Azrieli Group Ltd.

("the Company")

Date: March 19, 2026

To
Israel Securities Authority
Via the MAGNA system

To
The Tel Aviv Stock Exchange Ltd.
Via the MAGNA system

Dear Sir/Madam,

Subject: Immediate report regarding a non-material private offering

An immediate report is hereby provided regarding a non-material private allocation of warrants not listed for trading in accordance with the Securities Regulations (Private Offering of Securities in a Listed Company), 5760-2000, and in accordance with the resolutions of the Compensation Committee and the Board of Directors of the Company from March 17 and 18, 2026 ("the Board Resolution"), respectively, as detailed below.

1. Terms of the Warrants, their quantity and conditions

1.1. The Company will grant to officers and employees of the Company (each: "Offeree"; and collectively: "the Offerees")[1], without consideration, a total amount of 33,615 warrants not listed for trading ("the Warrants").

1.2. The Warrants will be exercisable into up to an identical number of ordinary shares of the Company[2], subject to adjustments and terms detailed in this report ("the Exercise Shares").

1.3. The Exercise Shares will constitute, subject to the exercise of all warrants, approximately 0.03% of the issued and paid-up share capital of the Company and of the voting rights therein, and approximately 0.03% of the issued and paid-up share capital of the Company and of the voting rights therein, on a fully diluted basis[3].

1.4. The Exercise Shares will be identical in their rights in all respects to the rights of the existing shares of the Company listed for trading on the Tel Aviv Stock Exchange Ltd. ("the Stock Exchange"), and they will entitle the Offerees, assuming the Warrants are exercised into the Exercise Shares, to all rights attached thereto, where the record date for the right to receive them is from the date of allocation of the Exercise Shares onwards.

1.5. The Exercise Shares will be issued for the Offerees, to the extent they exercise the Warrants (all or part of them) and will be registered in the name of the Nominee Company for the Tel Aviv Stock Exchange Ltd. The Exercise Shares will be listed for trading on the Stock Exchange close to the time of their issuance.

1.6. Subject to receiving the approvals and fulfilling the required conditions, the Warrants will be granted to the Offerees in accordance with the provisions of the Company's warrants plan ("the Plan"), and according to Section 102 of the Income Tax Ordinance [New Version], under the capital gains track (with a trustee).

1.7. The grant of the Warrants to the Offerees who are among the officers of the Company, complies with the provisions of the Company's compensation policy[4].

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[1] An employer-employee relationship exists between each of the Offerees and the Company. None of the Offerees is an interested party or an interested side, as defined in Section 270(5) of the Companies Law, 5759-1999, and will not become an interested party by virtue of his holdings in the Company after the allocation under this report.

[2] Notwithstanding the above, the assumption regarding full exercise of the warrants into an identical number of shares is theoretical only, since due to the implementation of a "Net Exercise" mechanism, as defined in Section 2.3 below. In practice, the full shares resulting from the exercise of the warrants may not be allocated to the Offerees, but only shares in a quantity reflecting the financial benefit amount inherent in the warrants, as detailed in Section 2.3 below.

[3] Assuming that all securities convertible into and/or exercisable for shares of the Company, as of the date of publication of this report, have been converted and/or exercised into shares of the Company.

[4] For details regarding the Company's compensation policy, see the immediate report regarding the calling of a meeting, as published by the Company on April 30, 2024 (Reference: 2024-01-041491), the contents of which are included in this report by way of reference.

2. Exercise Price and "Net Exercise"

2.1. Each warrant shall be exercisable for one ordinary share at an exercise price of NIS 457.49 per share ("**Exercise Price**"). The exercise price reflects the average price of the share on the Stock Exchange in the 30 trading days preceding the date of the Board of Directors' decision.

2.2. The offerees will be able to exercise the warrants using the "Net Exercise" mechanism only.

2.3. In accordance with the "Net Exercise" mechanism, the number of shares that will be issued to each offeree upon exercise of the warrants into Company shares will be determined according to the formula below ("**Net Exercise**"):

$$\mathbf{X} = \frac{(A*B) - (A*C)}{B-D}$$

X = Amount of exercise shares actually allocated to the offeree;

A = Number of warrants the offeree requests to exercise and as fixed in the exercise notice;

B = The closing price in NIS of the Company share on the Stock Exchange on the last trading day preceding the exercise date;

C = Exercise Price;

D = The par value of the Company share.

2.4. The offerees will not be required to pay the exercise price of the warrants, but rather the cumulative par value of the exercise shares actually received (it should be noted that as of the date of the report, the Company's shares have a par value of NIS 0.1 each).

2.5. According to this mechanism, upon exercise of the warrants, the offeree will not be allocated the full exercise shares resulting from the exercise of the warrants, but only shares in the amount obtained from the net exercise formula.

2.6. Upon exercise of the warrants in accordance with the aforementioned mechanism, the Company will consider the exercise shares as fully paid.

2.7. In any case where fractional shares are obtained as a result of the "Net Exercise" mechanism calculation, the Company will not allocate fractional shares and the number of exercise shares actually allocated to the offeree will be rounded (up or down, as the case may be) to the nearest whole number.

3. Vesting Periods

3.1. The warrants will vest and be exercisable on the following dates, provided that at the time of the vesting date, the offeree holds a position in the Group:

(a) 25% of the warrants will be exercisable starting from 12 months from the grant date;

(b) 25% of the warrants will be exercisable starting from 24 months from the grant date;

(c) 25% of the warrants will be exercisable starting from 36 months from the grant date;

(d) 25% of the warrants will be exercisable starting from 48 months from the grant date.

3.2. The exercise period will be as detailed in the plan, where warrants of the first tranche which vest but are not exercised within three years from their vesting date will be cancelled. Warrants of the second tranche, third tranche and fourth tranche which vest but are not exercised within two years from their vesting date will be cancelled. Warrants that have been exercised will be considered cancelled starting from the allocation date of the exercise shares in respect thereof.

4. Adjustments

The warrants are subject, inter alia, to the following adjustments:

4.1. Adjustments for stock split and/or consolidation of shares. In any case where a change occurs in the issued share capital of the Company by way of a stock split or consolidation, then the number and type of shares exercisable as a result of the exercise of the warrants and the exercise price shall be adjusted proportionately in order to proportionally preserve the number of shares and/or in relation to the exercise price of each warrant.

4.2. Adjustment for bonus shares distribution. Should the Company distribute bonus shares to the Company's shareholders, for which the record date for their distribution occurs after the date of granting the warrants but before their exercise and before their expiration, the rights of the offeree shall be preserved, such that the number of shares resulting from the exercise of the warrants to which the offeree was entitled upon their exercise shall increase, by adding shares of the number and type to which the offeree would have been entitled as bonus shares (had he exercised the warrants prior to the record date for said distribution). The fixed exercise price for each warrant shall not change as a result of the increase in the number of exercise shares as stated. It is hereby clarified that the number of exercise shares to which the offeree shall be entitled will be adjusted only in the event of a bonus shares distribution as stated in this section, but not in the case of any other offerings (including offerings to interested parties).

4.3. Adjustment for dividend distribution. If the Company distributes a dividend and the record date for receiving this dividend (in this section: "**the Record Date**") occurs before the end of the exercise period of the warrants, the exercise price of the warrants will be adjusted by reducing the exercise price for each warrant as stated, by an amount equal to the dividend amount distributed for each share. It should be noted that the exercise price shall not be less than the par value of the Company's share or the minimum price per share set in the TASE Regulations and guidelines, whichever is higher.

4.4. Adjustment in the event of a rights offering. In the event of a rights offering by the Company to its shareholders after the date of granting the warrants but before the date of exercise or their conversion into shares, the number of exercise shares will be adjusted to the benefit component in the rights, as it is expressed in the ratio between the closing price of the Company's share on the TASE on the last trading day before the "Ex" day and the base price of the share "Ex-rights" (as said terms are defined in the TASE Regulations).

4.5. Notwithstanding the above, the warrants shall not be exercisable on the record date for a bonus shares distribution, for a rights offering, for a dividend distribution, for a capital consolidation, for a capital split or for a capital reduction (each of the above shall hereinafter be called: "**Company Event**") and such exercise shall be postponed to the following trading day. If the Ex-day of a Company Event falls before the record date of a Company Event, no exercise shall be performed on said Ex-day.

5. Absence of agreements between the offerees

To the best of the Company's knowledge and as reported to it by the offerees, there are no agreements, whether in writing or orally, between the offerees or any of them and another shareholder in the Company, or between the offerees, all or some of them, among themselves or between them and others, regarding the purchase or sale of securities of the Company or regarding voting rights therein.

6. Restriction or limitation on performing actions in the warrants

6.1. To the best of the Company's knowledge, the sale of the exercise shares will be subject to the restrictions set forth in the Securities Law, 5728-1968 ("**Securities Law**"), and in the Securities Regulations (Details regarding Sections 15A to 15C of the Law), 5760-2000, as follows ("**the Blocking Provisions**"):

(a) During a period of six months, beginning on the date of granting the warrants ("**the Absolute Lock-up Period**"), the offerees (or any of them) shall not be entitled to offer the exercise shares during trading on the TASE without publishing a prospectus that the Securities Authority has permitted to be published ("**Prospectus**").

(b) During a period of the six consecutive quarters following the end of the Absolute Lock-up Period, the offerees (or any of them) shall be entitled to offer as part of the trading on the TASE, without publishing a prospectus, on any trading day on the TASE, no more than the daily average of the trading volume on the TASE of the ordinary shares of the Company, in the period of eight weeks preceding the day of the offer, provided that the total quantity offered of the exercise shares in each quarter shall not exceed 1% of the issued and paid-up capital of the Company, as of the day of the offer.

For this matter, "issued and paid-up capital", excluding shares resulting from the exercise or conversion of convertible securities allocated until the offer date and not yet exercised or converted.

6.2. The blocking provisions shall not apply to an off-TASE sale, however, any person who purchased the exercise shares shall step into the shoes of the offerees (or any of them, as applicable), regarding the fulfillment of the blocking provisions, as stated in section 6.1.

7. **Warrants Grant Date**

The grant of the warrants is subject to the TASE approval for the listing for trading of the exercise shares, such that the warrants will be granted to the offerees subject to and shortly after receiving the TASE approval.

Sincerely,

Azrieli Group Ltd.

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