



July 11, 2021

To
Israel Securities Authority
Via Magna

To
Tel Aviv Stock Exchange Ltd.
Via Magna

Re: **Acquisition of Mall HaYam, Eilat**

Following reports in the media, Azrieli Group Ltd. (the "Company") respectfully reports that it is holding negotiations for acquisition of ownership (directly and/or indirectly) of "Mall HaYam" mall in Eilat, for a consideration reflecting a total valuation of approx. NIS 1.3 billion (the "Transaction").

It is clarified that the negotiations between the parties are still in progress and that only if and insofar as they are successfully completed, will a detailed and binding agreement be signed by the parties.

Insofar as a detailed agreement will be signed as aforesaid, the Company estimates that the closing of the Transaction will be subject to the fulfillment of closing conditions, including receipt of approval for the Transaction by the Competition Commissioner and other third parties.

As of the date of this report there is no certainty that a binding agreement will be signed and/or in respect of the date of engagement in the Transaction, its final terms and conditions and/or its closing.

The Company shall report again, as required by law, on any material development occurring in connection with the Transaction.

Sincerely,
Azrieli Group Ltd.

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