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Azrieli Group Reports Q4 and 2025 Results

Annual NOI reaches record high, crossing the NIS 2.5 billion threshold for the first time, up ~10% year over year

The data centers segment continues to be a strategic growth driver with a ~95% jump in NOI to NIS 449 million

FFO excluding senior housing totaled around NIS 1,574 million in 2025, compared with around NIS 1,590 million in 2024. FFO including senior housing totaled around NIS 1,674 million compared with around NIS 1,709 million last year. The slight decrease is mainly a result of a rise in the financing expenses and expenses related to the continued growth in the data centers segment, as well as a decrease in the NOI in malls operations due to a one-time expense recorded in Q4 for previous years

Net of the Group's decision not to collect management fee debt balances for previous years in the sum total of NIS 70 million, the FFO excluding senior housing is NIS 1,642 million, and including senior housing is NIS 1,742 million

Net income in 2025 totaled around NIS 1.89 billion compared with around NIS 1.48 billion in 2024

**Ongoing investment and enhancement of property portfolio:
Investments totaled around NIS 488 million in Q4 and around NIS 3 billion in 2025, in the offices, malls, senior housing in Israel and in the data centers segment overseas**

Danna Azrieli, CEO of Azrieli Group, said: "We are concluding a year of strong performance and consistent growth in the Group's operations, as reflected, among other things, in a record annual NOI and high occupancy rates across the Group's property portfolio. The FFO remained

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stable, despite the rise in financing expenses, other expenses relating to the continued growth in the data centers segment, and a one-time expense recorded in Q4 in the malls segment.

We are experiencing robust demand in the offices segment in the Tel Aviv area; the re-leasing of all of the areas that were vacated in the Sarona Tower – at higher prices and on more favorable terms – is a tangible testament to the quality of our properties. The data centers segment is a strategic growth driver with growth of ~95% in the NOI to NIS 449 million. The signed transactions even now reflect a potential annual NOI of over NIS 1 billion, and we are pursuing other opportunities arising from global technological acceleration and the AI revolution, which are reflected in strong market demand.

During the course of the year, we invested over NIS 3 billion in the development, expansion and betterment of the portfolio in Israel and in the data centers segment, reflecting the Group's significant development pipeline and the expansion of its growth drivers, while maintaining financial strength and conservative, responsible management.

The investments include the continued rapid expansion in the data centers segment, alongside significant development projects, including the Spiral Tower, which upon occupancy, scheduled for 2028, is set to become the next icon of Tel Aviv, the purchase of land in Sde Dov for another senior housing project under the Palace chain, and expansion of residential operations through ZMH Hammerman. At the same time, we are continuing to develop and improve the Group's existing income-producing properties.

We enter the coming year from a position of strength, with a robust operational foundation and significant growth drivers. As we have proven over the years, Azrieli Group continues to grow and lead, even in a challenging macro environment. We are proud to continue building and developing the country, and we sincerely hope for days of peace and security for all Israelis.”

Financial Highlights for Q4/2025

- **NOI in Q4/2025** totaled approx. NIS 575 million, compared with around NIS 630 million in Q4/2024. The decrease stems from a business decision to write off management fee debt balances from previous years in the sum of around NIS 70 million, to which amounts the Group is entitled. The Company also decided to participate in some of the management companies' expenses in 2025.

This decision was made in view of the security, economic and social challenges faced by the country and the economy in recent years.

- **Same-property NOI** totaled approx. NIS 505 million compared with around NIS 577 million in the same quarter last year. The decrease stems from the malls segment as specified above.

- **FFO excluding senior housing** totaled approx. NIS 327 million in Q4/2025 compared with around NIS 407 million in Q4/2024. **FFO including senior housing** totaled around NIS 373 million in Q4/2025 compared with approx. NIS 431 million in Q4/2024.
- **Net income** totaled approx. NIS 715 million in Q4/2025 compared with some NIS 479 million in Q4/2024. In Q4/2025, revaluation profits of around NIS 546 million were recorded, including revaluation profits recorded as income from an associate, mainly from the data centers segment. The revaluation profits in Q4/2024 totaled around NIS 277 million.

Financial Highlights for 2025

- **NOI in 2025** increased by ~10%, totaling approx. NIS 2,527 million, compared with around NIS 2,302 million in 2024. The increase mainly stems from data centers operations. The increase was partially offset by the malls operations as specified above.
- **Same-property NOI** totaled approx. NIS 2,221 million compared with around NIS 2,231 million in 2024. The decrease stems from the malls segment in view of write-off of the debt balances as specified above.
- **FFO excluding senior housing** totaled approx. NIS 1,574 million compared with around NIS 1,590 million in 2024. **FFO including senior housing** totaled around NIS 1,674 million compared with approx. NIS 1,709 million in 2024. The slight decrease mainly stems from a rise in the financing expenses and expenses relating to the continued growth in the data centers segment, as well as a decrease in the NOI in the malls operations in Q4 as specified above.
- **Net income** attributed to the shareholders totaled approx. NIS 1,888 million compared with some NIS 1,482 million in 2024. During the course of the year, revaluation profits of around NIS 1,350 million were recorded, including revaluation profits recorded as income from an associate, mainly from the data centers segment. The revaluation profits in 2024 totaled around NIS 913 million.

Occupancy Rates and Store Sales

- **Occupancy rate** (excluding properties under lease-up) was 99% in the malls segment, 97% in the offices in Israel segment, and 100% in the senior housing segment.
- **Store sales** in 2025, net of June which was impacted by operation Rising Lion, remained stable at a level close to that of 2024. Store sales in Q4/2025 decreased by ~0.5% compared with last year.

Business Developments During and After the Quarter

- **Full re-lease of 31,000 sqm vacated by a major tenant in Sarona** – the Company has recently signed five new lease contracts at the Azrieli Sarona tower, for a total area of approx. 12 thousand sqm. These deals join eight earlier contracts signed over the past year, all for areas vacated by a major tenant, thus completing the lease-up of the entire

vacated area. All of the new deals were signed for higher prices and on more favorable terms. The contracts were signed with high-growth Israeli and international technology companies. Some entered into an agreement directly vis-à-vis Azrieli Group following a period of sublease or temporary operations out of Point by Azrieli, expanding to a full floor or even more.

- **Signing of a non-binding MOU with a premier global luxury hotel chain for management of the hotel at the Spiral Tower** – In March 2026, the Company signed a non-binding MOU with a premier global luxury hotel chain for management of the hotel to be built across the Spiral Tower's upper 12 floors, expected to be completed in 2028.
- **Closing of the purchase of a 50% interest in the Ramat Beka energy facility** – In January 2026 the Company closed the transaction for the purchase of a 50% interest in the Ramat Beka energy facility, with a capacity of ~112 MW and with an integrated energy storage facility with a capacity of ~784 MWh. The transaction also includes principles for an agreement for long-term supply of green electricity.
- **Data Centers:**
 - **Expansion of an agreement for the supply of data center services in Germany** – in February 2026 the Company announced that further to its previous reports on the construction of a 36 MW data center in the area of Frankfurt, Germany, the customer – an international technology company – exercised its option and signed an agreement to increase the capacity by another 18 MW. The project is now slated to comprise 54 MW, where the joint venture held by the wholly-owned subsidiary Green Mountain holds 50%. Given supply of the project's full capacity, the average annual NOI from the deal is expected to total approx. €79 million (the Company's share – approx. €39.5 million). The project's full capacity is expected to be supplied gradually over around 3.5 years from the date of engagement in the original agreement.
 - **Transaction for the supply of 80 MW in Norway** – At the end of December 2025 the Group reported a significant data center transaction, in which the Group signed an agreement for the provision of 80 MW of data center services with a leading international technology company. The average annual NOI expected from the transaction totals approx. €117 million. The services will be provided at a new, dedicated campus to be built in the town of Undheim in Norway, and the capacity will be supplied gradually, in several phases, over about 2.5 years.
 - **Signing of non-binding MOUs for the expansion of a data center in East London, UK** – A wholly-owned subsidiary of the Group entered into a non-binding MOU with an international customer for provision of approx. 13.6 MW of data center services in the active campus. The services to the customer, insofar as a binding agreement is signed following the negotiations taking place, are expected to be provided in the part of the active campus on which

expansion work is under way. The Group also entered into another, separate non-binding MOU with the same customer, for approx. 16 MW of data center services in a future campus, development of which has not yet started and which may be built on the vacant plot adjacent to the active campus.

- **ZMH Hammerman awarded three ILA tenders, in Herzliya and Petach Tikva** – In January 2026, only three months after merging with Azrieli Group, ZMH Hammerman was awarded three Israel Land Authority (ILA) tenders for the construction of 608 apartments and approx. 5,300 sqm of retail areas in developing neighborhoods in Herzliya and Petach Tikva. The first lot is situated in the Kiryat Maslul neighborhood in north Herzliya, on which 118 apartments and approx. 600 sqm of retail may be built; the two other lots are situated in the Tzameret Hahadasha neighborhood in Petach Tikva. The first lot is designated for 269 apartments and approx. 2,500 sqm of retail, and the second lot is designated for 221 apartments and approx. 2,200 sqm of retail.

Balance Sheet as of 31 December 2025

- The Group has **cash, deposits, and short-term investments** totaling approx. NIS 3.8 billion, which, together with its Bank Leumi shares, amount to approx. NIS 5.7 billion.
- **Net debt** totaled approx. NIS 23.1 billion.
- **The value of investment property and investment property under construction** totaled approx. NIS 52 billion.
- **Equity to assets ratio:** ~40%, and **net debt to assets ratio:** ~36%.
- **Unencumbered assets** total approx. NIS 39 billion.

A Zoom conference call to review the results of the quarter will take place today, Thursday, 19 March 2026 at 16:00 IL time

If you wish to attend, please join the call by using this link: [Join Webinar](#)