



קבוצת עזריאלי

# EARNINGS CALL PRESENTATION

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31 March 2024

# Disclaimer



The information included in this presentation is merely a summary and does not exhaust all of the information about the Company and its operations, nor is it a substitute for inspection of the Annual Report of 2023 and Periodic Report for Q1/2024, the Company's current reports and the presentations released thereby, as reported to the Israel Securities Authority (ISA) via the Magna distribution site. The presentation does not constitute an offering or an invitation to purchase securities of the Company, and its contents do not constitute a recommendation or opinion or substitute for the discretion of the investor. The Company is not responsible for the completeness and/or accuracy of the information.

This presentation includes forecasts, assessments, estimates and other information that pertain to future events and/or matters, the materialization of which is uncertain and is beyond the Company's control, and which constitute forward-looking information, as defined in the Securities Law, 5728-1968. Such information may not materialize, in whole or in part, or may materialize in a manner significantly different than foreseen. Such information includes, *inter alia*, revenue, FFO and NOI forecasts, the value of the Group's holdings, refinancing, disposition of assets, timetables and costs of and profit from projects, project development and project construction. With respect to some of the development projects, a decision with respect to their construction and occupancy in several stages has not yet been made.

Forward-looking information is based solely on the Company's subjective assessment, based on facts and data pertaining to the current condition of the Company's business and macroeconomic facts and data, all as known to the Company at the time of preparation of this presentation. The materialization or non-materialization of the forward-looking information will be affected, *inter alia*, by risk factors that are characteristic of the Company's operations, as well as by developments in the general environment, in market conditions and in external factors that affect the Company's operations, including delays in the receipt of permits, termination of contracts, changes in competition conditions, a significant recession, changes in financing conditions, and other such events which cannot be evaluated in advance and which are beyond the Company's control. The Company does not undertake to update and/or change any such forecast and/or assessment to reflect events and/or circumstances postdating this presentation.

Slide 16 – The Company's estimations regarding the projected increase in the results of the data center segment constitute forward-looking information, within the definition of this term in the Securities Law, based on subjective assessments by the Company and by the investee companies operating in the data center segment as of the date of release of this presentation, the materialization of which, in whole or in part, is uncertain or which may materialize in a substantially different manner, *inter alia* due to changes in the timetables of the projects, their actual scale and their marketing and due to factors beyond the Company's control, including changes in the global data center market.

This presentation includes store sales data and other data that are based on external sources and various surveys and studies or data received from some of the Company's tenants. The Company is not responsible for the veracity or content thereof or for forecasts in relation thereto.

The Company's estimations with respect to the growth figures are based on actual rent income, and in some cases include expansions that have been carried out at the relevant center, which figures are unaudited, not according to GAAP, and prepared according to past experience and professional knowledge accumulated by the Company and in good faith. Such information is presented below for the sake of convenience only but is not a substitute for the information provided by the Company in its financial statements or in connection therewith and should therefore not be relied upon exclusively.

The terms "FFO attributed to the real estate business" and "weighted average cap rate" are attributed to the Group's income-producing real estate business only. Anyone reading the presentation should read such figures in conjunction with the Board's explanations in Sections 2.6 and 2.7 of the Board of Directors' report as of 31 March 2024, including the calculation methods 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.



Israel's largest real estate company

Traded on the capital market since 2010

**~82%** of the value of the investment and under-construction income-producing real estate (on a consolidated basis) is attributed to real estate in Israel

Free float: 30.1%

Average occupancy rate in Israel is

**~98%**<sup>(1)</sup>

The Company's stock is listed in the

**EPRA** Indexes

Rating

**iAA+** by S&P Ma'alot

**Aa1.il** by Midroog-Moody's

Leverage ratio<sup>(2)</sup> of only **~34%**, and equity to assets ratio of **43%**

Listed in all the leading indices

**TA-35, TA-125, TA-REAL ESTATE**

The Company owns income-producing properties with a

Gross Leasable Area (GLA) of **~1,408,000 m<sup>2</sup>**<sup>(3)</sup>

plus **10** projects under construction and planning,

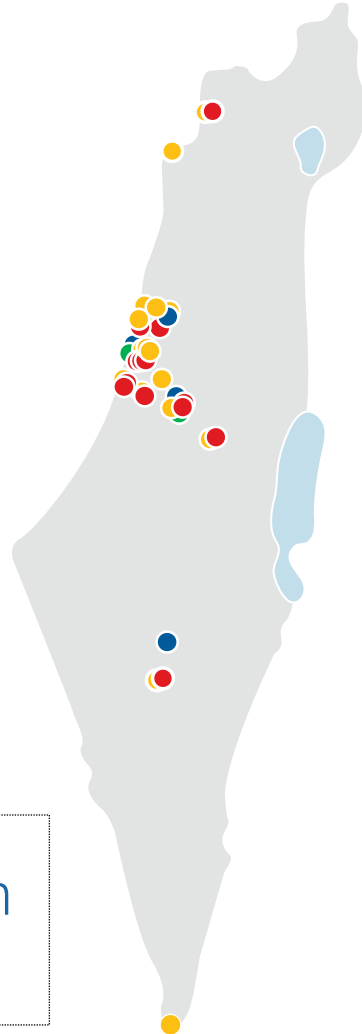
and **4** renovation and expansion projects in Israel.


(1) Excluding fully built-up properties in the first stages of occupancy. (2) Net debt to net assets. (3) Excluding data centers.

# Azrieli Group / Property Portfolio<sup>(1)</sup>



- Malls
- Offices
- Senior Homes
- Rental Housing



 **Green Mountain**  
Data centers overseas



**22** malls and retail centers

**365,000 m<sup>2</sup>**



**16** office and other properties in Israel

**649,000 m<sup>2</sup>**



**8** office properties overseas

**245,000 m<sup>2</sup>**



**4** senior homes

**115,000 m<sup>2</sup>**  
1,141 Apts.



**3** rental housing properties

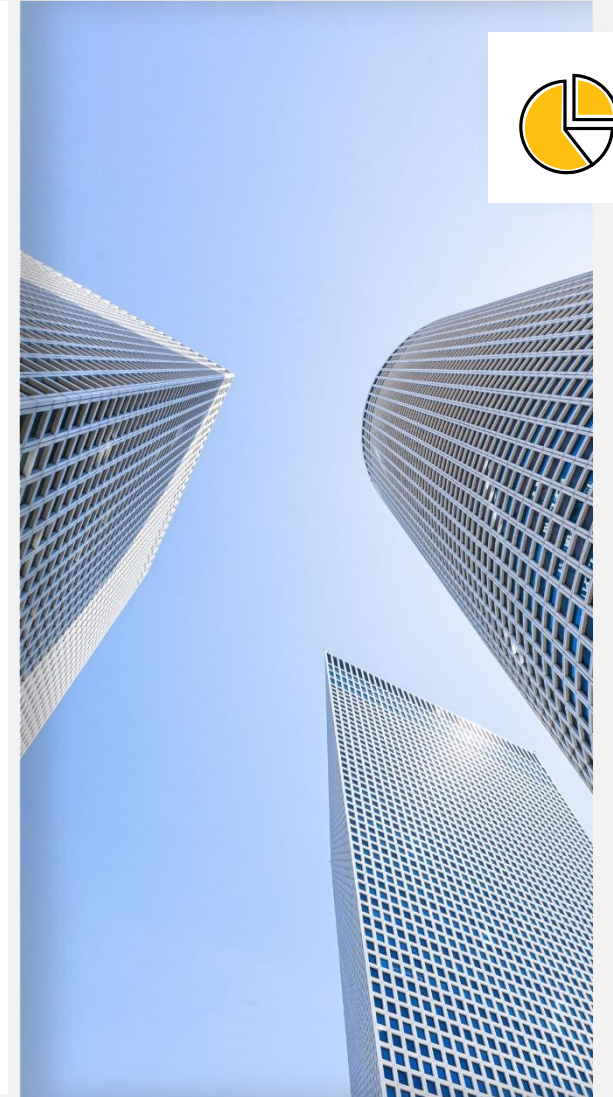
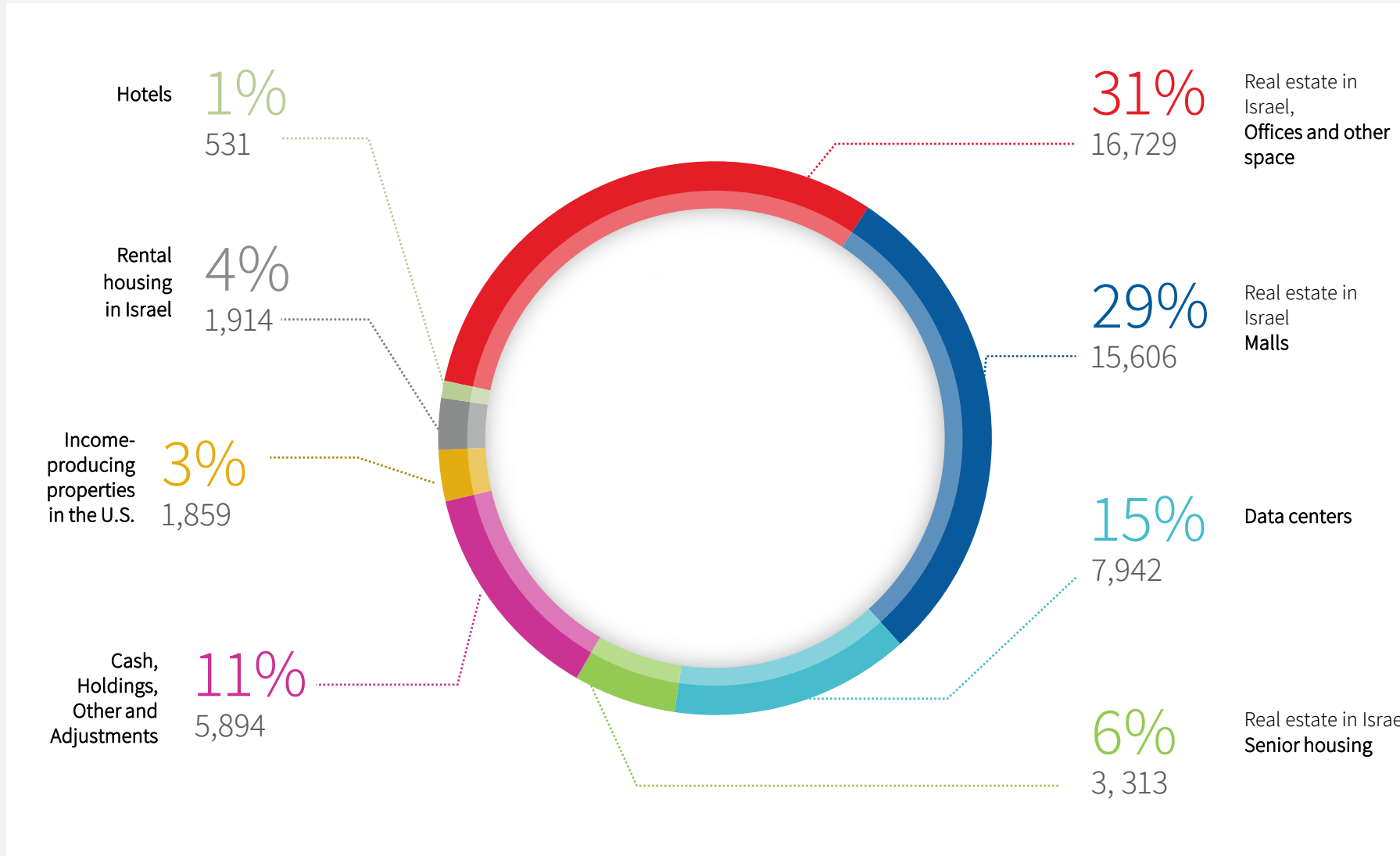
**34,000 m<sup>2</sup>**  
357 Apts.

**Total**

**1,408,000 m<sup>2</sup> <sup>(1)(2)(3)</sup>**

(1) As of 31 March 2024. (2) GLA figures reflect the Company's share. (3) Excluding the data center segment.

# Azrieli Group / Properties Breakdown, NIS in millions<sup>(1)</sup>



(1) On a consolidated basis, as of 31 March 2024. For details with respect to the Company's structure, see Section 1.2.1 of Chapter A of the Financial Report.



## FINANCIAL HIGHLIGHTS

- NOI totaled NIS 533 million, **up ~2% year-over-year**. Increase primarily in the rent in the offices and senior housing, offset by the sale of Compass.
- Same Property NOI, **up 4% year-over-year**.
- FFO<sup>(1)</sup> (Management's method) totaled ~ **NIS 393 million in Q1/2024, compared with NIS 350 million year-over-year, up ~12%**. Excluding the senior housing segment, FFO totaled ~ NIS 383 million, compared with ~ NIS 335 million, **up 14% compared with Q1/2023**. The increase derived primarily from an increase in NOI, decrease in net interest expenses and the exclusion of Compass, offset by an increase in administrative and marketing expenses.

## DEVELOPMENT, BETTERMENT AND INVESTMENTS

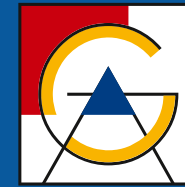
- In Q1, the Group invested ~ NIS 0.9 billion in the acquisition of new plots of land for development, investment properties, the betterment of existing properties, and the development of new properties.
- In 2023, the investment totaled NIS ~4.2 billion.

## DIVIDEND

- In May 2024, the Company distributed a dividend of NIS 1,000 million <sup>(2)</sup>, representing NIS 8.25 per share.

(1) For the FFO calculation according to the ISA's method, see Slide 43

(2) This amount includes the distribution of a dividend for the sale of the holdings in Compass



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# OPERATING SEGMENTS



NOI in Q1/2024

**NIS 240M**

compared with NIS 238M  
in Q1/2023

GLA

**~365,000m<sup>2</sup> (1)**

INNOVATION &  
UPGRADES



Azrieli App



Azrieli Gift Card



Betterment and  
upgrade of malls and  
retail centers

Book  
value

**~NIS 15.6B**

Average  
occupancy rate

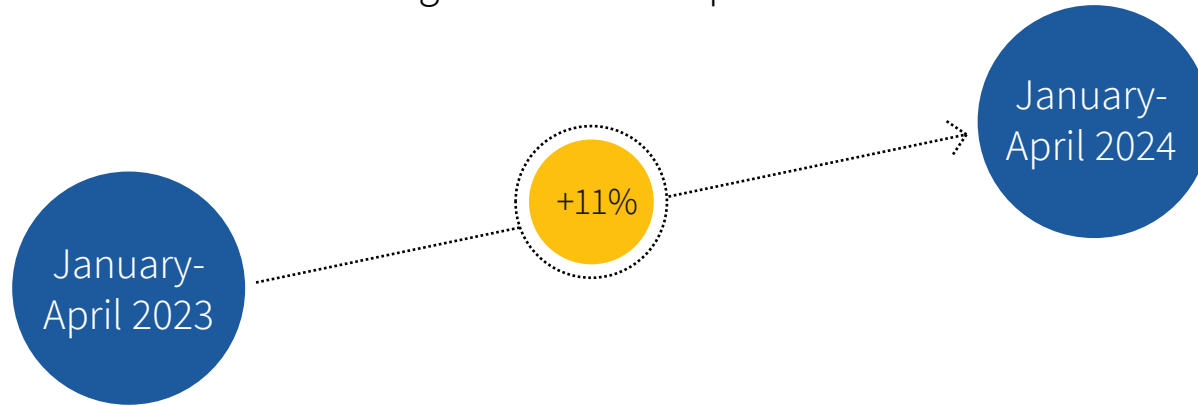
**99% (2)**

(1) Figures as of 31 March 2024. GLA figures reflect the Company's share. (2) Excluding fully built-up properties in the first stages of occupancy.

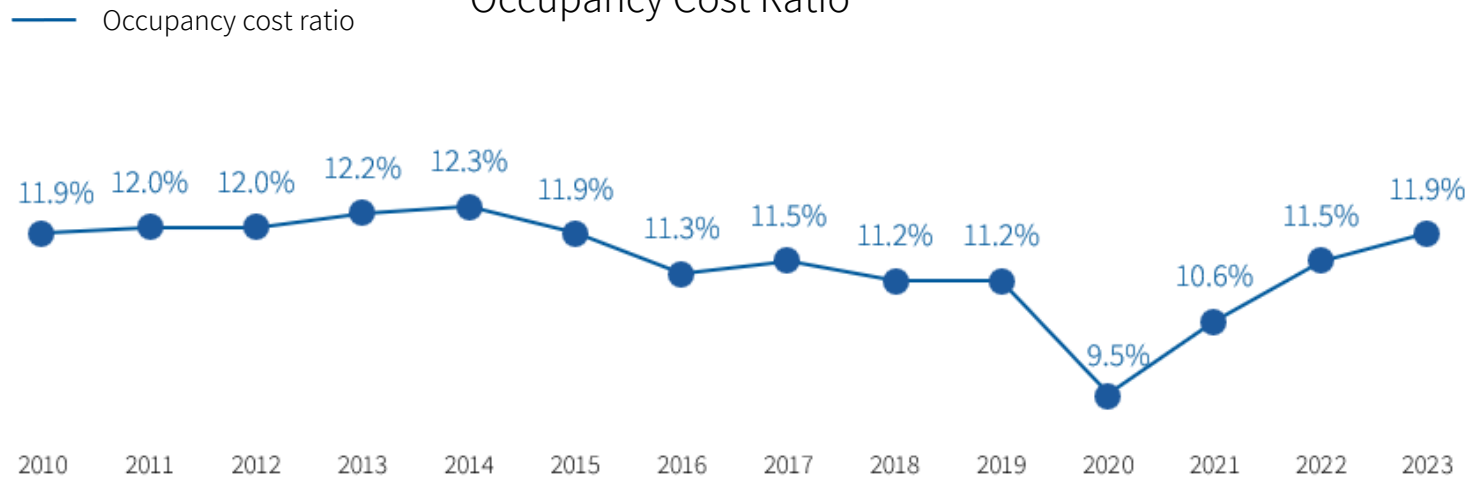


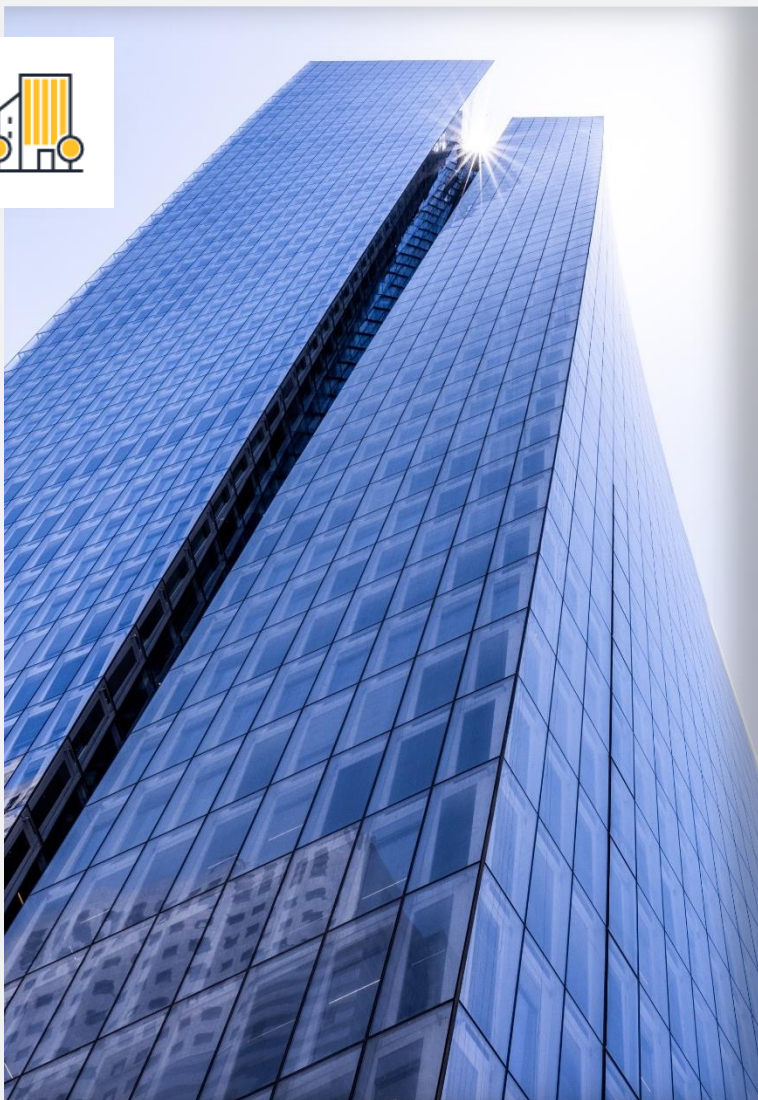
# Azrieli Group/ Store Sales and Occupancy Cost Ratio

Total Change in Azrieli Group Mall Store Sales



Occupancy Cost Ratio





NOI in Q1/2024

**NIS 211M**

compared with NIS 201 M  
in Q1/2023

GLA

**~649,000m<sup>2</sup>(1)**

## INNOVATION & UPGRADES



Community



Technology



Betterment and  
upgrade of office  
towers

Book value

**~ NIS 16.7B**

Average occupancy rate

**98%(2)**

(1) Figures as of 31 March 2024. GLA figures reflect the Company's share.  
(2) Excluding fully built-up properties in the first stages of occupancy.

# Azrieli Group / Office Tenants



# Azrieli Group / Global Data Center Operations – Green Mountain



NOI in Q1/2024  
**NIS 32M**  
compared with NIS 20 million in Q1/2023 <sup>(1)</sup>

GM - Contracted NOI \* / MW  
**NIS 513M<sup>(2)</sup> / 150MW**

Potential growth of existing sites  
**600MW**

Renewable Power  
**100%**

Electricity costs  
**LOW**

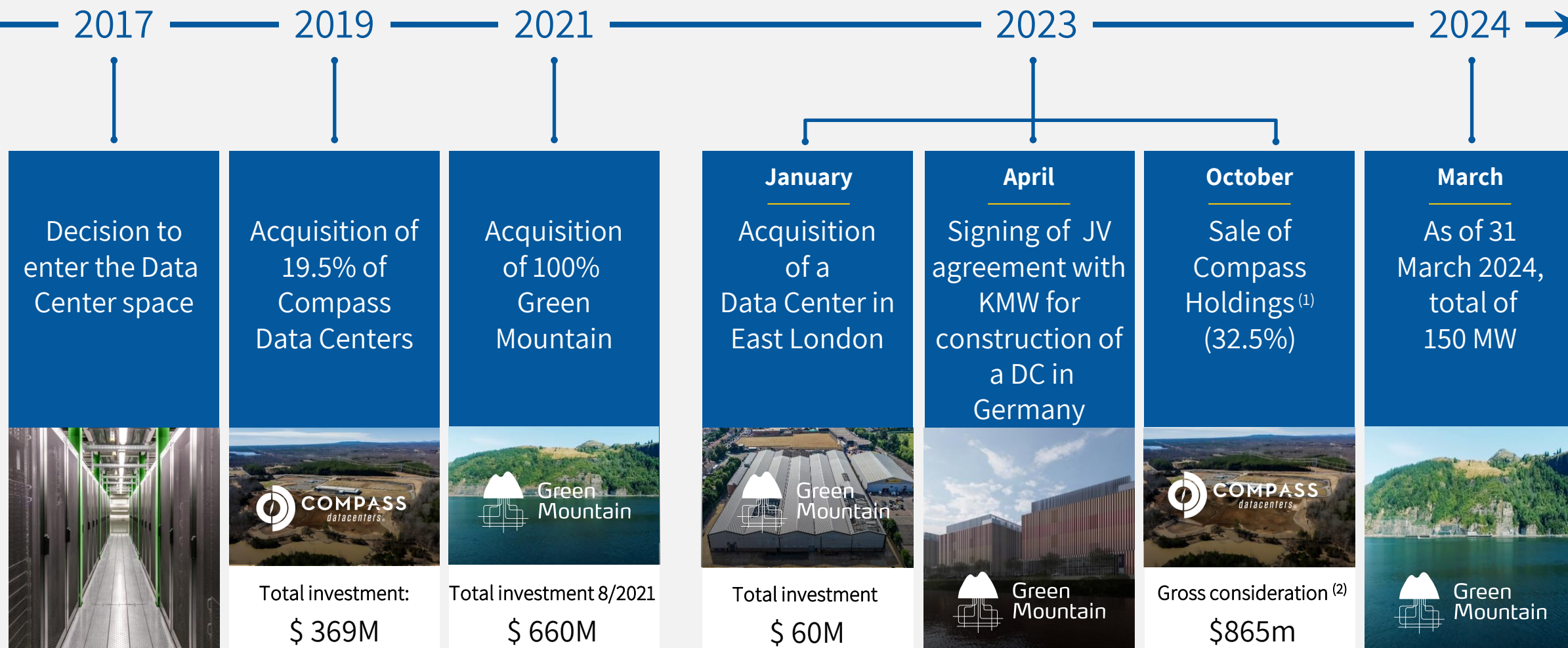
PUE  
**LOW**

Award winning and recognized as one of Europe's leading **co-location** companies



(1) Only Green Mountain data ; (2) According to bookings data.

# Azrieli Group / Global Data Center Operations – Timeline



(1) On 4 October 2023, the Company reported on the closing of a transaction to sell its holdings in Compass. For details, see the Board of Directors Report for 31 December 2023, Section 1.2.2.8

(2) "Gross" means prior to tax and transaction expenses

# Azrieli Group / Global Data Center Operations – Green Mountain



Significant growth since the acquisition of Green Mountain (July 2021)

Acquisition – July 2021

March 2024

Change

	Acquisition – July 2021		March 2024	Change
Active countries	1	➔	3	X3
Number of sites	3	➔	6 <sup>(1)</sup>	X2
MW	24	➔	150	X6
NOI (NIS in millions) <sup>(2)</sup>	84	➔	513	x6

(1) Including 2 properties under construction.

(2) Annual NOI development by signed contracts.

# Azrieli Group / Global Data Center Operations – Green Mountain



	SVG1 – Rennesøy	RJU1 – Rjukan	OSL1 – Enebakk	OSL2 – Hamar	LON1 – East	FRA1 – Mainz
<p>Campus Overview</p>	A former NATO ammunition storage facility converted into a unique, high-security colocation mountain hall data center	Colocation data center located at the nexus of hydro electric power in a historic region of Norway	Hyperscale and wholesale data center campus located 20km outside of Oslo.	Built-to-suit project for customer, north of Oslo airport.	East London location, with 14MW expansion potential + 16MW build-to-suit option.	GM and KMW JV (50%-50%) to build a DC on land leased from KMW
<b>Build Date</b>	2013	2014	2020	Under construction	2009	Under construction
<b>Land</b>	Lease (~58 Years)	Owned	Owned	Owned	Owned + Leased	Leased (HBR)
<b>Maximum Sellable IT Capacity</b>	<b>25 MW</b>	<b>40 MW</b>	<b>93 MW</b>	<b>120+30 MW</b>	<b>40 MW <sup>(1)</sup></b>	<b>54 MW</b>
<b>Client Type</b>	Hyperscaler / Local & Int'l Enterprises	HPC / Local & Int'l Enterprises	Hyperscaler / Local & Int'l Enterprises	Hyperscaler	Local & Int'l Enterprises	Hyperscaler / Local & Int'l Enterprises

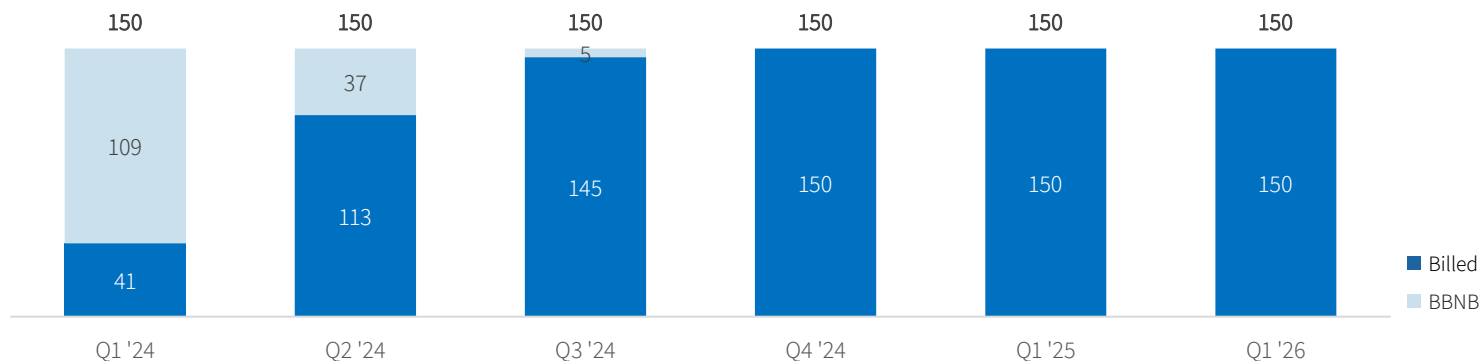
(1)The Company has begun construction and capacity expansion. 7MW as of 31 March 2024, used.

# Azrieli Group / Global Data Center Operations – Green Mountain



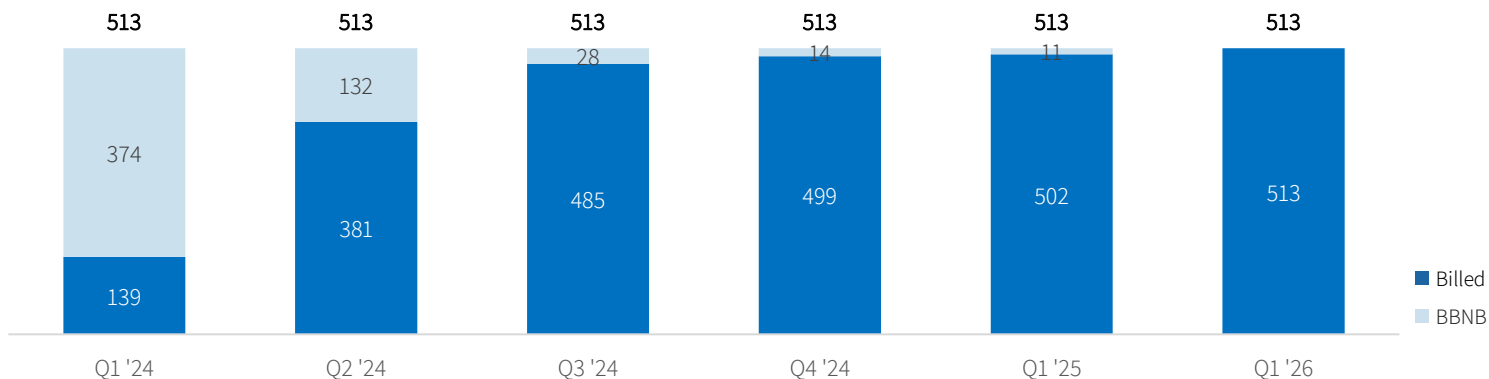
CAPACITY  
(MW)

Annual Operating Capacity Development based on **Bookings** <sup>(1)</sup> in MW in 2024-2026  
excluding potential additional contracts



NOI  
(NIS in  
millions)

Annual NOI Development based on **Bookings** <sup>(1)</sup> in 2023-2025  
excluding potential additional contracts



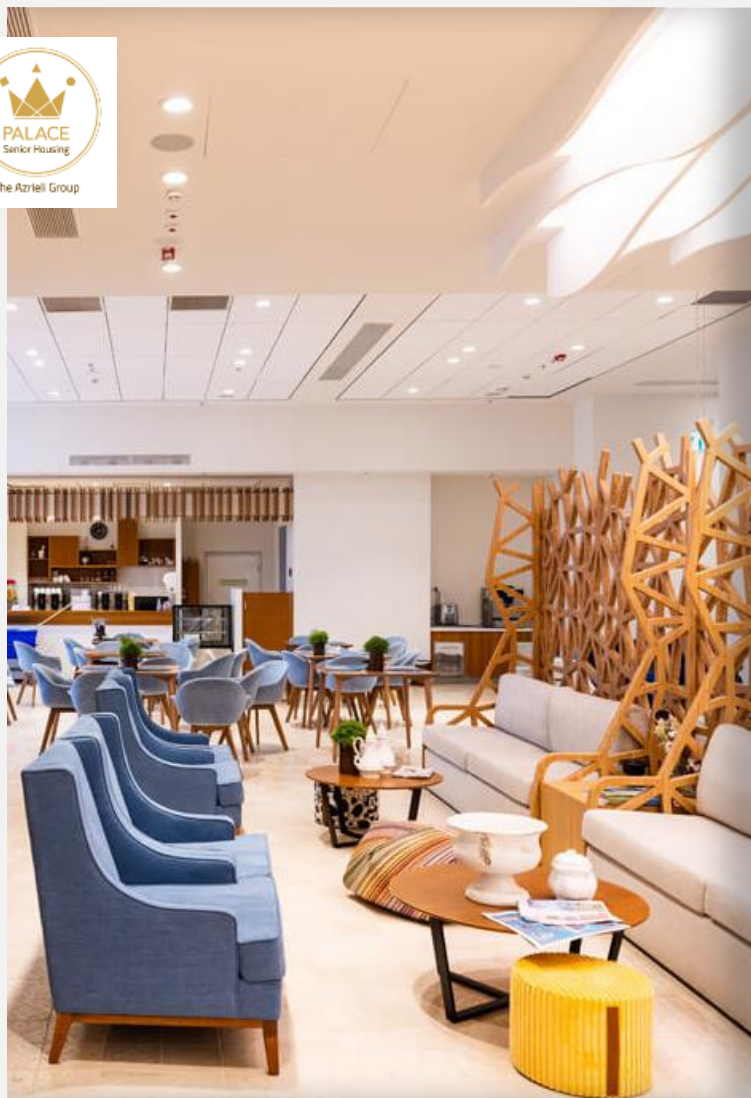
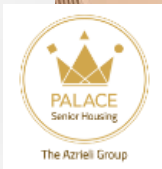
(1) All figures are based on bookings up to the date of release of the report as of 31 March 2024. The presented NOI includes additional revenues from the sale of electricity in an annual amount of approx. \$5 million.

(2) BBNB (Booked But Not Billed) – signed contracts (bookings) that are yet to be income-producing (paying).

(3) CAPEX investment per MW is approx. \$8.5-9 million. As of 31 March 2024, the remaining amount to be invested is approx. \$255 million.



# Azrieli Group / Palace Senior Housing Chain



Aboveground area  
**~115,000m<sup>2</sup>(1)**  
comprising  
1,141 Apts.

NOI in Q1/2024  
**NIS 21M**  
v. NIS 16M in Q1/2023

## Operating Homes

Palace Tel Aviv  
**231** Apts. + 4 'Medical' Units

Palace Modi'in  
**239** Apts. + 4 'Medical' Units

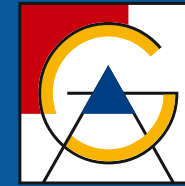
Palace Ra'anana  
**321** Apts. + 2 'Medical' Units

Palace Lehavim  
**350** Apts. + 2 'Medical' Units

Book value  
**~NIS 3.3B**  
Average occupancy rate  
**96%(2)**

Homes under Construction  
Palace Rishon LeZion  
**274** Apts. + a 'Medical' Unit  
+ 3,000m<sup>2</sup> of retail space

(1) As of 31 March 2024. GLA figures reflect the Company's share. (2) Excluding fully built-up properties in the first stages of occupancy.



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# PROPERTIES UNDER CONSTRUCTION

# Azrieli Group / Development Pipeline



Tel Aviv  
Expansion of Azrieli Mall  
and the Spiral Tower  
~150,000 m<sup>2</sup> (3)



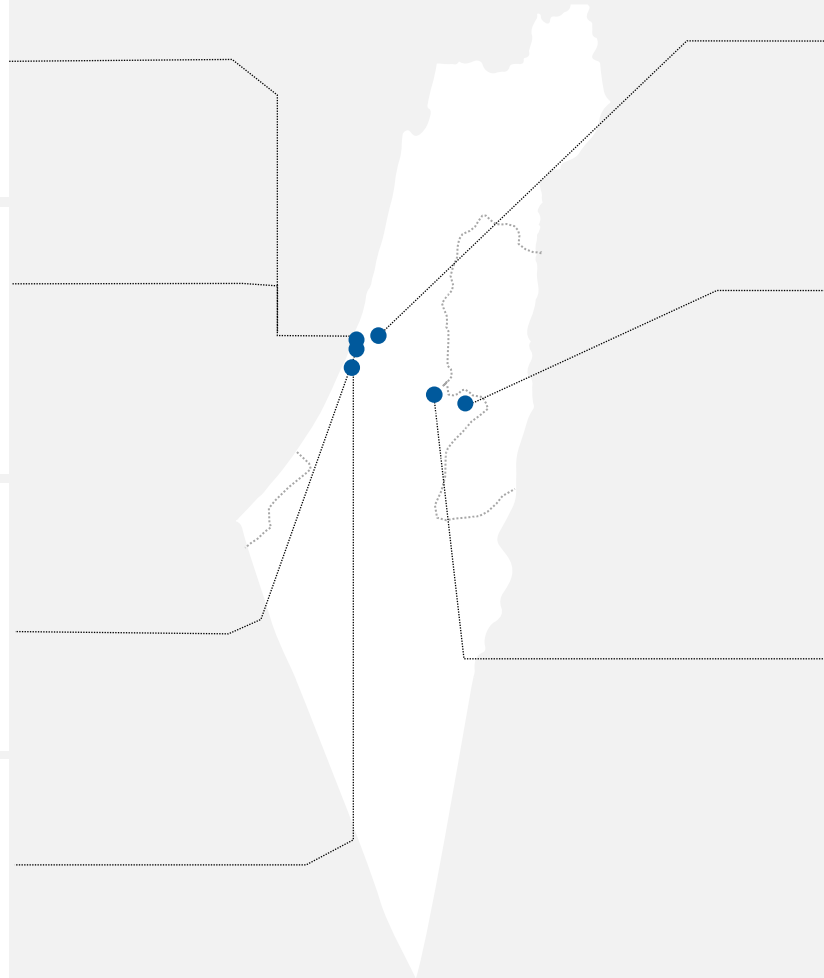
Tel Aviv  
Azrieli Town, Building E  
~21,000 m<sup>2</sup> (4)



Holon  
Project 3 (formerly Lodzia)  
~250,000 m<sup>2</sup>



Palace Rishon LeZion  
Senior Home  
~37,300 m<sup>2</sup>(3)



Petah Tikva  
Land for development  
~53,000 m<sup>2</sup> (1)



Jerusalem  
Mount Zion Hotel  
~34,000 m<sup>2</sup>(2)



Modi'in  
Lot 10  
~37,000 m<sup>2</sup>



(1) The Company is working to increase building rights to approx. 280,000 sqm. | (2) A full building permit has been obtained. | (3) For senior housing and/or rental apartment uses; the figure represents building rights in sqm. | (4) Additional construction rights acquired in May 2018 as part of the acquisition of the income-producing property of Mivnei Gazit. The Company is working to increase building rights in the project to approx. 90,520 sqm.

# Development Projects/ Growth Driver



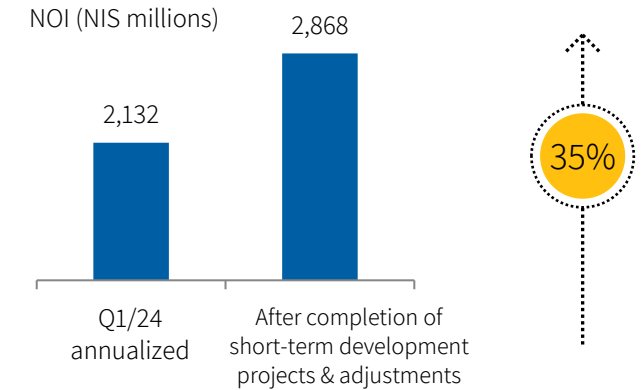
	Name of Property	Location	Use	GLA <sup>(2)</sup>	Estimated Completion Date	Estimated Construction Cost, Including Land (NIS in millions) <sup>(1)</sup>
<b>Short-term</b> Development Projects Under Construction	Check Post	Haifa		10,500	2024	140-150
	<b>Total</b>			<b>10,500</b>		<b>140-150</b>
<b>Medium-Term</b> Development Projects	Palace Rishon LeZion	Rishon LeZion		37,300	2025	500-520
	Mount Zion Hotel	Jerusalem		34,000 <sup>(3)</sup>	2027	910-940
	SolarEdge Campus	Ramat HaSharon		43,000	2025	790-810
	Modi'in, Lot 10	Modi'in		37,000	2026	570-580
	Expansion of Azrieli Tel Aviv Center (Spiral Tower)	Tel Aviv		150,000 <sup>(4)</sup>	2027	2,565-2,765
	Glil Yam	Herzliya		19,630	2027	380-400
	<b>Total</b>			<b>320,930</b>		<b>5,715-6,015</b>
<b>Total</b>			<b>331,430</b>		<b>5,855-6,165</b>	
Development Projects in <b>Planning</b>	Holon 3 (formerly Lodzia)	Holon		250,000 <sup>(5)</sup>	TBD	TBD
	Petah Tikva land	Petah Tikva		53,000 <sup>(6)</sup>	TBD	TBD
	Azrieli TOWN Building E	Tel Aviv		21,000 <sup>(7)</sup>	TBD	TBD
	<b>Total</b>			<b>324,000</b>		<b>Projects whose construction cost is TBD</b>
	<b>Total</b>			<b>655,430</b>		
<b>Completed</b>	Modi'in, Lot 21	Modi'in		31,000	2024	455-485

(1) Cost without capitalizations and without tenant adjustments | (2) The figures for senior housing and/or rental housing uses represent building rights in sqm | (3) Including the existing area and the additional rights, since the Company intends to renovate the entire hotel and to expand it | (4) A zoning plan which increases the construction rights for the fourth tower and the expansion of the parking basements by about 80,000 sqm, to a total of some 150,000 sqm was approved in April 2018 | (5) Building rights have been increased as part of a consolidation of land plots | (6) The Company is working to increase the building rights to approx. 280,000 sqm | (7) Additional construction rights acquired in May 2018 as part of the acquisition of the income-producing property of Mivnei Gazit. The Company is working to increase building rights in the project to approx. 90,520 sqm

# DEVELOPMENT PROJECTS / EXPECTED CONTRIBUTION\* TO NOI AND FFO

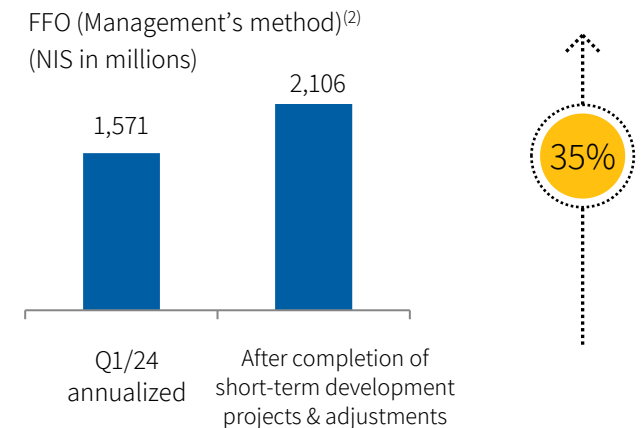
	(NIS in millions)
Annualized actual NOI in Q1/2024	2,132
Additional NOI from DC segment (GM only) based on billings**	385
Additional NOI from development projects <sup>(1)</sup>	131
Addition due to occupancy of vacant spaces*	220

**NOI following the occupation of short-term projects under development and full occupancy** **2,868**



	(NIS in millions)
Annualized actual FFO (Management's method) in Q1/2024 incl. senior housing	1,571
Additional FFO from development projects, DC segment and occupancy of vacant spaces <sup>(1)(2)*</sup>	535

**FFO following the occupation of short-term projects under development and full occupancy** **2,106**



\* The aforesaid calculations are not forecasts and are based on the assumption of full occupancy and rent as of March 2024.

\*\* GM - Billings by the Report Release Date according to 150 MW. The main assumptions underlying the calculations are: Full occupancy of projects under development and income-producing properties, senior housing in the NOI and FFO by representative year (excl. first time occupancy), a tax rate of 23%.

(1) NOI from projects under development includes the following properties: Azrieli Modi'in Lot 21, Haifa Check Post, SolarEdge campus, and Palace Rakafot senior home, and does not include the expansion of Azrieli Center Tel Aviv, the Holon 3 project (formerly Lodzia), the land in Petach Tikva, rights of Azrieli Town Building E, Lot 10 Modi'in, and the Mount Zion Hotel. (2) For FFO calculated according to the ISA's method, see slide 43.

# AZRIELI GROUP / THE CBD OF TEL AVIV



# DEVELOPMENT PROJECTS / EXPANSION OF AZRIELI MALL & THE SPIRAL TOWER, TEL AVIV

Land area  
**8,400 m<sup>2</sup>**

GLA  
**150,000m<sup>2</sup>**

including 13,000 m<sup>2</sup> of retail space  
for expansion of the Azrieli Tel Aviv  
Mall

Cost of land  
**NIS ~374M**

Estimated completion  
**2027**

Uses



Hotel



Retail



Offices



Rental  
housing

Estimated construction  
cost, including land  
**NIS 2.57-2.77B**

## PROGRESS UPDATE

In June 2023, an aboveground building permit was obtained, and construction work is underway.



# DEVELOPMENT PROJECTS / EXPANSION OF THE AZRIELI MALL & SPIRAL TOWER, TEL AVIV





# COMPLETED PROJECTS / LOT 21 – Modi'in – Mixed use



11,500m<sup>2</sup>

Offices



4,200m<sup>2</sup>

Retail



80

Rental  
apartments



85

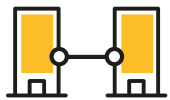
Hotel rooms

# DEVELOPMENT PROJECTS / LOT 10 – Modi'in



8,100m<sup>2</sup>

Clalit  
Medical center  
(included in the office  
and retail areas)



Connection to  
the mall and the  
existing complex



±37,000m<sup>2</sup>  
of offices & retail<sup>(1)</sup>

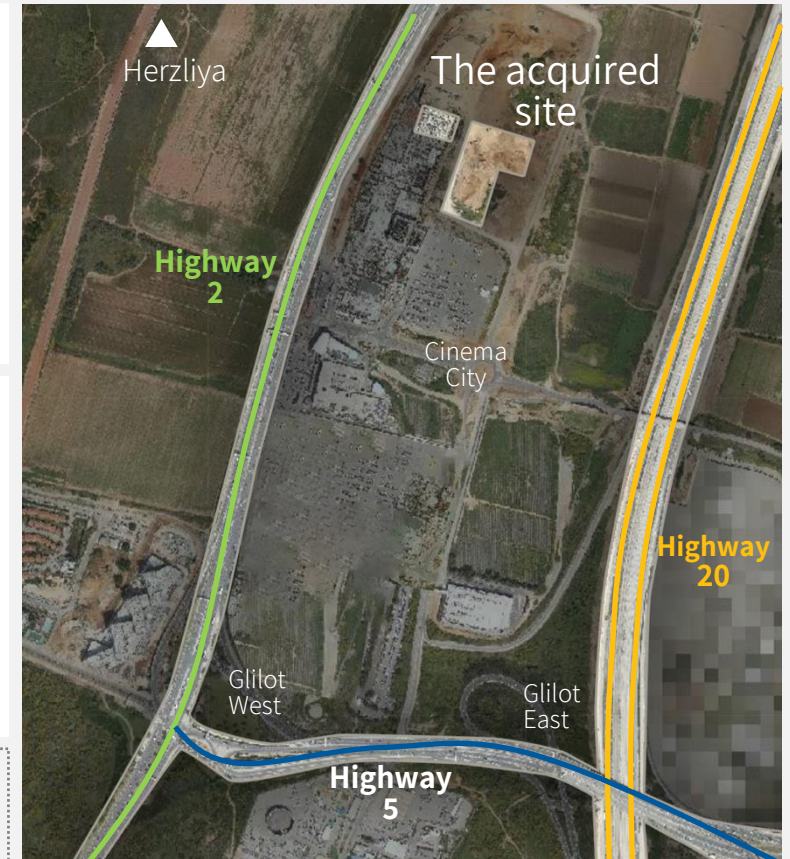


A bustling center with  
offices, retail, and movie  
theaters

(1) The Company promoted a plan to add ~8,000 sqm underground, which was approved in February 2024.

# DEVELOPMENT PROJECTS / SolarEdge CAMPUS in Ramat HaSharon

<p>Land area <b>26,000 m<sup>2</sup></b></p> <p>Of which ~16,000 is land area to be used by SolarEdge</p>	<p>The investment amount<sup>(1)</sup> <b>NIS 990M</b></p> <p>(including the land) in the SolarEdge Campus</p>	<p>Office campus area <b>43,000 m<sup>2</sup></b></p> <p>and underground parking</p>
<p>On-site work commenced during <b>Q2 2022</b></p>	<p>The property will be leased to <b>solar edge</b></p> <p>for a 15-year term with extension options up to an aggregate term of 24 years and 11 months</p>	<p>The transaction was closed in <sup>(2)</sup> <b>Jan. 2022</b></p>
<p>The NOI<sup>(1)</sup> attributed to the campus is expected to total <b>NIS 78M per year</b></p>	<p><b>ADDITIONAL RIGHTS</b></p> <ul style="list-style-type: none"> <li>• A remaining 10,000 sqm of land is available for construction.</li> <li>• The Group intends to develop additional retail and commercial spaces.</li> <li>• The Company intends to promote a zoning plan for additional rights in the site.</li> <li>• In October 2023, the building permit for the entire project was received.</li> </ul>	



(1) Including TI and after indexation.

(2) Acquisition of a company that is entitled to receive long term leasehold from the ILA for land located in the Northern Gllot (Ramat HaSharon) site.

# DEVELOPMENT PROJECTS / GLIL YAM – RENTAL HOUSING

GLA  
**630m<sup>2</sup> retail**

19,000 m<sup>2</sup> of rental housing  
(147 apartments)

Land area  
**5,200 m<sup>2</sup>**  
over 2 adjacent plots

Estimated construction cost,  
including land  
**NIS 380-400M**

Cost of land per apartment  
**NIS 710  
thousand**

Uses



Retail



Rental  
housing

Estimated  
completion date  
**2027**

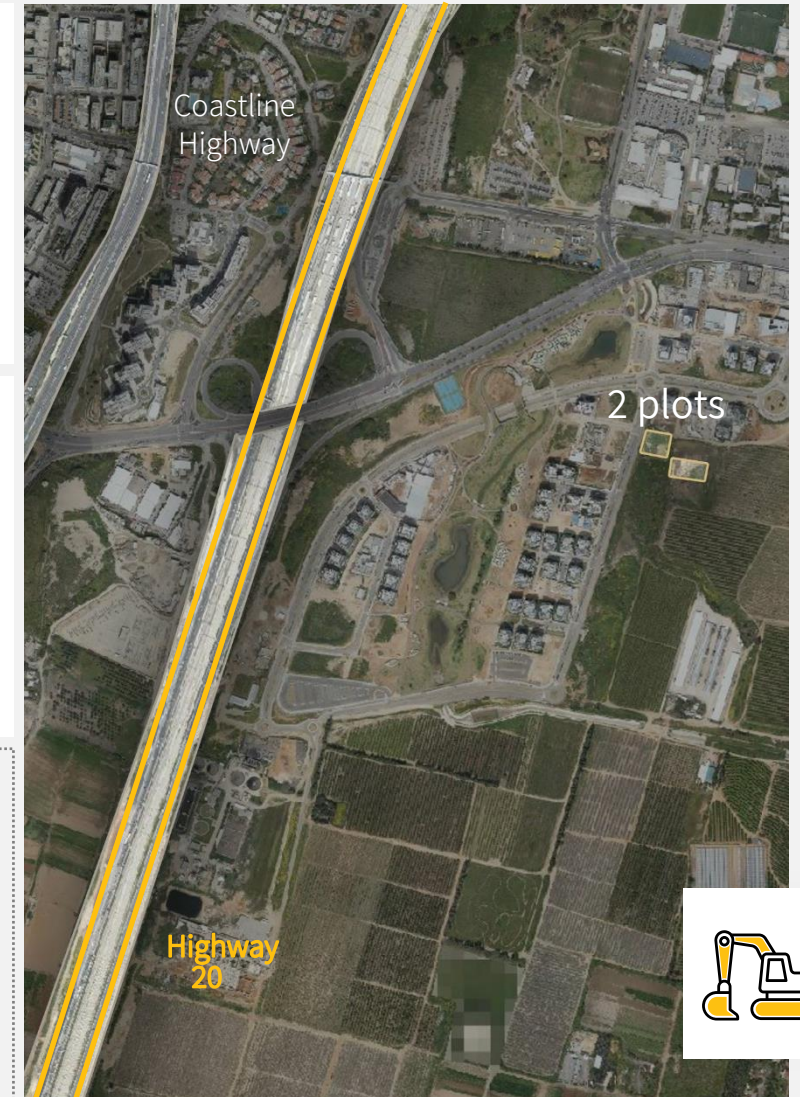
## “DIRA LEHASKIR” –

State-Owned Rental Housing Company









50% of the apartments in the project will be leased for controlled rent which will be 80% of market rent

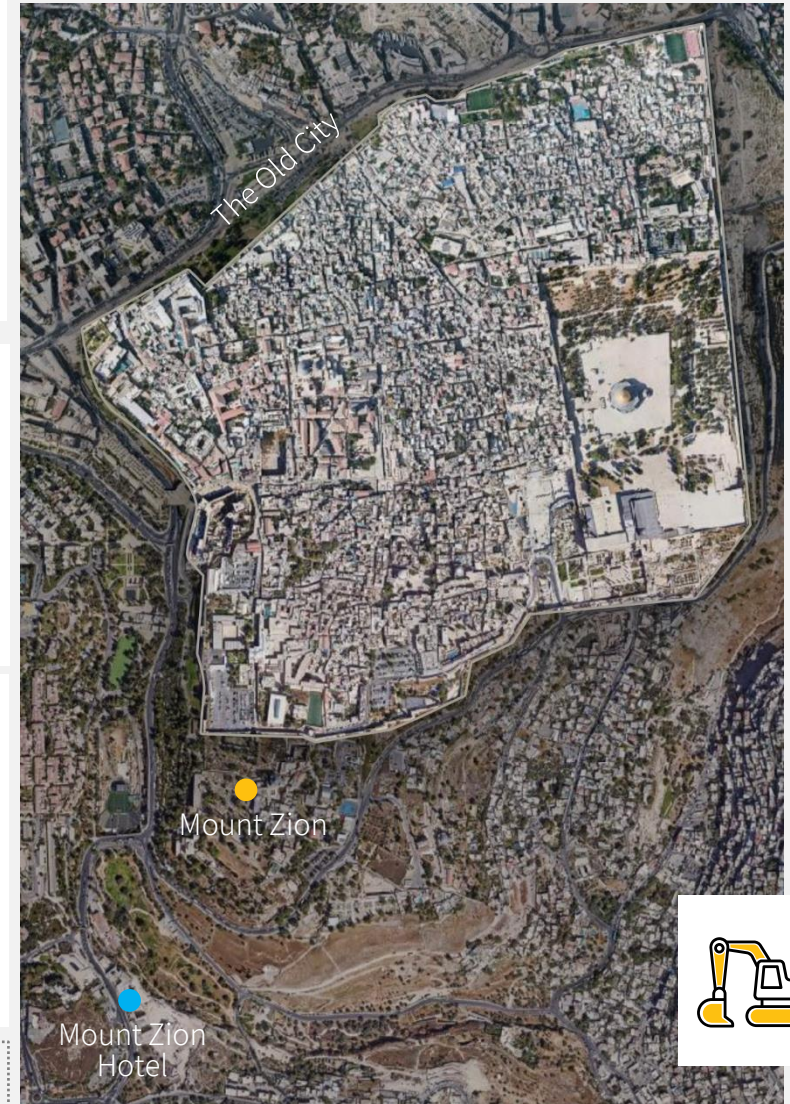
## LAND DESIGNATION

According to the provisions of the tender, the land is intended for high-rise residential buildings for the purpose of long-term rentals for a term of no less than 20 consecutive years from the date of completion of the construction.



# Azrieli Group / MOUNT ZION HOTEL, JERUSALEM

<p>Acquisition cost ~NIS 275M</p>	<p>Land area 13,000 m<sup>2</sup></p>	<p>Planned built-up area according to approved zoning plan 34,000m<sup>2</sup> (1) up to 350 rooms</p>			
<p>Estimated completion date 2027</p>	<p>The Group intends to remodel the hotel to A+</p>		<p>Estimated construction cost NIS 635-665M</p>		
<p>Excavation work and shoring work are currently underway</p>	<p>Uses</p>  <p>Hotel</p>	<p>Additional uses</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Spa</p> </div> <div style="text-align: center;">  <p>Health club</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: flex-start; margin-top: 10px;"> <div style="text-align: center;">  <p>Shops</p> </div> <div style="text-align: center;">  <p>Restaurants</p> </div> <div style="text-align: center;">  <p>Swimming pool</p> </div> <div style="text-align: center;">  <p>The Cable Car Museum</p> </div> <div style="text-align: center;">  <p>Conference and event halls</p> </div> </div>			



## PROGRESS UPDATE

A building permit for the entire hotel has been conditionally approved, and the Company is working on fulfilling the conditions. Renovation and expansion of the hotel are subject to receipt of a building permit.

(1) Including the existing area and the additional rights, since the Company intends to renovate the entire hotel and to expand it.

# Azrieli Group / MOUNT ZION HOTEL, JERUSALEM





## ILLUSTRATION OF THE HOTEL AFTER THE PLANNED EXPANSION



# EXISTING PROPERTIES / EXPANSION AND BETTERMENT

THE FOLLOWING PROJECTS ARE UNDERGOING BETTERMENT AND VARIOUS STATUTORY PROCEEDINGS:



Name of Property	Location	Project in property	Status	Gross Area Added	Timeframe for Completion of Statutory Proceeding
Azrieli Jerusalem Mall	Jerusalem	Expansion of retail and office space, and construction of senior home 	Zoning plan approved	93,000 m <sup>2</sup>	---
Petah Tikva land	Petah Tikva	Addition of retail and office space 	Zoning plan	227,000 <sup>(1)</sup> m <sup>2</sup>	Long-term
Azrieli Rishonim	Rishon LeZion	Addition of office space 	Zoning plan approved	21,000 m <sup>2</sup>	---
Azrieli Center Tel Aviv	Tel Aviv	Addition of retail space and movie theaters 	Permit approved	3,300 m <sup>2</sup>	Short-term
<b>Total</b>				<b>344,300 m<sup>2</sup></b>	

(1) Including additional rights in respect of an adjacent income-producing property.

# DEVELOPMENT PROJECTS / UPGRADE OF EXISTING PROPERTIES

AZRIELI CENTER TEL AVIV, MALL ROOFTOP PROMENADE | ILLUSTRATION



HOLON 1 | ILLUSTRATION



AZRIELI HOLON MALL | SKYLIGHT AND MAIN AVENUE



HERZLIYA OUTLET | ILLUSTRATION



AZRIELI GIVATAYIM MALL | ILLUSTRATION

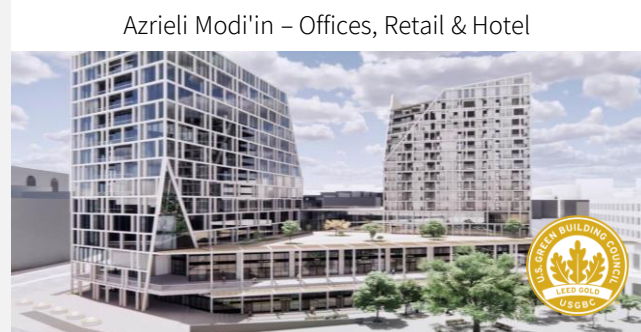
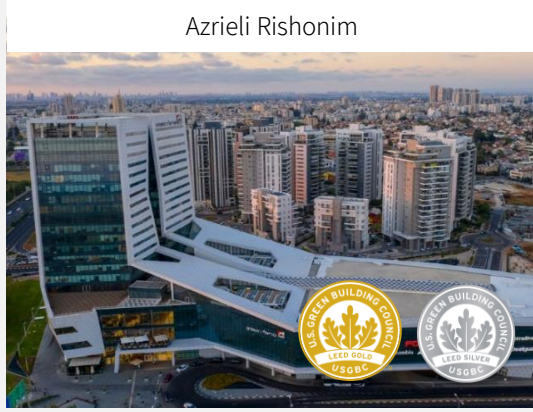




# AZRIELI GROUP / LEADERS IN GREEN CONSTRUCTION & SUSTAINABLE OPERATION



## BUILDING ISRAEL. PROTECTING THE ENVIRONMENT



Six pillars of action supporting our ESG program and vision:

- Human capital
- Corporate governance and responsible management
- Sustainable construction procedures
- Recycling and environmental activity for sustainability
- Innovation in the real estate industry
- Community and stakeholders

[ESG Report for 2021-2022 is posted on the Company's website](#)



## BUILDING ISRAEL. PROTECTING THE ENVIRONMENT



### Environmental Project

- Reduction of the amount of waste sent to landfills by 50% by the end of 2026
- 36 employees with disabilities and special needs integrated for operation of the project
- Project implemented in 14 properties and expected to expand to 18 properties by the end of 2024, while engaging our tenants are partners



Community and stakeholders

### Community project

- Community environmental protection projects
- Stakeholder engagement – Group employees, tenants, residents and customers
- Family recycling sites project in collaboration with Pitchon-Lev – implemented in 10 properties
- ‘Guardians of the Bay’ project in Eilat in collaboration with Mall Hayam launched in 2024



### Wartime Aid

The Group has given and continues to give aid in cash and in-kind donations, totaling some NIS 11.7 million since the outbreak of the Swords of Iron War until the end of this quarter



### Select Projects

- "Enveloping Memory" and "Behind the Bullets" exhibitions as part of ADA (Azrieli Design & Arts) at Azrieli Sarona
- Strengthening advocacy efforts by hosting an appreciation event for the volunteers of the Civil Advocacy Headquarters at DNA, Azrieli Center Tel Aviv
- Volunteering by Azrieli employees to help the residents of the Gaza Envelope





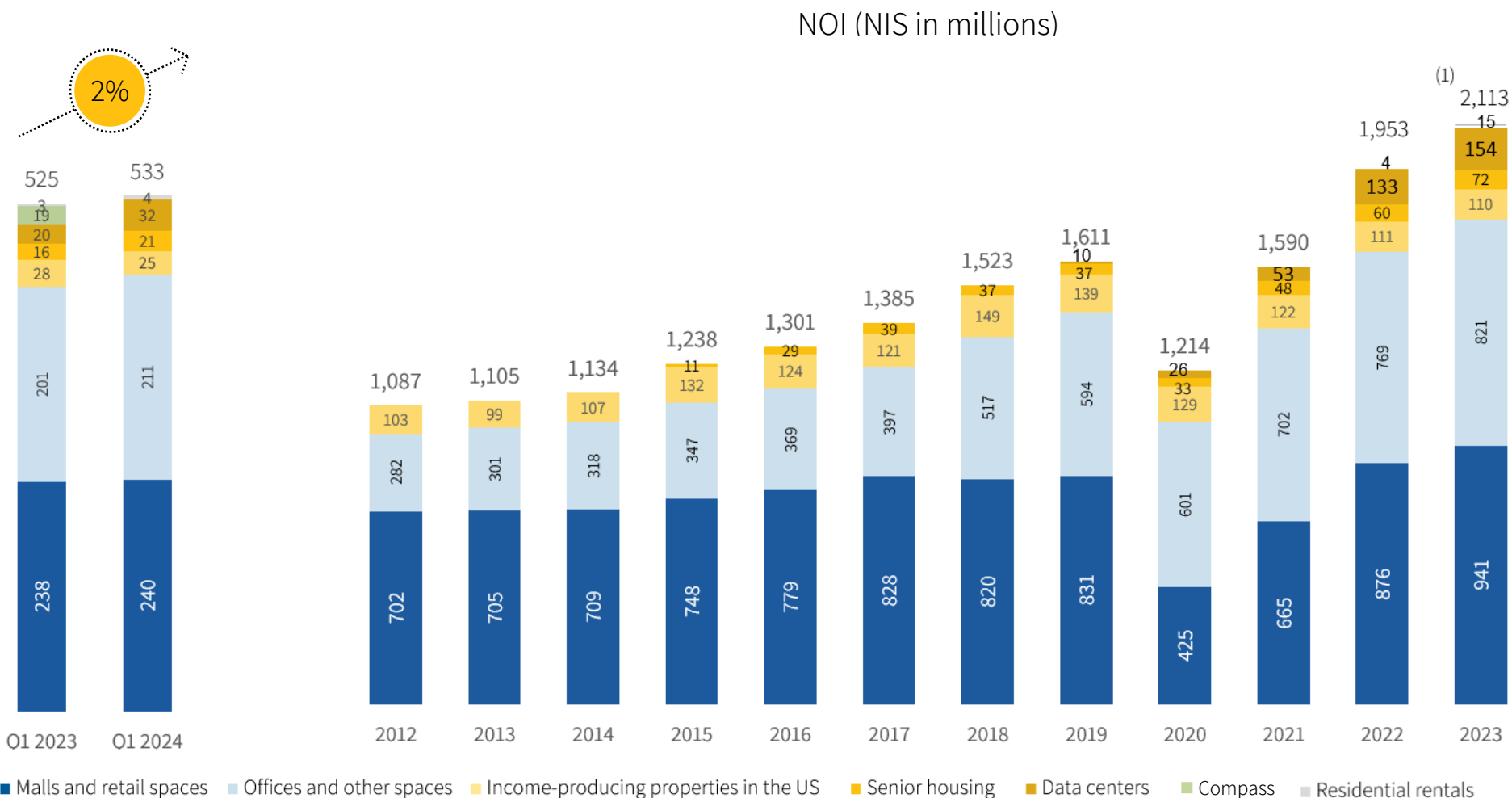
AZRIELGROUP

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# FINANCIALS

# Continuous NOI Growth

NOI (NIS in millions) compared with previous years and the same quarter last year



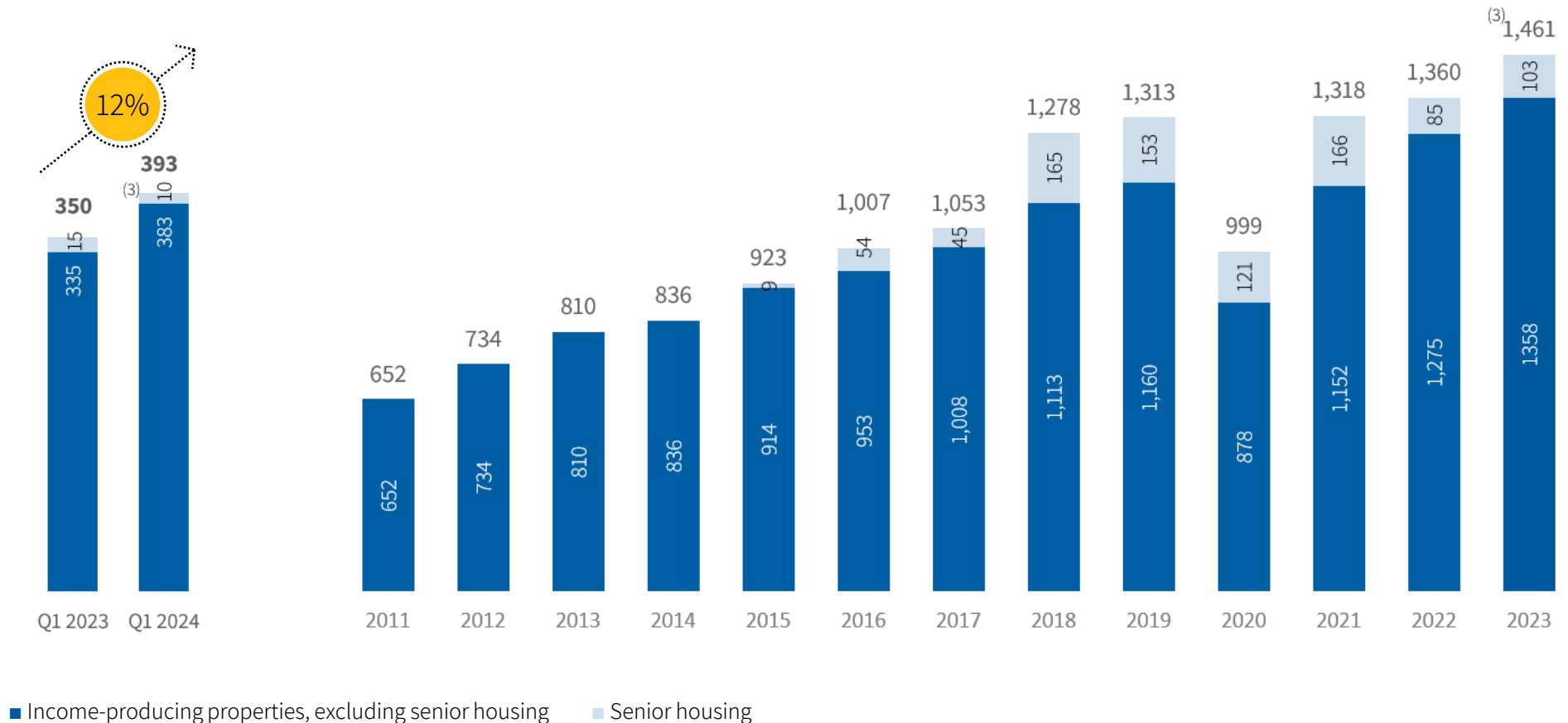
(1) The NOI in 2023 includes approx. NIS 35 million in war-related relief.

# Continuous FFO Growth

FFO (Management's method) compared with previous years and the same quarter last year



FFO (Management's method) attributed to the real estate business<sup>(1)(2)</sup> (NIS in millions)

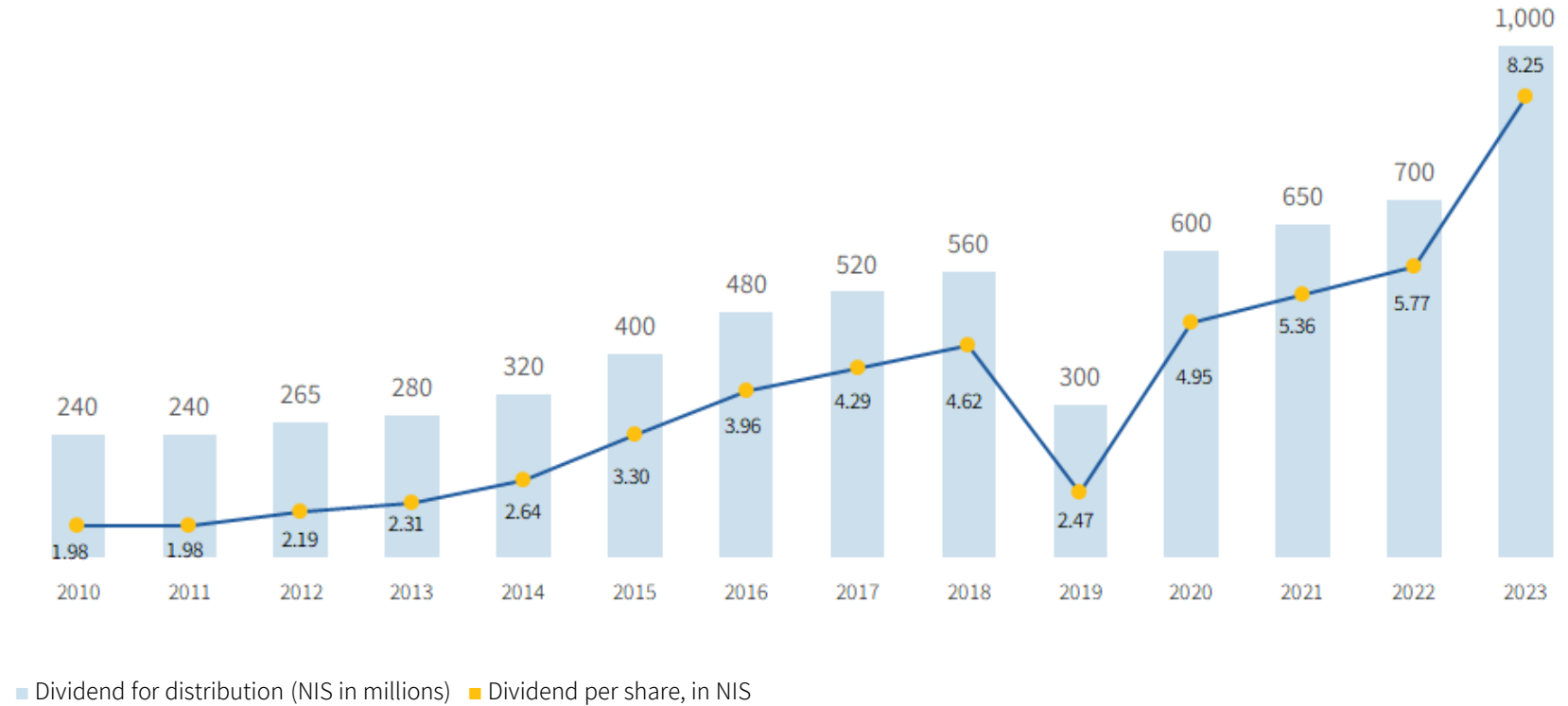


(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report. (2) For the FFO calculation according to the ISA's method, see Slide 43. (3) The FFO in 2023 includes war-related relief in the sum of approx. NIS 27 million.

# Consistent and Growing Dividend Distributions



Dividend distribution of NIS 1,000 million for 2023 <sup>(1)</sup>



(1) This amount includes the distribution of a dividend for the sale of the holdings in Compass

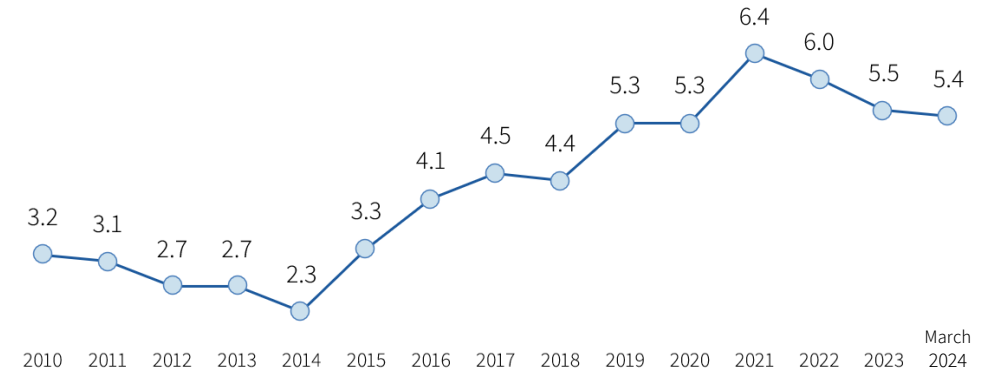
# Leverage Ratio, Duration and Cost of Debt



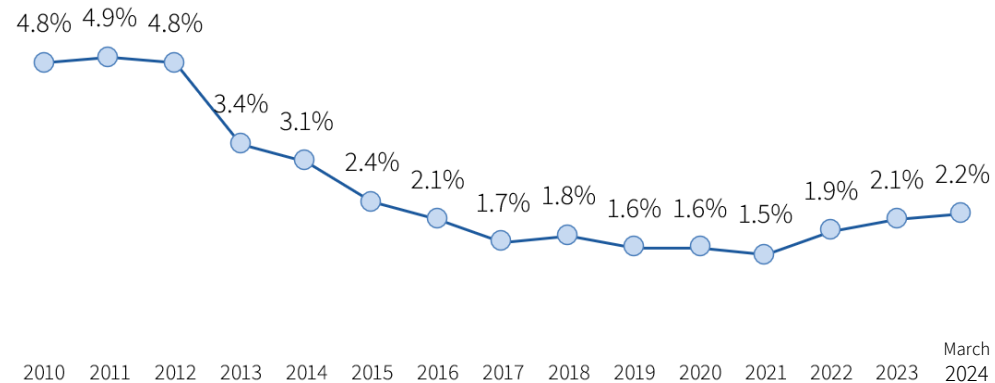
## FINANCIAL STRENGTH<sup>(1)</sup>

- Low leverage ratio – net financial debt to assets ratio: **~34%**
- Equity to assets ratio: **~43%**
- Cash and cash equivalents: **~NIS 3.8B**  
(approx. NIS 4.9 billion including Bank Leumi shares)
- Unencumbered assets: **~NIS 34B**

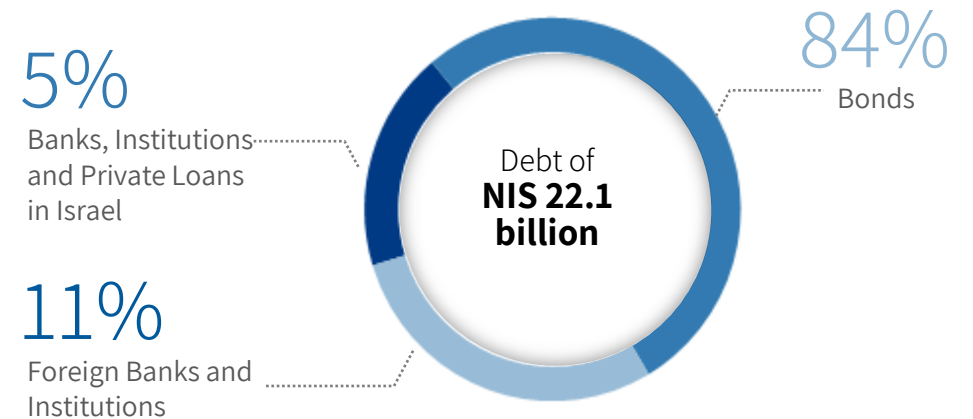
## EXTENSION OF AVERAGE DURATION OF DEBT <sup>(2)</sup>



## DECREASE OF AVERAGE EFFECTIVE INTEREST RATE OVER THE YEARS <sup>(2)</sup>



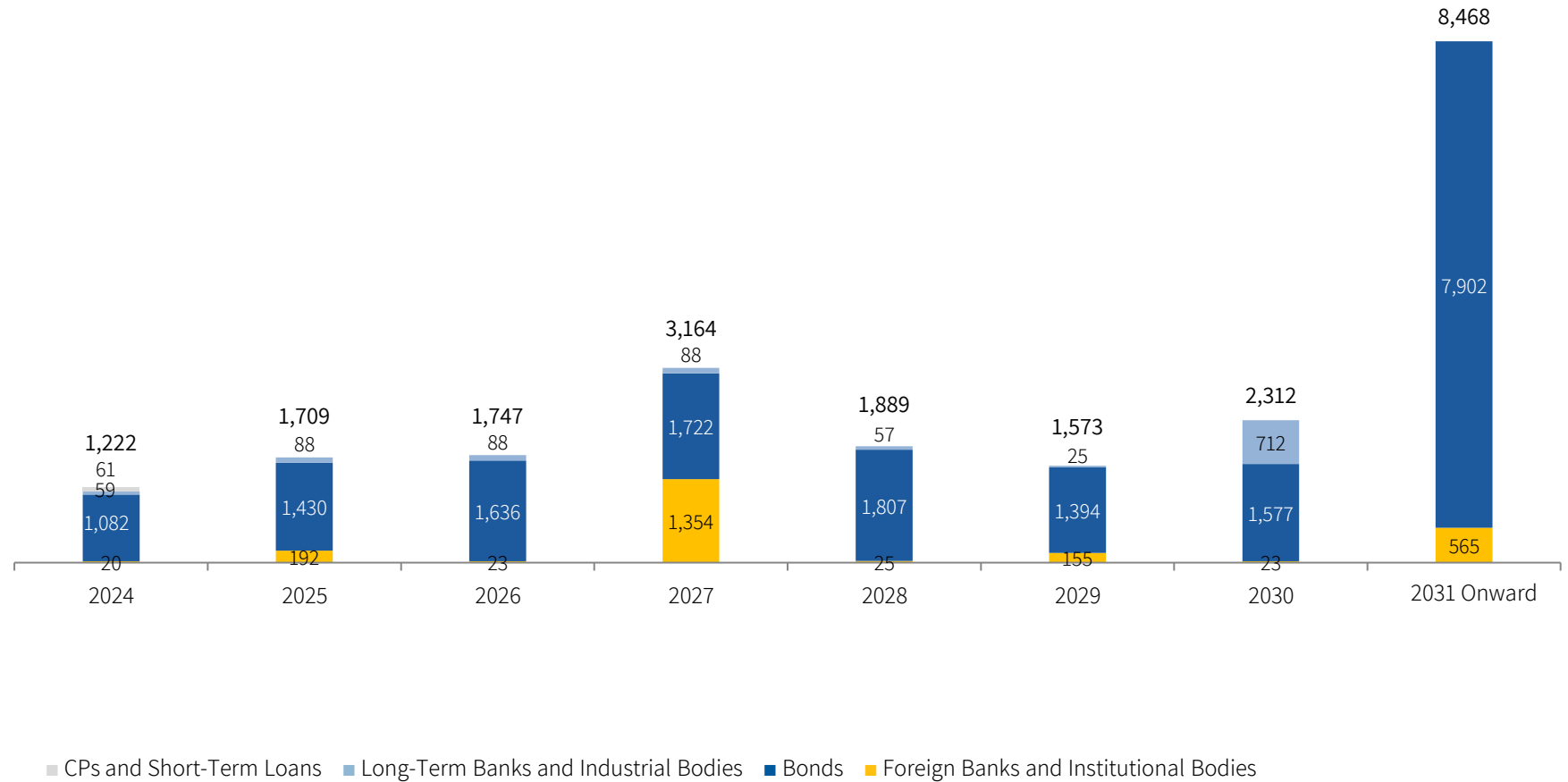
## DEBT BREAKDOWN BY LENDER



(1) As of 31 March 2024. (2) Figures as of the last day of the year / reported period. The average interest rate in Q1/2024 excluding overseas operations was 1.8%

# Payment Schedule (principal only)

On a consolidated basis, as of 31 March 2024





# Summary of Financial Statement Results (NIS in millions)



	Consolidated Q1/2024	Consolidated Q1/2023	Consolidated 2023
Revenues from rent, maintenance, management fees and sales	749	707	2,943
NOI	533	525	2,113
Same-property NOI	527	506	1,940
FFO (Management's method) attributed to the real estate business <sup>(1)</sup>	393	350	1,461
FFO (ISA's method) attributed to the real estate business <sup>(2)</sup>	319	181	846
Change in the fair value of investment properties	253	362	912
Net profit, including minority interests	464	377	2,218
Net profit, attributable to the shareholders	464	377	2,225
Comprehensive income, attributable to the shareholders	300	329	2,170

For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report. (2) For FFO calculated according to the ISA's method, see Slide 43.

# SUMMARY OF BALANCE SHEET FIGURES (NIS in millions)



	Consolidated 31 March 2024	Consolidated 31 December 2023
Cash, securities and deposits	3,790	4,916
Gross financial debt	22,084	22,749
Net financial debt <sup>(1)</sup>	18,294	17,833
Net financial debt to assets	34%	33%
Financial assets (mainly Bank Leumi shares)	1,090	1,038
Fair value of investment property and properties under construction	45,507	44,613
Equity (excluding minority interests)	22,843	23,543
Equity to assets	43%	44%
Total assets	53,788	54,072
Equity per share (NIS)	188.3	194.1
EPRA NRV per share (NIS) <sup>(2)</sup>	231	234

(1) Excluding financial assets (Bank Leumi shares). (2) Excluding the full expected profit component for the development projects.

# AVERAGE CAP RATE AND FFO / INCOME-PRODUCING REAL ESTATE BUSINESS



## Weighted average cap rate - 6.95%

NIS in millions	
Total investment property, as of 31 March 2024	45,628
Net of the value attributed to land reserves, properties under construction, senior housing and data centers	(15,496)
Total income-producing properties	30,132
Actual NOI in the quarter ending 31 March 2024 <sup>(1)</sup>	476
Addition to future quarterly NOI	48
Total standardized NOI Q1/2024	524
Proforma annual NOI	2,094
Weighted cap rate derived from income-producing investment property, including vacant space	6.95%

## FFO<sup>(2)</sup> (management's method) for Q1/2024 attributed to the real estate business - NIS 393 million

NIS in millions	Q1/2024	Q1/2023
NOI	533	525
G&A, sales and marketing	(72)	(55)
Depreciation and amortization	5	4
NOI of associate	--	(19)
<b>EBITDA</b>	466	455
Net financing expenses	(124)	(252)
Current tax payments	(23)	(22)
<b>FFO (ISA's method)</b>	319	181
FFO of associate	--	(19)
Linkage and exchange rate differentials for assets and liabilities (net of tax effect)	77	184
Cash flow from incoming resident deposits net of outgoing resident deposits	10	16
Net of income from forfeiture of resident deposits	(13)	(12)
<b>FFO (management's method)</b>	393	350

(1) Excluding senior housing (the cap rate of the senior housing segment as of the report date is 8.25%), excluding data centers (the cap rate of the income-producing properties as of the report date is 6.75%), and excluding rental housing. (2) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

# RECAP / LEADERSHIP, INNOVATION AND STRENGTH



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



Exceptional financial resilience and strength



The Company's operations are predominantly in Israel



Consistent high occupancy rates over time



## SIGNIFICANT GROWTH DRIVERS:

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



AZRIELGROUP

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THANK YOU