



INVESTOR PRESENTATION

March 2023



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**Israel's leading
manufacturer & provider of
concrete products and solutions**
for infrastructure, construction and
landscape design

98

Year of
excellence

1.08

ILS Billion
Equity

17

Production
facilities

617

Employees

Industry Segment

Infrastructure and
landscape design products
for projects across Israel



Civil & Industrial Engineering Segment

Unique solutions for complex
projects with combined
prefabricated buildings & elements



Overseas Industry Segment

Landscape design
products in Western US

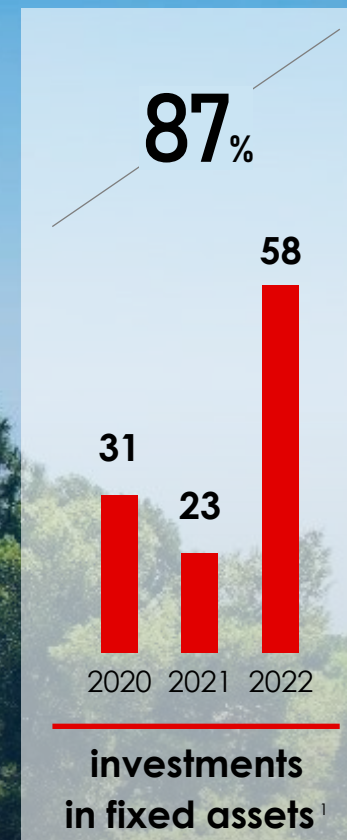
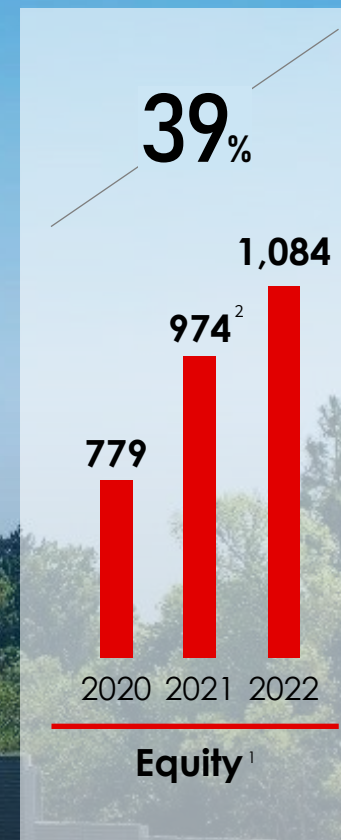
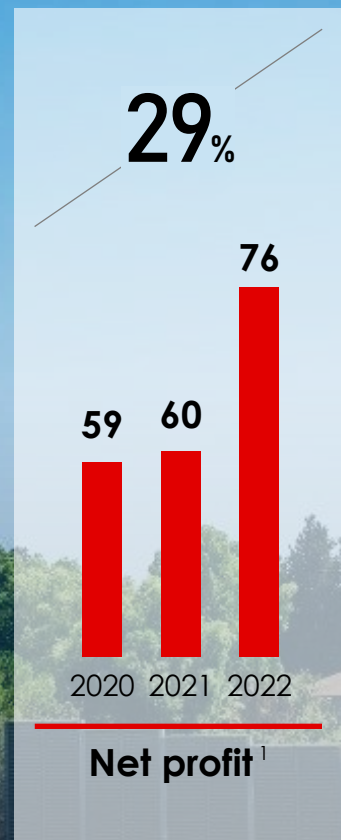
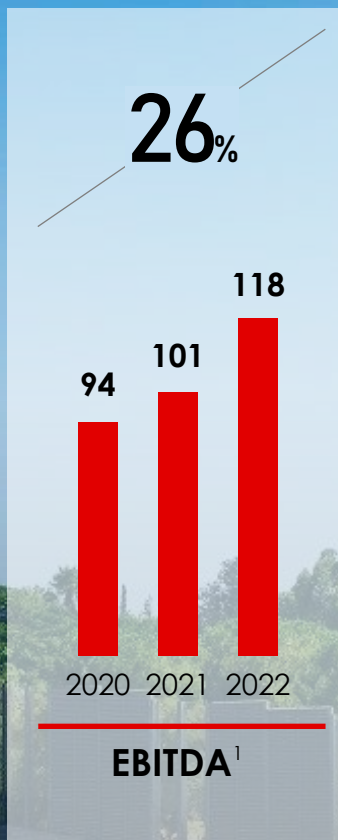
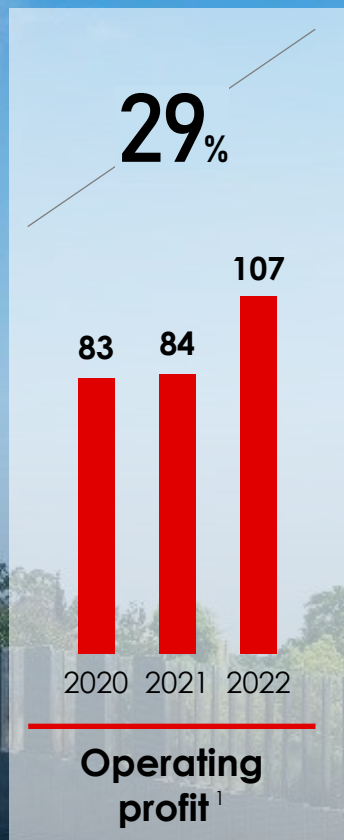
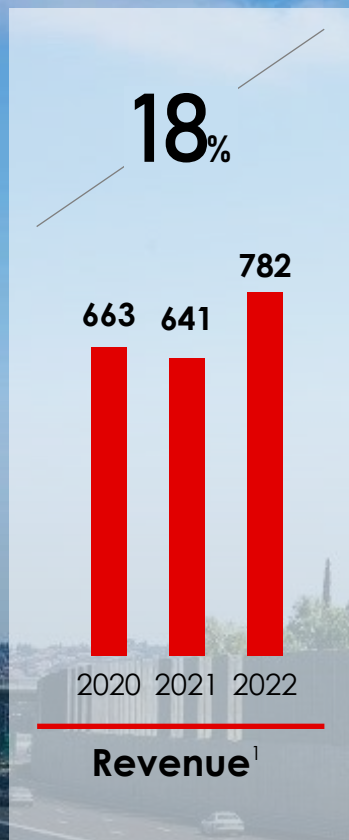


Real Estate Segment

Commercial, industrial and
retail properties



Strong growth alongside investment in production capacity



(1) The above amounts in millions of ILS and the growth rate in relation to 2020
(2) After capital raising in the amount of 147 million ILS

A significant part of
Israel's tremendous
development and
investment momentum



**The leading company for the production and supply of
products and solutions along the entire value chain,**
from infrastructure, prefabricated buildings & elements,
to landscape design products

A glimpse into the future:

investment and development momentum is expected to grow

By 2050,
Israel's population is expected to double

Source: CBS



TRANSPORTATION



HOUSING



WATER, DRAINAGE &
SEWERAGE



Unprecedented national investment plans, developing an extensive transportation network, and energy and water infrastructure

240 PROJECTS

Multi-year infrastructure investment plan, 2020-2024

TEL AVIV AREA
METRO PROJECT

ISRAEL RAILWAYS

2040 strategic development plan

Over ILS **288_B**

Transportation: ILS 184B
Water & sewage infrastructure: ILS 25B
Government & social infrastructure: ILS 34B

approx. ILS **150_B**

Approx. ILS **95_B**

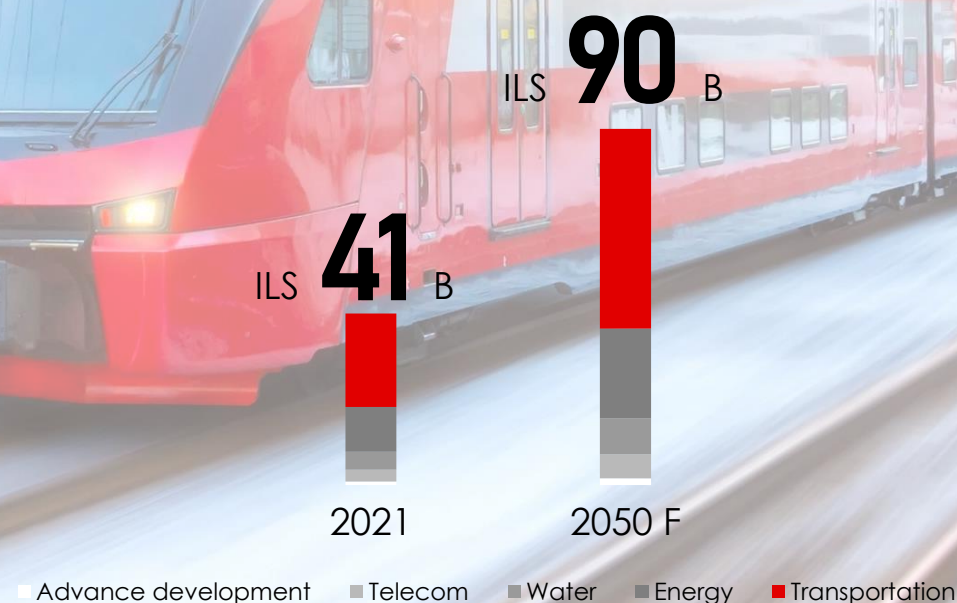
400 km of new track and about 55 new passenger stations

Multi-year plan for infrastructure development for the years 2020-2024: [source](#)
Tel Aviv area metro project: [source](#)
2021 Annual report - Israel Railways: [link](#)
The Marker - Infrastructure 360 conference, November 2022 - [link to the article](#), [link to the presentation](#)
Public investment policy and structural reforms to increase productivity and growth in the economy, Aharon Institute, September 2022: [link](#)
Gross domestic investment in infrastructure, CBS: [link](#)

”

Israel should double the current level of investment in infrastructure, particularly in the field of transportation.

Dr. Adi Brander, Bank of Israel, Infrastructure Conference 360



From planning to execution



After years of planning: the government approved two lines for the Tel Aviv metro project

Ynet 22.5.2022

The metro plan is progressing: a tender has been published for the position of project manager

Globes 29.1.2023

At a cost of three billion shekels: the Tel Aviv metropolitan area sewage expansion project is underway

Israel Today 23.2.2022

The new barrier at seam zone was approved
NIS 360 million will be allocated to replace the old fence with a "massive" concrete wall

Ynet 10.4.2022

Power multipliers

integrating into any construction or infrastructure project in Israel



Extensive professional knowledge

with 98 years of experience across diverse projects



Widest variety of products & solutions under one roof



Nationwide deployment of advanced production facilities & delivery capacity



Financial strength enables investment in innovative products and processes



High barriers to entry for competitors

Achievements and strategic focus

in four of our business segments

Industry



Civil & Industrial Engineering



Overseas Industry



Real Estate



Industry segment

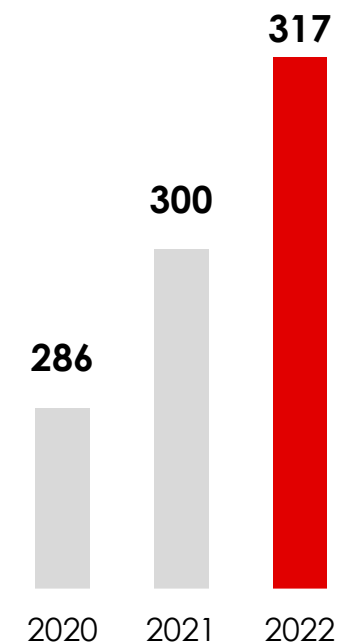
2022: Revenue growth and improved profitability



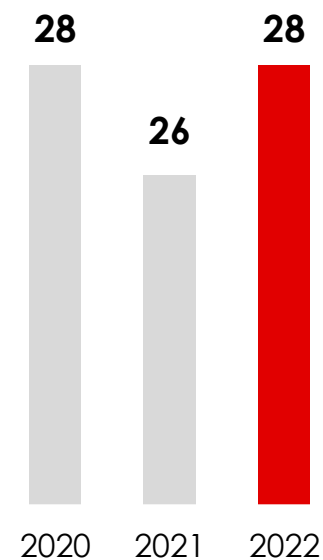
11%

— Unchanged² —

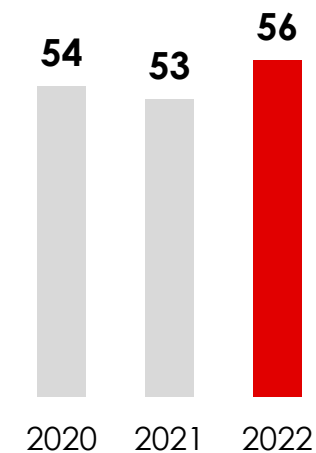
4%



Revenue¹



Operating income¹



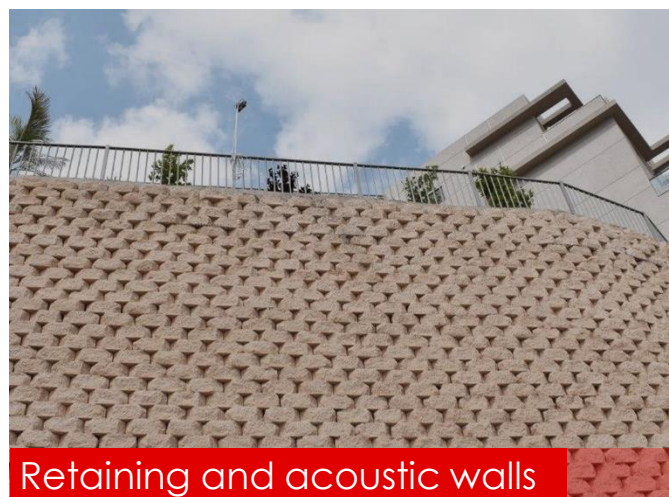
EBITDA¹

(1) The above amounts in millions of ILS and the growth rate in relation to 2020

(2) 2022 was affected by an increase in raw materials prices, as well as by the interruption of production at the Yerucham plant for the purpose of installing a new production line for landscape design products in the fourth quarter

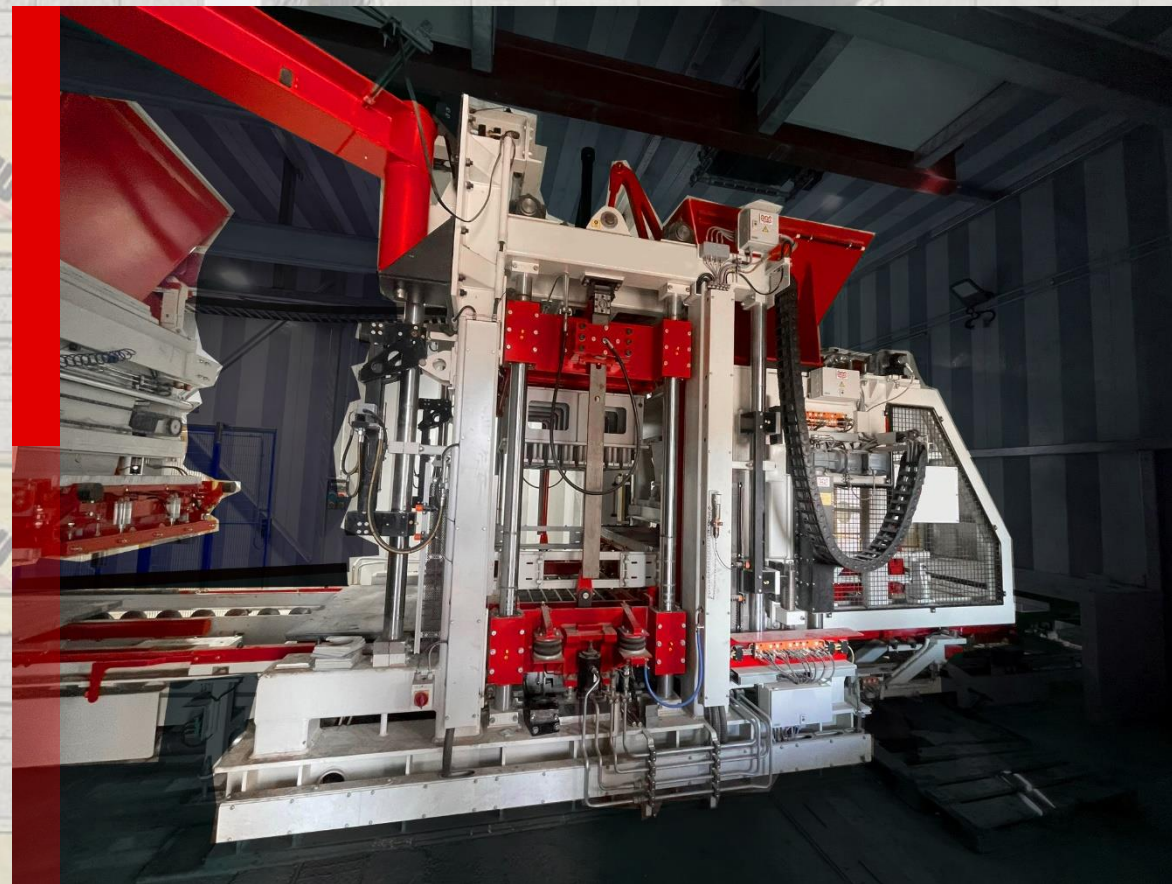
The widest range of products

for hundreds of public
and private projects



Expanded the landscape design production line in 2022

Adding ~10% to the potential production capacity

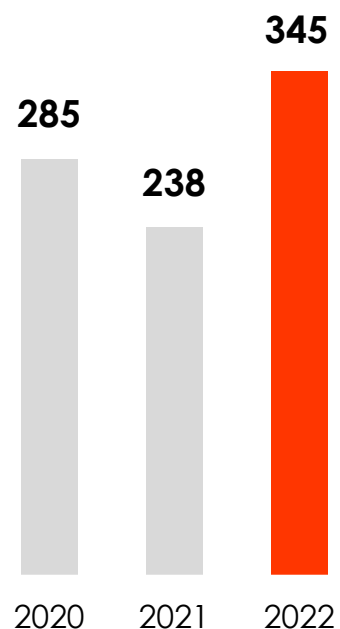


Civil & Industrial Engineering segment

2022: Strong revenue growth and improved profitability

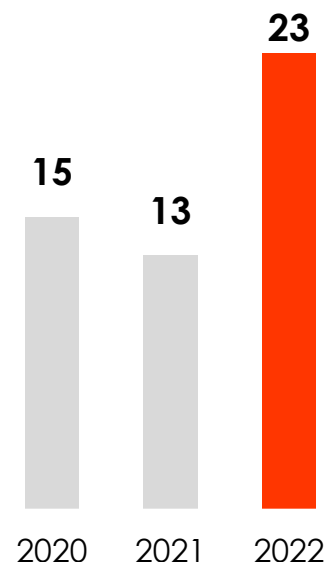


21%



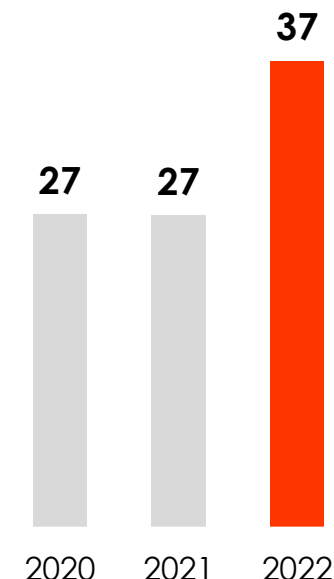
Revenue¹

53%



Operating profit¹

37%



EBITDA¹

(1) The above amounts in millions of ILS and the growth rate in relation to 2020

Customized solutions for diverse projects

Diverse client base: infrastructure contractors, developers, government, and more

Authorized supplier for the State of Israel and Israel Railways

Prefabricated buildings & elements



Protective elements and shelters



Transport infrastructure



Advanced fencing systems



Water and sewage infrastructure





Strategic focus for continued profitable growth

in Industry and Civil & Industrial
Engineering segments

1

Expanding activity in prefabricated construction

Entering new categories: industrial building prefabricated building and prefabricated logistics centers

2

Continuing to invest in innovation

Constant expansion of products and solutions

3

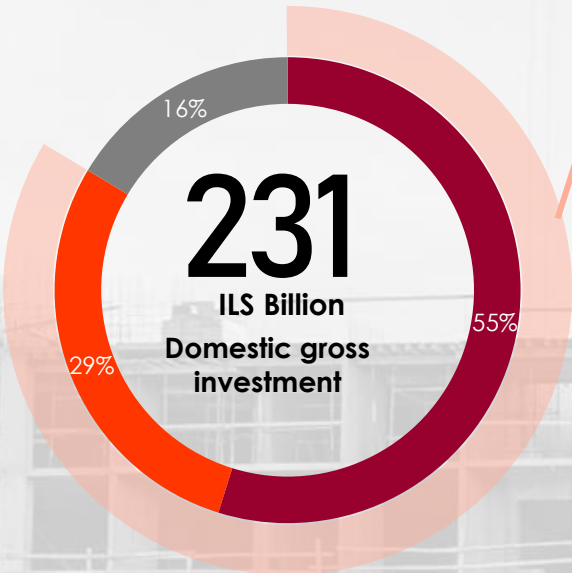
Integrating future construction and infrastructure projects

Maximizing the scope of work for each project

Prefabricated construction market potential

Domestic gross investment (ILS M)¹

■ Residential ■ Non-Residential ■ Other

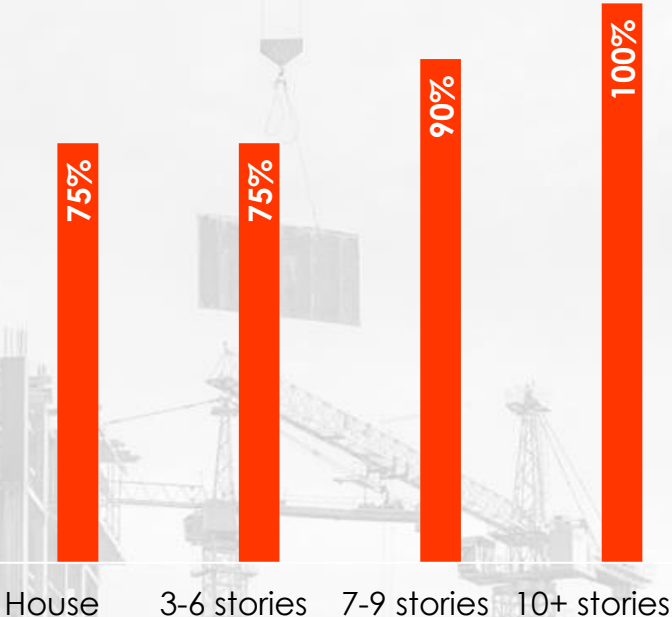


Target market

190
ILS Billion
Construction investment
2022

Desired level of prefabricated construction in 2030

by construction type ²



Sources: (1) CBS (2) Plan for the industrialization of the construction industry 2017: [Source](#)

Prefabricated construction: the key to accelerating construction



Expected increase in housing units'
construction rate
from 50k to 70k annually



Significant shortage in labor



Faster

35%–65%

Shorter construction time

Smarter

50%–75%

Labor saving at construction site

Higher productivity: 3-4X

Accurate, high-quality and
diverse construction

Greener

90%

Reduction of construction waste

Reduces noise and air pollution

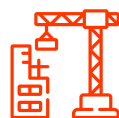
Improves working
conditions and safety

Expansion in the prefabricated construction category



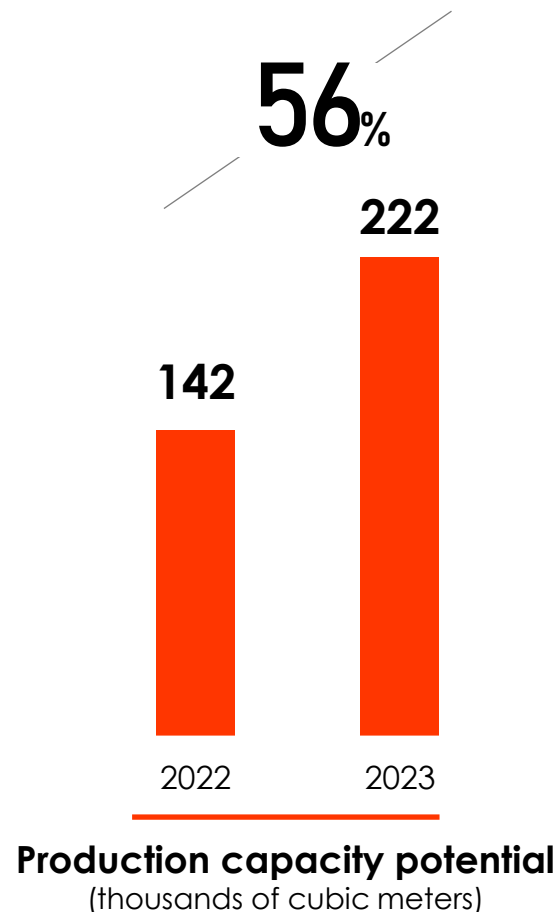
Expanding our production capacity

in the existing plant in 2022 and developing production capabilities for future needs



Leveraging capabilities

in the design and execution of industrialized solutions



Expansion of Akerstein prefabricated production facility

Entering new categories: Industrial buildings and logistics centers



Acquired KALRAM

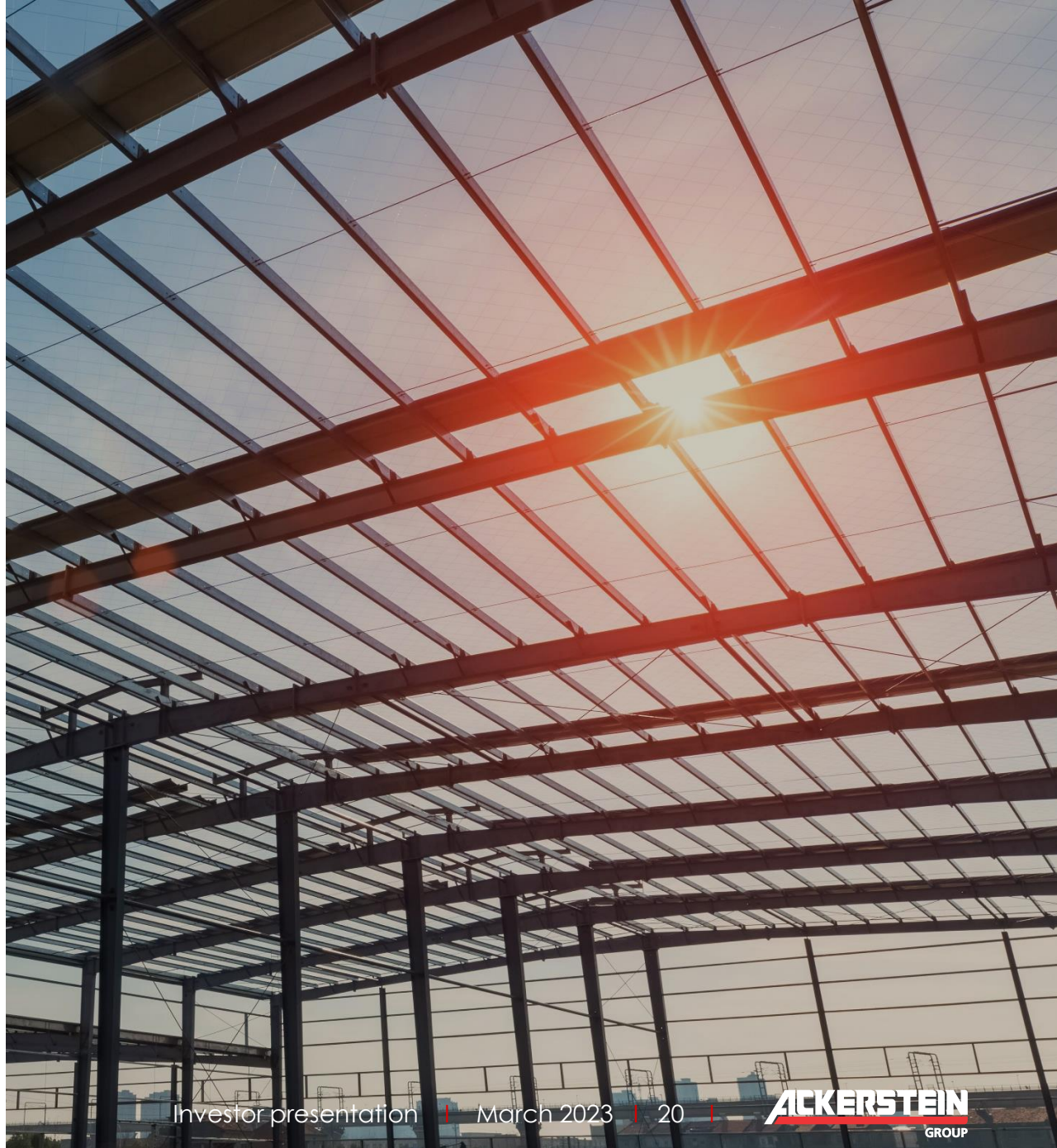
KALRAM operates in the field of perimeter protection for the business sector, specializing in steel construction & elements



Deal rational

Increasing company offerings, while maximizing KALRAM's potential

Expanding capabilities in construction of industrial buildings



Industrial building & logistics center construction market potential



Key factors for increased demand



Strengthening of online trade and the number of importers



Need for modern logistics buildings that integrate technology to allow for improvement in profitability



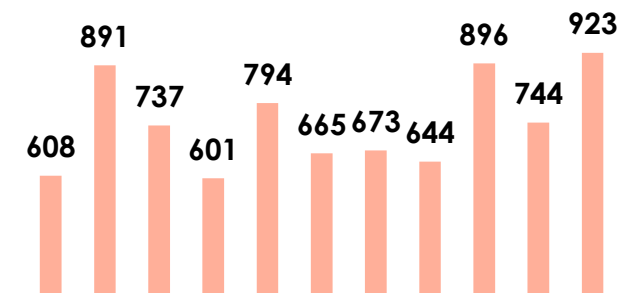
Solutions for small & medium-sized companies that outsource to logistics companies



Demand for residential housing leads to relocation of factories, military bases and storage areas from the center to the periphery

52%

Growth in industrial and storage areas in the last decade

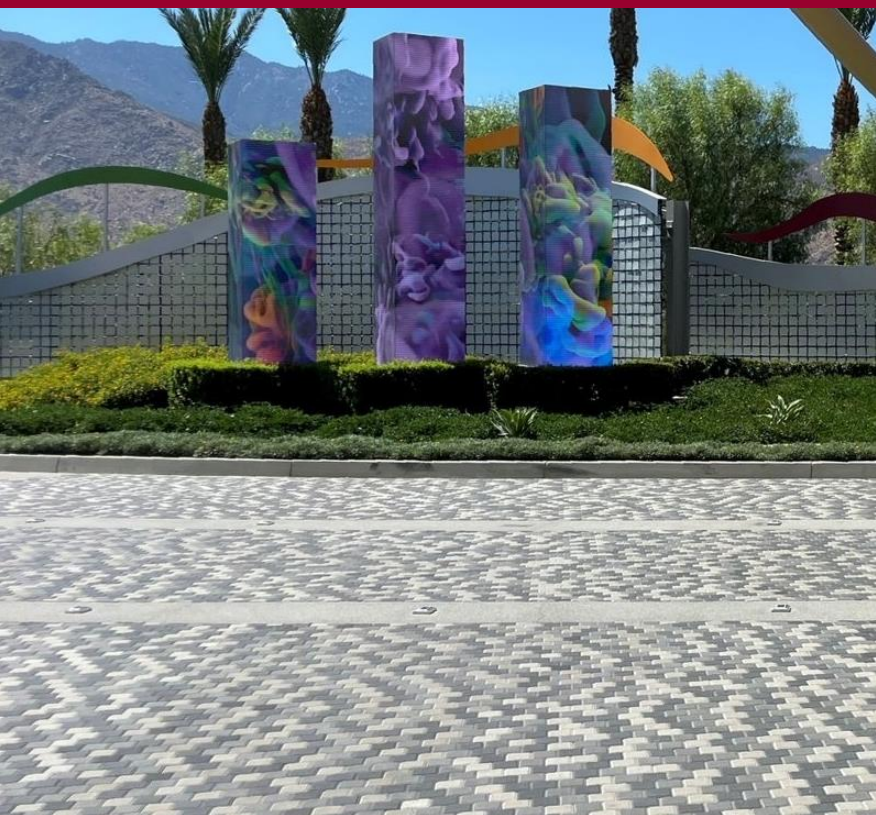


2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

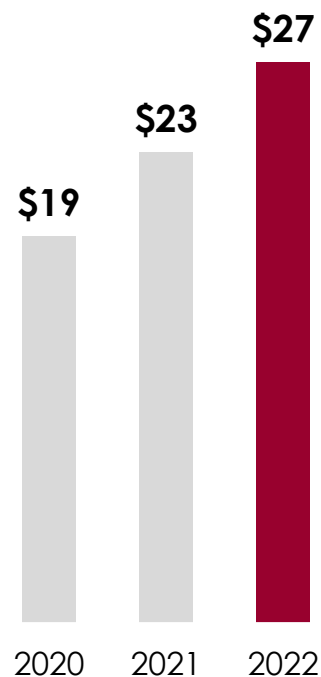
Industrial and warehouse building construction starts
(in thousands of square meters)

Overseas Industry segment

Revenue growth alongside operational improvements in production processes

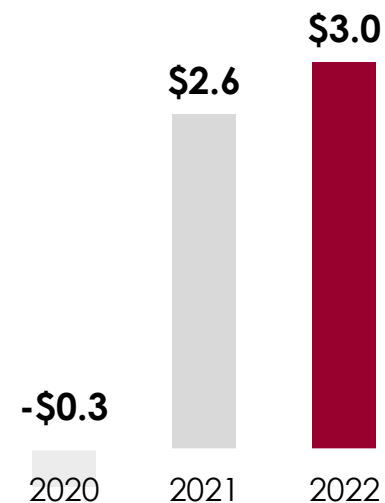


42%



Revenue¹

10x



EBITDA¹

(1) The above amounts in millions of USD and the growth rate in relation to 2020

Landscape design products production pioneer



Operating in the US West Coast
through subsidiary Aker-stone



Customers

- Distributors with building materials stores, landscape design contractors
- Establishing relationships with leading architectural firms in each region



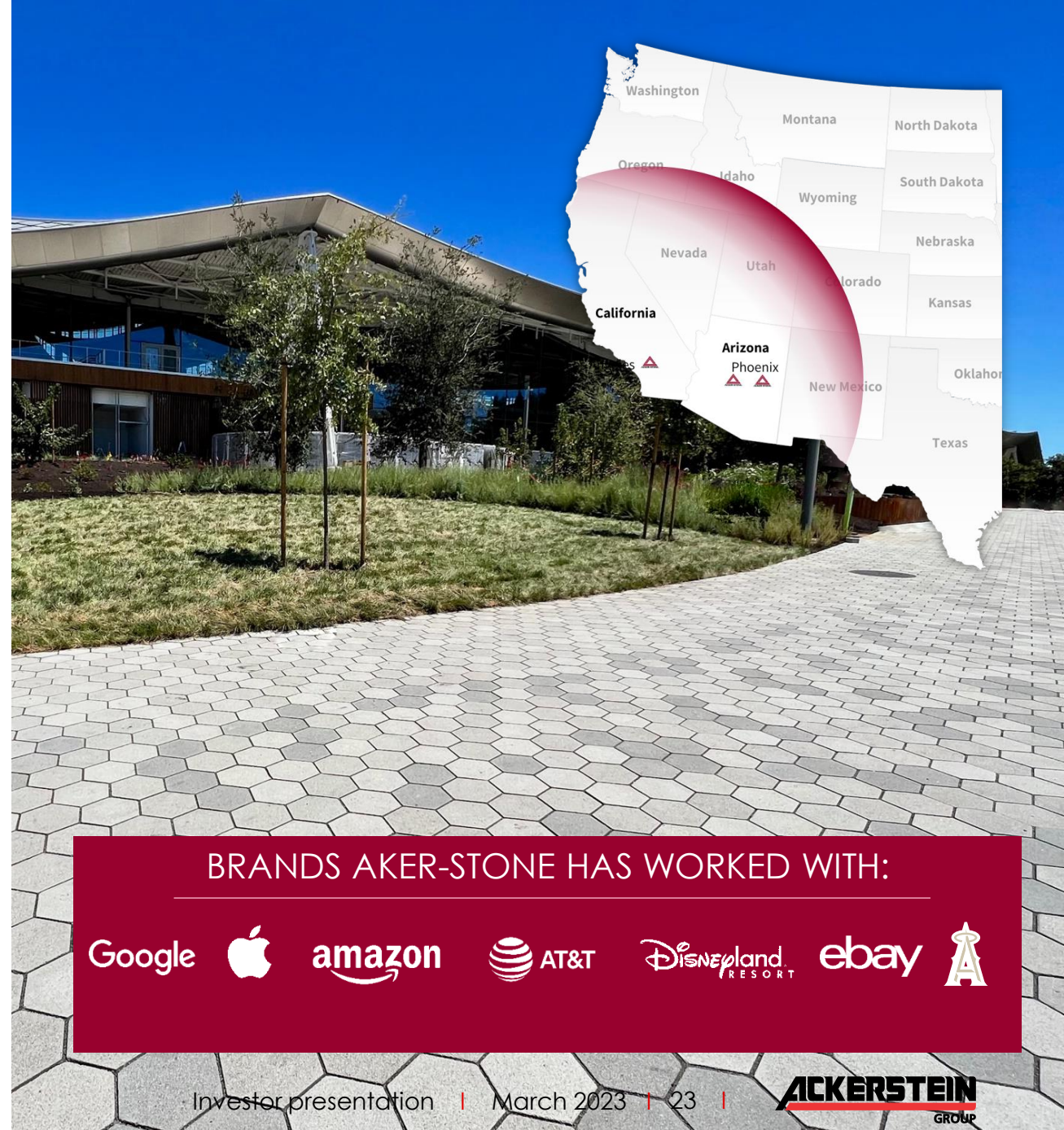
Diverse commercial and residential projects

- Depends on the execution of projects in the industry
- Influenced by the macroeconomic environment



Local production and supply

- Need for high availability and continuous supply of products
- Proximity to the customer



BRANDS AKER-STONE HAS WORKED WITH:



5 Reasons Phoenix continues to be one of the strongest real estate markets in the US:



Growing population

Positive immigration of over 277,000 people in the last five years, mostly from California



Attractive job market

~90,000 new jobs created in 2022



Sunny weather

300+ days of sunshine a year



Strategic location

Up to 4 hour flight to all destinations in the US easy access by train



Business friendly environment

Sources: (1) [AZBIGMEDIA](#) 2022 (2) 2023 [AZBIGMEDIA](#) (3) Metro Phoenix market overview 2022, [CBRE](#)
(4) [CITY MONITOR](#) (5) [AZBIGMEDIA](#)



64%
of total
population
are
homeowners

5
**Universities
& colleges**

36.4
**Median age of
population**

#5
**Largest city
in US**
~5 million
people

California market opportunity

Significant size and economic resilience
create many opportunities

Products are positioned as premium products,
suitable for residential and commercial projects

Completed major projects on the West Coast:
Disneyland, Apple office complex, Google offices,
Universal Studios, US Navy headquarters, others

Potential demand from different sectors



Technology



Hospitality



Entertainment



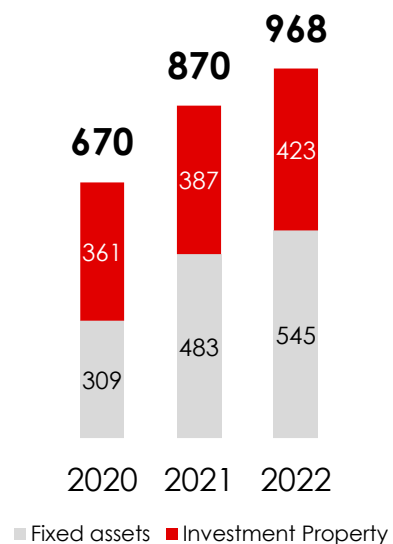
Real Estate segment



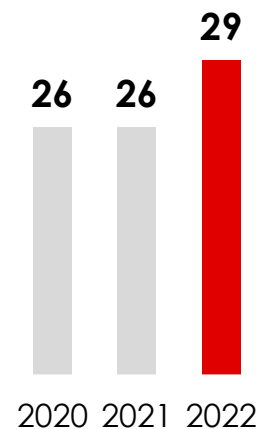
44%

12%

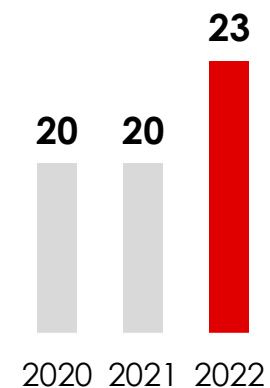
15%



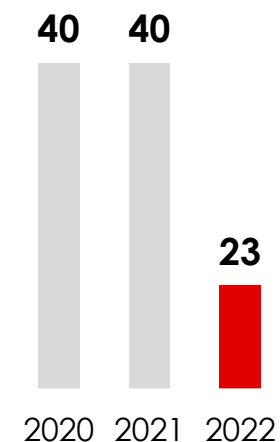
Real estate value¹



Revenue^{1,2}



NOI^{1,2}



Net debt related to Real estate¹

(1) The above amounts in millions of ILS and the growth rate in relation to 2020
 (2) Consolidated basis

577k sq m

across 9 assets

About 364k sq m
classified as fixed assets

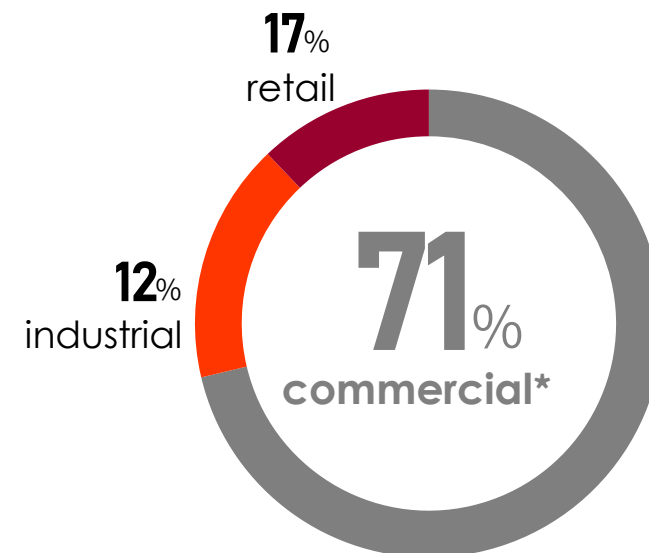
25k sq m (built)

yielding

86k sq m

Built

2022 Rental revenue breakdown



*Commercial real estate is in Herzliya Pituach, with an average occupancy rate of 98% as of the end of 2022

Potential for growth and value creation



Illustration

28

Portfolio expansion

Potential value-add

Ashdod factory,
Nitzanei Shalom

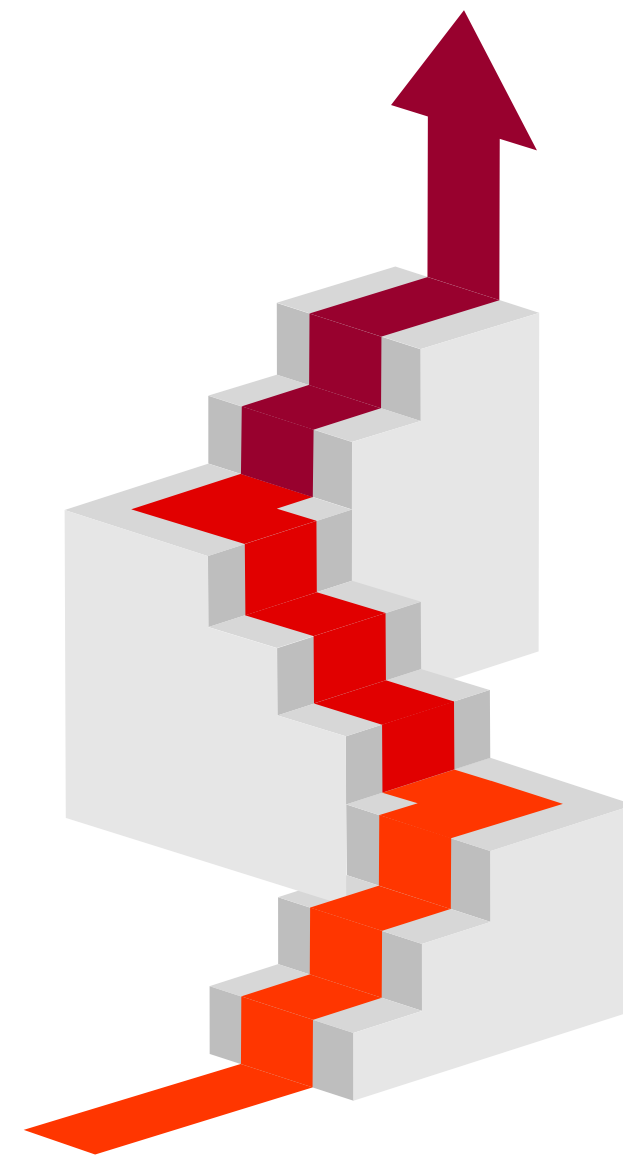
Value-add

Ackerstein Towers,
Ackerstein House

86k sq m

Built

31.12.2022



Financial data



Revenue and EBITDA

Consolidated basis, in thousands ILS

	2022	2021	2020
Revenue	782,253	640,491	662,771
EBITDA	117,858	100,713	93,977

Industry and Civil & Industrial Engineering segments

Revenue	661,338	538,285	571,783
EBITDA	93,449	79,872	81,139

Oversea Industry segment

Revenue	91,867	75,887	64,923
EBITDA	10,137	8,359	(1,037)

Real Estate segment

Revenue	28,829	26,319	26,065
EBITDA	14,272	12,482	13,875

The EBITDA presented above does not include other expenses and income and unallocated expenses (at the total level)



Credit: Itai Banit

Investor presentation | March 2023 | 30 |

ACKERSTEIN
GROUP

Consolidated balance sheet

As of December 31, 2022 and 2021, in million ILS

Current assets:	2022	2021
Cash and cash equivalents	178	173
Short-term investments	65	-
Customers	263	226
Receivables and others	42	24
Inventory	113	111
Total	661	534

Non-current assets		
Right of use asset, net	42	31
Investment properties	422	387
Fixed assets	801	701
Other	8	3
Total	1,273	1,122

Total assets	1,934	1,656
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Current liabilities	2022	2021
Credit from banks	54	151
Lease current liabilities	8	5
Trade payables	130	79
Other current liabilities	264	76
Total	456	311

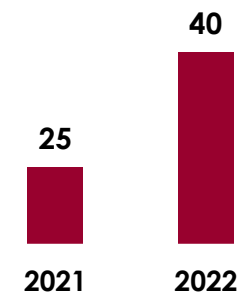
Non-current liabilities		
Liabilities to banks	135	130
Lease liabilities	35	27
Liabilities with respect to other benefits after employment termination	4	6
Deferred taxes, net	220	208
Total non-current liabilities	394	371

Equity	1,084	974
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Total liabilities and equity	1,934	1,656
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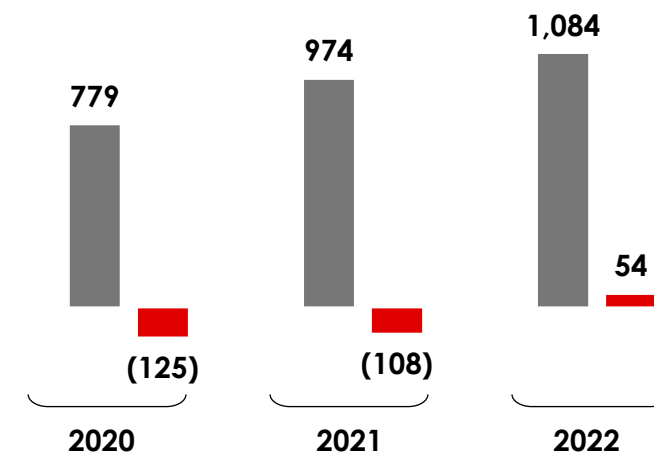
Dividend (ILS M)

Attributed to profits generated in the years below



Equity and Net Debt development (ILS M)

■ Equity ■ Financial Asset (Debt)





Integral part of the construction boom in Israel

Products and solutions along the entire value chain

Nationwide deployment of advanced production facilities

Maximizing the scope of work for every construction or infrastructure project

Expanding our offerings

Constant expansion of products and solutions

Entering prefabricated construction

Leveraging the momentum in logistics centers

Financial strength to support future growth

Strong and stable cash flow

Low leverage

Dividend distribution policy - not less than 50% of net income*

* Net profit without revaluation of real estate investment



Thank you!

