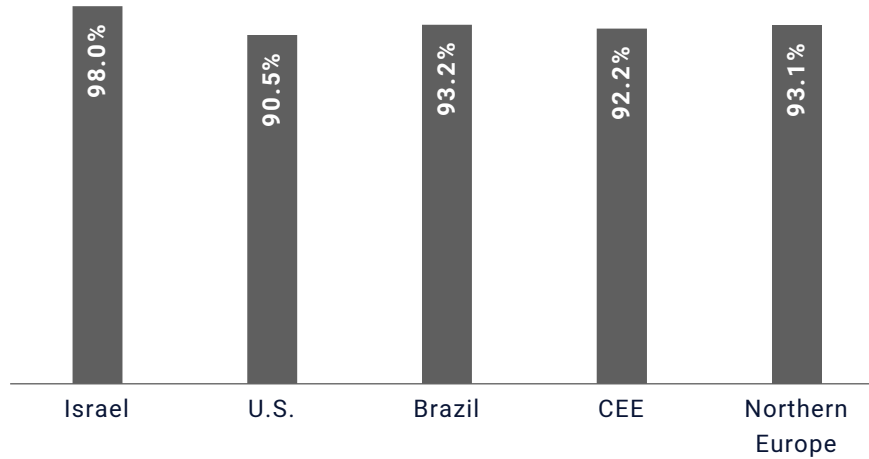
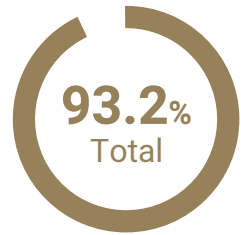


# Second Quarter of 2021 Summary

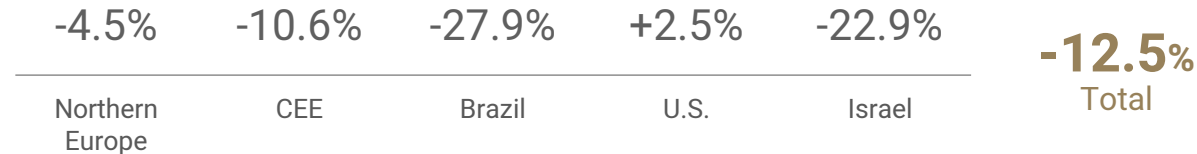
## Main Results

### Occupancy Rate

As of June 30, 2021



### Same Property NOI

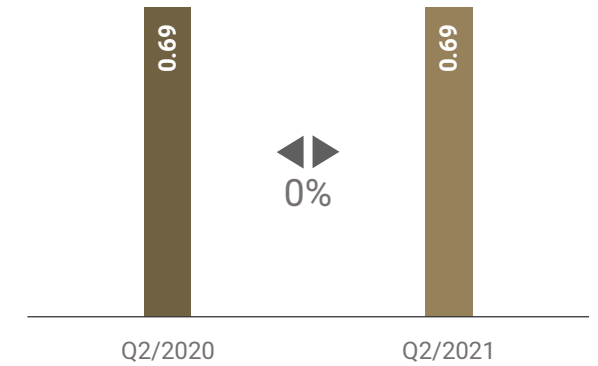


Same property NOI decreased by 12.5% compared to the same period in 2020. The decrease is due to the restrictions imposed by the governments in countries where the company operates following the COVID-19 outbreak, except for the U.S, which was fully operational throughout the period.

### FFO Per Share

(NIS)

The FFO per share decreased by 26.8% compared to the same period in 2020



### Covid-19 Impact

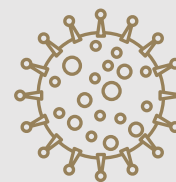


The quarterly results reflect the lockdown periods in the territories where the company operates



**P&L** - 13% Decrease in the Proportionate adjusted NOI in the period approx. NIS 71 million (see next slide)

# Covid-19 Impact On Proportionate NOI

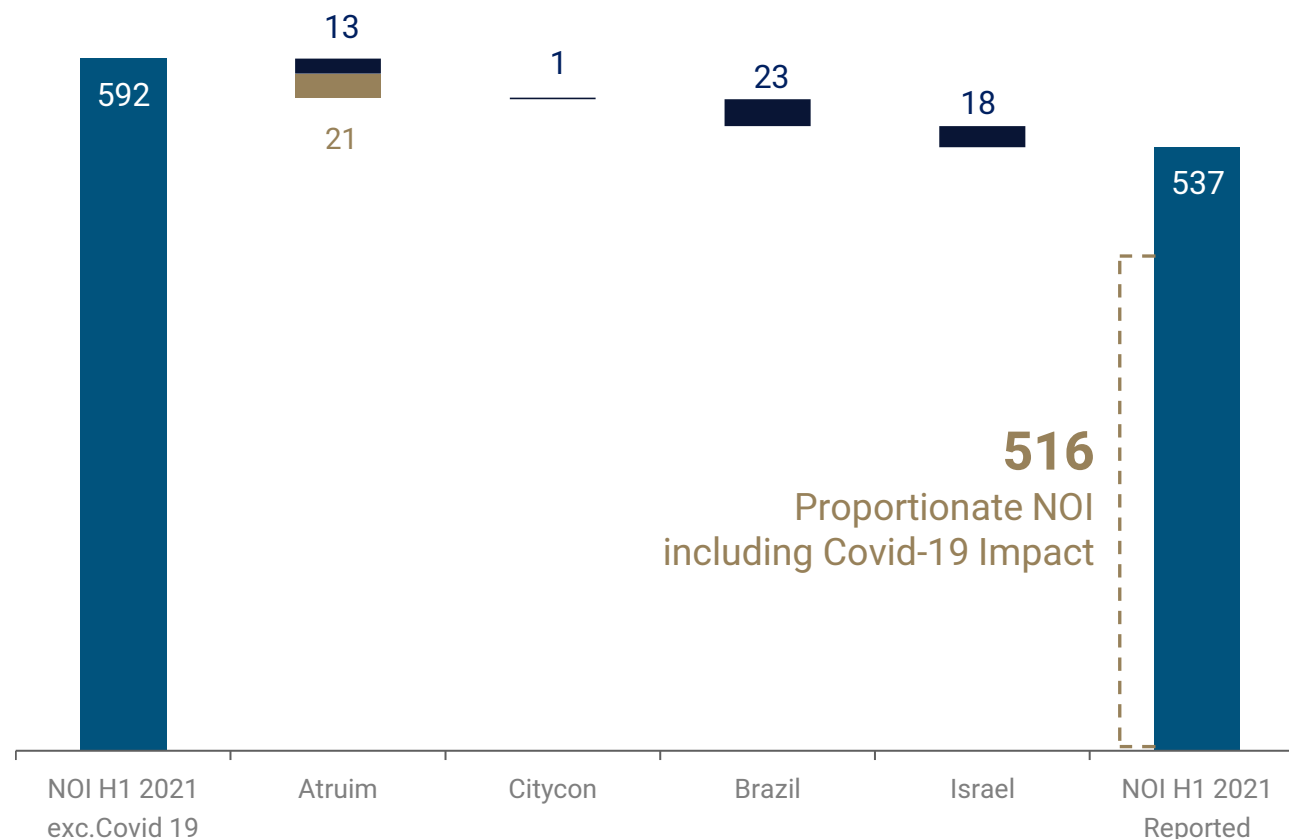


**Decrease of NIS 55 million**  
(9%) as a result of  
Covid-19 impact was  
recognized during the period

**Decrease of NIS 71 million**  
(13%) as a result of  
Covid-19 impact  
(recognized during the  
period and the next periods)

Proportionate NOI exc. Covid-19	<b>592</b>	
Covid-19 Impact Recognized This Period	(55)	
<b>Reported Proportionate NOI</b>	<b>262</b>	<b>(9%)</b>
Covid-19 Impact In The Next Periods	(21)	
<b>Proportionate NOI Including The Impact Of Covid-19 On The Period and Next Periods</b>	<b>240</b>	<b>(13%)</b>

- Covid impact recognized this period
- Covid-19 impact recognized in the next periods

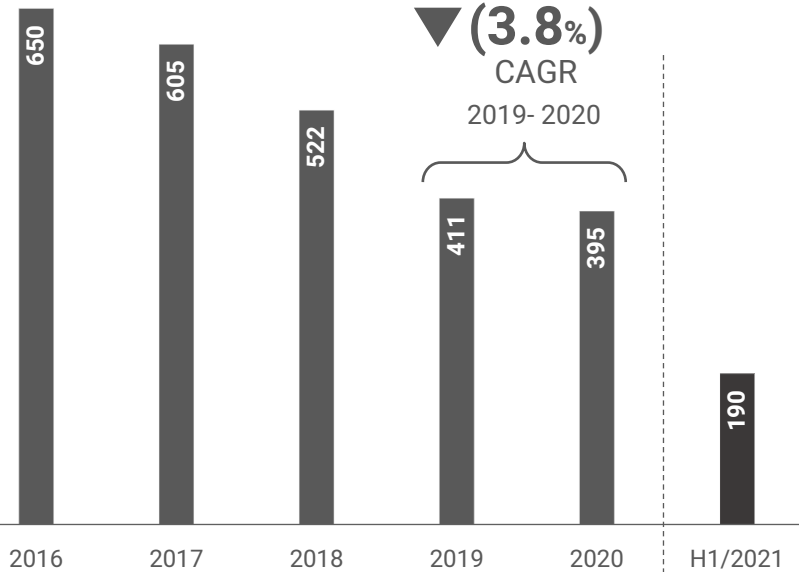


# Operating Cash Flow and Interest Cost

## Interest Costs, NET Expanded Solo (NIS Million)

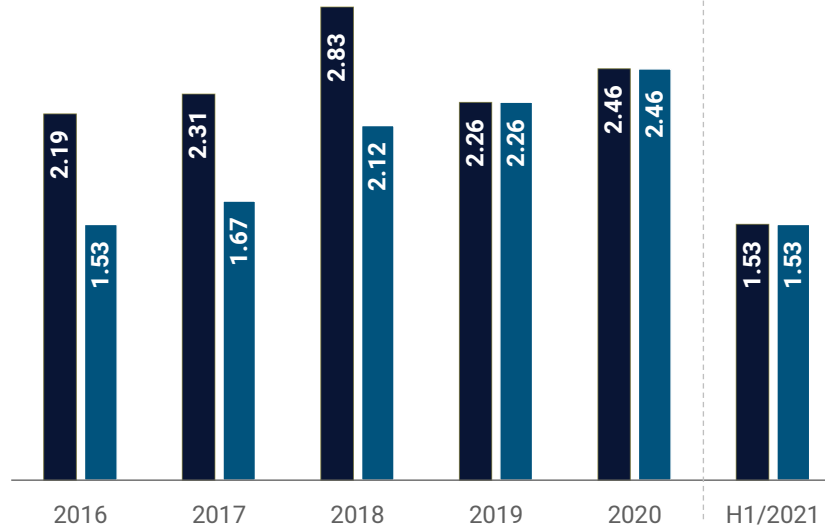
▼ **(39.2%)**  
CAGR  
Years  
2016 - 2020

▼ **(3.8%)**  
CAGR  
2019 - 2020



## Operating Cash Flow Expanded Solo Per Share (NIS)

▲ **+13%**  
CAGR  
Years  
2016 - 2020



■ Operating cash flow p.s including special div. from ATR  
■ Operating cash flow p.s excluding special div. from ATR





## GREAT THINGS HAPPEN WHEN YOU OWN GREAT REAL ESTATE

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