

November 26, 2025

**Azrieli Group Ltd.
(the Company)**

undefined

To:	To:
Tel Aviv Stock Exchange Ltd.	Israel Securities Authority
Via MAGNA system	Via MAGNA system

Dear Sirs,

Subject: Non-Material Merger

Hereby is given an immediate report in accordance with the Companies Law, 1999 (the Companies Law) and the provisions of Chapter G of the Securities Regulations (Periodic and Immediate Reports), 1970 (the Regulations) regarding a non-material statutory merger, according to which Azrieli Point Ltd., Company No. 515638666 (the Target Company), a wholly owned subsidiary of the Company, will merge with and into the Company as the Absorbing Company (the Absorbing Company) in accordance with the provisions of the Merger Agreement, as approved by the Company's Board of Directors on November 25, 2025 (the Merger Agreement) between the Target Company and the Absorbing Company, as detailed below:

1.

Names of the Parties to the Merger Agreement

1.1.

The Company: The Absorbing Company, as this term is defined in the Companies Law.

1.2.

Azrieli Point Ltd.: The Target Company as this term is defined in the Companies Law.

The Absorbing Company and the Target Company shall hereinafter be referred to as: the Merging Companies.

2.

Main Points of the Merger Agreement

2.1.

The merger is for a business and economic purpose, where the main objective of the merger is to allow unified management and operation of the activities of the merging companies, in order to improve management efficiency and reduce management and operational costs, as part of an internal restructuring process.

2.2.

Within the framework of the merger, no consideration shall be transferred or paid between the parties, either directly or indirectly.

2.3.

According to the Merger Agreement, the completion of the merger (after receiving the merger certificate) shall take effect from the effective date of the merger, which is December 31, 2025.

3.

Tax Implications of the Merger on the Absorbing Company

According to the Company's estimate, there are not expected to be any tax implications for the Absorbing Company, since the merger will be performed under a tax-exempt route according to Section 103Y(a) of the Income Tax Ordinance [New Version].

4.

Quantity and Rate of Holdings of Interested Parties in the Absorbing Company in the Issued and Paid-Up Share Capital and in Voting Rights

Following the completion of the merger, there will be no change in the holdings of interested parties in the Company, and they will remain as they were prior to the execution of the merger. For details regarding the holdings of interested parties, see the Company's immediate report dated October 16, 2025 (Reference No.: 2025-01-076265), which is incorporated in this report by reference.

5.

The Consideration for the Merger

The merger will be performed without any consideration from the Company and without allocation of shares.

6.

The Board of Directors’ Position Concerning Whether There is Reasonable Concern that as a Result of the Merger the Company Will Not Be Able

The Absorbing Company to Meet its Obligations to its Creditors After the Merger

The Board of Directors of the Company has determined that, considering the financial condition of the merging companies, in its opinion, there is no reasonable concern that the Company will not be able to meet its obligations to its creditors after the mergers, including its obligations to holders of the Company’s bonds.

2024-06-30

7.

Required Approvals and Conditions Set for the Completion of the Merger

7.1. The Board of Directors of the Target Company and the Board of Directors of the Absorbing Company approved the merger on November 25, 2025. According to the provisions of Section 320(a1) of the Companies Law, the mergers do not require approval by the general meeting of the company or the Target Company.

7.2. Completion of all procedures required for the merger of the merging companies according to the provisions of the first chapter of the eighth part of the Companies Law and the regulations enacted under it;

7.3. Obtaining consents, exemptions, waivers, assignments, etc. from any authority, regulator, or third party whose consent is required pursuant to any law and/or agreement and/or understanding for the implementation of the merger agreement;

7.4. Submission of notification to the Tax Authority regarding the execution of the merger as per the provisions of the Income Tax Ordinance, as a tax-exempt merger and subject to all the conditions and rules specified in Section 103 of the Income Tax Ordinance, relevant to the merger;

7.5. There is no judicial order against any of the parties in connection with the completion of the merger;

7.6. According to Section 323 of the Companies Law, after all necessary merger approvals for the Target Company have been received by the Registrar of Companies and at least 50 days have passed since the merger notice was delivered to the Registrar of Companies, the Registrar will issue the company a certificate attesting to the completion of the merger, register the merger in its records, and dissolve the Target Company. The merging companies cannot estimate when all required approvals for the merger will be received.

8.

New or Existing Restrictions that are or Are Expected to Apply, to the Company's Best Knowledge, on the Absorbing Company as a Result of the Merger

To the Company's best knowledge, the merger does not include existing or expected restrictions, except for restrictions applicable due to the provisions of Part E2 of the Income Tax Ordinance.

9.

Name of Every Director, Controlling Shareholder, and Interested Party with a Personal Interest

To the Company's best knowledge, the directors, controlling shareholders, and interested parties have no personal interest in the merger, considering the fact that the Target Company is a wholly-owned subsidiary of the company.

10.

Whether the Merger Requires Approval under Section 320(c) or (d) of the Companies Law

The merger does not require approval pursuant to Section 320(c) or (d) of the Companies Law.

11.

Plans of the Absorbing Company, if Any, Regarding Securities Convertible or Exercisable into Shares of the Target Company

The Target Company has not issued nor committed to issue any securities that are convertible or exercisable into its shares.

12.

Plans of the Absorbing Company Following the Merger, If Formulated, Including Plans for Integration of Activities, Sale of Assets, Employee Dismissals, and Reorganization

According to the merger agreement, the Target Company will transfer all of its activities to the Absorbing Company, including all assets, intellectual property, fixed assets, goodwill, agreements, rights, and obligations of the Target Company, without consideration. In addition, the employees of the Target Company will transfer to the Absorbing Company, while maintaining continuity of rights.

13.

The Reasons Why the Merger is Not Material, Where One or More Conditions of Regulation 37b(a) Are Met

The company does not consider the merger to be material, since none of the conditions stated in Regulation 37g(a) of the regulations apply.

14.

The Main Reasons of the Board of Directors for Approving the Merger

14.1. Unification of management and business operations of the merging companies, with the goal of improving management efficiency and operational cost reduction, as part of an internal restructuring process.

14.2. Considering the financial status of the merging companies, in the Board's opinion, there is no reasonable concern that as a result of the merger the company will be unable to fulfill its obligations to creditors.

2024-06-14

15.

General Meeting

In accordance with the provisions of Section 320(a1)(1) and 320(a1)(2) of the Companies Law, the merger does not require the approval of the general meetings of the parties.

Respectfully,

Azrieli Group Ltd.

Signed by: Adv. Nirit

Zaevi, Deputy CEO, Legal Counsel
and Company Secretary
