

# AZRIELI GROUP LTD

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("the Company")

August 6, 2025

To:

Israel Securities Authority Via the MAGNA system

Tel Aviv Stock Exchange Ltd. Via the MAGNA system

Dear Sir/Madam,

## Re: Advanced Negotiations to Amend the Merger Agreement

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1. Further to the Company's immediate report dated June 22, 2025 ("the Previous Report"<sup>101</sup>) regarding its entry into a merger agreement to execute a "reverse triangular merger" transaction for the acquisition of 66.67% of the issued share capital of Z.M.H HAMMERMAN LTD ("the Merger Agreement", "the Transaction", and "Z.M.H HAMMERMAN LTD", as applicable), the Company is pleased to update that the parties are in advanced negotiations regarding the amendment of the Merger Agreement as follows:
- Update of Z.M.H HAMMERMAN LTD's value in the transaction, such that it will be linked to the Consumer Price Index from March 31, 2025, until the completion date of the transaction, plus an amount of NIS 5 million ("the Updated Value"). The Updated Value, according to the known index at the date of this report, stands at approximately NIS 873 million.
  - From the Updated Value as mentioned, deductions and adjustments totaling approximately NIS 7.7 million will be subtracted, instead of a deduction of NIS 15.9 million as determined in the original transaction and detailed in section (b) of the Previous Report.
2. The above amendments are subject to the parties reaching final and binding agreements. In addition, the completion of the transaction is subject to the fulfillment of all the suspensive conditions detailed in section (d) of the Previous Report, and there is no certainty that the parties will reach final agreements and/or regarding the fulfillment of the suspensive conditions and/or that the merger transaction will be completed.

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Respectfully,

**AZRIELI GROUP LTD**

Signed by: Adv. Nirit Ze'evi, Deputy CEO, Legal Counsel, and Company Secretary

**FOOTNOTE:**

<sup>101</sup> Immediate report of the Company dated June 22, 2025 (Reference: 2025-01-043998), the contents of which are included in this report by way of reference.