



20 May 2026

## **Azrieli Group Reports Q1/2026 Results**

**NOI totaled approx. NIS 638 million in the quarter, down ~1% year-over-year Excluding the impact of the war, NOI was unchanged**

**FFO excluding senior housing totaled around NIS 395 million in Q1/2026, compared with approx. NIS 435 million in Q1/2025. Total FFO, including senior housing, totaled approx. NIS 399 million compared with approx. NIS 452 million in Q1/2025**

**Q1/2026 results were affected primarily by the decrease in malls' NOI due to the impact of the war, which is estimated at approx. NIS 7 million, and a reduction in retail space at Azrieli Tel Aviv Mall due to construction work to connect the Mall to the Spiral Tower, as well as currency translation differences that affected the shekel-denominated results of the data center operations**

**Net income totaled approx. NIS 540 million in Q1/2026 compared with approx. NIS 457 million in Q1/2025**

**Ongoing investment and enhancement of property portfolio: In Q1/2026, investments totaled approx. NIS 604 million in the portfolio of offices, malls and senior homes in Israel and in the data center segment overseas**

**Danna Azrieli, CEO of Azrieli Group:** "We are concluding the first quarter of 2026, with continued significant investments in the expansion and enhancement of our portfolio in Israel as well as investments in the data center segment overseas – long-term initiatives that strengthen the Group's growth drivers. At the same time, we maintained a responsible and conservative financial policy, reflected, among other things, in the completion of a substantial equity offering of approx. NIS 1.4 billion in March, thereby reinforcing the Group's financial strength.

First quarter results were affected by the war with Iran, as well as by currency translation differences that affected the shekel-denominated results of the data center operations. Despite these effects, the Group delivered solid results, reflecting the quality and diversity of our assets and operations. At the same time, we see potential that has yet to be fully reflected in our results,



particularly in the data center segment, where contracted transactions, including transactions that have yet to generate income, represent annual NOI potential of approx.. NIS 1 billion.

We, at the Azrieli Group will continue to build Israel, driven by our conviction in the Israeli economy and in the strength of the domestic market, its capacity for innovation and its long-term growth potential. We operate with a long-term strategic outlook and believe that the Israeli economy is poised for another significant chapter of growth – one in which we intend to continue taking part”.

### **Financial Highlights for Q1/2026**

- **NOI** totaled approx. NIS 638 million in Q1/2026, compared with approx. NIS 646 million in Q1/2025. The decrease results primarily from the decrease in malls’ NOI due to the impact of the war, which is estimated at approx. NIS 7 million, and a reduction in the area of the Azrieli Mall due to construction work carried out in the area of the Mall for the purpose of connecting it to the Spiral Tower – a long-term investment for the Group, which is expected to significantly upgrade the Mall, increasing retail space by approx. 14,000 sqm in total. Alongside, shekel-denominated NOI of the data center operations decreased due to the appreciation of the shekel against the euro.
- **Same-property NOI** totaled approx. NIS 635 million compared with approx. NIS 646 million in Q1/2025, which decrease results from the mall and data center segments, as described above.
- **FFO excluding senior housing** totaled approx. NIS 395 million in Q1/2026 compared with approx. NIS 435 million in Q1/2025. **Total FFO including senior housing** totaled approx. NIS 399 million in Q1/2026 compared with approx. NIS 452 million in Q1/2025. FFO was affected by the decrease in NOI, as well as by an increase in financing costs and in expenses related to the continued growth of the data center segment.
- **Net income** totaled approx. NIS 540 million in Q1/2026 compared with approx. NIS 457 million in Q1/2025. Revaluation gains of approx. NIS 311 million were recorded in Q1/2026, mainly from the data centers segment. Revaluation gains in Q1/2025 totaled approx. NIS 252 million.

### **Occupancy Rates and Tenant Sales**

- **Occupancy rate** (excluding properties under lease-up) was 98% in the mall segment, 97% in the offices in Israel segment, and 99% in the senior housing segment.
- **Tenant sales** in Q1/2026 decreased by ~7.1% year-over-year, due to the impact of the war.



## **Recent Developments**

- **Equity offering** – In March 2026, the Group completed a share offering that attracted demand of approx. NIS 2 billion. The Group raised approx. NIS 1.415 billion at a price of NIS 443.4 per share.

## **Balance Sheet as of 31 March 2026**

- The Group has **cash, deposits, and short-term investments** totaling approx. NIS 4.0 billion, which, together with its Bank Leumi shares, amount to approx. NIS 5.8 billion.
- **Net debt** totaled approx. NIS 22.8 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:** ~35%.
- **Unencumbered assets** total approx. NIS 39 billion.

**The Zoom conference call reviewing the results of the quarter will take place today, Wednesday, 20 May 2026 at 16:00 Israel time (15:00 CET / 14:00 UK / 09:00 ET)**

**If you wish to attend, please join the call by using this link:**

[Join Webinar](#)