

AZRIELIGROUP

CONFERENCE CALL PRESENTATION

31 December 2023

Disclaimer



The information included in this presentation is merely a summary and does not exhaust all of the information about the Company and its operations, nor is it a substitute for inspection of the Periodic Report for Y2023, the Company's current reports and the presentations released thereby, as reported to the Israel Securities Authority (ISA) via the Magna distribution site. The presentation does not constitute an offering or an invitation to purchase securities of the Company, and its contents do not constitute a recommendation or opinion or substitute for the discretion of the investor. The Company is not responsible for the completeness and/or accuracy of the information.

This presentation includes forecasts, assessments, estimates and other information that pertain to future events and/or matters, the materialization of which is uncertain and is beyond the Company's control, and which constitute forward-looking information, as defined in the Securities Law, 5728-1968. Such information may not materialize, in whole or in part, or may materialize in a manner significantly different than foreseen. Such information includes, *inter alia*, revenue, FFO and NOI forecasts, the value of the Group's holdings, refinancing, disposition of assets, timetables and costs of and profit from projects, project development and project construction. With respect to some of the development projects, a decision with respect to their construction and occupancy in several stages has not yet been made.

Forward-looking information is based solely on the Company's subjective assessment, based on facts and data pertaining to the current condition of the Company's business and macroeconomic facts and data, all as known to the Company at the time of preparation of this presentation. The materialization or non-materialization of the forward-looking information will be affected, *inter alia*, by risk factors that are characteristic of the Company's operations, as well as by developments in the general environment, in market conditions and in external factors that affect the Company's operations, including delays in the receipt of permits, termination of contracts, changes in competition conditions, a significant recession, changes in financing conditions, and other such events which cannot be evaluated in advance and which are beyond the Company's control. The Company does not undertake to update and/or change any such forecast and/or assessment to reflect events and/or circumstances postdating this presentation.

Slide 16 – The Company's estimations regarding the projected increase in the results of the data center segment constitute forward-looking information, within the definition of this term in the Securities Law, based on subjective assessments by the Company and by the investee companies operating in the data center segment as of the date of release of this presentation, the materialization of which, in whole or in part, is uncertain or which may materialize in a substantially different manner, *inter alia* due to changes in the timetables of the projects, their actual scale and their marketing and due to factors beyond the Company's control, including changes in the global data center market.

This presentation includes store sales data and other data that are based on external sources and various surveys and studies or data received from some of the Company's tenants. The Company is not responsible for the veracity or content thereof or for forecasts in relation thereto.

The Company's estimations with respect to the growth figures are based on actual rent income, and in some cases include expansions that have been carried out at the relevant center, which figures are unaudited, not according to GAAP, and prepared according to past experience and professional knowledge accumulated by the Company and in good faith. Such information is presented below for the sake of convenience only but is not a substitute for the information provided by the Company in its financial statements or in connection therewith and should therefore not be relied upon exclusively.

The terms "FFO attributed to the real estate business" and "weighted average cap rate" are attributed to the Group's income-producing real estate business only. Anyone reading the presentation should read such figures in conjunction with the Board's explanations in Sections 2.6 and 2.7 of the Board of Directors' report as of 31 December 2023, including the calculation methods and the underlying assumptions thereof.

The information included in this presentation is similar to the information included in the reports and/or immediate reports of the Company and does not include new material information. However, some of the data included in the presentation are presented in a different manner and/or breakdown and/or are differently edited. In any event of inconsistency between the reports and/or immediate reports of the Company released to the public and the information contained in this presentation, the information released to the public as aforesaid shall prevail.



Israel's largest real estate company

Traded on the capital market since 2010

~83% of the value of the investment and under-construction income-producing real estate (on a consolidated basis) is attributed to real estate in Israel

Free float: 30.1%

Average occupancy rate in Israel is

~98%⁽¹⁾

The Company's stock is listed in the

EPRA Indexes

Rating

ilAA+ by S&P Ma'alot

Aa1.il by Midroog-Moody's

Leverage ratio⁽²⁾ of only **~33%**, and equity to assets ratio of **44%**

Listed in all the leading indices

TA-35, TA-125,
TA-REAL ESTATE

The Company owns income-producing properties with a

Gross Leasable Area (GLA) of **~1,381,000 m²**⁽³⁾

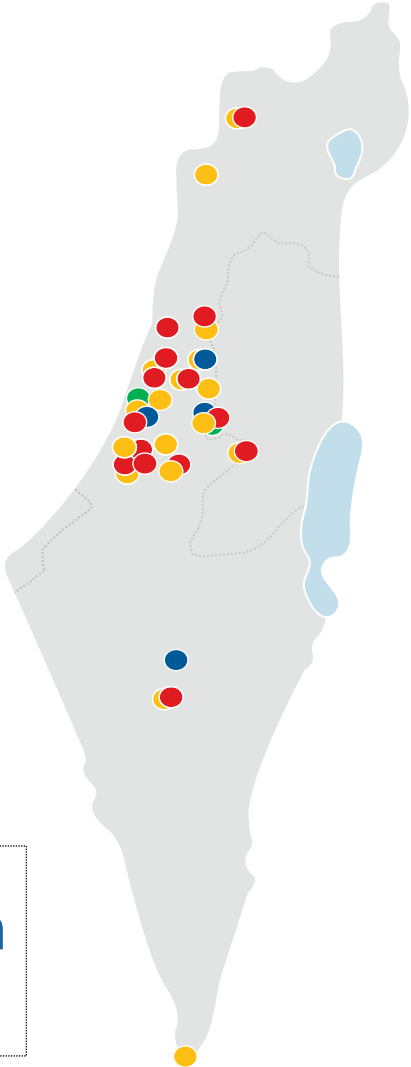
plus **11** projects under construction and planning,

and **4** renovation and expansion projects in Israel.

(1) Excluding fully built-up properties in the first stages of occupancy. (2) Net financial debt to assets. (3) Excluding server farms.

Azrieli Group / Property Portfolio⁽¹⁾

- Malls
- Offices
- Senior Homes
- Rental Housing





Green Mountain
Data centers overseas⁽⁴⁾



21 malls and retail centers

360,000 m²



15 office and other properties in Israel

632,000 m²



8 office properties overseas

245,000 m²



4 senior homes

115,000 m²
1,142 Apts.



2 rental housing properties

29,000 m²
277 Apts.

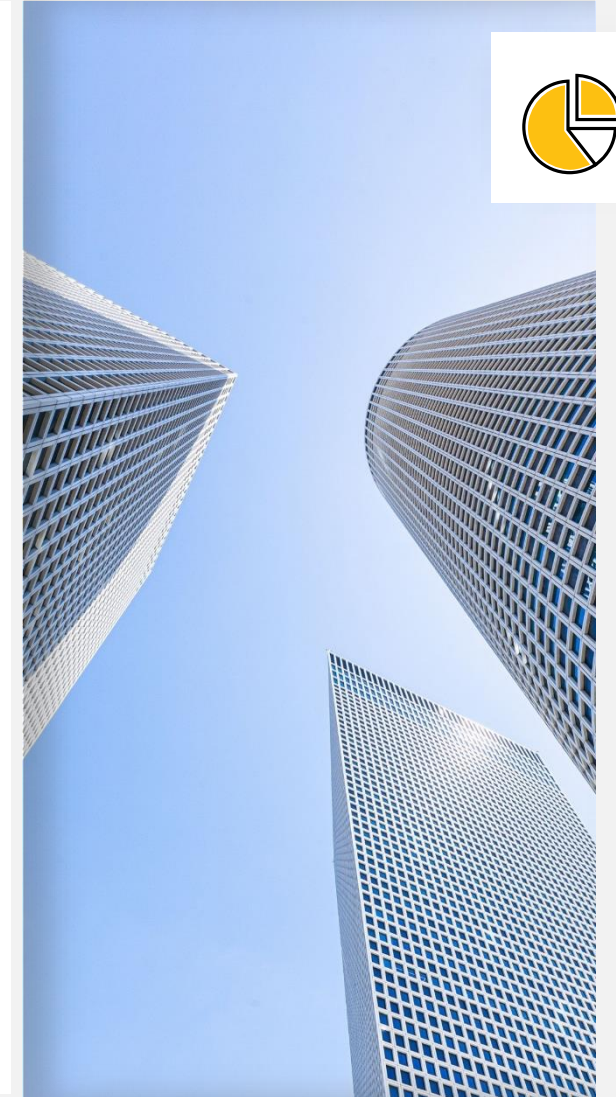
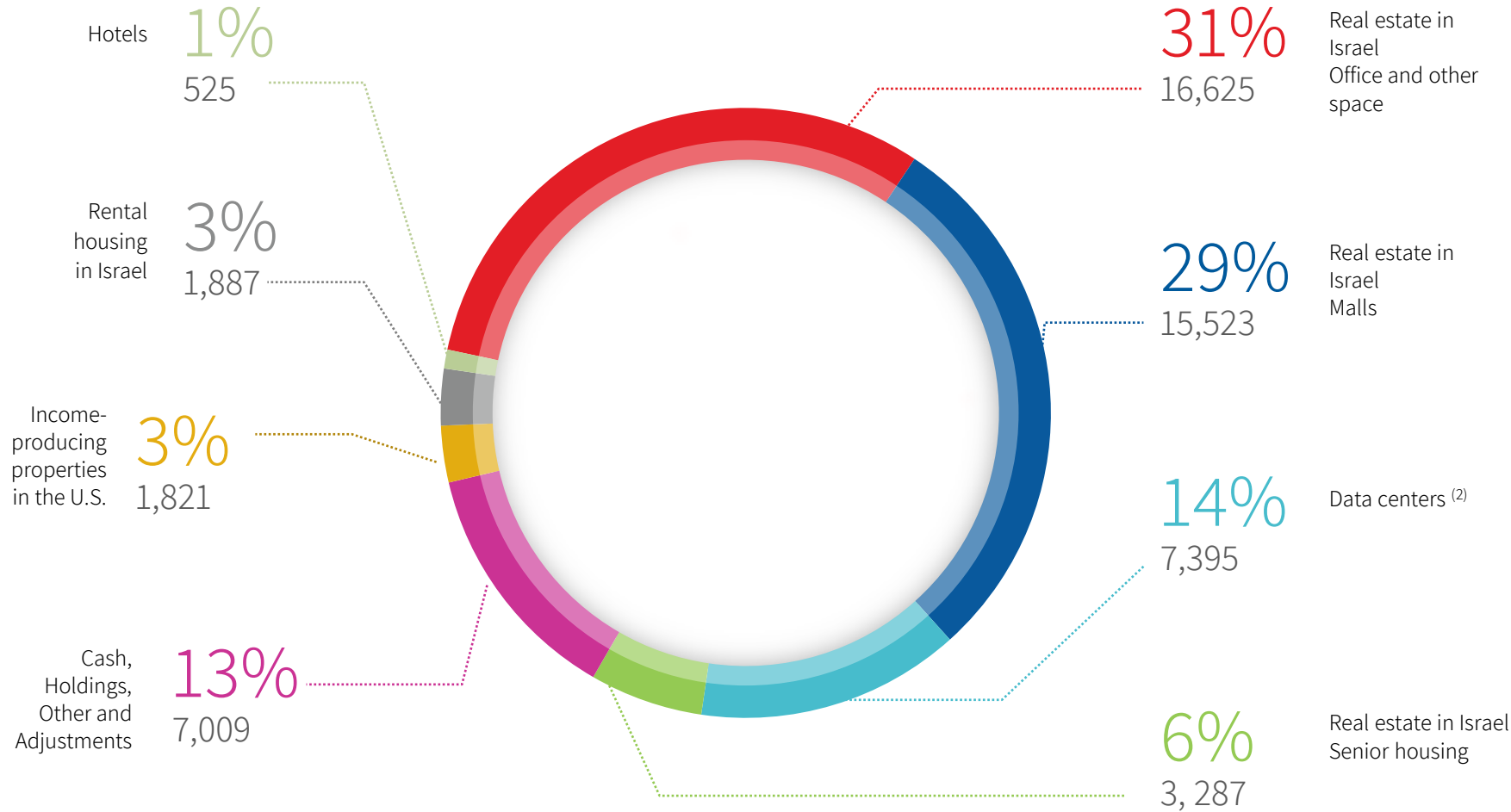
Total

1,381,000 m² ⁽¹⁾⁽²⁾⁽³⁾

(1) As of 31 December 2023. (2) GLA figures reflect the Company's share. (3) Excluding the data center segment.

(4) On 4 October 2023, the Company reported the closing of a transaction for disposition of its holdings in Compass. For further details, see Section 1.2.2.8 of the Board of Directors' Report as of 31 December 2023..

Azrieli Group / Properties Breakdown, NIS in millions⁽¹⁾



(1) On a consolidated basis, as of 31 December 2023. For details with respect to the Company's structure, see Section 1.2 of Chapter A of the financial report.

(2) The data presented refer to GM only. On 4 October 2023, the Company reported the closing of a transaction for disposition of its holdings in Compass. For further details, see Section 1.2.2.8 of the Board of Directors' Report as of 31 December 2023.



FINANCIAL HIGHLIGHTS

- NOI totaled NIS 2,113 million, **up ~8% compared with 2022**. Increase primarily in the office segment, the acquisition of Mall HaYam and resident move-ins into the Lehavim Senior Home, counterbalanced by concessions vis-à-vis tenants due to the Swords of Iron War.
- Same Property NOI, **up 5% compared with 2022**.
- FFO⁽¹⁾ (Management's method) totaled ~ NIS 1,461 million, **compared with NIS 1,360 million in 2022, up ~7%**. Excluding the senior housing segment, FFO totaled ~ NIS 1,358 million, compared with ~ NIS 1,275 million, **up 7% compared with 2022**. The increase resulted primarily from an increase in NOI, counterbalanced by an increase in G&A expenses and financial expenses.

DEVELOPMENT, BETTERMENT AND INVESTMENTS

- In Q4, the Group invested ~ NIS 1.3 billion in the acquisition of new plots of land for development, investment properties, the betterment of existing properties, and the development of new properties.
- In 2023, the investment totaled NIS ~4.2 billion.

DIVIDEND

- The Company has declared that it will distribute a dividend of NIS 1,000 million⁽²⁾ in May 2024, representing NIS 8.25 per share.

(1)For the FFO calculation according to the ISA's method, see Slide 45.

(2)The amount includes the distribution of a dividend for the exercise of holdings in Compass



AZRIEL GROUP

OPERATING SEGMENTS



NOI in 2023

NIS 941M

compared with NIS 876 M
in 2022

GLA

~360,000 m²⁽¹⁾

Book
value

~NIS 15.5B

Average
occupancy rate

99%⁽²⁾

INNOVATION &
UPGRADES



Azrieli App



Azrieli Gift Card

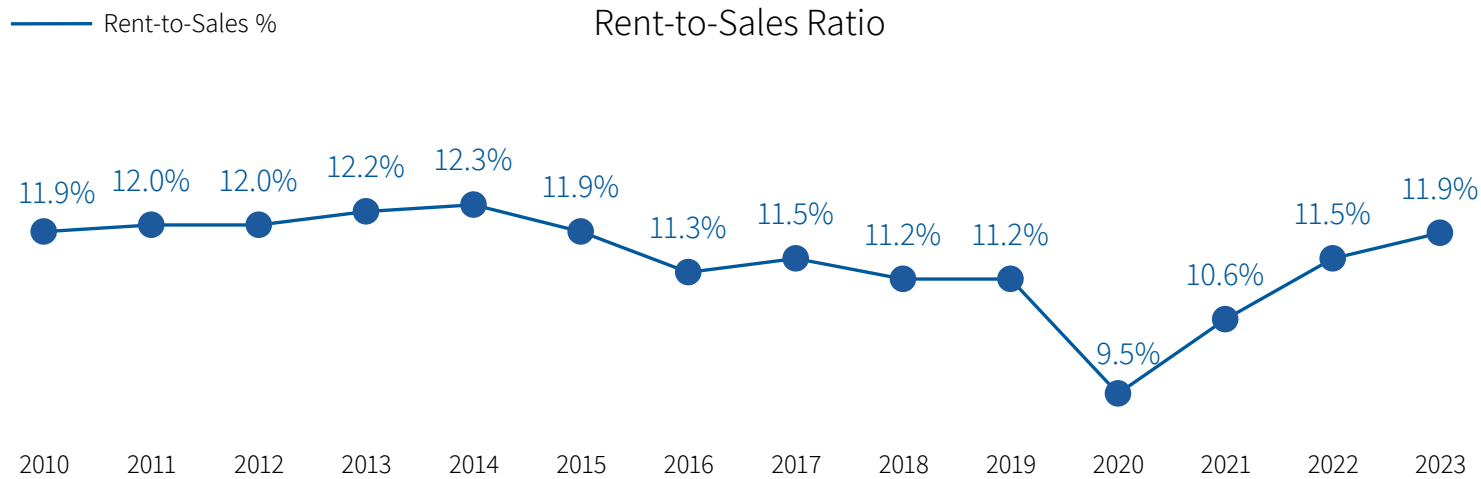
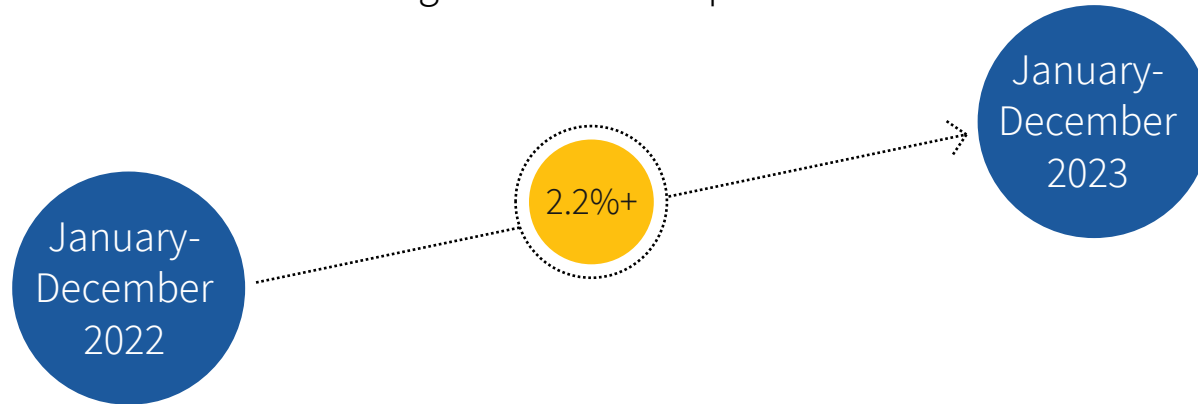


Betterment and
upgrade of malls and
retail centers

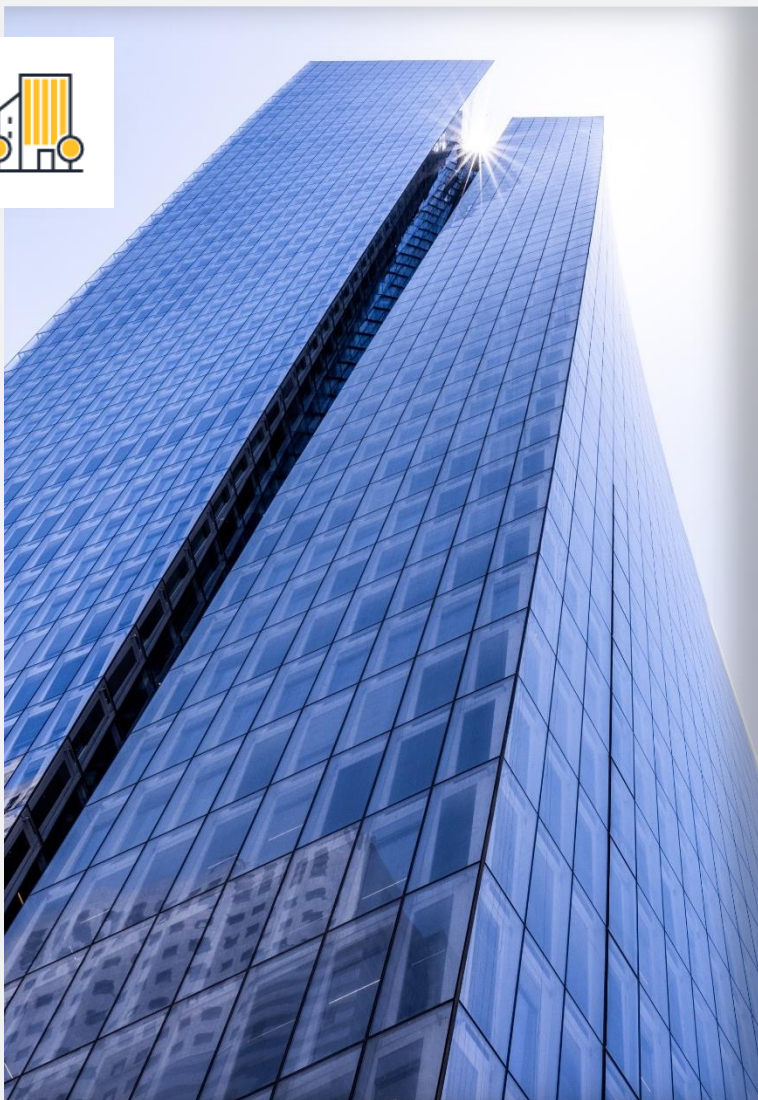
(1) Figures as of 31 December 2023. GLA figures reflect the Company's share. (2) Excluding fully built-up properties in the first stages of occupancy.

Azrieli Group/ Store Sales and Rent-to-Sales Ratio

Total Change in Azrieli Group Mall Store Sales ⁽¹⁾



(1) Excluding Mall HaYam, which was acquired in July 2022, and excluding Town Retail.



NOI in 2023
NIS 821M
compared with NIS 769 M
in 2022

GLA
~632,000m²⁽¹⁾

INNOVATION & UPGRADES



Community



Technology



Betterment and
upgrade of office
towers

Book value
~ NIS 16.6B

Average occupancy rate
98%⁽²⁾

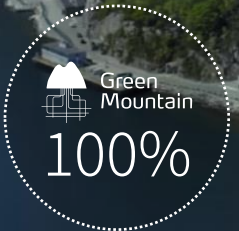
(1) Figures as of 31 December 2023. GLA figures reflect the Company's share.

(2) Excluding fully built-up properties in the first stages of occupancy.

Azrieli Group / Office Tenants



Azrieli Group / Global Data Center Operations – Green Mountain



NOI of Green Mountain alone in 2023

NIS 103M

compared with NIS 88 million in 2022

GM - Contracted NOI */ MW

NIS 506M / 150MW

Potential growth of existing sites

600MW

Renewable Power

100%

Electricity costs

LOW

PUE

LOW

Award winning and recognized as one of Europe's leading **co-location** companies



* Based on signed agreements.

Azrieli Group / Global Data Center Operations – Timeline



(1) On 4 October 2023, the Company reported the closing of a transaction for disposition of its holdings in Compass. For details, see Section 1.2.2.8 of the Board of Directors' Report as of 31 December 2023.

(2) "Gross" means before tax and transaction expenses.

Azrieli Group / Global Data Center Operations – Green Mountain



TikTok site , Norway

Significant growth since the acquisition of Green Mountain (July 2021)

Acquisition – July 2021

December 2023

Change

	Acquisition – July 2021		December 2023	Change
Active countries	1	➔	3	X3
Number of sites	3	➔	6 ⁽¹⁾	X2
MW	24	➔	150	X6
NOI (NIS in millions) ⁽²⁾	84	➔	506	x6


(1) Including 2 assets in development

(2) Annual NOI development by bookings (signed contracts)

Azrieli Group / Global Data Center Operations – Green Mountain



SVG1 – Rennesøy	RJU1 – Rjukan	OSL1 – Enebakk	OSL2 – Hamar	LON1 – East	FRA1 – Mainz
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 <p>Campus Overview</p>	A former NATO ammunition storage facility converted into a unique, high-security colocation mountain hall data center	Colocation data center located at the nexus of hydro electric power in a historic region of Norway	Hyperscale and wholesale data center campus located 20km outside of Oslo.	Built-to-suit project for customer, north of Oslo airport.	East London location, with 14MW expansion potential + 16MW build-to-suit option.	GM and KMW JV (50%-50%) to build a DC on land leased from KMW
Build Date	2013	2014	2020	Under construction	2009	Under construction
Land	Lease (~58 Years)	Owned	Owned	Owned	Owned + Leased	Leased (HBR)
Maximum Sellable IT Capacity	25 MW	40 MW	93 MW	120+30 MW	40 MW ⁽¹⁾	54 MW
Client Type	Hyperscaler / Local & Int'l Enterprises	HPC / Local & Int'l Enterprises	Hyperscaler / Local & Int'l Enterprises	Hyperscaler	Local & Int'l Enterprises	Hyperscaler / Local & Int'l Enterprises

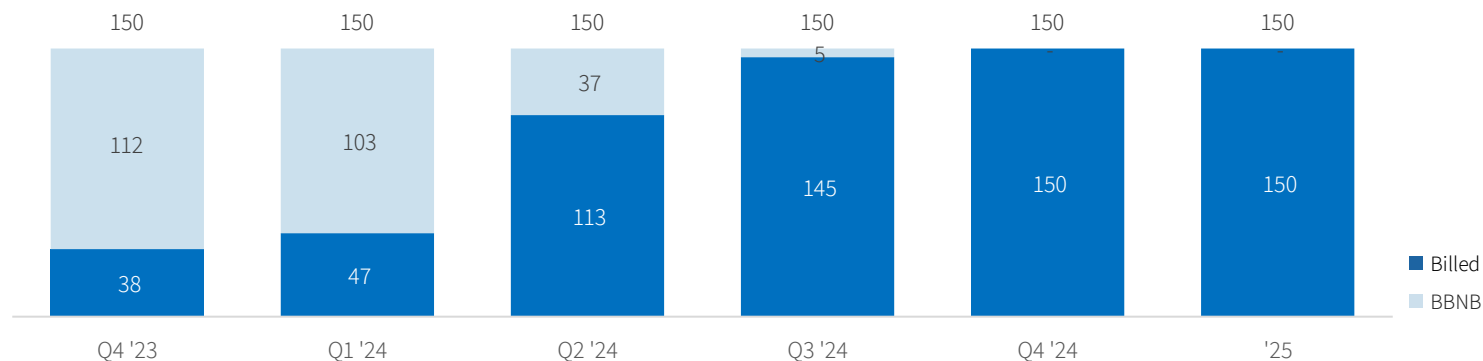
(1) As of 31 December 2023, 7MW is used The Company has begun construction and capacity expansion

Azrieli Group / Global Data Center Operations – Green Mountain



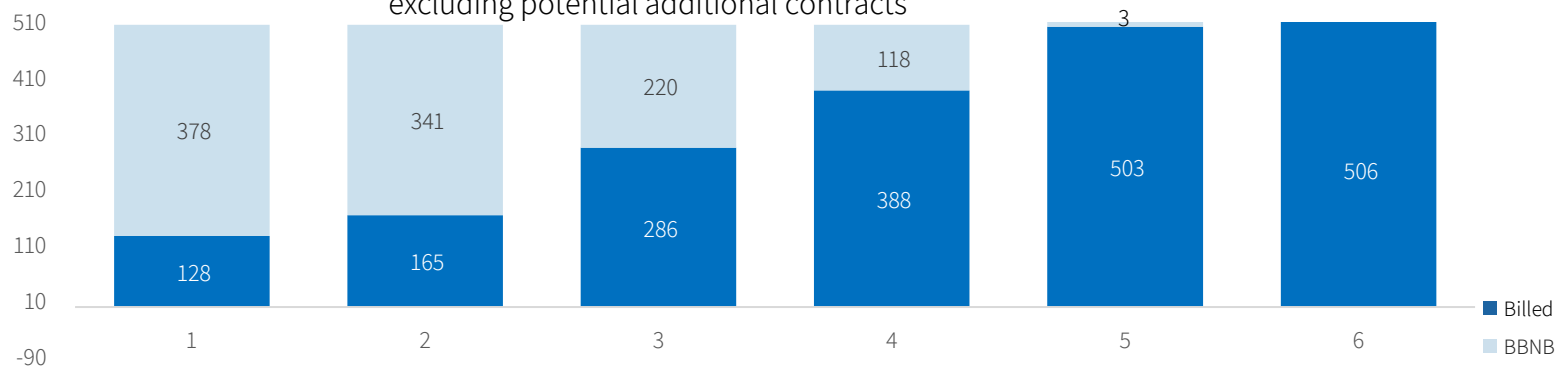
CAPACITY
(MW)

Annual Operating Capacity Development based on **Bookings** ⁽¹⁾ in MW in 2023-2025
excluding potential additional contracts



NOI
(NIS in
millions)

Annual NOI Development based on **Billings** ⁽¹⁾ in 2023-2025
excluding potential additional contracts



(1) All figures are based on contracts signed up to the date of release of the report as of 31 December 2023. The presented NOI **includes** additional revenues from the sale of electricity in an annual amount of approx. \$5 million.

(2) All BBNB (Booked But Not Billed) – signed contracts (bookings) that are yet to be income-producing (paying).

(3) CAPEX investment per MW is approx. \$85.9 million. As of 31 December 2023, the remaining amount to be invested is approx. \$410 million.

Azrieli Group / Agreement for Disposition of Compass Holdings⁽¹⁾

Net accounting profit
~NIS 0.96B

By the disposition of the investment, the Company recorded profits of NIS 482M.

Gross consideration⁽²⁾
NIS 3.2B

Net cash flow⁽³⁾
~NIS 2.7B



Value of **Compass** operations in the sale
~ \$5.7B

Gross NIS IRR⁽²⁾
Approx. 40%

Duration: 2.6 years

(1) On 4 October 2023, the Company reported the closing of a transaction for disposition of its holdings in Compass. For details, see Section 1.2.2.8 of the Board of Directors' Report as of 31 December 2023.

(2) "Gross" means before tax and transaction expenses.

(3) "Net" means after tax and transaction expenses (including hedging expenses) and after the liquidation of capital reserves.

Azrieli Group / Palace Senior Housing Chain

Operating Homes

Palace Tel Aviv

231 Apts. + 4 'Medical' Units

Palace Modi'in

239 Apts. + 4 'Medical' Units

Palace Ra'anana

322 Apts. + 2 'Medical' Units

Palace Lehavim

350 Apts. + 2 'Medical' Units

NOI in 2023

NIS 72M

compared with NIS 60 M
in 2022

Aboveground area

~115,000m²(1)

comprising
1,142 apartments

Home under Construction

Palace Rishon LeZion

274 Apts.

+ a 'Medical' unit

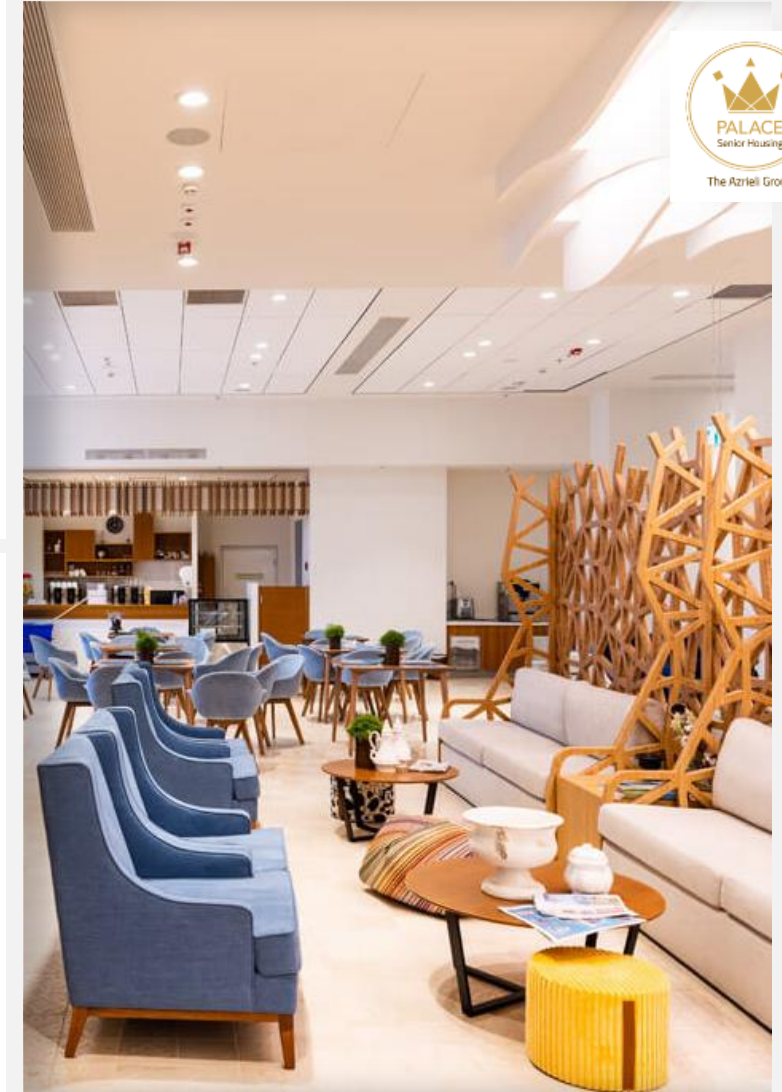
+ **3,000 m²** of retail space

Book value

~NIS 3.3B

Average occupancy rate

97%(2)



(1) As of 31 December 2023. GLA figures reflect the Company's share. (2) Excluding fully built-up properties in the first stages of occupancy.



AZRIEL GROUP

DEVELOPMENT PIPELINE

Azrieli Group / Development Pipeline



Tel Aviv
Expansion of Azrieli Mall
and the Spiral Tower
~150,000 m² (3)



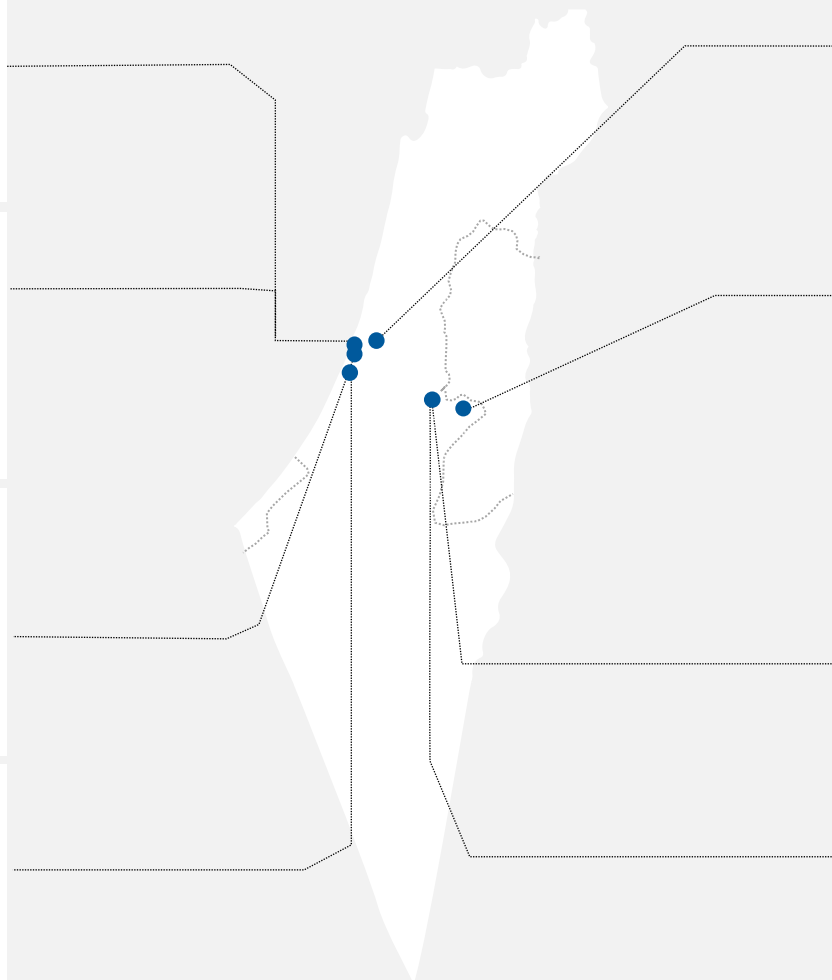
Tel Aviv
Azrieli Town, Building E
~21,000 m² (4)



Holon
Project 3 (formerly Lodzia)
~250,000 m²



Palace Rishon LeZion
Senior Home
~37,300 m²(3)



Petah Tikva
Land for development
~53,000 m² (1)



Jerusalem
Mount Zion Hotel
~34,000 m²(2)



Modi'in
Lot 21
~31,000 m² (3)

























Modi'in
Lot 10
~37,000 m²



(1) The Company is working to increase building rights to approx. 280,000 sqm. | (2) A full building permit has been obtained. | (3) For senior housing and/or rental apartment uses; the figure represents building rights in sqm. |

(4) Additional construction rights acquired in May 2018 as part of the acquisition of the income-producing property of Mivnei Gazit. The Company is working to increase building rights in the project to approx. 90,520 sqm.

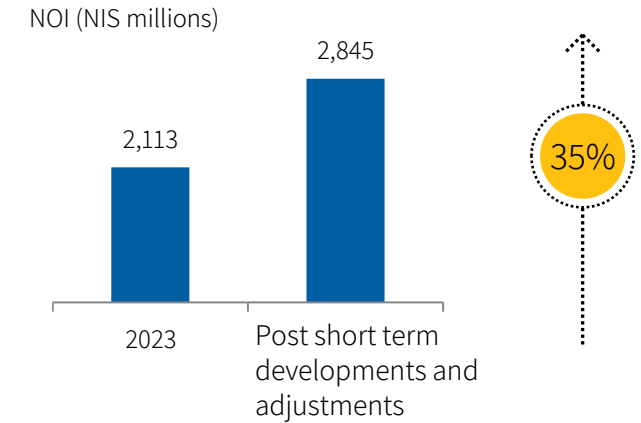
Development Projects/ Growth Driver

	Name of Property	Location	Use	GLA ⁽²⁾	Estimated Completion Date	Estimated Construction Cost, Including Land (NIS in millions) ⁽¹⁾
Short-term Development Projects Under Construction	Modi'in, Lot 21	Modi'in	   	31,000	2024	455-485
	Check Post	Haifa		10,500	2024	140-150
	Total			41,500		595-635
Medium-Term Development Projects	Palace Rishon LeZion	Rishon LeZion	 	37,300 ⁽³⁾	2025	490-510
	Mount Zion Hotel	Jerusalem		34,000	2025	910-940
	SolarEdge Campus	Ramat HaSharon		38,000	2025	790-810
	Modi'in, Lot 10	Modi'in	 	37,000	2026	570-580
	Expansion of Azrieli Tel Aviv Center (Spiral Tower)	Tel Aviv	   	150,000 ⁽³⁾	2027	2,565-2,765
	Glil Yam	Herzliya	 	19,630	2027	380-400
	Total			315,930		5,705-6,005
	Total			357,430		6,300-6,640
Development Projects Under Planning	Holon 3 (formerly Lodzia)	Holon	 	250,000 ⁽⁴⁾	TBD	TBD
	Petah Tikva land	Petah Tikva	 	53,000 ⁽⁵⁾	TBD	TBD
	Azrieli TOWN Building E	Tel Aviv		21,000 ⁽⁶⁾	TBD	TBD
	Total			324,000		Projects cost of construction of which is TBD
Total			681,430			

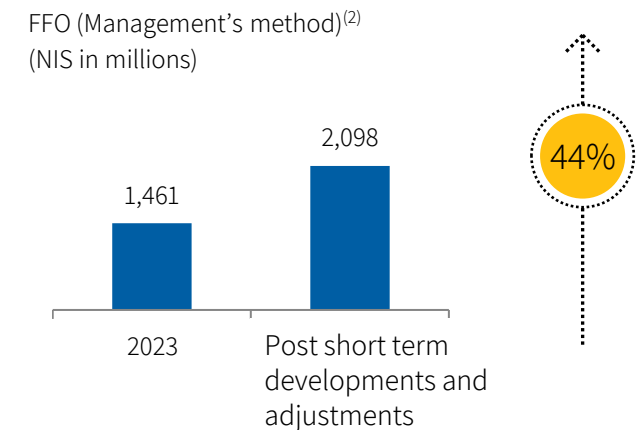
(1) Cost without capitalizations and without tenant adjustments | (2) The figures for senior housing and/or rental housing uses represent building rights in sqm | (3) A building permit has been received | (4) Building rights have been increased as part of a consolidation of land plots | (5) The Company is working to increase the building rights to approx. 280,000 sqm | (6) Additional construction rights acquired in May 2018 as part of the acquisition of the income-producing property of Mivnei Gazit. The Company is working to increase building rights in the project to approx. 90,520 sqm.

DEVELOPMENT PROJECTS / EXPECTED CONTRIBUTION* TO NOI AND FFO

	(NIS in millions)
Actual NOI in 2023	2,113
War- related relief	35
Additional NOI from DC segment based on signed contracts**	403
Additional NOI from development projects ⁽¹⁾	123
Addition due to occupancy of vacant spaces*	171
NOI following the occupation of short-term projects under development and full occupancy	2,845



	(NIS in millions)
Actual FFO (Management's method) in 2023 incl. senior housing	1,461
War- related relief	27
Additional FFO from development projects, DC segment and occupancy of vacant spaces ^{(1)(2)*}	610
FFO following the occupation of short-term projects under development and full occupancy	2,098



* The aforesaid calculations are not forecasts and are based on the assumption of full occupancy and rent as of December 2023.

** GM - following contracts signed by the Report Release Date 150 MW.

The main assumptions underlying the calculations are: Full occupancy of projects under development and income-producing properties, senior housing in the NOI and FFO by representative year (excl. first time occupancy), a tax rate of 23%.

(1) NOI from projects under development includes the following properties: Azrieli Modi'in Lot 21 and Haifa Check Post, Campus SolarEdge and Palace Rishon LeZion, and does not include the expansion of Azrieli Tel Aviv Center, the Holon 3 project (formerly Lodzia), the land in Petach Tikva, rights of Azrieli Town Building E, Modi'in Lot 10 and the Mount Zion Hotel. (2) For FFO calculated according to the ISA's method, See Slide 45.

AZRIELI GROUP / THE CBD OF TEL AVIV



DEVELOPMENT PROJECTS / EXPANSION OF AZRIELI MALL & THE SPIRAL TOWER, TEL AVIV

Land area
8,400 m²

GLA
150,000m²

including 13,000 m² of retail space
for expansion of the Azrieli Tel Aviv
Mall

Cost of land
NIS ~374M

Estimated construction
cost, including land
NIS 2.57-2.77B

Uses



Hotel



Retail



Offices



Rental
housing

Estimated completion
2027

PROGRESS UPDATE

In June 2023, an aboveground building permit was obtained, and construction work is underway.



DEVELOPMENT PROJECTS / EXPANSION OF THE AZRIELI MALL & SPIRAL TOWER, TEL AVIV



DEVELOPMENT PROJECTS / LOT 21 (SITE A) / Modi'in – Mixed use



11,500m²

Offices



3,700m²

Retail



80

Rental
apartments



85

Hotel rooms

DEVELOPMENT PROJECTS / LOT 10 (SITE B) / Modi'in



8,100m²

Clalit
Medical center
(included in the office
and retail areas)



Elevator / escalator /
stairs connecting
the mall and Site A



±37,000m²
of offices & retail⁽¹⁾

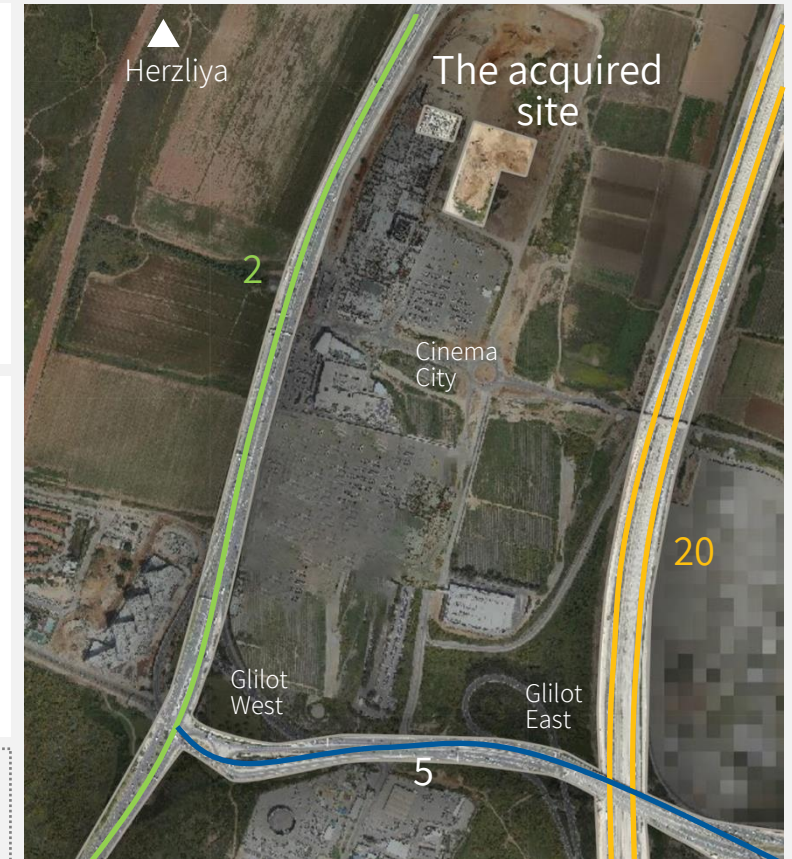


A bustling center with
offices, retail, and ~14
movie theaters with an
area of 5,000 sqm

(1) The Company promoted a plan to add ~8,000 sqm underground, which was approved in February 2024.

DEVELOPMENT PROJECTS / SolarEdge CAMPUS in Ramat HaSharon



<p>Land area 26,000 m²</p> <p>Out of which, land area for SolarEdge use is 16,000 m²</p>	<p>The investment amount⁽¹⁾ NIS 990M</p> <p>(including the land) in the SolarEdge Campus</p>	<p>Office campus area 38,000 m²</p> <p>and underground parking</p>
<p>On-site work commenced during Q2 2022</p>	<p>The property will be leased to solar edge</p> <p>for a 15-year term with extension options up to an aggregate term of 24 years and 11 months</p>	<p>The transaction was closed in ⁽²⁾ Jan. 2022</p>
<p>The NOI⁽¹⁾ attributed to the campus is expected to total NIS 70M per year</p>	<p>ADDITIONAL RIGHTS</p> <ul style="list-style-type: none"> • A remaining 10,000 sqm of land is available for construction. • The Group intends to develop additional retail and commercial spaces. • The Company intends to promote a zoning plan for additional rights in the said site. • In October 2023, the building permit for the entire project was received. 	

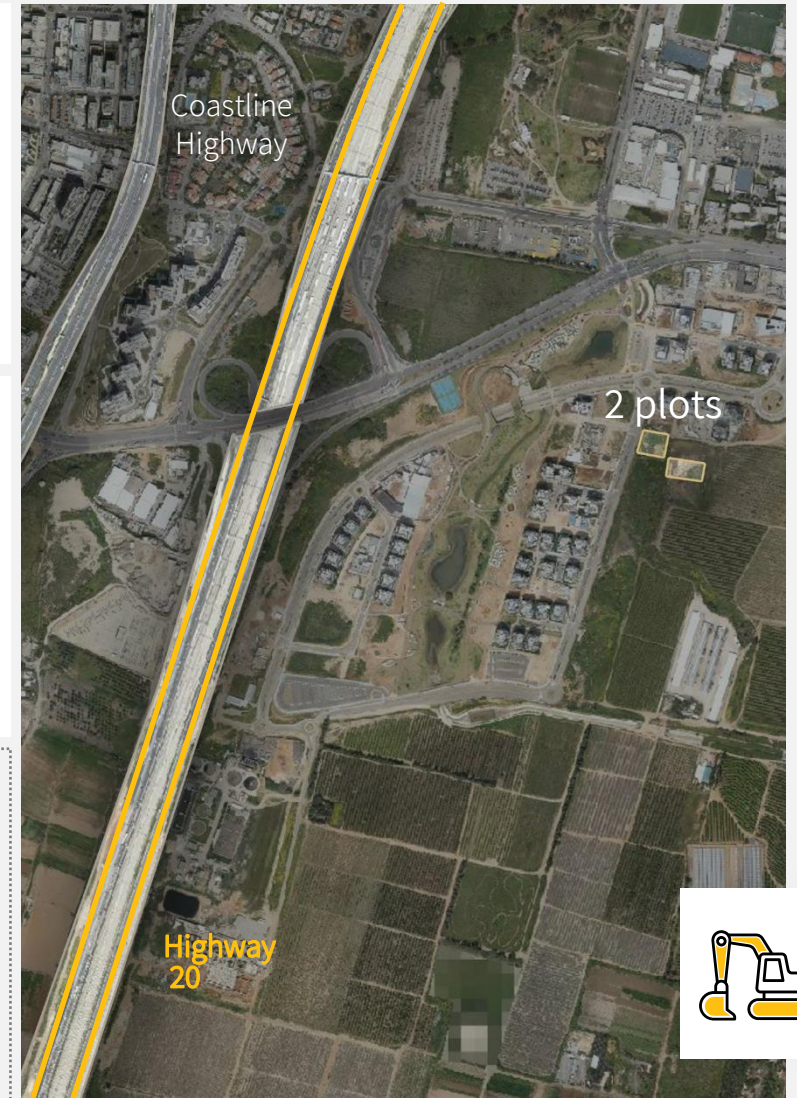


(1) Including TI and after indexation.

(2) Acquisition of a company that is entitled to receive long term leasehold from the ILA for land located in the Northern Gllot (Ramat HaSharon) site.

DEVELOPMENT PROJECTS / GLIL YAM – RENTAL HOUSING

<p>GLA 630m² retail</p> <p>19,000 m² of rental housing (147 apartments)</p>	<p>Land area 5,100 m²</p> <p>over 2 adjacent plots</p>	<p>Estimated construction cost, including land NIS 380-400M</p>
<p>Cost of land per apartment NIS 710 thousand</p>	<p>Uses</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Retail</p> </div> <div style="text-align: center;">  <p>Rental housing</p> </div> </div>	<p>Estimated completion date 2027</p>











“DIRA LEHASKIR” –
State-Owned Rental Housing Company

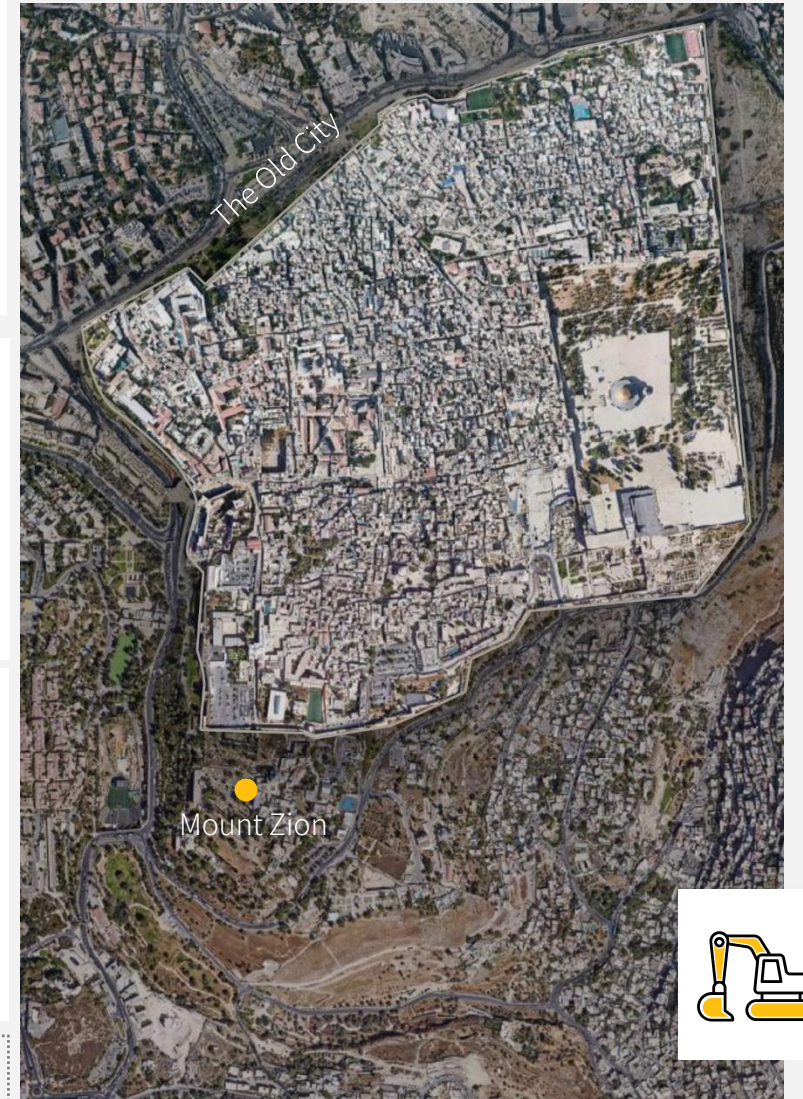
50% of the apartments in the project will be leased for controlled rent which will be 80% of market rent

LAND DESIGNATION

According to the provisions of the tender, the land is intended for high-rise residential buildings for the purpose of long-term rentals for a term of no less than 20 consecutive years from the date of completion of the construction.

Azrieli Group / MOUNT ZION HOTEL, JERUSALEM

<p>Acquisition cost ~NIS 275M</p>	<p>Land area ~13,000 m²</p>	<p>Planned built-up area according to approved zoning plan 34,000m² up to 350 rooms</p>			
<p>Estimated completion date 2025</p>	<p>The Group intends to remodel the hotel to A+</p>	<p>Estimated construction cost NIS 635-665M</p>			
<p>Excavation work and shoring work are currently underway</p>	<p>Uses</p>  <p>Hotel</p>	<p>Additional uses</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="853 1063 930 1128">  <p>Shops</p> </div> <div data-bbox="1006 1078 1082 1135">  <p>Restaurants</p> </div> <div data-bbox="1172 1078 1261 1135">  <p>Swimming pool</p> </div> <div data-bbox="1363 1085 1439 1135">  <p>The Cable Car Museum</p> </div> <div data-bbox="1567 1078 1643 1135">  <p>Conference and event halls</p> </div> <div data-bbox="1363 935 1439 1035">  <p>Spa</p> </div> <div data-bbox="1554 935 1643 1035">  <p>Health club</p> </div> </div>			



PROGRESS UPDATE

A building permit for the entire hotel has been conditionally approved, and the Company is working on fulfilling the conditions. Renovation and expansion of the hotel are subject to receipt of a building permit.

Azrieli Group / MOUNT ZION HOTEL, JERUSALEM

ILLUSTRATION OF THE HOTEL AFTER EXPANSION




(1) Including additional construction in the existing buildings. (2) Including 15,225 m² for underground parking.

EXISTING PROPERTIES / EXPANSION AND BETTERMENT

THE FOLLOWING PROJECTS ARE UNDERGOING BETTERMENT AND VARIOUS STATUTORY PROCEEDINGS:



Name of Property	Location	Project in property	Status	Gross Area Added	Timeframe for Completion of Statutory Proceeding
Azrieli Jerusalem Mall	Jerusalem	Expansion of retail and commercial space, and construction of senior home 	Zoning plan approved	93,000 m ²	---
Petah Tikva land	Petah Tikva	Addition of office space 	Zoning plan	227,000 ⁽¹⁾ m ²	Long-term
Azrieli Rishonim	Rishon Lezion	Addition of office space 	Zoning plan approved	21,000 m ²	---
Azrieli Tel Aviv Center	Tel Aviv	Addition of retail space and movie theaters 	Permit approved	3,300 m ²	Short-term
Total				344,300 m²	

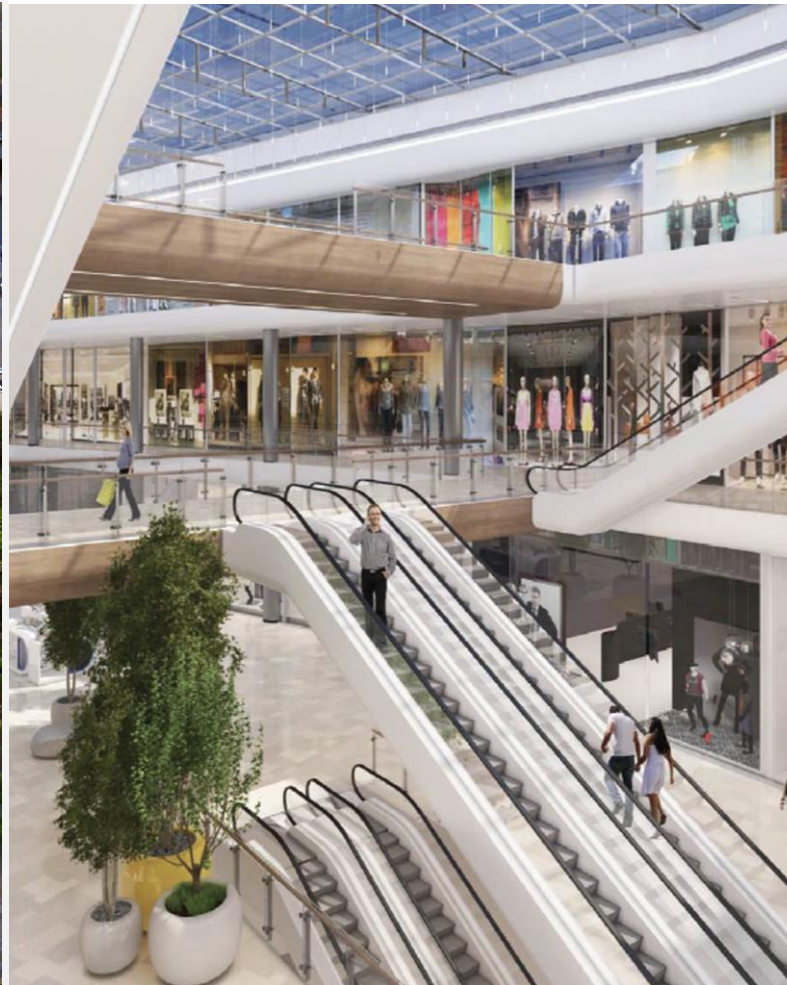
(1) Including additional rights in respect of an adjacent income-producing property.

DEVELOPMENT PROJECTS / UPGRADE OF EXISTING PROPERTIES

AZRIELI TEL AVIV CENTER, MALL ROOFTOP PROMENADE | ILLUSTRATION



AZRIELI GIVATAYIM MALL | ILLUSTRATION



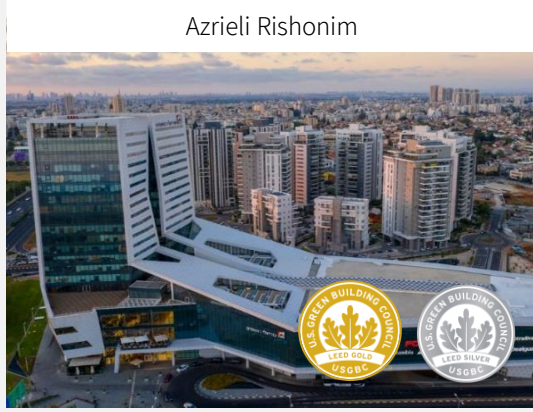
AZRIELI HOLON MALL | SKYLIGHT AND MAIN AVENUE



AZRIELI GROUP / LEADERS IN GREEN CONSTRUCTION & SUSTAINABLE OPERATION



BUILDING ISRAEL. PROTECTING THE ENVIRONMENT



Azrieli Rishonim



Azrieli Sarona



Azrieli Town



Azrieli Tel Aviv



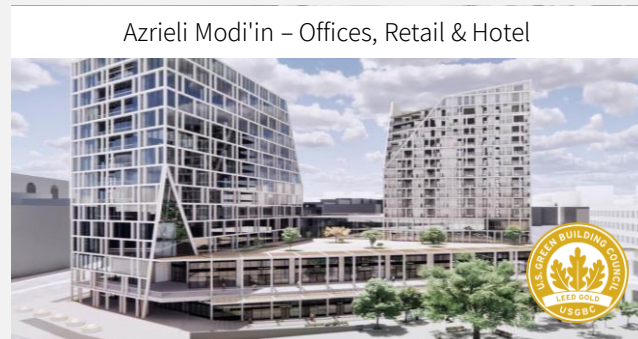
Azrieli Spiral Tower



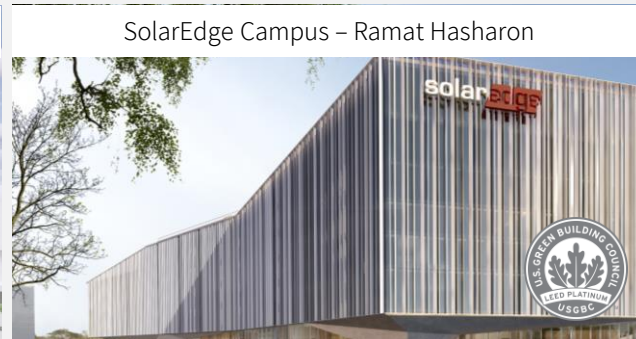
Azrieli Holon Hamanor



Azrieli Holon Business Center



Azrieli Modi'in – Offices, Retail & Hotel



SolarEdge Campus – Ramat Hasharon

Six ESG action frameworks to support our vision:

- Human capital
- Corporate governance and responsible management
- Sustainable construction procedures
- Sustainability and recycling environmental activity
- Innovation in the real estate industry
- Community and stakeholders

[ESG Report for 2021-2022 posted on the Company's website](#)



Azrieli Herzliya – Buildings E & G

Azrieli Group / Environmental Project & Community Project



BUILDING ISRAEL. PROTECTING THE ENVIRONMENT



Environmental Project

- Reduction of the amount of waste sent to landfill by 50% by 2025
- Separation of waste into different waste (organic, bottles, packages etc.)
- Integration of 34 employees with disabilities and special needs for operation of the project
- Implemented in 14 properties –engaging our tenants as partners



Sustainability and recycling environmental activity



Community project

- Community environmental protection projects
- Stakeholder engagement –Group employees, tenants, residents and customers
- Family recycling sites project in collaboration with Pitchon-Lev –implemented in 10 properties
- Saadia Creek project in Azrieli Haifa mall in collaboration with the Society for the Protection of Nature in Israel



Community and stakeholders



Azrieli Group / Impact-Focused Donations – Iron Swords War Emergency Aid

BUILDING ISRAEL. PROTECTING THE ENVIRONMENT



Wartime Aid

The Group gave aid and cash and in-kind donations totaling some NIS 11 million from the outbreak of the Iron Swords War until the end of .2023

Select Projects

- Giving gift cards to evacuees to use in the Group's malls
- Hosting 27 businesses from conflict-affected areas in the Group's malls to enable them to continue to operate during the war
- Introducing an aid basket for small businesses
- Converting vacant areas in the Company's properties for aid logistics for evacuated families and soldiers
- Donations from the inventory of the Azrieli.com website
- Thousands of volunteer hours of the Company's employees to aid residents of the Gaza border and the north



Community and stakeholders



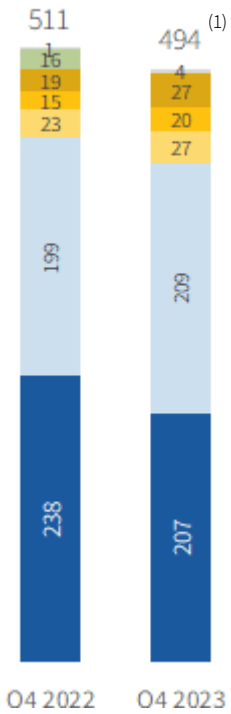
AZRIELGROUP

FINANCIALS

Constant NOI Growth

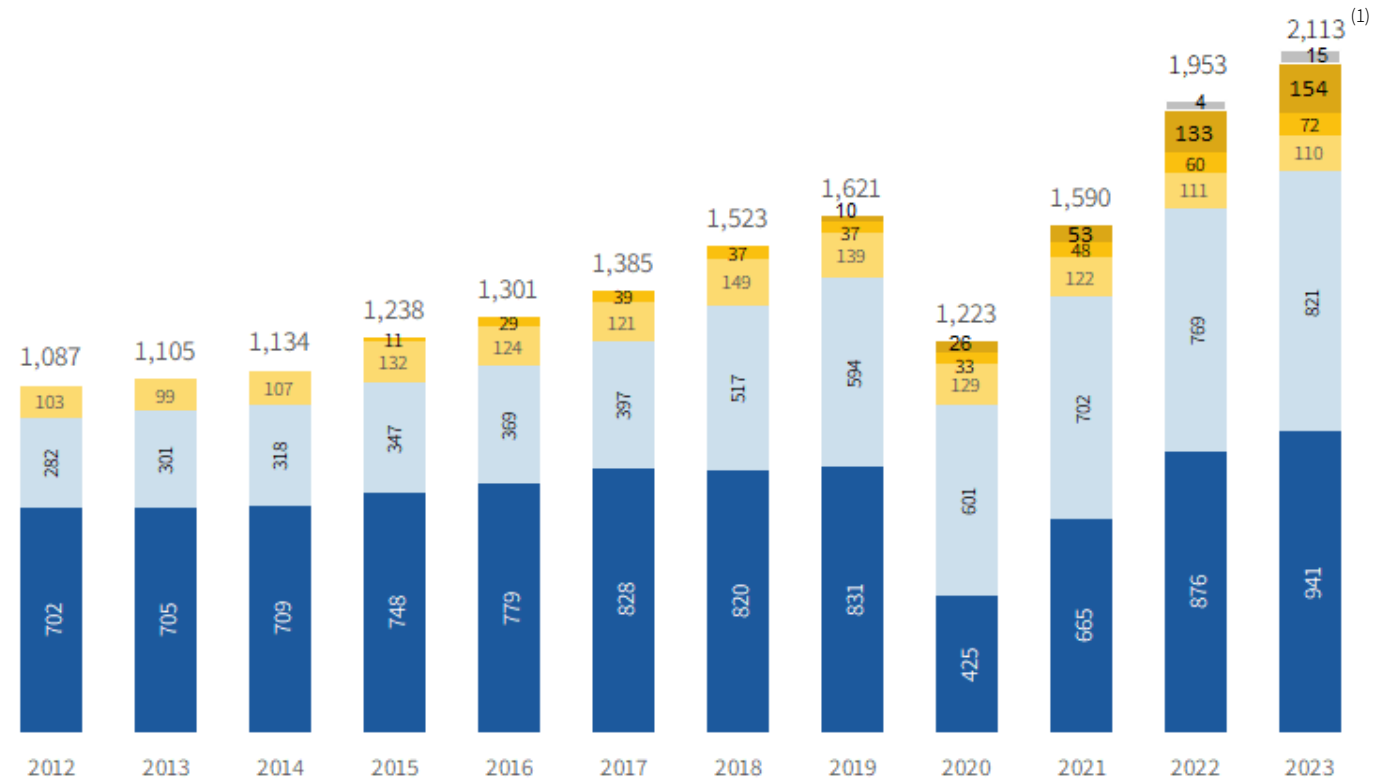


Quarterly NOI
(NIS in millions)



+8%

Annual NOI (NIS in millions)



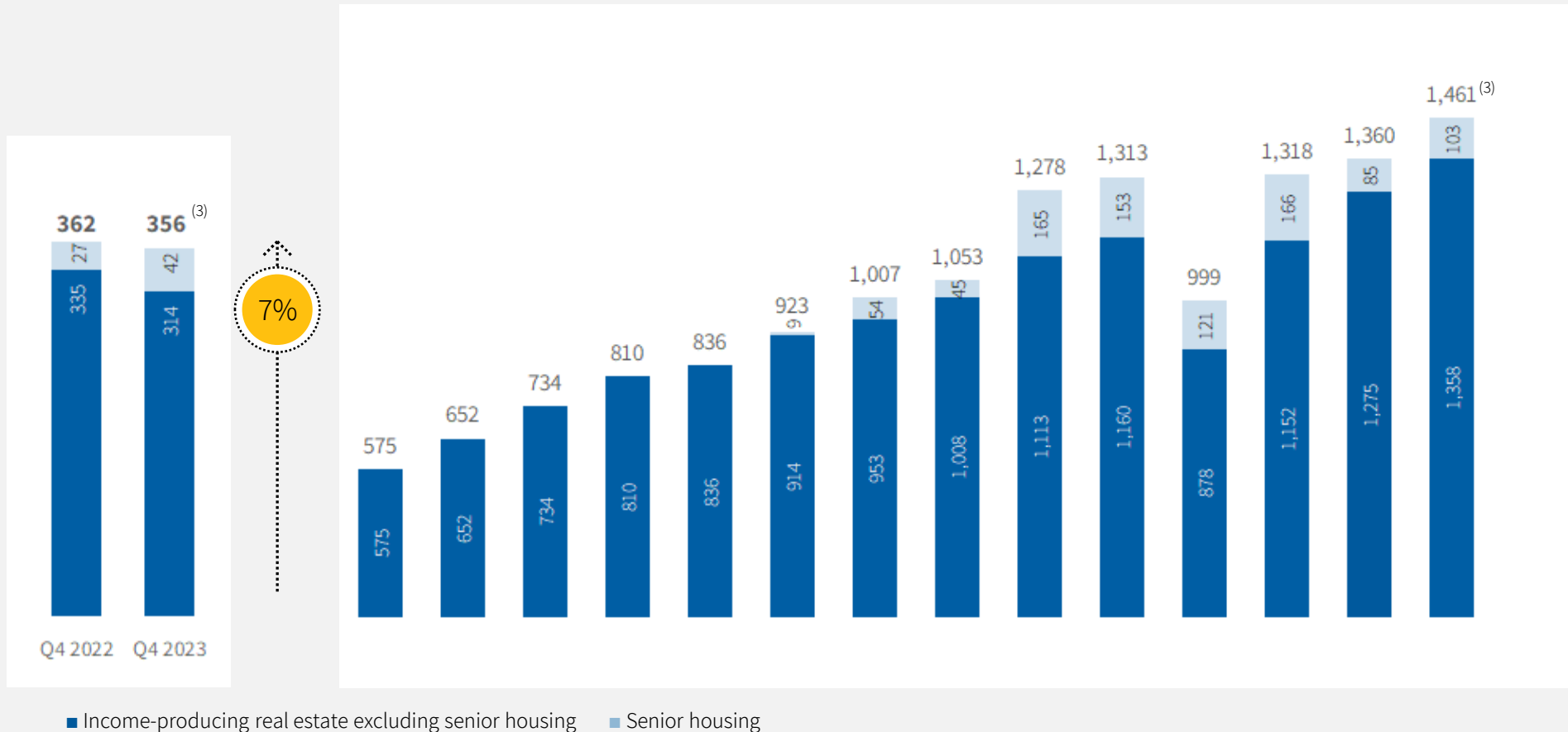
■ Malls and retail spaces ■ Offices and other spaces ■ Income-producing properties in the US ■ Senior housing ■ Data centers ■ Residential rentals ■ Compass

(1) NOI in 2023 and Q4 2023 includes war-related relief of NIS35 million

Constant FFO Growth

FFO (Management's method)⁽²⁾ compared with previous years and the same quarter last year

FFO (Management's method) attributed to the real estate business⁽¹⁾⁽²⁾ (NIS in millions)



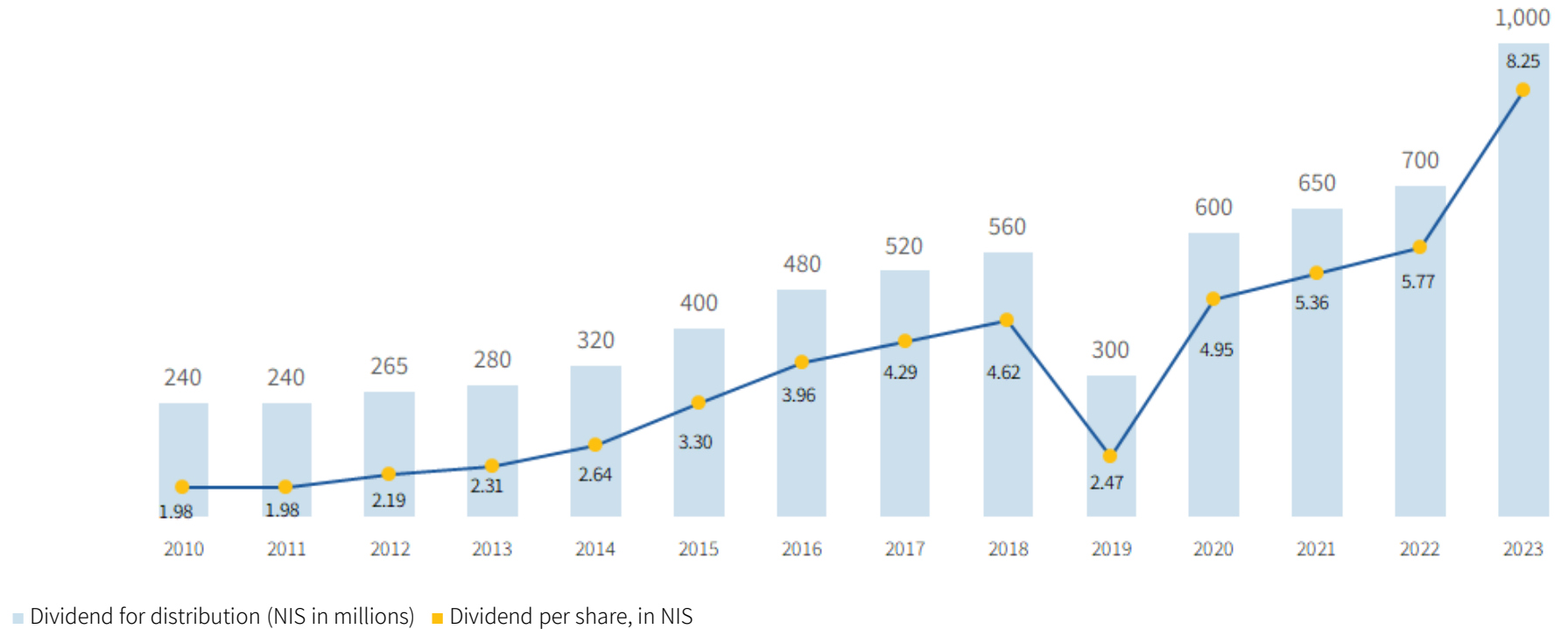
(1) For details with respect to the FFO calculation, see Section 2.6 of the Board of Directors' Report. (2) For the FFO calculation according to the ISA's method, see Slide 46.

(3) FFO in 2023 and Q4 2023 includes war-related relief of NIS27 million

Consistent and Growing Dividend Distributions



A dividend distribution of NIS 1,000 million for 2023 ⁽¹⁾



(1)The amount includes the distribution of a dividend for the exercise of holdings in Compass

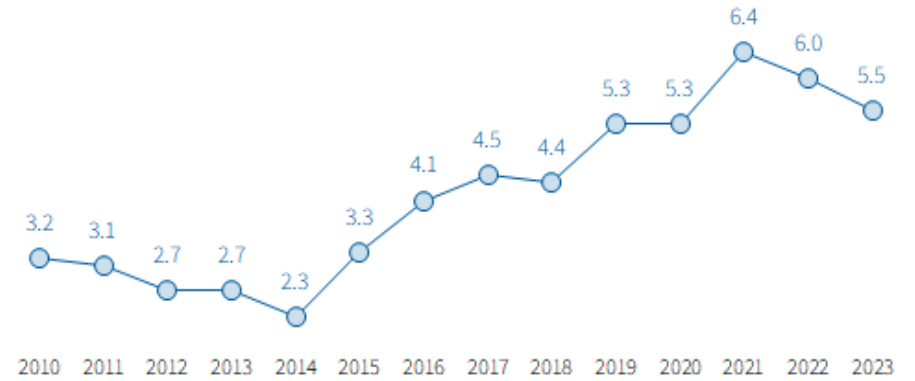
Leverage Ratio, Duration and Cost of Debt



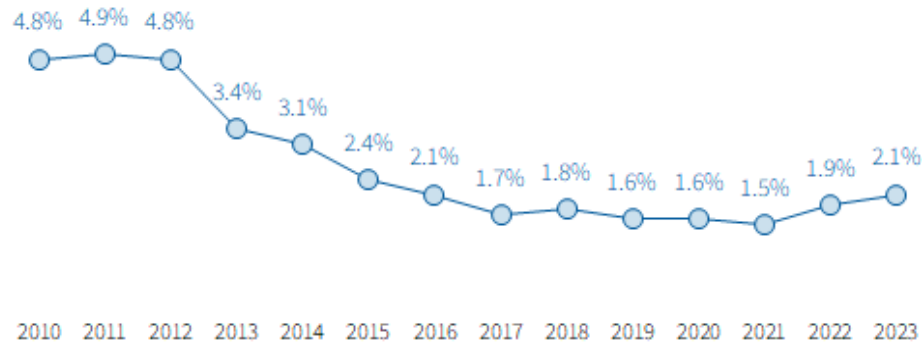
FINANCIAL STRENGTH⁽¹⁾

- Low leverage ratio – net financial debt to assets ratio: **~33%**
- Equity to assets ratio: **~44%**
- Cash and cash equivalents: **~NIS 4.9B** (approx. NIS 5.9 billion including Bank Leumi shares)
- Unencumbered assets: **~NIS 34B**

EXTENSION OF AVERAGE DURATION OF DEBT ⁽²⁾



DECREASE OF AVERAGE EFFECTIVE INTEREST RATE OVER THE YEARS ⁽²⁾



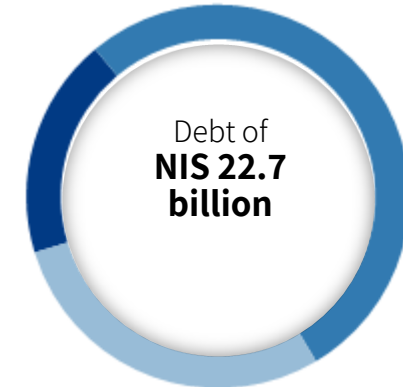
DEBT BREAKDOWN BY LENDER

7%

Banks, Institutions
and Private Loans
in Israel

11%

Foreign Banks and
Institutions



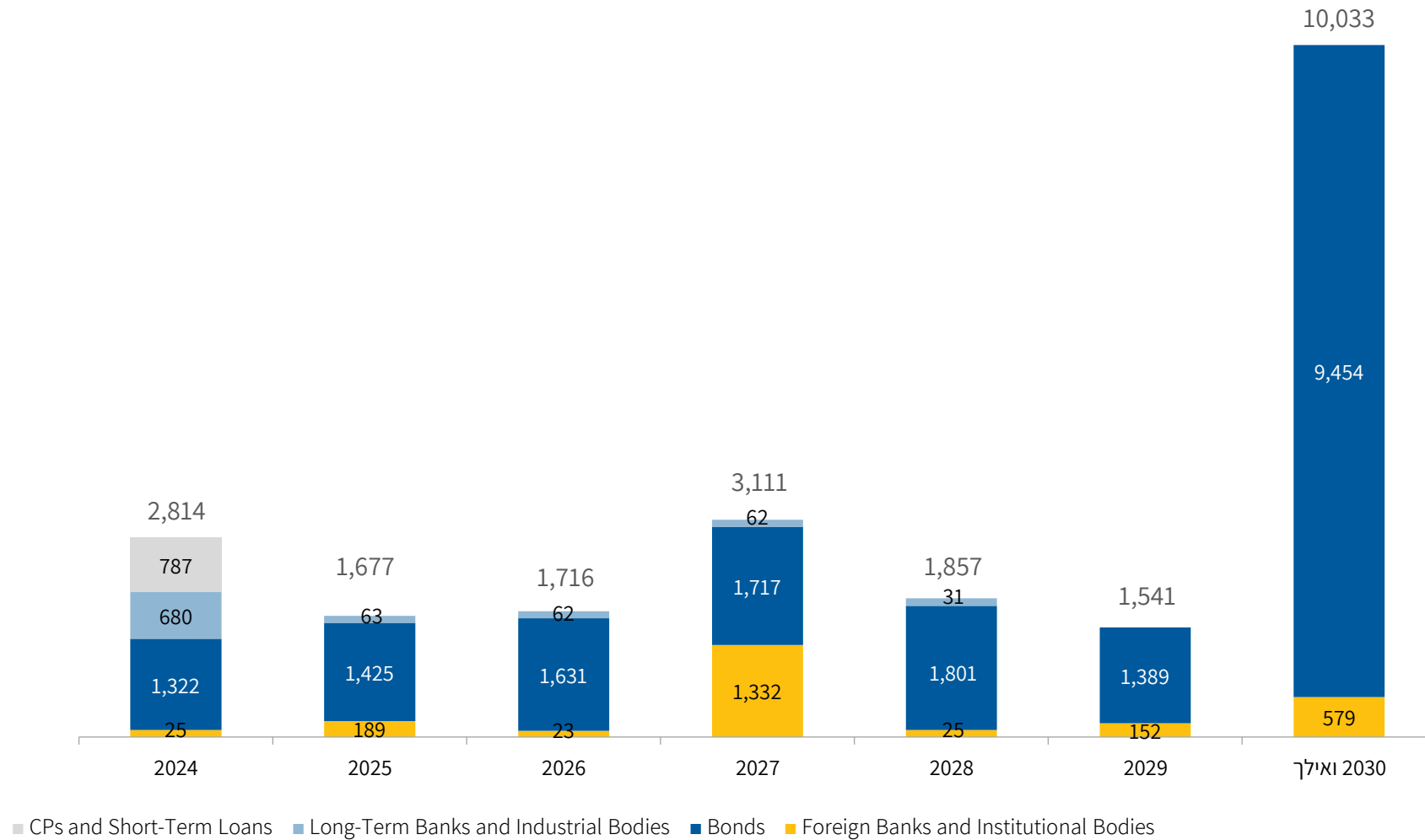
82%

Bonds

(1) As of 31 December 2023. (2) Figures as of the last day of the year / reported period. The average interest rate in Q4/2023 without overseas operations was 1.85%

Payment Schedule (principal only)

On a consolidated basis, as of 31 December 2023



Summary of Financial Statement Results (NIS in millions)



	Consolidated Q4/2023	Consolidated Q4/2022	Consolidated 2023	Consolidated 2022
Revenues from rent, maintenance, management fees and sales	722	708	2,943	2,690
NOI	494	511	2,113	1,953
Same-property NOI	487	494	1,940	1,853
FFO (Management's method) attributed to the real estate business ⁽¹⁾	356	362	1,461	1,360
FFO (ISA's method) attributed to the real estate business ⁽²⁾	295	202	846	548
Change in the fair value of investment properties	(118)	454	912	1,481
Net profit, including minority interests	1,070	323	2,218	1,792
Net profit, attributable to the shareholders	1,078	329	2,225	1,797
Comprehensive income, attributable to the shareholders	758	435	2,170	1,965

For details with respect to the FFO calculation, see Section 2.6 of the Board of Directors' Report. (2) For FFO calculated according to the ISA's method, see Slide 46

SUMMARY OF BALANCE SHEET FIGURES (NIS in millions)



	Consolidated 31 December 2023	Consolidated 31 December 2022
Cash, securities and deposits	4,916	3,408
Gross financial debt	22,749	19,329
Net financial debt ⁽¹⁾	17,833	15,921
Net financial debt to assets	33%	33%
Financial assets (mainly Bank Leumi shares)	1,038	1,030
Fair value of investment property and properties under construction	44,613	39,380
Equity (excluding minority interests)	23,543	22,073
Equity to assets	44%	46%
Total assets	54,072	48,474
Equity per share (NIS)	194.1	182.0
EPRA NRV per share (NIS) ⁽²⁾	234	221

(1) Excluding financial assets (Bank Leumi shares). (2) Excluding the full expected profit component for the development projects.

AVERAGE CAP RATE AND FFO / INCOME-PRODUCING REAL ESTATE BUSINESS



Weighted average cap rate - 6.97%

NIS in millions	
Total investment property, as of 31 December 2023	44,737
Net of the value attributed to land reserves, properties under construction, senior housing and data centers	(14,697)
Total income-producing properties	30,040
Actual NOI in the quarter ending 31 December 2023 ⁽¹⁾	443
Addition to future quarterly NOI	81
Total standardized NOI Q4/2023	524
Proforma annual NOI	2,094
Weighted cap rate derived from income-producing investment property, including vacant space	6.97%

FFO⁽²⁾ (management's method) for Y2023 attributed to the real estate business - NIS 1,461 million

NIS in millions	2023	Q4 2023
NOI	2,113	494
G&A, sales and marketing	(282)	(95)
Depreciation and amortization	18	5
NOI of associate	(51)	--
EBITDA	1,798	404
Net financing expenses	(869)	(93)
Current tax payments	(83)	(16)
FFO (ISA's method)	846	295
FFO of associate	(32)	--
Linkage and exchange rate differentials for assets and liabilities (net of tax effect)	592	30
Cash flow from incoming resident deposits net of outgoing resident deposits	107	44
Net of income from forfeiture of resident deposits	(52)	(13)
FFO (management's method)	1,461	356

(1) Excluding senior housing (the cap rate of the senior housing segment as of the report date is 8.25%) and excluding data centers (the cap rate of the income assets as of the report date is 6.75%) and rental housing.

(2) For details with respect to the FFO calculation, see Section 2.6 of the Board of Directors' Report.

RECAP / LEADERSHIP, INNOVATION AND STRENGTH



Continued growth in the key parameters of the core business (NOI, FFO)



Exceptional financial resilience and strength



The Company's operations are predominantly in Israel

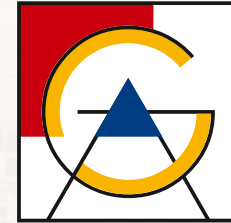


Consistent high occupancy rates over time



SIGNIFICANT GROWTH DRIVERS:

- Organic growth
- Enterprise and development of new properties
- Acquisition of income-producing properties and land for future development
- New real-estate operating segments
- Innovation



AZRIEL GROUP

THANK YOU
