



Gazit-Globe Listing its Brazilian Business on Sao Paolo Stock Exchange

The Company has filed with the Securities and Exchange Commission in Brazil a draft prospectus for an IPO of most of its Brazilian operations through an offer for sale

Proceeds from the offering expected to be BRL 530 - 1,040 million (NIS 320 - 620 million)

The Fund will also raise secured debt of BRL 650 million (NIS 390 million)

Tel-Aviv, February 2, 2021 - Gazit-Globe (TASE: GZT) ("the Company"), a leading global real estate company focused on the ownership, development, and management of mixed-use income producing real estate for a variety of uses including commercial, offices and residential in highly populated urban areas in key cities, announces today that it has filed with the Securities and Exchange Commission in Brazil a draft public prospectus for an IPO on the Sao Paolo Stock Exchange for participation units in Gazit Malls FII, a Brazilian REIT that is wholly owned by the Company, and will carry out an offering for sale of 25% - 49% in its holdings in a Special Investment Fund for an expected consideration of BRL 530 - 1,040 million (NIS 320 - 620 million).

The Investment Fund's holding in malls: Internacional (80.1%), Mais Shopping (100%), Morumbi Town (100%), Shopping Light (100%) and Prado Boulevard (98%), which as of September 30, 2020 are recorded on the Company's books at fair value of BRL 2,637 million (NIS 1,582 million).

Immediately preceding the public offer of sale, the special fund is expected to raise secured debt with a lien of up to BRL 650 million (NIS 390 million) through a private offering to institutional investors.

**The total proceeds from the offer of sale and raising debt is expected to be
BRL 1,180 - 1,690 million (NIS 710 - 1,010 million)**

Gazit-Globe will manage the properties of the fund in return for annual management fees of 0.9% of the fund's market value, as well as a success fees in an amount agreed in the management agreement signed between the Real Estate fund and Gazit-Globe prior to filing the prospectus.



After carrying out the anticipated offering, Gazit-Globe will continue to directly maintain its ownership of several additional properties in Brazil that will not be included in the Investment Fund that is expected to be issued. Such properties that are not expected to be included in the listed Investment Fund are recorded on the Company's books as of September 30, 2021 at a fair value of BRL 1,404 million (NIS 843 million).

BTG Pactual and Banco Bradesco, two of the leading investment banks in Brazil, have been retained by the issuer as financial advisors to carry out the offer of sale, and raising of debt.

*The BRL / NIS exchange rate used for convenience conversion is 0.6.

Mia Stark, CEO of Gazit Brazil: "The urban properties portfolio of Gazit Brazil, which has been built up in less than a decade in Sao Paulo, is a highly attractive and unique property portfolio located within the "last-mile" in the largest commercial city in South America. Through our active management, we have adapted the malls to the changing requirements of the customers and commercial environment in order to create complexes that combine shopping, government offices, clinics, offices, and recreation and entertainment for the entire family. This is an excellent opportunity for Gazit to further create value building on the improvement and re-imagining of the properties achieved by the local team, which has succeeded in generating consistent growth year after year in all parameters."

Chaim Katzman, Gazit Globe Founder and CEO: "This process represents an important step to grow the significant embedded value in our operations in Brazil while reducing leverage, strengthening the capital structure and significantly increasing the Company's liquidity. We are working to carry out the process at a price that will reflect the value of the properties in the Company's books, a result of our high-quality, exceptional property portfolio in Brazil. In addition, this anticipated strategic transaction will further strengthen our position in the Sao Paulo income-producing real estate market as an adept property manager and owner, it will give us additional flexibility in terms of the scale of our investment in Brazil, and will allow us to continue to grow the properties portfolio and the associated management fees through additional capital raisings in the local market."



About Gazit Globe

Gazit Globe is a leading global real estate company focused on the ownership, development, and management of mixed-use income producing real estate for a variety of uses including commercial, offices and residential in highly populated urban areas in key cities. As of September 30, 2020, the Group held and managed 104 properties covering a built-up area for lease of 2.5 million sq. m with a value of NIS 38 billion.

Additional information available on the Company's website: www.gazitglobe.com

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