



AZRIELIGROUP

Azrieli Group

Conference Call Presentation

Financial Statements December 31, 2022

March 2023



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- › The information included in this presentation is a summary only and does not exhaust all of the information on the Company and its business, nor is it a substitute for inspection of the Periodic Report for 2022, the Company's current reports and the presentations released thereby, as reported to the ISA via the Magna distribution site. The presentation does not constitute an offering or an invitation to purchase securities of the Company, and the provisions thereof do not constitute a recommendation or opinion or substitute for the discretion of the investor. The Company is not responsible for the integrity or accuracy of the information.
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- › With respect to some of the development projects, no decision has yet been made regarding carrying out their construction and occupancy in several stages.
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- › Slide 19 – the Company's estimates regarding the forecasted growth in the results of the data center business constitute forward-looking information, as this term is defined in the Securities Law, based on subjective assessments by the Company and by the investee companies operating in the data center industry as of the date of release of this presentation, the materialization of which, in whole or in part, is not certain and which may materialize in a materially different manner, *inter alia* due to changes in the timetables of the projects, their actual size and marketing and due to factors beyond the Company's control, including changes in the global data center market.
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- › The terms "FFO attributed to the Real Estate Business" and "weighted average cap rate" relate to the Group's income-producing real estate business only. Anyone reading the presentation must read such figures in conjunction with the Board's explanations in sections 2.6 and 2.7 in the Board of Directors' report as of December 31, 2022, including the methods of calculation 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.
- › All numbers and figures are approximate.

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- › The following English translation of Azrieli Group's presentation for the conference call of December 31, 2022 (the "**Presentation**") is provided for convenience. Please note that this document should not be regarded as a substitute for reading the full original Hebrew version of the Presentation. This translation was neither prepared nor checked by the Company. Accordingly, the Company does not warrant that the translation fully, correctly or accurately reflects the Presentation and its contents.
- › The binding version of the Presentation for all intents and purposes is the original Hebrew version, filed by the Company with the Israel Securities Authority through the MAGNA website on March 22, 2023. Nothing in this translation constitutes a representation of any kind in connection with the Presentation, nor should it be regarded as a source for interpretation of the Presentation or the Company's reports or statements. In any event of contradiction or discrepancy between this translation and the Hebrew version of the Presentation, the Hebrew version shall prevail.

Azrieli Group Business Card



Traded on the capital market since 2010

the 8th largest company⁽¹⁾ on the Tel Aviv Stock Exchange

Market cap of NIS 26 billion⁽¹⁾

30.1% of the shares held by the public

Listed in all leading indices:

TA-35, TA-125, TA-Real Estate

The Company's share is included in the EPRA Index

The Company owns income-producing properties with a total leasable area of ⁽²⁾**1,377,000 m²**, **10** additional projects **under construction**, and **5 projects under renovation** and expansion

Average **occupancy** rate in Israel of **98%**⁽³⁾

81% of the value of investment and under-construction income-producing properties (on a consolidated basis) attributed to real estate in Israel

Rating: **AA+** (Ma'alot S&P); Aa1 (Midroog Moody's)

Leverage ratio of only 33%, and equity to assets ratio of 46%



(1) As of March 21, 2023.

(2) Excluding Data Centers assets.

(3) Excluding completed properties in the first stages of occupancy.

Income-Producing Properties Map



Malls and Retail Centers

Ayalon Mall	Jerusalem Mall	Holon Mall	Akko Mall Or Yehuda
Hod Hasharon Mall	Modi'in Mall	Ramla Mall	Outlet
Herzliya Outlet	Azrieli Mall	Azrieli Ra'anana	HaNegev Mall
Givatayim Mall	Azrieli Holon Center	Haifa Mall	Palace Lehavim
Sarona Mall	Rishonim Mall	Palace Modi'in	Mall Hayam
Azrieli TOWN			

Offices and Others in Israel

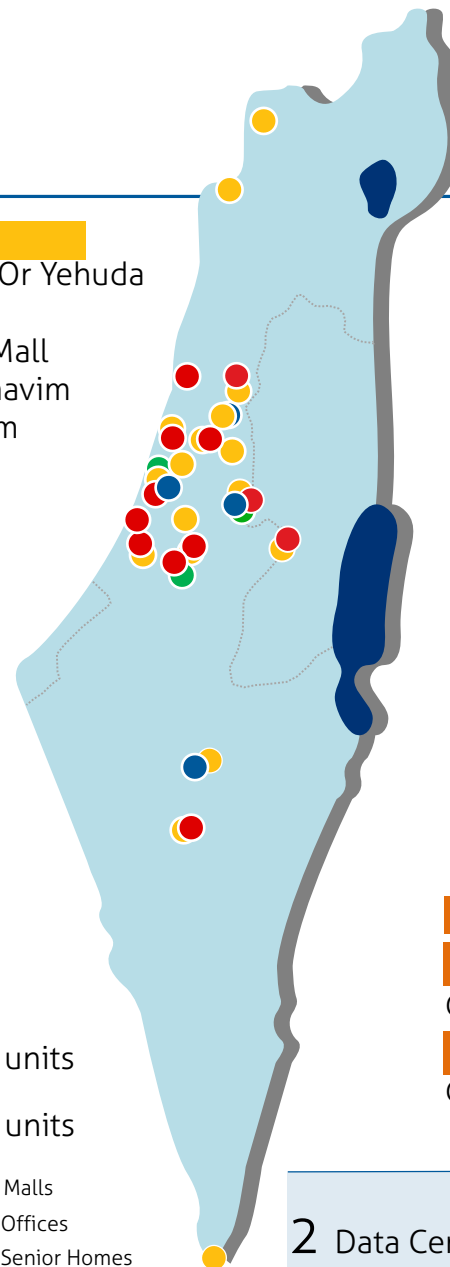
Azrieli Towers	Modi'in	Givatayim
Azrieli Sarona	Petach Tikva	Hanegev
Azrieli Holon Center	Jerusalem	Rishonim
Caesarea	Azrieli TOWN	Hamanor
Herzliya	Azrieli TOWN building E	Akko
Mikve Israel Tel Aviv		

Residential for Rent

Azrieli TOWN	Azrieli Modi'in
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21	Malls and Retail Centers	360,000 m ²	
16	Office Properties	632,000 m ²	
4	Senior Homes	115,000 m ²	1,142 residential units
2	Senior Homes	29,000 m ²	277 residential units
8	Office Properties Overseas	241,000 m ²	
Total		1,377,000 m² (1) (2)	

- Malls
- Offices
- Senior Homes
- Residential for rent



Senior Homes

Palace Tel Aviv
Palace Ra'anana
Palace Modi'in
Palace Lehavim

Overseas

Galleria
1 Riverway
3 Riverway
Plaza
8 West
Aspen II
San Clemente
Leeds

Data Centers

North America & EMEA

Compass 32.4%

Europe

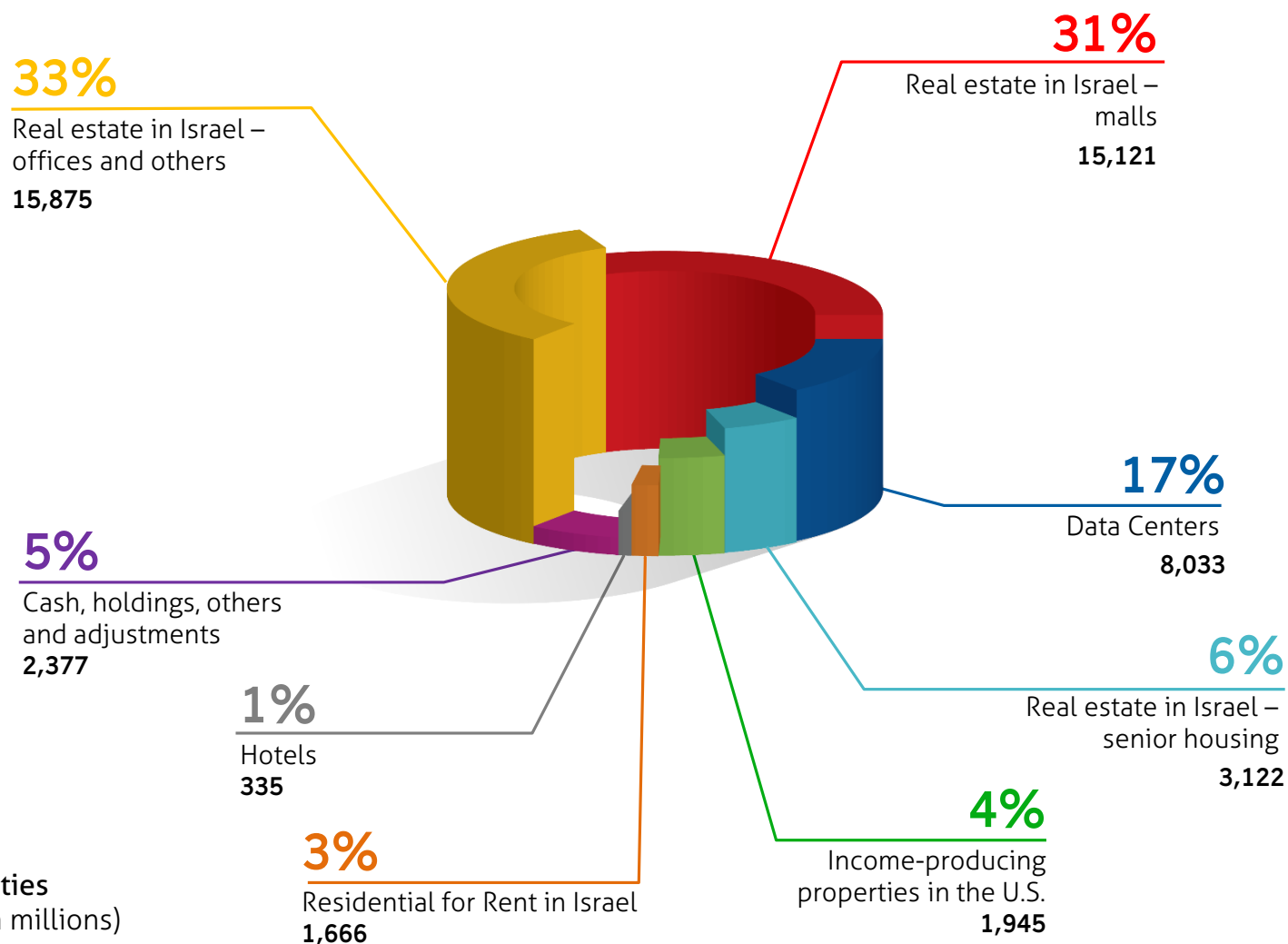
Green Mountain 100%

2 Data Center Companies Overseas

(1) As of December 31, 2022.

(2) GLA (gross leasable area) is based on the Company's share.

Azrieli Group Breakdown of Properties⁽¹⁾



% of Total Properties
Book Value (NIS in millions)

(1) Consolidated, as of December 31, 2022. For details regarding the Company's structure, see Section 1.2.1 of Chapter A of the Report.

Highlights for Q4 and FY 2022⁽¹⁾

Financial Highlights

- NOI totaled **NIS 1953 million, which was up 23% compared with 2021**, mainly increase in the retail sector, office sector and Data Centers.
- Same Property NOI – **an increase of 13% compared to 2021**.
- FFO (management approach)⁽¹⁾ totaled **NIS 1,360 million a 3% increase compared to 2021**.
Excluding senior housing, the FFO totaled NIS 1,275 million, compared with NIS 1,152 million in **2021, a 11% increase**. The NOI increase was offset against an increase in financing and G&A expenses, when in the DC segment, contracts signed with tenants are not yet fully reflected in the NOI.

Continued Momentum of Development, Betterment and Acquisitions

- During Q4/2022, **the Group invested NIS 884 million** in acquisition of new lands, investment properties, renovation of existing properties, and development of new properties.
- Since the beginning of **2022 the investment totaled NIS 3.5 billion**.

Dividend

- In May 2023, the company will distribute a NIS 700 million dividend. NIS 5.77 per share.



(1) For ISA approach of the FFO calculation, see slide 47.



AZRIELGROUP

Real Estate Segments



Azrieli Group Malls and Retail Centers



NOI in 2022 – **NIS 876 million**,
compared with NIS 665 million in 2021.

Average occupancy rate –
99%⁽²⁾

Book value –
NIS 15.1 billion

GLA –
360,000 m² ⁽¹⁾

Innovation and Upgrading

Azrieli E-Commerce

Azrieli Gift Card

Azrieli App

Betterment and upgrading of malls and retail centers



(1) As of December 31, 2022. GLA (gross leasable area) is based on the Company's share.
(1) Excluding completed properties in the first stages of occupancy.



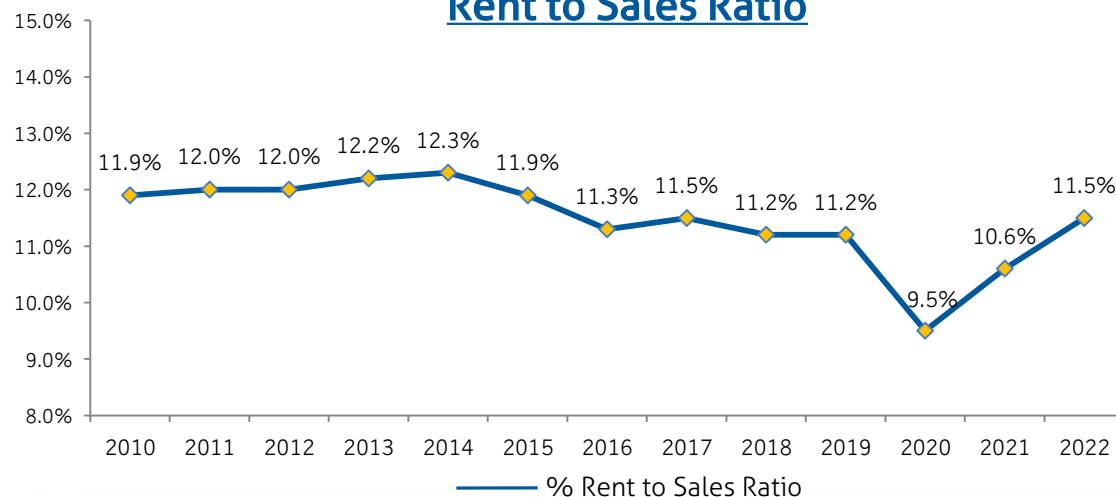
Azrieli Group Malls Store Revenues and Rent to Sales Ratio

3-12 2022 ⁽¹⁾ ⁽²⁾
Vs.
3-12 2021 ⁽¹⁾ ⁽²⁾

+4.9%

Total Increase in Revenues of
Azrieli Group Mall Stores

Rent to Sales Ratio



(1) January and February were excluded due to lockdown in 2021 and Omicron restrictions in 2022.
(2) Excluding Mall Hayam mall acquired in July 2022.



Acquisition of Mall HaYam shopping Center in Eilat



- The transaction was completed in July 2022.
- Among the leading malls in Israel.
- Land area – approx. 6,000 sqm in the city of Eilat adjacent to the beach.
- GLA – approx. 13,500 sqm.
- Occupancy rate – close to 100%, leased to ~104 tenants.
- Store revenues – the highest per sqm in Israel.
- Representative NOI – NIS 90 million.
- Asset cost – NIS 1.4 billion.
- Debt in the acquired company (SPC) – NIS 641 million, matures in 2024.
- Additional building rights.





Azrieli Group Offices



NOI in 2022 – **NIS 769 million**,
compared with NIS 698 million in 2021.

GLA –
632,000 m² ⁽¹⁾

Average occupancy rate –
98% ⁽²⁾

Book value –
NIS 15.9 billion

Innovation and Upgrading

Community

Technology

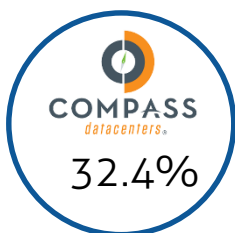
**Betterment and
upgrading of the
office towers**



(1) As of December 31, 2022. GLA (gross leasable area) is based on the Company's share.
(2) Excluding completed properties in the first stages of occupancy.



Azrieli Group Global Data Centers Activity



NOI in 2022 – **NIS 133 million**,
compared with NIS 53 million in 2021.

Book Value –
NIS 8 billion

Development⁽²⁾

Investment to completion of projects under development –
NIS 1.2 billion



(1) GLA (gross leasable area), Book Value and Investment is based on the Company's share.
(2) As of December 31, 2022.



Data Center Market Overview



BUSINESS UPDATE

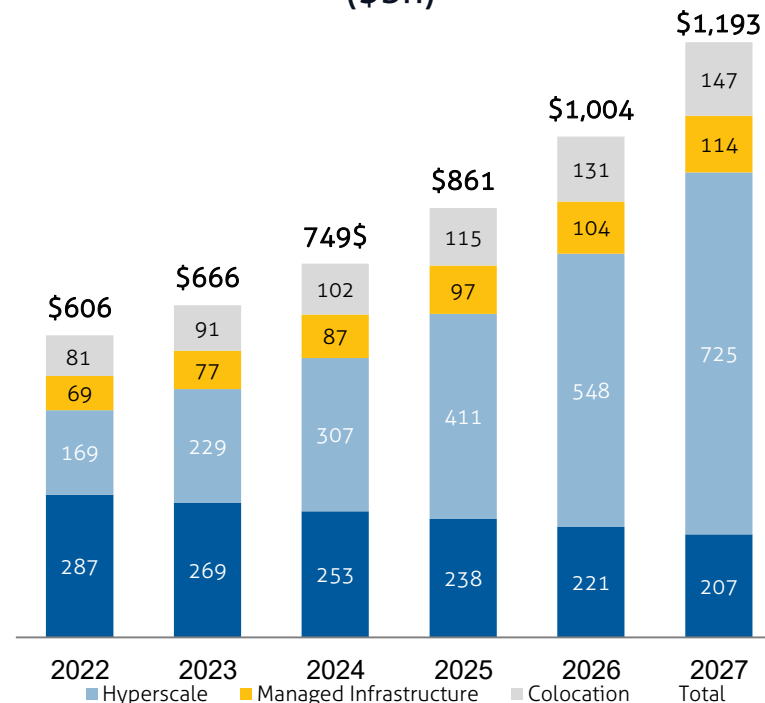
Global Data Center Market Forecast

Demand for data center services continues to grow rapidly behind accelerating drivers of demand.

KEY THEMES DRIVING DEMAND FOR DIGITAL INFRASTRUCTURE

- 1 Continued rise of outsourced digital infrastructure
- 2 Acceleration of public cloud adoption
- 3 Explosive growth of data and internet traffic
- 4 Cloud computing growth & consumer device proliferation
- 5 Emergence of 5G, IoT and the edge
- 6 Resilience requirements

Total Infrastructure Global Forecast (\$bn)



'22-'27 CAGR

Total	15%
On-Premise	(6%)
Hyperscale	34%
Managed Infrastructure	11%
Retail	13%

Source: Structure Research.

Note: Hyperscale refers to revenue that each of the eight CSPs generate (Amazon, Microsoft, Alibaba, Google, IBM, Oracle, Tencent, Huawei).

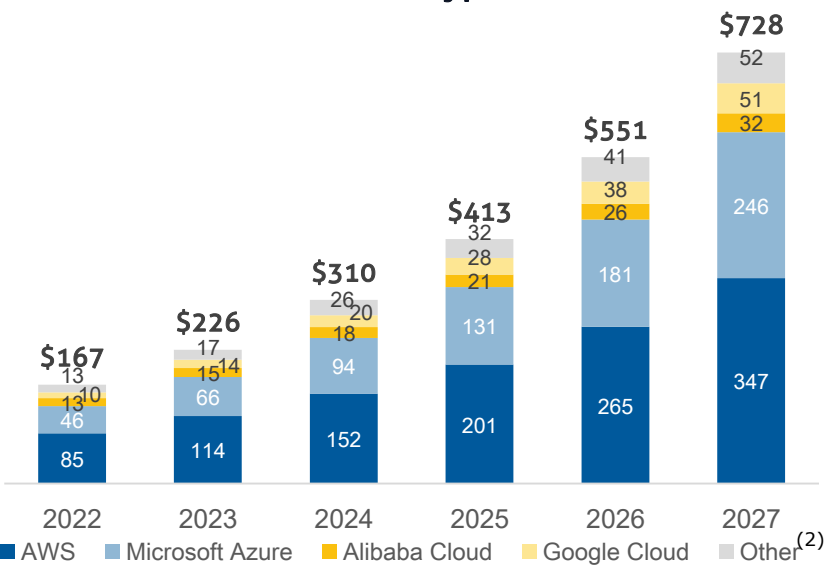


Data Center Market Overview

Hyperscale and Cloud Continue to Drive Growth

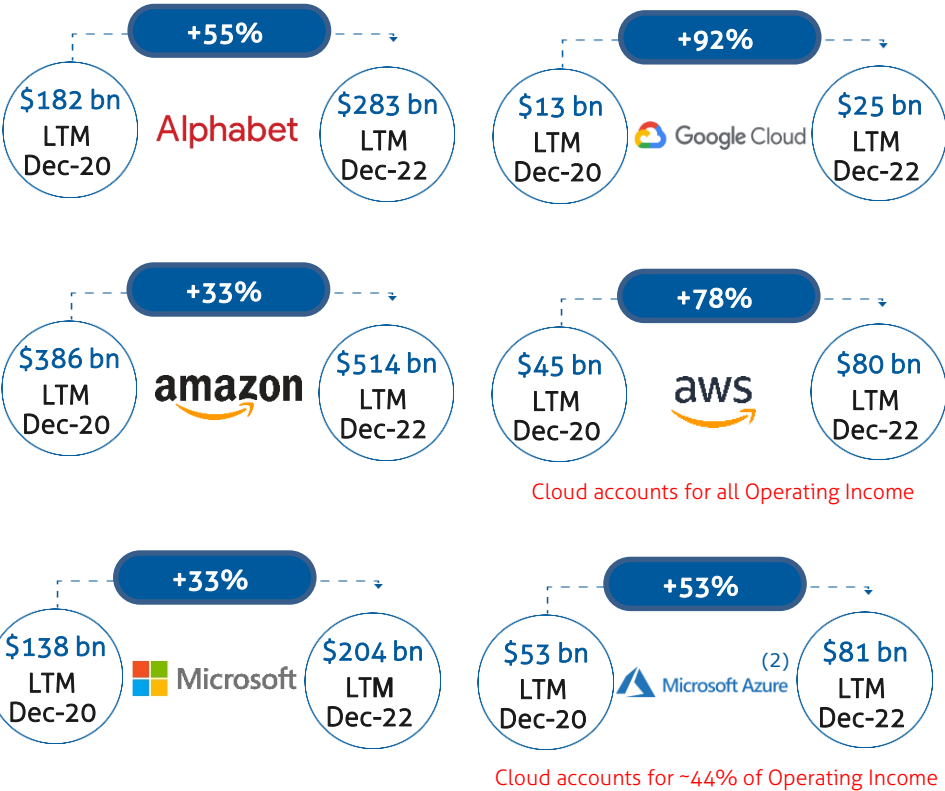
Global colocation market expected to continue steady growth, predominantly fueled by Hyperscale deployments.

Cloud Revenue from Hyperscalers (\$bn)



CAGR '22-'27	
Total	34%
AWS	33%
Microsoft Azure	40%
Alibaba Cloud	20%
Google Cloud	39%

CLOUD SERVICE PROVIDER SEGMENTS REMAIN THE GROWTH ENGINE FOR PARENT COMPANIES



Cloud accounts for all Operating Income

Cloud accounts for ~44% of Operating Income

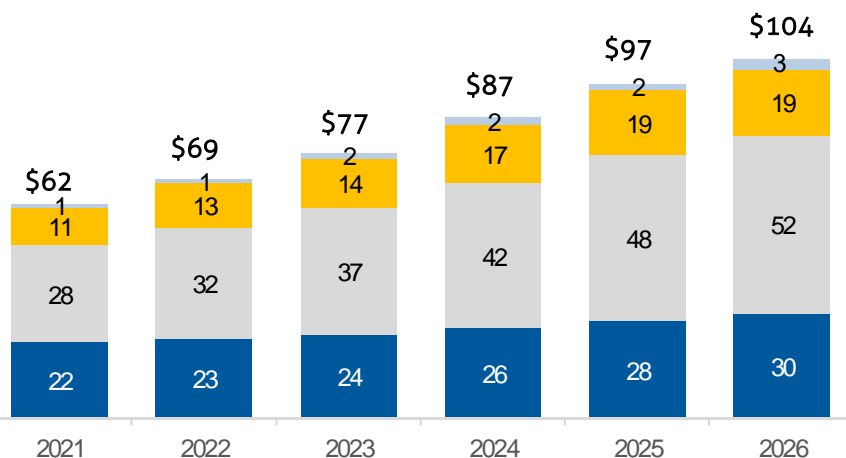
1) Other includes IBM Cloud, Oracle, Tencent, Kingsoft and Huawei.
2) Server products and cloud services segment.



Data Center Market Overview

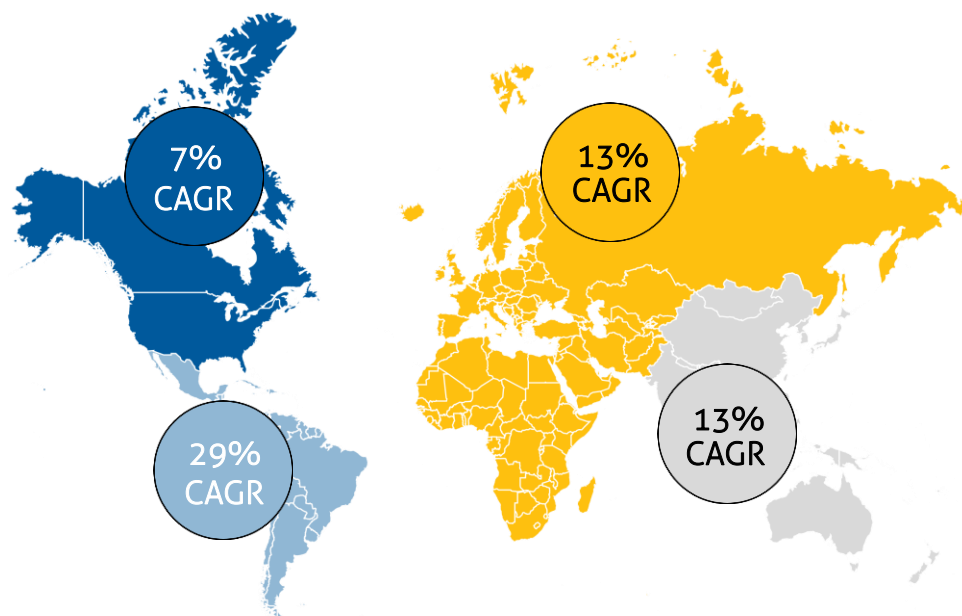
Data Center Market is Expected to Exhibit Strong Growth Across Geographies

Global Colocation Revenue Forecast (\$bn)



CAGR '21-'26

CAGR '21-'26	
Total	11%
North America	7%
APAC	13%
EMEA	13%
Latin America	29%



North America

2021	\$21.5bn (35%)
2026	\$29.7bn (28%)

EMEA

2021	\$11.0bn (18%)
2026	\$19.3bn (19%)

Latin America

2021	\$0.9bn (1%)
2026	\$3.2bn (3%)

Asia Pacific

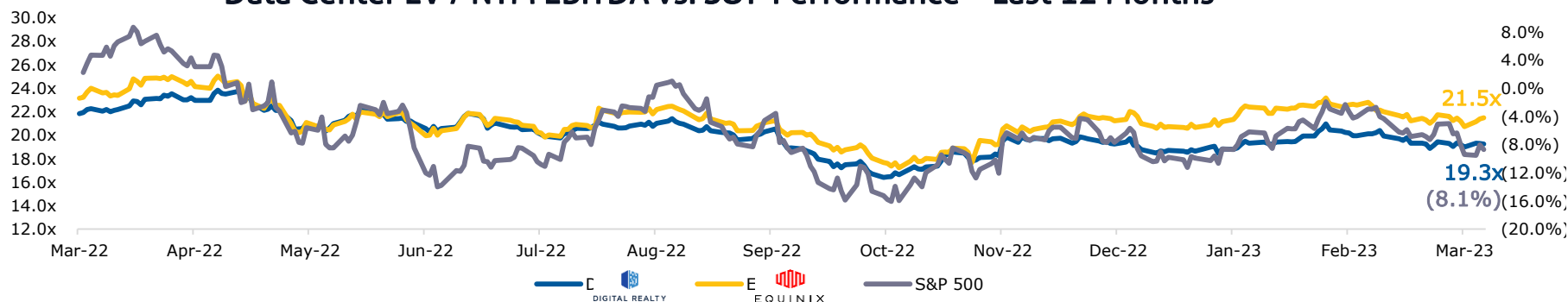
2021	\$27.8bn (46%)
2026	\$52.2bn (50%)



Data Center Market Overview

Private M&A Market Activity Remains Healthy Despite a Backdrop of Challenging Public Trading and Debt Markets

Data Center EV / NTM EBITDA vs. S&P Performance – Last 12 Months



RECENT M&A DEALS HAVE TRANSACTED AT VALUATIONS OF ~25X-35X

30X		ACQUIRED BY DECEMBER 2022		~30X		MINORITY STAKE ACQUIRED BY AUGUST 2022	
~30X		RECAP LED BY JUNE 2022		~30X		RECAP BY APRIL 2022	
25X		ACQUIRED BY MARCH 2022		~35X		ACQUIRED BY JANUARY 2022	
30X		ACQUIRED BY DECEMBER 2021		27X		ACQUIRED BY AUGUST 2021	

Source: S&P Capital IQ. Market data as of March 15, 2023.



Azrieli Group The DATA CENTER Strategy



In concert with reviewing real estate opportunities in the Washington DC and NoVA Markets over the years, Azrieli Group began exploration and fact finding on the data center sector.

2017

- Azrieli Group initiated a review of the data center sector
- The new sector would be added as a Real Estate segment with robust growth

2018

Azrieli Group took steps to enter the data center sector in a meaningful way

- 1 BOD decision to develop the sector as a growth engine
- 2 Began exploration of acquisition opportunities
- 3 DD of Root Data Center, the premier provider of wholesale and retail colocation services in Montreal, Canada

2019-2021



2019

Invested in Compass & ROOT

2020

Began exploration of EMEA (specifically Europe)



2021

Closed acquisition of Green Mountain, a leading Nordics data center company

2022

- Recently signed an agreement to acquire a data center business in Romford, East London
- Exploring the opportunity to include partners in its global data center platform



Azrieli Group Global Data Centers Activity

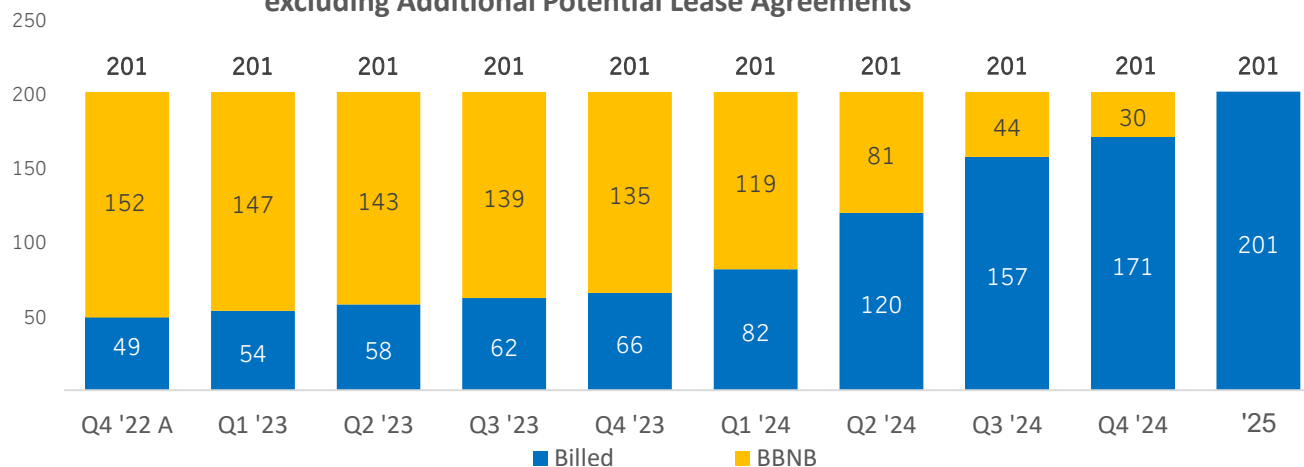


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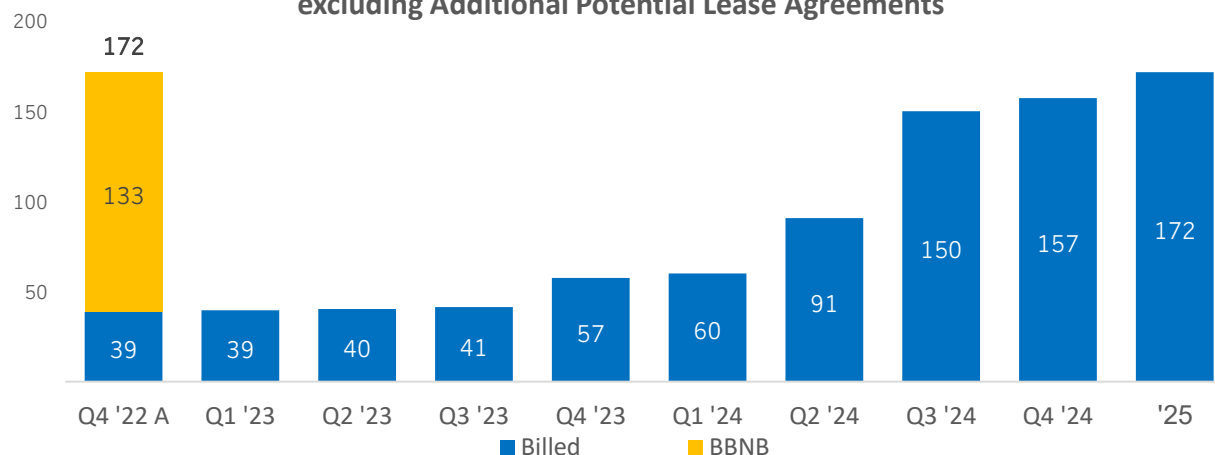
Capacity
(MW)

Contracted Operating Power Capacity (MW): 2023 - 2025
excluding Additional Potential Lease Agreements



NOI
(\$ M)

Billed NOI (Azrieli's share) Run Rate: 2023 - 2025
excluding Additional Potential Lease Agreements



(1) All data is Azrieli's share. Assuming Azrieli's keeps it's holding in COMPASS and GM. see Section 12.1 of Description of the corporation's business.

(2) BBNB – Booked But Not Billed.

(1) Development cost / CAPEX per MW is approx: ~\$ 8.5 - 9 million. Azrieli's share in the CAPEX remained to be spent is approx. \$ 961 million.



Palace Senior Housing Chain

Gross Built Area (GBA) of
115,000 m²⁽¹⁾
comprises **1,142 units**

Average
occupancy rate –
98%⁽²⁾

Book value –
NIS 2.9 billion

Operating Homes

Palace Tel Aviv
231 residential units + **4** LTC units

Palace Modi'in
239 residential units + **4** LTC units

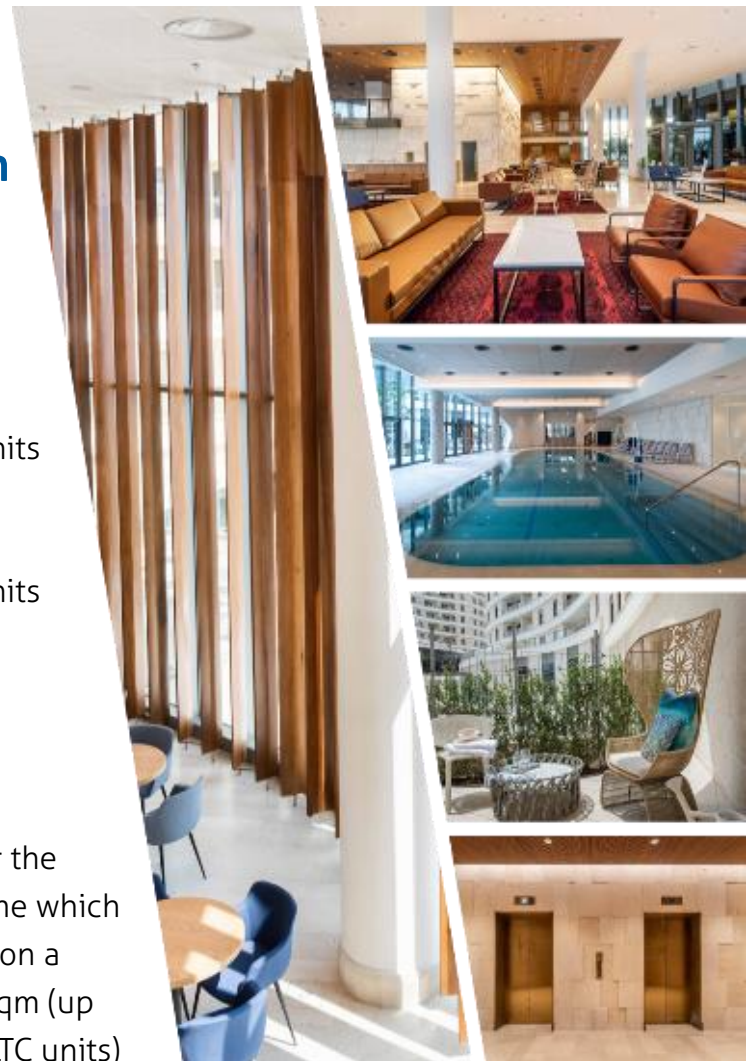
Palace Ra'anana
322 residential units + **2** LTC units

Palace Lehavim
350 residential units + **2** LTC units

Homes under Development

Palace Rishon Lezion
275 residential units
+ **1** LTC unit
+ **3,000** m² retail space

Palace Jerusalem
The Group is promoting a plan for the development of a new senior home which will be built adjacent to the mall, on a gross area of approx. **40,000** sqm (up to **300** residential units and **4** LTC units)



(1) As of December 31, 2022. GLA (gross leasable area) is based on the Company's share.

(2) Excluding completed properties in the first stages of occupancy.



Development Pipeline



Azrieli Group Development Pipeline



Expansion of Azrieli Mall and
the Spiral Tower, Tel Aviv
150,000 m² (1)(3)



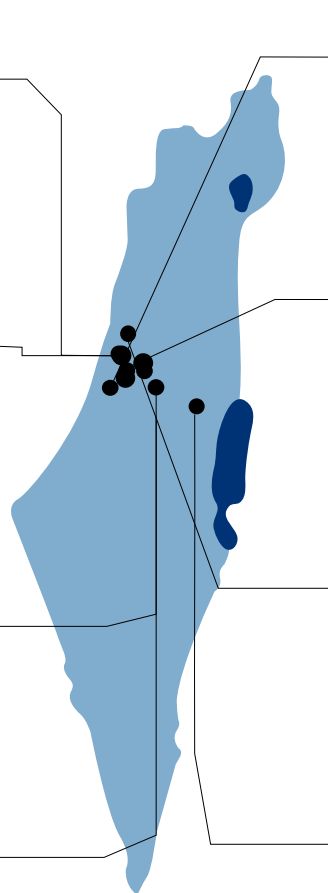
Azrieli Town Building E,
Tel Aviv
21,000 m² (4)(5)



Lot 21
Modi'in
31,000 m² (1)



Lot 10
Modi'in
37,000 m²



Palace Rishon Lezion
Senior Home
37,300 m² (1)(3)

Holon 3 Project
(formerly Lodzia)
250,000 m²

Land for Development
Petach Tikva
53,000 m² (2)

Mount Zion Hotel
Jerusalem
34,000 m² (1)



(1) The figure represents the amount of building rights in sqm | (2) The Company is working to increase the building rights to approx. 280,000 sqm. | (3) A plan was published and validated. | (4) Rights for additional construction were purchased in May 2018 in the context of the acquisition of the income-producing property Mivney Gazit. | (5) The Company is working to obtain up to a total of 87,000 sqm of construction rights for the project.



Development Projects The Growth Engine

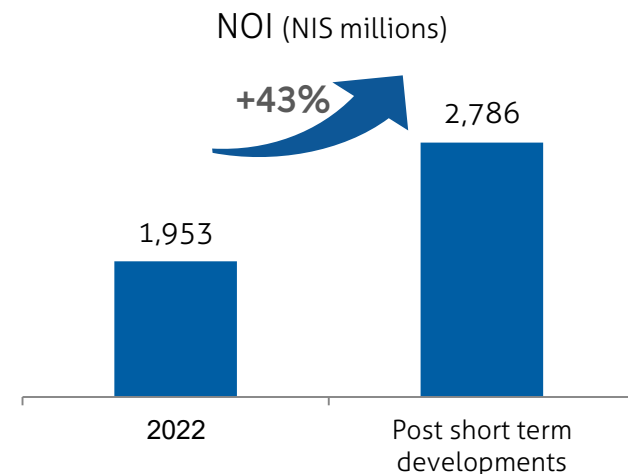
Name of Property	Location	Use	GLA ⁽²⁾	Estimated Completion Date	Estimated Construction Cost, Including Land (NIS in millions) ⁽¹⁾
Short-term construction projects					
Modi'in, Lot 21	Modi'in		31,000	2023	445-475
Check Post	Haifa		10,500	2023	140-150
Palace Rishon Lezion	Rishon Lezion		37,300 ⁽³⁾	2024	470-490
Total			78,800		1,055-1,115
Medium-term construction projects					
Mount Zion Hotel	Jerusalem		34,000	2025	900-930
SolarEdge Campus	Herzliya		38,000	2025	790-810
Modi'in, Lot 10	Modi'in		37,000	2026	570-580
Expansion of Azrieli Mall and Spiral Tower	Tel Aviv		150,000 ⁽³⁾	2027	2,550-2,750
Total			259,000		4,810-5,070
Total			337,800		5,865-6,185
Development projects in the planning phase					
Holon 3 (formerly Lodzia)	Holon		250,000 ⁽⁵⁾	TBD	TBD
Petach Tikva land	Petach Tikva		53,000 ⁽⁴⁾	TBD	TBD
Azrieli TOWN Building E	Tel Aviv		21,000 ⁽⁶⁾	TBD	TBD
Total			324,000		Projects whose construction cost is yet to be determined
Total			661,800		

(1) Cost without capitalizations and without tenant adjustments | (2) Senior housing and/or residential rights are stated in sqm | (3) A plan was published and validated. | (4) The Company is working to increase the building rights to approx. 280,000 sqm | (5) GLA increased due to consolidation of plots of land. | (6) Additional building rights which were purchased in May 2018 in the context of the purchase of the income-producing property Mivney Gazit.

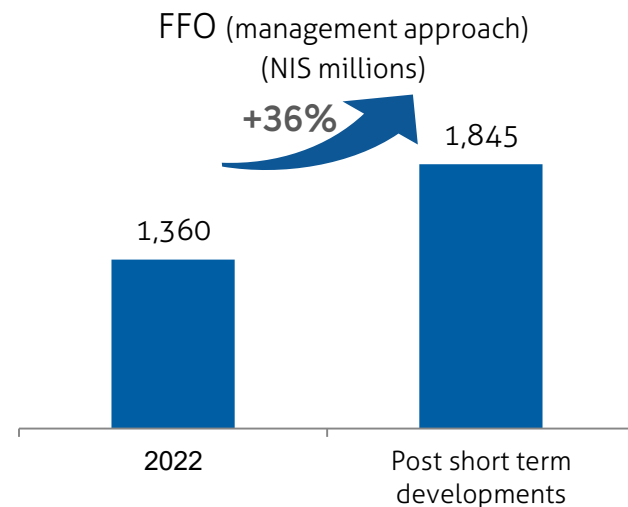


Development Projects Expected Contribution* to NOI and FFO

	(NIS millions)
Actual NOI in 2022	1,953
Additional NOI from DC segment according to signed contracts**	470
Additional NOI from development projects ⁽¹⁾	53
Annualized additional NOI from existing properties ⁽²⁾	45
Addition due to occupancy of vacant spaces*	265
NOI after population of short-term projects under development and full occupancy	2,786



Actual FFO (management approach) in 2022 incl. senior housing	1,360
Net of deposits from first-time population of Palace Lehavim	(56)
Actual FFO in 2022 net of deposits from first-time population of Palace Lehavim	1,304
Additional FFO ^{(1)(2)*}	541



FFO after lease-up of short-term projects under development and full occupancy 1,845

* The calculations are not forecasts, and the basic assumption is occupancy rate of ~100% and rent as of Dec. 2022.

** Assuming Azrieli's keeps it's holding in COMPASS and GM.

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

(1) **NOI from projects under development includes:** Modi'in Lot 21 and Check Post Haifa and Palace Rishon LeZion **and excludes** expansion of Azrieli Center Tel Aviv , Holon 3 project (formerly Lodzia), land in Petach Tikva, rights of Azrieli Town Building E, Modi'in Lot 10, Mount Zion Hotel and SolarEdge Campus.

(2) **Annualized additional NOI from existing properties includes** Azrieli Eilat (Mall Hayam).

(3) For ISA approach of the FFO calculation, see slide 47.



Azrieli Group The CBD of Tel Aviv



- Under Development
- Income Producing Assets



Expansion of Azrieli Mall and the Spiral Tower, Tel Aviv

Land area – 8,400 m²

GLA – 150,000 m²

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

Cost of land – NIS 374 million

Estimated construction cost, including land –
NIS 2.5-2.7 billion

Use –    

Estimated date of completion – 2027

Progress Update

The Group is carrying out the construction of the basements.

In July 2021, the Company submitted an application for an above-ground construction permit for the whole project, and in December 2021 a decision was issued by the Local Committee, granting conditional approval for the permit.



Illustration



Development Projects Azrieli Town

Land area - 10,000 m²

GLA ⁽¹⁾ - 50,000 m² of offices
4,000 m² of retail space
21,000 m² residential (210 units)

Estimated construction cost, including land -
NIS 1,265 million

Estimated date of completion – Offices – **Completed**
Residences and Retail – **Completed**



Use –   

Progress Update

The Group is working to increase the building rights for the addition of office and hospitality areas totaling approx. 24,000 m² (gross).

Marketing

Close to 100% of the office space has been leased to Samsung, the law firm Fischer Behar Chen, the accounting firm PwC, and WeWork. **The Group started occupying the residential tower, and occupancy is approx. 34%.** The projected annual NOI from the project (offices, residential and retail) is NIS 106 million, and the construction cost (land and development including TI) is NIS 1,265 million.



(1) The figures refer to the current zoning plan.



SolarEdge Campus in Herzliya



- The transaction was closed in January 2022⁽¹⁾.
- Land area – approx. 26,000 sqm in Herzliya.
- GLA for the SolarEdge Office Campus – approx. 38,000 sqm with underground parking.
- The property will be leased to SolarEdge for 15 years with an option to extend for up to 24 years and 11 months.
- The Campus area to be leased to SolarEdge is expected to yield an NOI⁽¹⁾ of approx. NIS 69 million a year.
- Campus build cost⁽¹⁾ (including land) – NIS 990 million.
- Construction at the site commenced during Q2/2022.



Expansion & Zoning

- There is 9,000 sqm of remaining land available for construction.
- The Group is planning to develop additional areas for retail and commerce of a similar size that are expected to yield similar additional NOI.
- The Company intends to promote a zoning plan for additional rights in the said area.



(1) Including IT and indexation.

(2) Acquiring of a company that is entitled to receive long term lease rights from ILA for lands in Ramat Hasharon.



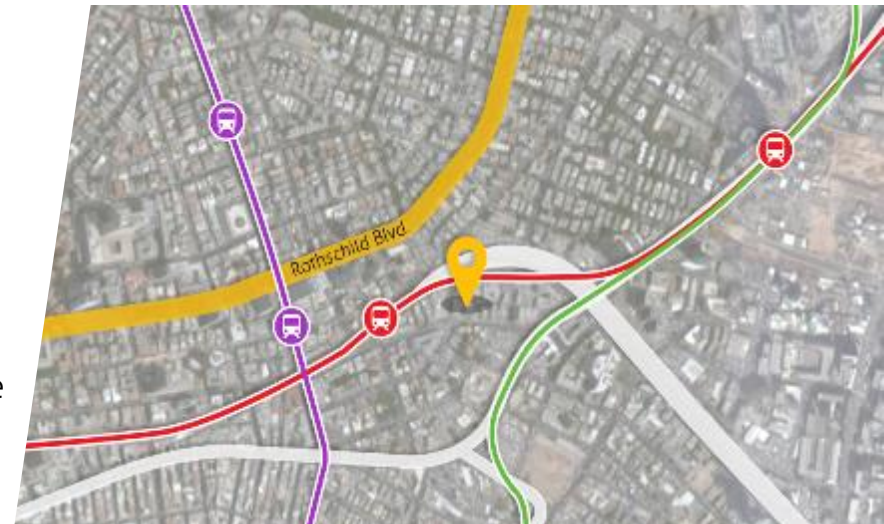
Purchase of a Rental Housing Project in Tel Aviv

- The transaction was closed in February 2021.
- Property area – **approx. 2,400 sqm in the center of Tel Aviv.**
- Approved zoning plan – **approx. 10,000 sqm** with underground parking.
- The property is leased to the Abraham Hostel until 2035, with an option for Azrieli to terminate the lease in 2029.
- The property is producing an NOI of approx. NIS 7 million a year, under full occupancy.
- Acquisition cost (including purchase tax) – **NIS 191 million.**



Expansion & Betterment

- The property is adjacent to a red line light rail station near Rothschild Blvd.
- On the property, the Group intends to build **a rental housing project with approx. 110 residential units and approx. 1,500 sqm of retail area on the ground level**, in accordance with the usages permitted under the zoning plan applicable to the property.





Palace Lehavim Senior Home

Land area – **28,000 m²**, in the southern part of the town of Lehavim, not far from the train station

Building rights

Phase A - **32,000 m²**

Phase B - **10,000 m²**

350 Residential Units + 2 LTC Units

Use – 

Estimated construction cost, including land – **NIS 410-420 million**

Estimated date of completion – **Phase A – Completed⁽¹⁾**

Phase B – Completed⁽¹⁾

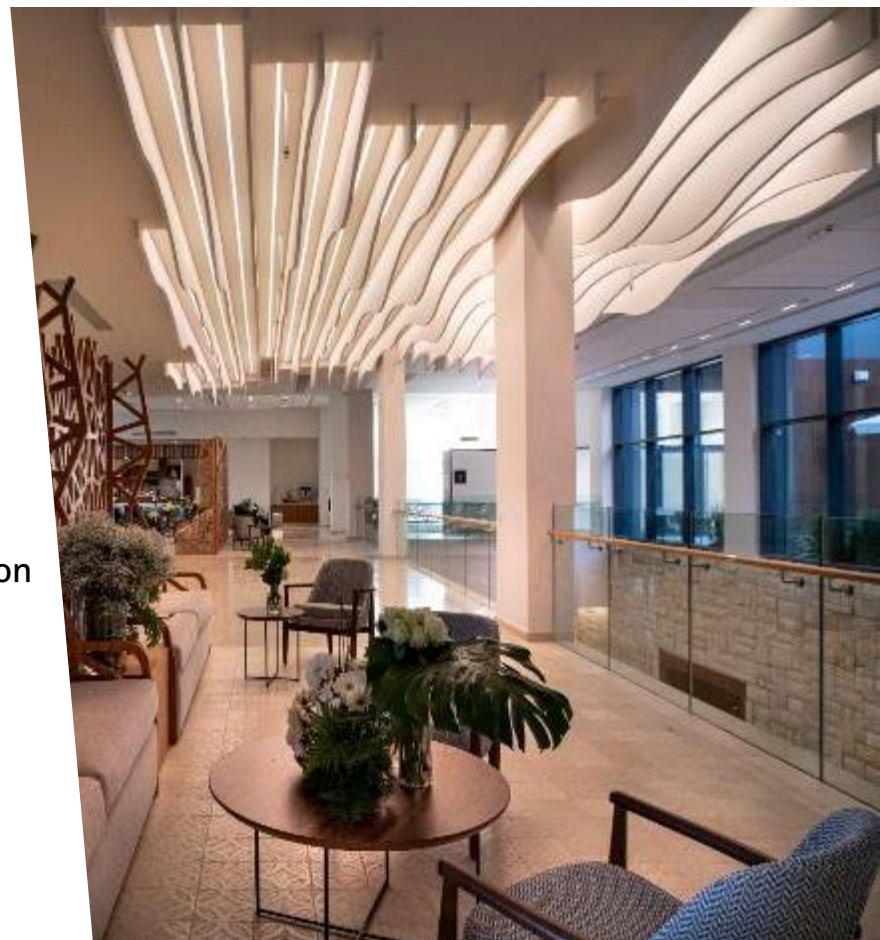


Progress Update

Phase B – completed in Q3 2022.

Marketing

As of the Report Release Date – **85% occupancy of phase A (211 units of 241 units). Phase B – 39% occupancy (42 units of 109 units).**



(1) Phase A – 241 units. Phase B – 109 units.

(2) Occupancy permit for the LTC units received in July 2020.




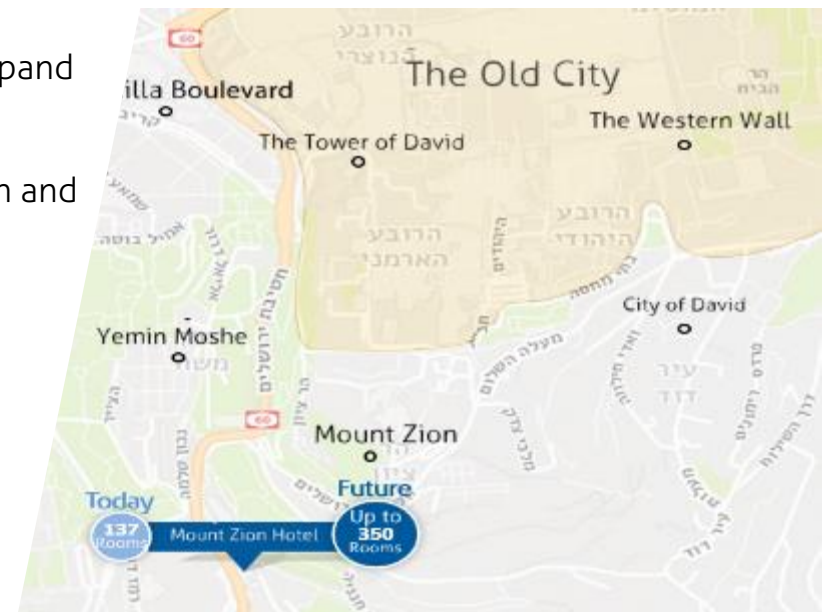
Azrieli Holon Center Looking to the Future





Azrieli Group Purchase of Mount Zion Hotel, Jerusalem

- > Land area - approx. 13,000 sqm.
- > Built-up area including renovation and expansion - **34,000 m², up to 350 rooms.**
- > Use – 
- > Acquisition cost – **NIS 275 million.**
- > Expected expansion and renovation cost – approx. NIS 625-655 million.
- > Estimated date of completion – 2025.
- > The Group intends to renovate (from B rating to A+ rating) and expand the hotel in accordance with the lot's applicable zoning plan.
- > Additional uses: parking, restaurants, a spa, a health club, function and reception halls, a swimming pool, and the Cable Car Museum.
- > The Group is carrying out excavation and shoring work on site.



Progress Update

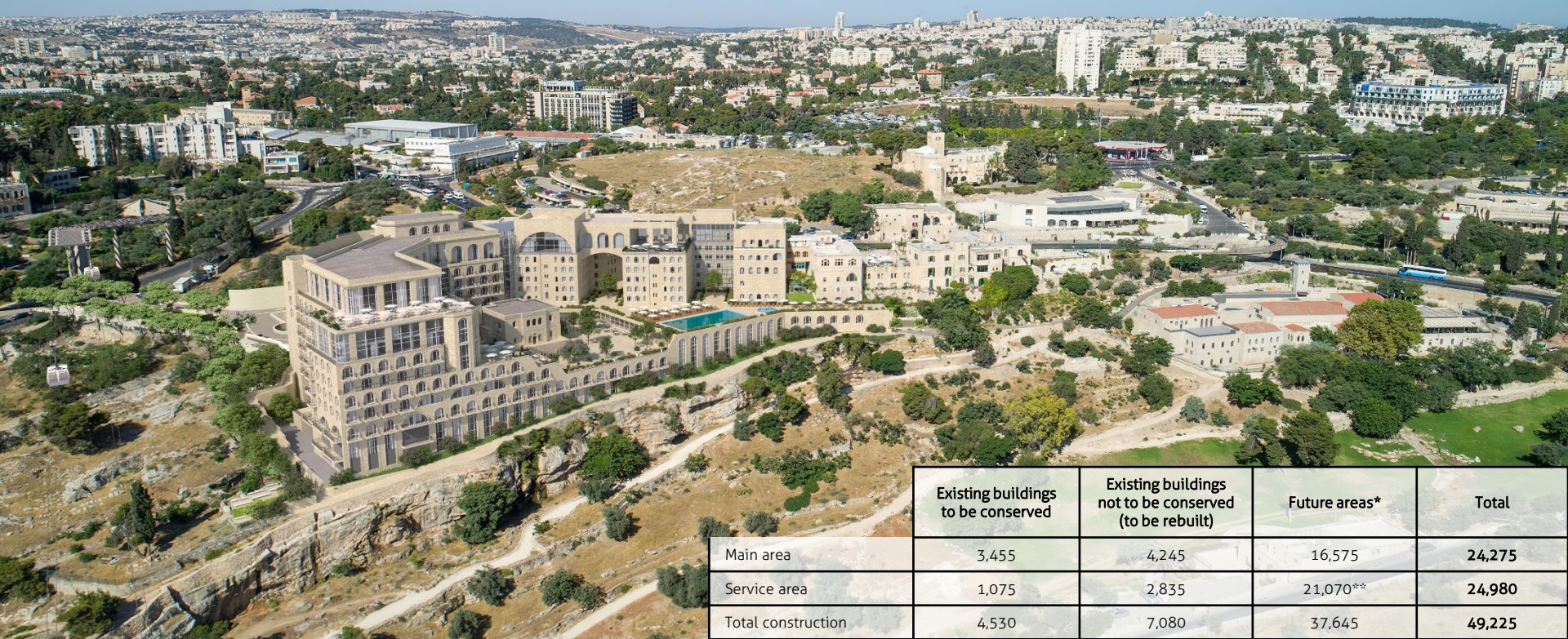
Planning and preparing for permit.



Azrieli Group Purchase of Mount Zion Hotel, Jerusalem



Simulation of the Hotel after the planned expansion







* Including additional construction also in the existing buildings

** Including 15,225 sqm for underground parking



Existing Properties Expansion and Betterment

The following projects are undergoing betterment and various statutory proceedings:

Name of the Property	Location	Project in the Property	Status	Gross Area	Timeframe for Completion of the Statutory Proceeding
Azrieli Jerusalem mall	Jerusalem	Increasing retail and office space; Construction of senior home 	Zoning plan approved	95,000 sqm	---
Petach Tikva land	Petach Tikva	Addition of offices 	Zoning plan	227,000 ⁽¹⁾ sqm	Long-term
Azrieli Rishonim	Rishon Lezion	Addition of offices 	Zoning plan approved	21,000 sqm	---
Azrieli Center Tel Aviv	Tel Aviv	Addition of retail and cinemas 	Permit	3,300 sqm	Short-term
Total				346,300 sqm	

(1) Some of the building rights are attributed to an existing property owned by the Company.



Development Projects Expansion of Azrieli Jerusalem Mall

Expansion of the Azrieli Jerusalem Mall

The group is promoting a plan for expansion of the area of the Azrieli Jerusalem mall by a gross area of approx. **95,000 sqm of floor space above ground**.

If the zoning plan is approved, it **will enlarge the retail areas** by approx. 20,000 sqm and the office areas by approx. 35,000 sqm.

As part of the plan, **a senior home will be built** adjacent to the mall, on a gross area of approx. 40,000 sqm (up to 300 residential units).

Concurrently with the expansion of the mall, work is expected to progress on construction of the blue line of the Jerusalem Light Rail. A light rail station will be built near the mall, further improving transportation access to the area.

Progress Update

In December 2021, the district committee approved the plan, subject to certain conditions, and during the report period, the plan was approved





Development Projects Renovation and Upgrade of Assets

Azrieli Center Tel Aviv – Taxi Station Zone





Development Projects Renovation and Upgrade of Assets



Azrieli Center Tel Aviv - D.N.A - Food Truck Zone





Development Projects Renovation and Upgrade of Assets

Azrieli Givatayim Mall | Illustration



Azrieli Holon Mall | Skylight and Main Mall



Azrieli Center Roof Promenade | Illustration



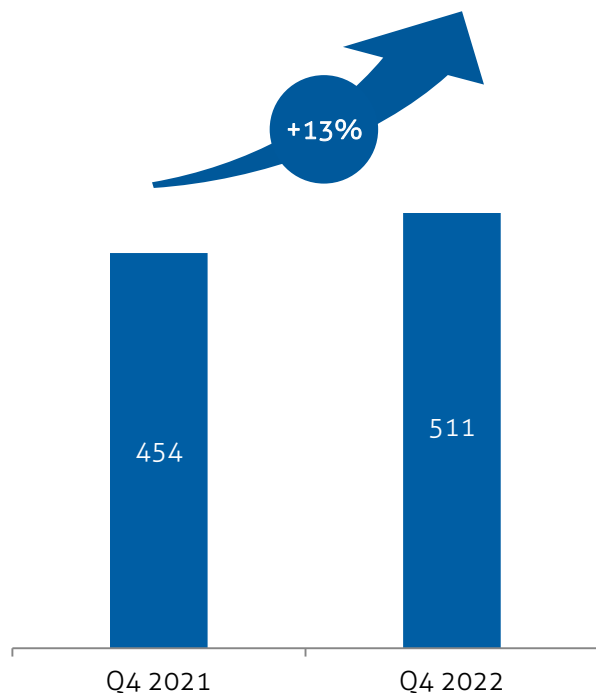


AZRIELGROUP

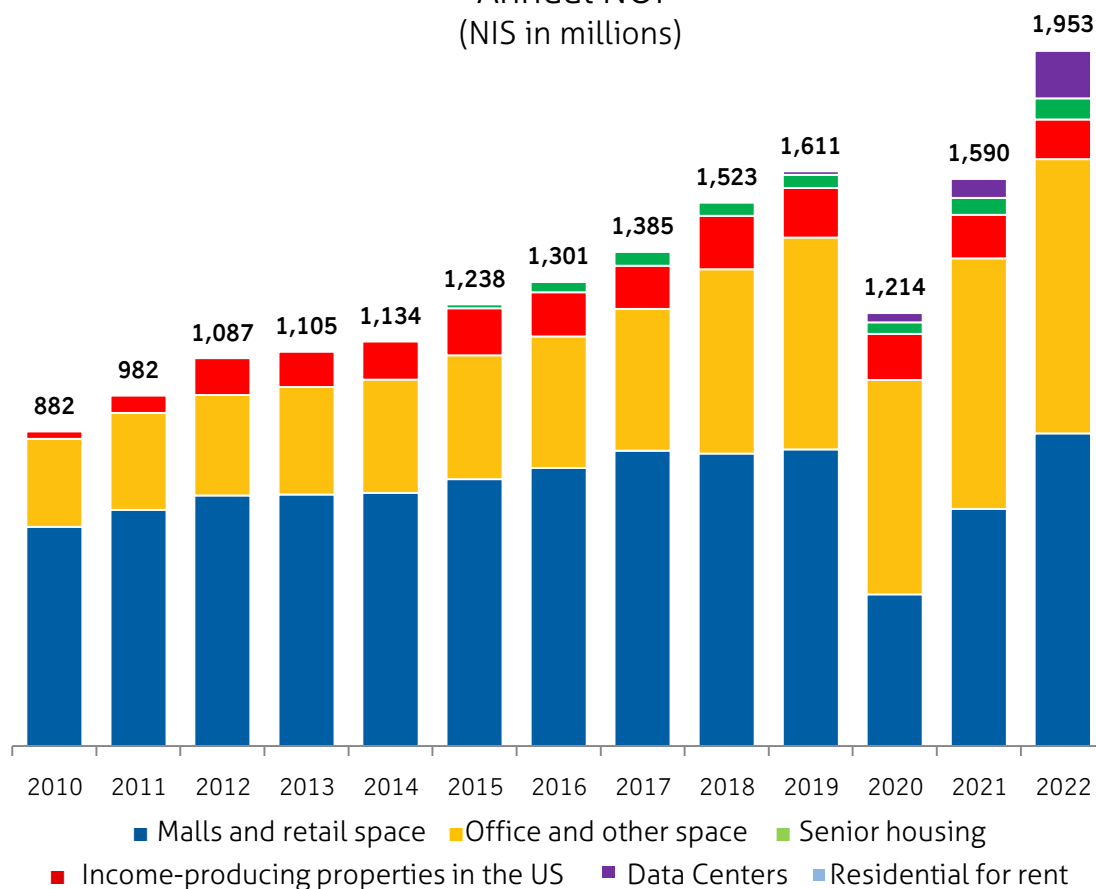
Financial Highlights, Debt & Leverage

Constant NOI Growth

Quarterly NOI
(NIS in millions)



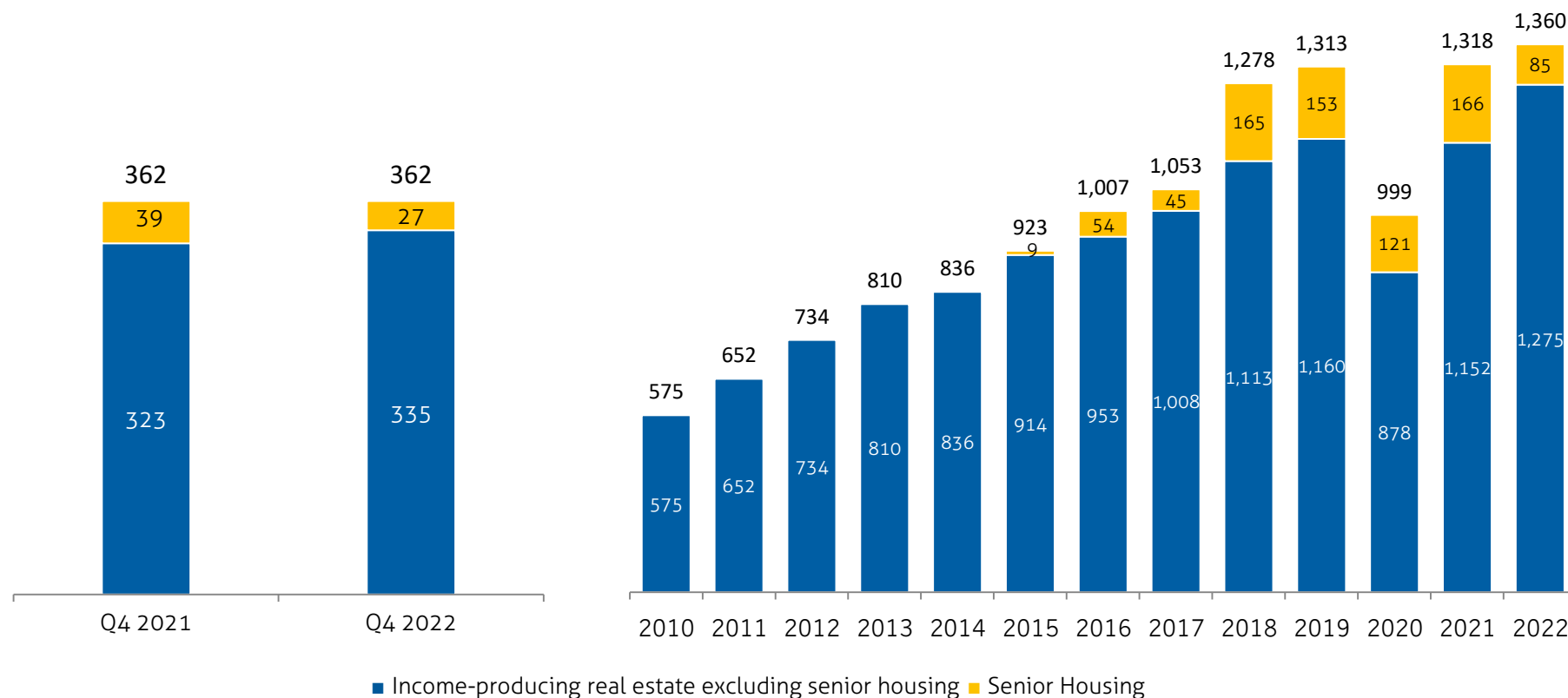
Annual NOI
(NIS in millions)



Constant FFO⁽¹⁾ Growth

Funds From Operations (FFO) management approach⁽²⁾, compared with the previous years and equivalent quarter

FFO attributed to the Real Estate Business⁽¹⁾ (NIS in millions)

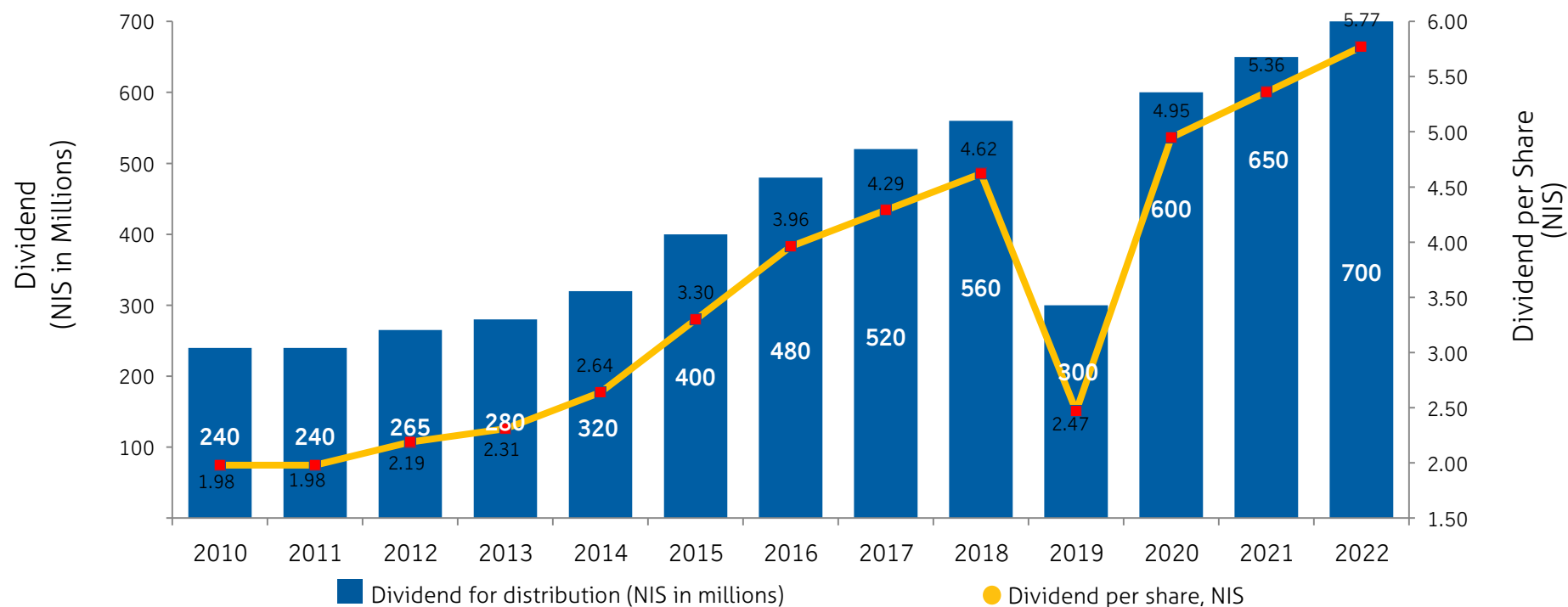


(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

(2) For ISA approach of the FFO calculation, see slide 47.

Constant and Increasing Dividend Distribution

A dividend distribution of NIS 700 million for 2022

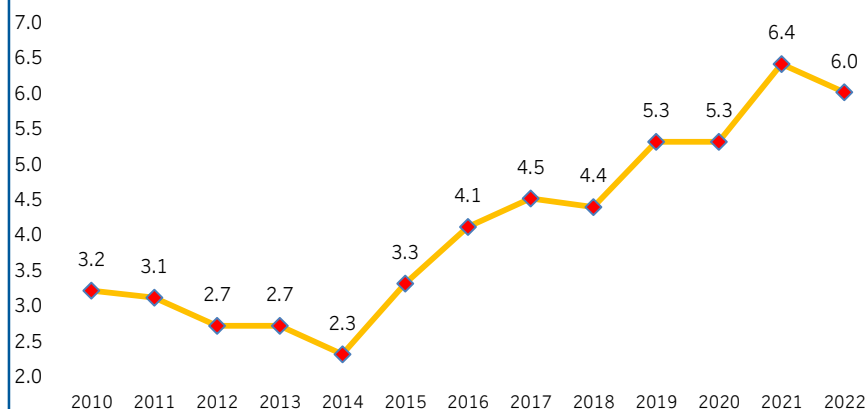


Extension of the Duration and Reduction of the Cost of Debt

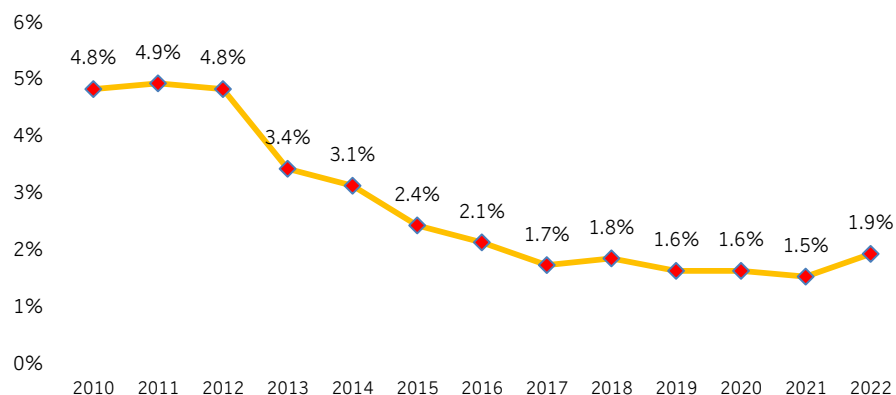
Financial Strength⁽¹⁾

- > Low leverage – net financial debt to assets ratio of **33%**
- > Equity to assets ratio of **46%**
- > Cash and cash equivalents totaling **NIS 3.4 billion**
- > Unencumbered assets totaling **NIS 33 billion**

Extension of Average Duration of Debt ⁽²⁾

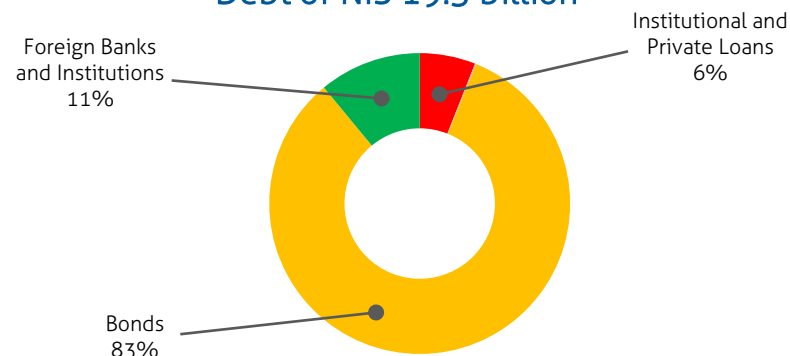


Decrease of Average Effective Interest Rate Over the Years ⁽²⁾



Debt Breakdown by Lender

Debt of NIS 19.3 billion

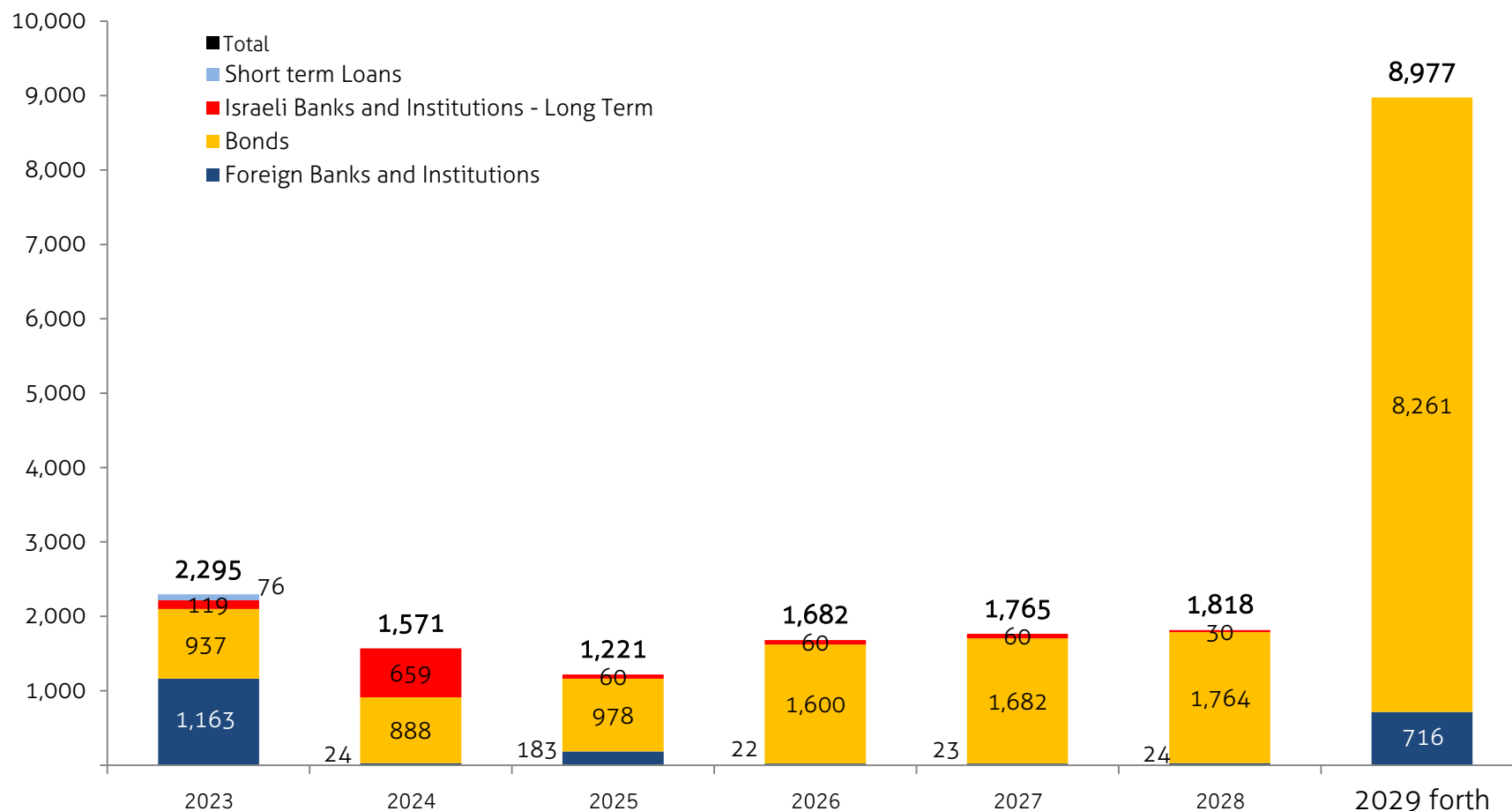


(1) As of December 31, 2022.

(2) Figures are as of the last day of the year / the reported period.

Payment Schedule (Principal Only)

Consolidated as of December 31, 2022



Summary of Financial Results (NIS in millions)

	Consolidated Q4 2021	Consolidated Q4 2022	Consolidated 2021	Consolidated 2022
Revenues from rent, maintenance, management fees and sales	627	708	2,210	2,690
NOI	454	511	1,590	1,953
Same-property NOI	454	486	1,565	1,808
FFO (management approach) attributed to the real estate business ⁽¹⁾	362	362	1,318	1,360
FFO (ISA approach) attributed to the real estate business ⁽²⁾	301	189	904	548
Change in the value of investment properties ⁽³⁾	1,695	427	1,880	1,218
Net profit (loss), including minority interests	2,209	323	2,889	1,792
Net profit (loss), attributable to the shareholders	2,210	329	2,889	1,797
Comprehensive income (loss), attributable to the shareholders	2,232	435	3,237	1,965



(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

(2) For ISA approach of the FFO calculation, see slide 47.

(3) Net, after tax.

Summary of Balance Sheet Data (NIS in millions)

	Consolidated December 31, 2021	Consolidated September 31, 2022
Cash, securities and deposits	2,887	3,408
Gross financial debt	15,269	19,329
Net financial debt ⁽¹⁾	12,382	15,921
Net financial debt to assets	29%	33%
Financial assets (mainly Bank Leumi shares)	1,288	1,030
Fair value of investment properties and properties under construction	34,137	39,380
Equity (excluding minority interests)	20,742	22,073
Equity to assets	49%	46%
Total assets	42,371	48,474
Equity per share (NIS)	171.0	182.0
EPRA NRV per share (NIS) ⁽²⁾	208	221



(1) Excluding financial assets (Bank Leumi shares).

(2) Excluding part of the expected profit component in respect of development projects.

Average Cap Rate and FFO of the Income-Producing Real Estate

Weighted average cap rate – 6.83%

NIS in millions

Total investment properties, as of December 31, 2022	39,525
Net of the value attributed to land reserves, properties under construction and senior housing and DATA CENTERS	(9,977)
Total income-producing properties	29,548
Actual NOI Q4/2022⁽¹⁾	461
Future quarterly NOI addition	43
Total standardized NOI Q4/2022	504
Proforma annual NOI	2,016
Weighted cap rate derived from income-producing investment properties, including vacant space	6.83%

Annual FFO ⁽²⁾ (management approach) attributed to the real estate business - NIS 1,360 million

NIS in millions

2022 Q4 2022

Net Operating Income (NOI)	1,953	511
Overhead sales and marketing	(220)	(66)
Depreciation	14	4
NOI of an associate	(45)	(16)
EBITDA	1,702	433
Net interest expenses	(1,043)	(218)
Tax	(111)	(26)
Total FFO attributed to the income-producing real estate business	548	189
FFO of an associate	(40)	(12)
Linkage and exchange rate differentials for assets and liabilities (net of tax effect)	798	167
Cash flow from incoming resident deposits, net of outgoing resident deposits	102	31
Net of income from forfeiture of resident deposits	(48)	(13)
FFO according to the ISA approach	1,360	362

(1) Excluding senior housing, (the weighted cap rate of the senior housing as of the report date is 8.25%) which appear in the statements according to the method of fixed assets and excluding Data Centers. |

(2) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

Conclusion Leadership, Innovation and Strength



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

Consistent high occupancy rate



Exceptional financial soundness and strength

Significant growth engines:

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



Business focus in Israel

