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Green Mountain a subsidiary of Azrieli Group, to establish and provide 90 MW of data center services in a complex in Norway to TikTok

The complex is expected to generate an average annual NOI of some \$79 million

Azrieli Group today reported a significant transaction in its data center business, under which Green Mountain, a wholly-owned subsidiary, will build for TikTok Norway AS, a Norwegian company which is part of a group of companies with global operations, a data center campus to be made up of several buildings, in which the customer will be provided with a total power capacity of 90 MW. The complex will form part of the customer's European hub.

The complex will be built in several stages. The first 30 MW are expected to be supplied already in Q4/2023 under an 11-year contract. The remaining capacity of 60 MW will be supplied in two further stages in 2024 under 10-year contracts. The customer has been given several options to increase the capacity by dozens of MW more.

The transaction is expected to generate average annual NOI of some \$79 million, given full operation (90 MW). The total investment in building the project is expected to amount to some €750 million. The company intends to finance the transaction from its internal sources and/or through financing, the scope and form of which are yet to be decided.

Upon acquisition of the Norwegian company Green Mountain which is, as aforesaid, wholly owned by Azrieli Group, the group set the goal of expanding its presence in the European data center market, and using the strong platform it acquired to establish a foothold and expand in this market. This deal is an important step in the implementation of this goal through engagement with a leading global customer.

As of its Q3/2022 statements, Azrieli Group's data center segment accounted for some 15% of the group's total assets. This transaction is expected to triple the segment's NOI upon full operation, excluding completion of the many projects under development.

Eyal Henkin, Azrieli Group CEO, said: "This deal is a significant step in the development of our data center business and expansion of our presence in Europe. This project joins our development pipeline in this segment, which is expected to significantly increase in the coming years upon completion of the many projects under development. Green Mountain is establishing itself as a key player in the European market, and this deal is expected to constitute another step in the development of this significant segment in Azrieli Group's portfolio. In this context, the company is exploring various possibilities for collaboration with investors in its business in this market".

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Simulations of the complex:



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