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In 2016, when the e-commerce market in Israel was in its infancy, Azrieli Group acquired the e-commerce platform, currently Azrieli.com, based on a vision of creating a connection between the physical and digital worlds for supplementary business for the malls' tenants, in order to expand the customer value proposition.

Today, the Group is announcing the closing of the website's operations. The closing announcement follows the Group's estimation that the e-commerce market in Israel is still not sufficiently developed, with a low penetration rate and significant presence of global websites, in addition to local regulation which strengthens global websites at the expense of local websites (such as a VAT exemption for international websites only).

Over the years, the Group's e-commerce activity has undergone a significant transformation and changes have been made to tailor the supply of products to the tastes of Israeli consumers, and all of the technological infrastructures have been rebuilt, but these efforts have not been met with a sufficiently large market that justifies further investments in the field.

The Group will continue to invest in the digital and innovation sectors and will leverage the vast technological and digital know-how it has accrued and developed at Azrieli.com and the key individuals employed there. The activity will be headed by Mr. Daniel Koren, currently CEO of the e-commerce website, who will lead its integration processes for all of the Group's core business.

Azrieli.com currently has around 70 employees. The Company regrets that it will be forced to part ways with most of them, with some of them being integrated as aforesaid into the Group's activity. The website will continue to operate until 22 December 2023.

Azrieli.com, as always, will continue to provide service until the website's very last customer, and would like to thank its customers over the years.