



Image alt: Azrieli Group Logo

AZRIELI GROUP LTD

("the Company")

August 10, 2025

To:

Israel Securities Authority
Via the MAGNA system

Tel Aviv Stock Exchange Ltd.
Via the MAGNA system

Dear Sir/Madam,

Re: Entry into Agreements for the Provision of Data Centers Services

Further to the immediate reports^[101] of AZRIELI GROUP LTD ("the Company") regarding the establishment of a Data Centers campus in the Frankfurt area, Germany, as part of a joint venture in which the Company's share is 50% ("the Joint Venture" or **the Joint Company**), and regarding the signing of the first agreement with the customer ("the First Agreement" and "the Customer", as defined in the previous report), the Company is pleased to update that on August 8, 2025, the Joint Company entered into a set of agreements with the Customer, including the second agreement (as defined in the previous report) and amendments to the First Agreement and the Second Agreement (collectively, "the Agreements^[102]").

Below is a summary of the main points of the Agreements:

- 1. The Transaction.** The Joint Company will provide the Customer with data center services ("the Services"), at the campus currently being established by the Joint Company ("the Project"), with a capacity of 36MW ("the Capacity"), with an option for the Customer to increase the capacity by 18MW to a total capacity of 54MW ("the Option"). The Joint

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Company is expected to provide the Customer with the capacity gradually over approximately 3.5 years from the date of entering into the Agreements, with the estimated date for supplying the first 9MW in the Project being during the fourth quarter of 2026.

2. Consideration. The consideration for the Services is based, among other things, on a fixed price for each stage, subject to a fixed annual increase rate as determined in the Agreements. According to the Company's estimate, given the supply of 36MW, the average annual NOI from the transaction is expected to be approximately EUR 51 million (the Company's share is about EUR 25.5 million).

3. Service Period and Extension Options. The service provision period is about 15 years from the date of delivery of each stage for the Customer's use. In addition, the Customer will be given an option to extend the service period, from time to time, for a cumulative period not exceeding 15 years.

4. Guarantee. Each of the Company and the other partner in the Joint Venture will be guarantors (in equal parts between them) for the financial obligations of the Joint Company under the Agreements, both at the construction stage and at the operation stage.

5. Termination of the Agreements. According to the Agreements, the Customer has the right to terminate the Agreements as customary in such agreements, including in the event of significant delays in the dates specified in the Agreements for the delivery of project stages, and in the event of repeated material service failures (failures level service key repeated). In the event of delays in the delivery of the Project and/or service failures, the Joint Company may be required to pay agreed compensation (by way of credits against the rent). Also, the Customer will be entitled to terminate the Agreements.

6. Governing Law and Jurisdiction - The Agreements are governed by German law and jurisdiction is in Germany.

As of the date of the report, the cost of establishing the Project (36MW) is estimated at approximately EUR 450 million (the Company's share is about EUR 225 million). As of the date of the report, the Joint Company is negotiating with financing entities regarding the financing of the Project.

The information included in this report regarding the estimated timelines for the completion of the Project and the provision of services and/or the provision of capacity to the Customer, the estimate regarding the average annual NOI, the costs of establishing the Project (including financing costs), and obtaining financing for the Project constitutes forward-looking information, as defined in the Securities Law, 1968, which is not certain to materialize and/or may materialize in a manner materially different from that detailed above. The above information is based mainly on the plans of the Company and the Joint Company and on their assessments and assumptions, which are not certain. The information presented above may not materialize due to factors beyond the control of the Company or the Joint Company, including, among others, delays in the establishment of the Project, defects in the Project, changes in the costs of establishing the Project, regulatory changes, macroeconomic or industry changes in the data centers sector, failure to complete negotiations for financing and/or the occurrence of any of the risk factors detailed in section 29.5 of Part A of the Company's periodic report for 2024, published on March 20, 2025 (Reference: 2025-01-018529), which is incorporated herein by reference.

Respectfully,

AZRIELI GROUP LTD

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

FOOTNOTE:

¹⁰¹ See the Company's immediate reports dated April 2, 2023 (Reference: 2023-01-037008), July 3, 2024 (Reference: 2024-01-068701), and July 2, 2025 (Reference: 2025-01-047754) ("the previous report") and the content of section 2.13 of the Board of Directors' report, as included in the Company's quarterly report as of March 31, 2025, published by the Company on May 22, 2025 (Reference: 2025-01-036082), which are incorporated herein by reference.

¹⁰² It should be noted that the Company and the other partner in the Joint Venture, as guarantors under the Agreements as detailed in section 4, confirmed by their signatures the amendments and the content therein.

²⁰³ Does not include financing costs estimated as of this report date at approximately EUR 48 million.