



G City completed the IPO process of most of its activity in Brazil through a secondary offering

The company completed the initial public offering (IPO) process of most of its activity in Brazil through a secondary offering.

The IPO proceeds will total approximately 301 million Brazilian reais, approximately 226 million NIS.

Tel Aviv, January 28, 2024 - G City (TASE: GCT) ("the Company"), a global real-estate company engaged in the acquisition, repositioning, development and management of income-producing mixed-use real estate including retail, residential and offices in densely populated urban areas in major cities, announced today that it has completed the tender of most of its activity in Brazil and received commitments in the amount of approximately 301 million Brazilian reais, approximately NIS 226 million, for the purchase of participation units ('Quotas') in Gazit Malls FII, a Brazilian real estate investment fund wholly owned by the Company (the "Issuer"). The participation units to be sold in the secondary offering reflect approximately 19% of the Issuer's share capital.

The participation units are being issued at a price reflecting a discount of approximately 16% compared to their book value (and a 9% discount compared to their asset value), as is customary in similar transactions in the Brazilian market.

The Issuer holds five shopping centers in Sao Paulo (and adjacent negligible land): Internacional (80.1%), Mais Shopping (100%), Morumbi Town (100%), Shopping Light (100%) and Prado Boulevard (98%), which as of September 30, 2023 are recorded in the Company's books at a fair value of approximately 2.5 billion Brazilian reais (approximately NIS 1.9 billion). The Issuer has long-term debt of approximately 700 million Brazilian reais, approximately NIS 550 million, reflecting the Issuer's net asset value (NAV) of approximately 1.8 billion reais, approximately NIS 1.35 billion.

following the IPO, G City will continue to directly hold full ownership of additional assets in Brazil that are not part of the Issuer's assets, which as of September 30, 2023 are recorded in the Company's books at a fair value of approximately 560 million Brazilian reais (approximately NIS 421 million).

Gazit Brazil, a subsidiary of the Company, will manage the Issuer's assets in return for annual management fees of 0.75% of the Issuer's book value, plus success fees in amounts contingent upon meeting agreed benchmarks, as set forth in the management agreement signed between the Issuer and Gazit Brazil. Completion of the secondary offering and receipt of the proceeds is expected on January 31, 2024.

The heart of it.



Chaim Katzman, Founder and CEO of G City: "I thank the management and staff of Gazit Brazil for achieving this important goal, as part of the implementation of the Group's strategic plan to focus the business, reduce leverage, strengthen equity and significantly increase the Company's liquidity balances, as well as generate additional income for the Group from management fees. I also thank the new investors for expressing confidence in the Company and its assets. This move opens the door for us to reduce exposure and increase profitability in Brazil and strengthens our position in Sao Paulo's income-producing real estate market as managers and owners of high-quality assets. We are excited to start 2024 with this exceptional move and will continue to implement our strategic plans for the benefit of all stakeholders."

Trading in Gazit Malls shares (GZIT11) is expected to open on Wednesday, February 7, 2024. The traditional Ring the Bell opening ceremony is expected the next day, Thursday February 8, 2024.

About G City

G City is a global real estate company engaged in the acquisition, repositioning, development, and management of income-producing mixed-use real estate including retail, offices and residences in densely populated urban areas in major cities As of September 30, 2023.

the Group holds and manages 92 properties spanning approximately 1.9 million square meters of leasable area with a value of approximately 37 billion NIS. For more information see the Company's website: www.G-City.com

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