



AZRIELIGROUP

Azrieli Group Ltd.
(the "Company")

2 July 2025

To
Israel Securities Authority
Via Magna

To
Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir/Madam,

Re: **Engagement in an Agreement for the Provision of DC Services**

Further to the Company's notice of 1 July 2025¹ regarding the examination of possible debt financing by means of a public offering and further to the immediate reports² of Azrieli Group Ltd. (the "**Company**") regarding the construction of a data center (DC) campus in the region of Frankfurt, Germany, in the context of a joint venture in which the Company's share is 50% (the "**Joint Venture**" or the "**Joint Company**"), in respect of which the Joint Company is conducting negotiations for engagement in an agreement for the provision of DC services with an international technology company (the "**Customer**", and collectively with the Joint Company: the "**Parties**"), the Company respectfully reports that on 25 June 2025, the Joint Company received a signed copy of the first of two agreements with the Customer (the "**First Agreement**" and the "**Second Agreement**", as applicable). The First Agreement concerns 18MW in DC services to be provided to the Customer, with the First Agreement and the Second Agreement (collectively: the "**Agreements**") governed by German Law and pertaining to DC services with an aggregate power of 36MW, with an option to increase power to 54MW on the campus currently being built by the Joint Company (the "**Project**").

Of note, shortly after the First Agreement had been delivered, the Customer contacted the Joint Company with a request to introduce changes into the technical specifications of the services under the Agreements. Such changes may somewhat affect the economic elements of the Agreements. The Parties have agreed to continue the negotiations on this issue.

According to legal advice the Company has been given, at this time, 2 July 2025, in relation to German law, the First Agreement is in force and effect, despite the fact that the Second Agreement has not been signed and the Customer has requested to change the technical specifications of the services.

¹ See the Company's immediate report of 1 July 2025 (Ref. 2025-01-047633).

² See the Company's immediate reports of 2 April 2023 (Ref. 2023-01-037008), and of 3 July 2024 (Ref. 2024-01-068701) and Section 2.13 of the Board of Directors' Report, as included in the Company's quarterly report as of 31 March 2025, which the Company released on 22 May 2025 (Ref. 2025-01-036082), which are incorporated herein by reference.

The Company shall report, in accordance with the requirements of the law, any material developments that shall occur in relation to the negotiations for engagement in the Agreements and their terms and conditions (if any development occurs). However, in view of the continuation of the negotiations between the Parties and their discussions in relation to the technical specifications of the services, and despite the First Agreement being signed, there is no certainty that the Second Agreement will be signed and/or that the Agreements will be performed.

The information included in this report regarding the Agreements, the Project and the provision of the services and/or allocation of the capacity to the Customer constitute forward-looking information, as defined in the Securities Law, 5728-1968, the materialization of which is uncertain and/or which may materialize in a manner that materially differs from the aforesaid. The said information is primarily based on plans of the Company and the Joint Company and on their estimates and assumptions, which are uncertain. The information presented above may not materialize due to factors that are beyond the control of the Company or the Joint Company, and *inter alia*, the changes per the request of the Customer in the technical specifications of the services and non-signing of the Second Agreement and/or non-performance of the First Agreement due to such and/or other changes, delays in the construction of the Project, flaws in the Project, changes in the Project's construction costs, regulatory changes, macroeconomic changes or industry-related changes in the DC sector and/or the materialization of any of the risk factors specified in Section 29.5 of Part A of the Company's 2024 periodic report, which was released on 20 March 2025 (Ref. 2025-01-018529), which is incorporated herein by reference.

Sincerely,
Azrieli Group Ltd.

Signed by: Adv. Nirit Zeevi, VP, General Counsel and Corporate Secretary.