



March 23, 2022

Azrieli Group releases Q4/2021 and Y2021 results

Presents strong results in all operating parameters and investments of over ILS 3.5 billion this year

NOI in 2021 is up 31% year-over-year, amounting to some ILS 1.6 billion and the NOI rate in Q4/2021 was over ILS 1.8 billion and has reached record levels, thanks to the significant contribution of growth engines (the offices, senior housing, and data center segments), and despite the partial operation of the malls at the beginning of the year

FFO in 2021 is up 32% year-over-year, amounting to some ILS 1.3 billion

The net profit attributed to shareholders amounted to ILS 2.9 billion, and the comprehensive profit to ILS 3.2 billion, compared with a comprehensive loss of ILS 147 million in 2020

Same Property NOI in 2021 is up 23% year-over-year

This year, the Group closed one of the biggest deals in its history – the acquisition of Norwegian Data Center company Green Mountain, according to an EV of some ILS 2.8 billion

Financial Highlights for Q4/2021 and Y2021

- **NOI in 2021** amounted to some ILS 1,590 million, up around 31% year-over-year. The increase mainly derives from the relief granted to mall tenants last year following the Covid crisis, and from the opening of the Azrieli Town and Azrieli HaManor office towers. **NOI in the quarter** amounted to some ILS 454 million, up 103% from Q4/2020. The increase mainly derives from relief granted to mall tenants in Q4/2020 as a result of the Covid crisis, the acquisition of the Green Mountain data center company, and the opening of the Azrieli Town Tel Aviv and HaManor Holon office towers, together with the occupancy of Bezeq's former space in the Azrieli Tel Aviv Triangular Tower.
- Same Property NOI in 2021 was up 23% year-over-year. Same Property NOI in Q4/2021 was up 87% year-over-year.
- **FFO excluding senior housing** amounted to some ILS 1,152 million in 2021, up some 31% year-over-year. **The total FFO** amounted to some ILS 1,318 million, up around 32% year-over-year. **FFO excluding senior housing** amounted to some ILS 323 million in Q4/2021, up some 113% compares with Q4/2020. **The total FFO** amounted to some ILS 362 million in Q4/2021, up around 70% compares with Q4/2020.
- **Net profit** attributed to the shareholders totaled approx. ILS 2,889 million in 2021, compared with a profit of approx. ILS 184 million in 2020. **The comprehensive income** in 2021 totaled approx. ILS 3,235 million compared with a comprehensive loss of approx. ILS 147 million year-over-year. **Net profit** attributed to the shareholders totaled approx. ILS 2,209 million in Q4/2021, compared with a loss of approx. ILS 29 million in Q4/2020.

Azrieli Group Ltd.

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The **comprehensive income** in Q4/2021 totaled approx. ILS 2,228 million compared with approx. ILS 10 million in Q4/2020.

- **During the year, the Group invested approx. ILS 1,143 million in investment property**, in the acquisition, development, construction of new properties and in upgrading and improving existing properties. The Group also invested ILS 2.4 billion in the acquisition of the Norwegian data center company Green Mountain.

Danna Azrieli, Chairwoman of the Azrieli Group: "2021 was a fantastic year for the Azrieli Group, with strong growth, significant development in all core segments, and excellent financial results. In addition, during the year we closed an approx. ILS 2.8 billion strategic transaction, one of the largest in the Group's history, for the acquisition of Green Mountain, a data center company operating in Norway. I am proud to lead such an excellent enterprising group, with the ability to identify long-term opportunities and to constantly develop its business – qualities which place us in a strong and unique position in the Israeli market.

In the last decade we presented a number of new growth engines, including data centers, senior housing, and the omni-channel, and we are continuing to lay the groundwork for additional new areas such as hotels and long-term residential rentals. We will continue to explore new business opportunities which are a good fit with our long-term business strategy, alongside constant investment in preserving the high standard and value of the Group's portfolio".

Eyal Henkin, CEO of the Azrieli Group: "2021 was a strong year with double-digit growth in all of the operating parameters, alongside significant investments of over ILS 3.5 billion. The offices segment enjoyed increasing demand throughout the year and continued growth in the Same Property NOI. The retail operations have continued to present a positive trend since the reopening of the malls in February of 2021.

The Group continues to develop new growth engines, mainly Data Centers, a segment growing in high pace. In Q4 2021, our share in the Data Center's NOI reached an annual rate of ILS 120 million. This contribution will further increase with the completion of the many projects in development in Compass (24% ownership) active mainly in North America and in Green Mountain (100% ownership) active in the European market. The senior housing segment continues to increase and to be a strong and growing arm of the Group. In view of the successful marketing of Stage A of the project, we moved up the construction of Stage B of Palace Lehavim, and we are preparing to begin work on the new project in Rishon LeZion."

Occupancy Rates and Store Revenues

- **The average occupancy rate** (excluding properties under lease-up) was 99% in the malls segment, 99% in the Israel offices segment, and 97% in senior housing.
- **Store revenues** – From the date the malls reopened on February 21st until the end of 2021, store revenues in the malls increased by 1.8% relative to the same period in 2019 (excluding tenants that did not resume full / regular operations due to the restrictions).

Balance Sheet as of December 31, 2021

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- The Group has **cash, deposits and short-term investments** amounting to approx. ILS 2.9 billion, and together with Bank Leumi stock, cash and cash equivalents, and marketable securities – ILS 4.2 billion.
- The **net debt** totals approx. ILS 12.4 billion.
- The **value of investment property and investment property under construction** totals approx. ILS 34 billion.
- The **equity to assets ratio** is approx. 49% and the **net debt to assets ratio** is approx. 29%.
- **Unencumbered assets** total approx. ILS 29 billion.

Conference call

The Company will hold its annual conference call, hosted by the Group's senior management, today (Wednesday, March 23rd, 2022) at 4:00 pm Israel local time (3:00 pm CET; 2:00 pm United Kingdom time, and 09:00 am Eastern Time).

The call will include a review of the Company's Q4/2021 and Y2021 performance, as well as a discussion of the Company's strategy and expectations for the future. A question & answer session will follow the discussion.

To participate, please dial:

03-9180664 from Israel
1-888-407-2553 from the U.S.
0-800-917-9141 from the U.K.
0-800-024-9936 from the Netherlands
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