AZRIELIGROUP

# Azrieli Group Ltd.

**(the "Company")**

12 August 2026

To
The Israel Securities Authority
Via Magna

To
Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir/Madam,

Re: **Entry into an Agreement for the Provision of Data Center Services**

Further to Sections 2.13.1 and 2.13.2 of the Company's quarterly report as of 31 March 2026[1] in connection with the operating campus[2] in East London, where work is underway for expansion of the leasable capacity (the "**Expansion Work**"), the Company respectfully reports that on 11 August 2026 (the "**Effective Date**"), an indirectly wholly-owned subsidiary of the Company (the "**Service Provider**")[3] entered into an agreement with a foreign company (the "**Customer**") for the provision of data center services at the part of the operating campus where the Expansion Work is carried out (the "**Agreement**").

Below is a summary of key provisions of the Agreement"

1. The transaction: The Service Provider shall provide the Customer with data center services amounting to ~13.6 MW (the "**Services**" and the "**Capacity**", respectively). The Agreement stipulates that the date of commencement of the provision of the Services shall occur, at the latest, up to 100 business days after the Effective Date[4] (the "**Services Commencement Date**").

2. The consideration: The consideration for the Services is based, *inter alia*, on current monthly payments, with a fixed annual rate of increase, as set forth in the Agreement. In the Company's estimation, the transaction is expected to generate an average annual NOI of approx. £24.9 million.

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[1] As issued on 20 May 2026 (Ref. 2026-01-046574), which is included herein by reference (the "**Quarterly Report as of 31 March 2026**").

[2] Within the definition of this term in Section 2.13.1 of the Quarterly Report as of 31 March 2026 . As described in the Quarterly Report as of 31 March 2026, in 2023, the Company acquired (indirectly) a UK company that leases from a third party land on which the operating campus is built. In June 2026, the Company acquired (indirectly) the company that owns the land on which the operating campus is built.

[3] The Service Provider is a wholly-owned subsidiary of Green Mountain Global Limited, a foreign holding company wholly owned by the Company, which concentrates the Company's holdings in the data center segment.

[4] Subject to agreed extensions as specified in the Agreement, *inter alia*, in case of delays originating from the Customer and *force majeure* circumstances.

3. Term of the services and options for extension thereof: The period of provision of the Services is 8 years from the Services Commencement Date. The Customer is given two options to extend the engagement, each for a 12-month period, subject to such terms and conditions as stipulated in the Agreement.

4. Termination of the Agreement: According to the Agreement, the Customer is entitled to terminate the Agreement as customary in agreements of this type, and, *inter alia*, in case of a material breach, delay in dates specified in the Agreement, delay in the Services Commencement Date, and in case of recurring service level failures, all in accordance with the mechanisms set forth in the Agreement. In addition, the Customer shall be entitled to terminate the Agreement at its discretion ('for convenience') subject to the giving of prior notice and the payment of termination fees calculated proportionately to the balance of the outstanding payments as at the termination date and until the end of the term of the Services.

5. Reduction of payments: In the event of delays in the delivery of the project, and in the event of service level failures, the Service Provider may be liable for liquidated damages by way of credits given against the current payments under the Agreement, and all in accordance with the mechanisms and restrictions set forth in the Agreement.

6. Law and jurisdiction: The Agreement is governed by English law and the courts of England are vested with jurisdiction with respect to the Agreement.

7. Additional provisions: The Agreement includes additional arrangements that are standard in transactions of this type, including standard representations and warranties of the parties; guarantees and collateral provided to the Service Provider by corporations affiliated with the Customer and intended to secure the performance of the Customer's obligations under the Agreement, including by means of an undertaking to provide the Customer with financing resources; liability and indemnification restrictions; insurance; restrictions on the assignment, transfer or encumbrance of rights and obligations under the Agreement by either of the parties; confidentiality; and additional provisions in relation to changes, sanctions and dispute resolution. Furthermore, the Agreement provides for the Service Provider's right to terminate the Agreement in certain cases.

As of the date of the report, the cost of the Expansion Work, including the cost attributed to the acquisition of ownership of the land on which the operating campus is built, is estimated at approx. £230 million[5]. In this context, it is recalled that the Service Provider has entered into an agreement for financing of the Expansion Work in the total amount of £100 million[6].

[5] Excluding financing costs, which are estimated, as of the date hereof, at approx. £6 million.

[6] For further details regarding the terms of the financing agreement, see the immediate report of 15 June 2025 (Ref. 2025-01-042463), which is included herein by reference.

**The information included in this report regarding the estimated average annual NOI from the transaction and the costs of the Expansion Work constitute forward-looking information, as defined in the Securities Law, 5728-1968, the materialization of which is uncertain and/or may materially differ in manner from the foregoing. The aforesaid information is primarily based on plans of the Company and the Service Provider and on their assessments and assumptions, which are uncertain. The information presented above may not materialize due to factors beyond the control of the Company or the Service Provider, and *inter alia*, delays in the construction of the project and/or project deficiencies and/or service level failures in the provision of the Services; regulation changes; macroeconomic changes or sectoral changes in the data center industry and/or the materialization of any of the risk factors listed in Section 31.5 of Part A of the Company's periodic report for 2025 issued on 19 March 2026 (Ref. 2026-01-024426), which is incorporated herein by reference**.

Sincerely,
**Azrieli Group Ltd.**

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