

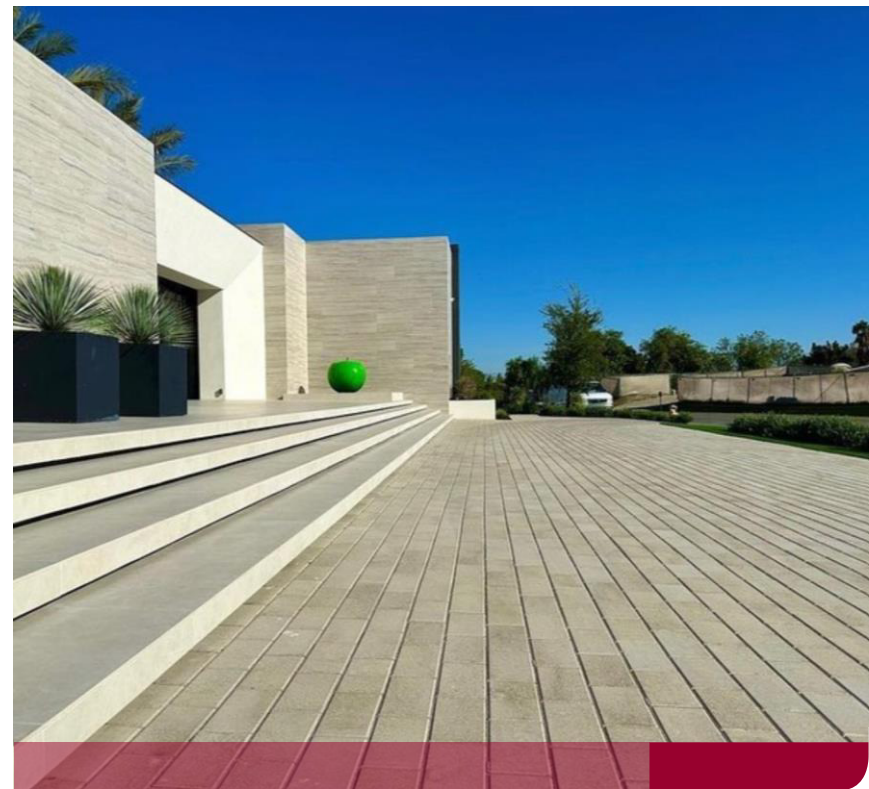


ACKERSTEIN

GROUP

INVESTOR PRESENTATION

March 2024



Disclaimer

This presentation was prepared by the Ackerstein Group Ltd. (the "Company" and / or the "Group") as a general presentation about the Company and is not intended to replace the need to review the Company's full reports to the Tel Aviv Securities Authority and the Tel Aviv Stock Exchange Ltd. Among other things, the Company's periodic reports, including the Company's periodic report for 2023, and the Company's immediate reports ("the Company's Reports"), prior to making a decision regarding the Company's investment in securities. The information contained in the presentation does not constitute advice, recommendation, opinion regarding investment, does not constitute an offer to invest and / or purchase securities of the Company (and in particular does not constitute an "offer to the public" or "sale to the public", of any kind - as defined in the Securities Law, 5728 - 1968 ("the Law") and does not replace an independent examination and personal advice in accordance with the special data of each investor. Such an offer will be made only in accordance with the provisions of the Law, after receiving the necessary permits from the Securities Authority and the stock exchange. This presentation includes a summary of the issues described in it in the context in which they are discussed and not the full information available to the Company in relation to these issues and / or which has appeared and will appear in the Company's Reports. The presentation includes data on possible growth volumes, statistics, etc. It should be emphasized that data on growth volumes and statistics are based on public data and Company estimates and do not constitute any facts and / or representations. This presentation may include forward-looking information as defined in the Law ("Forward-Looking Information") including estimates and information regarding future events, forecasts and subjective assessments of the Company's management as of the date of publication of the presentation, which although the Company believes to be reasonable, are inherently uncertain. Such Forward-Looking Information is uncertain, unpredictable, influenced by factors beyond the Company's control, each of which or a combination thereof and the realization of which risk factors characterize the Company's operations (as specified in its reports) may result in its partial realization, non-realization or realization fundamentally different. Subject to the Law, the Company does not undertake to update or change any information contained in this presentation in order to reflect events and / or circumstances that will apply after the date of publication.

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

100

Years of
Excellence¹

17

Production
Facilities

573

Employees

1.04

ILS Billion
Revenue

183

ILS Million
EBITDA

50

ILS Million
Declared
Dividend²

427

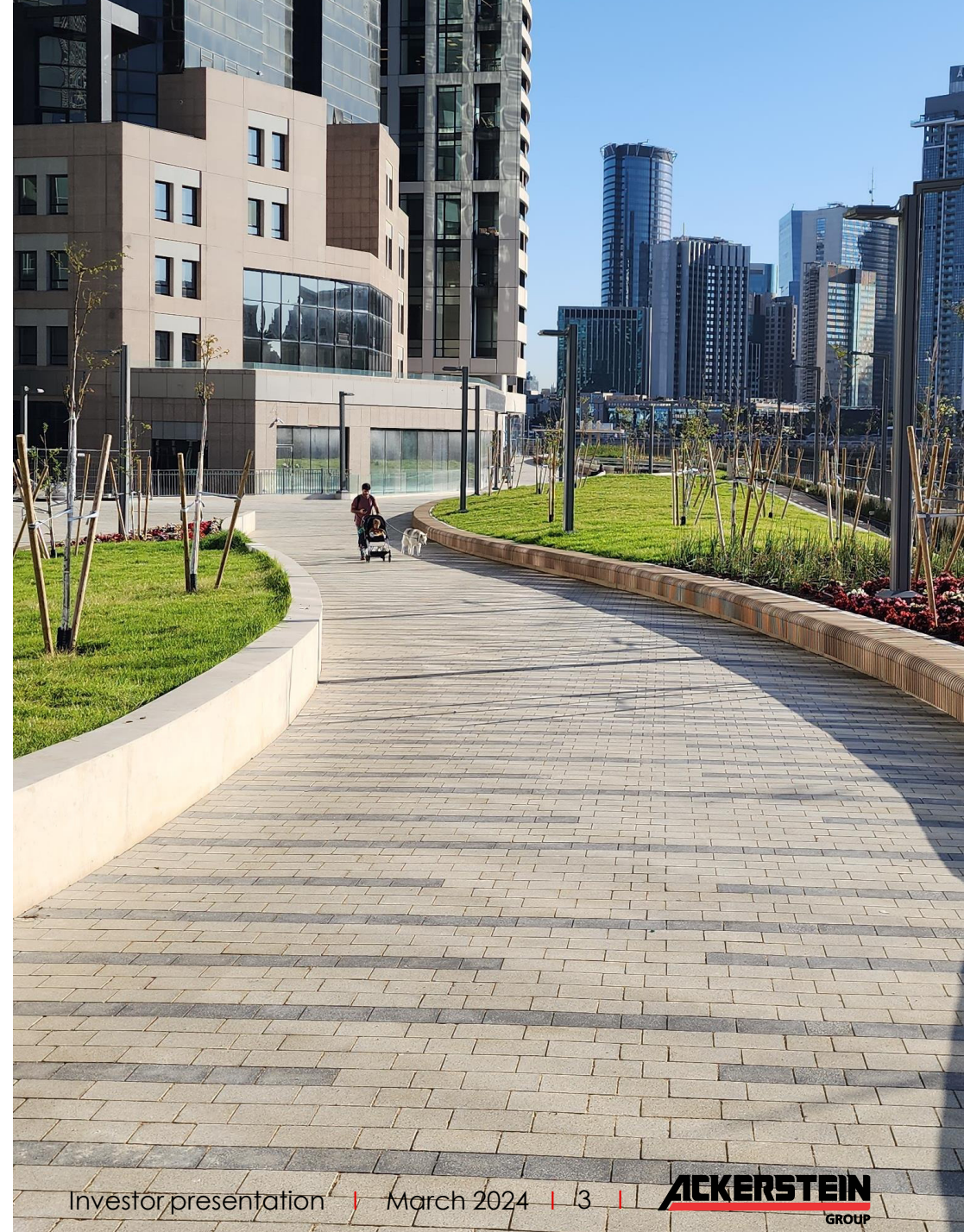
ILS Million
Investment
properties

1.15

ILS Billion
Equity

(1) Nearly 100 years

(2) Dividend declared on March 11, 2024



Operating across four synergistic segments, in thriving sectors

Industry Segment

Infrastructure and landscape design products



Engineering Segment

Unique solutions for complex projects with combined prefabricated buildings & elements



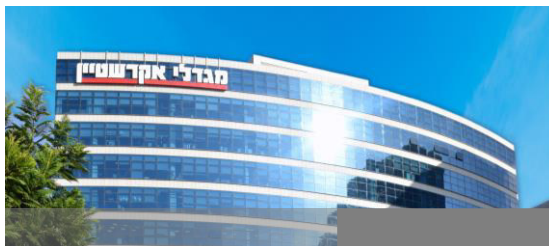
Overseas Industry Segment

Landscape design products in Western US

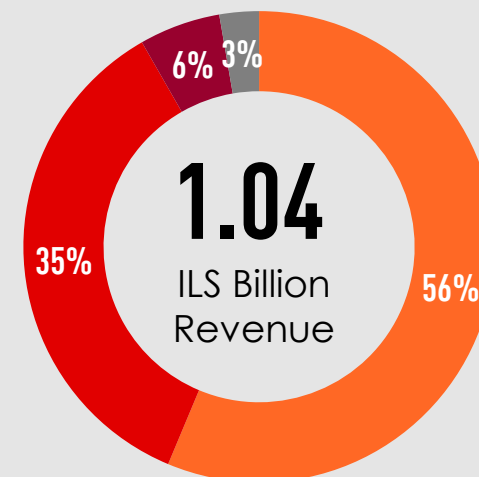


Real Estate Segment

Commercial, industrial and retail properties



Revenue Breakdown

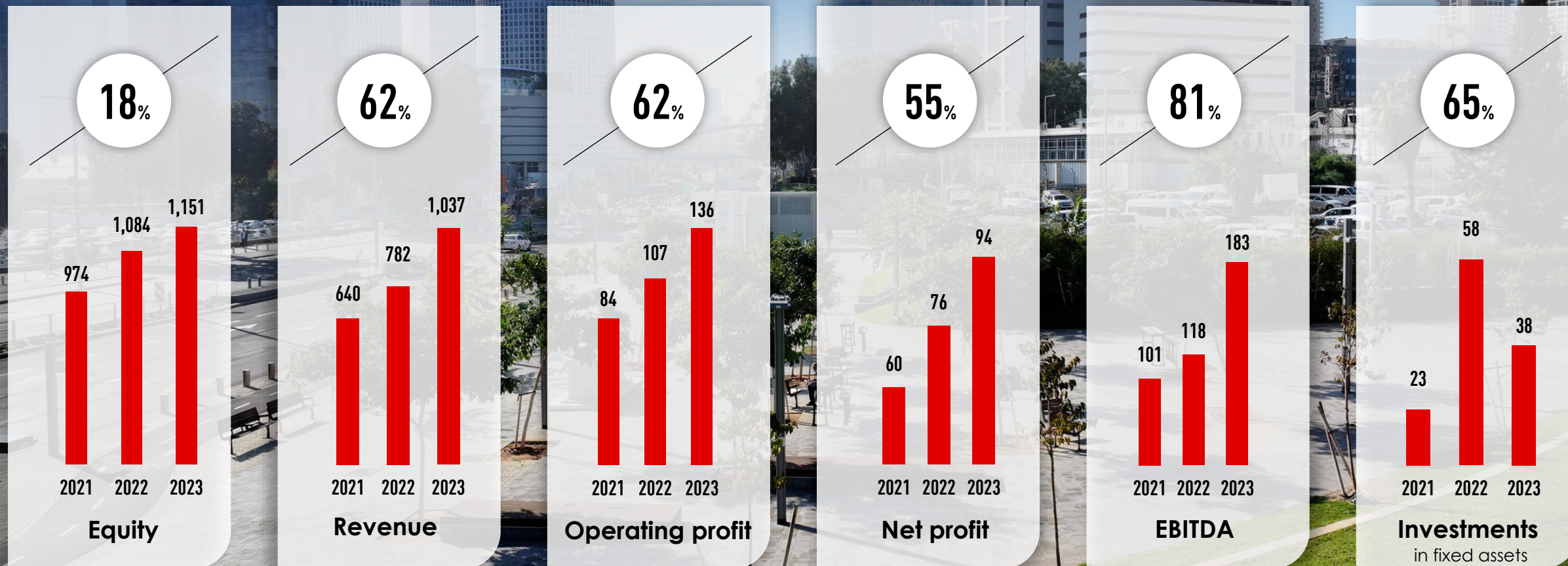


Engineering Industry
Overseas Industry Real Estate



Robust growth across all financial metrics¹

The ongoing demand for the company's products heightened due to the war



(1) The amounts above are in millions of ILS, and the percentages represent the growth from 2021 to 2023.

Photography by Amir Terkel

Market Opportunity

Trends and shifts in the Israeli market



New defense perception since October 7th

Rebuilding protective homes in the southern and northern regions

Protective military, and civilian buildings



Extensive infrastructure development

By 2050, Israel's population doubling necessitates developing and improving infrastructure, including water, sewage, and transportation, to serve an estimated 18 million people



Expediting the shift towards prefabricated construction solutions

Growing demand to minimize on-site workforce and drastically shorten construction timelines

Israel is transitioning from planning to execution

Defense Minister Gallant: "We will address gaps in defense and **act to implement the government's decision from 2018 within the framework of the Northern Shield plan**"

[Israel Hayom](#) | 5.12.23

The rehabilitation plan of the "Gaza Envelope" areas has been approved, with a value exceeding 18 billion shekels

[YNET](#) | 10.12.2023

At a cost of three billion shekels: The expansion project of Shafdan is underway

[Israel Hayom](#) | 23.2.2023

From Haifa to Tel Aviv in under half an hour: Approval for the expansion of coastal railway tracks

[MAKO](#) | 24.12.23

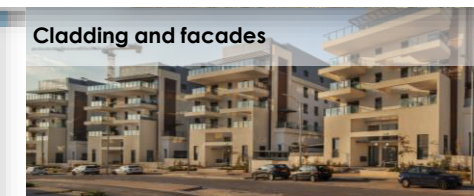
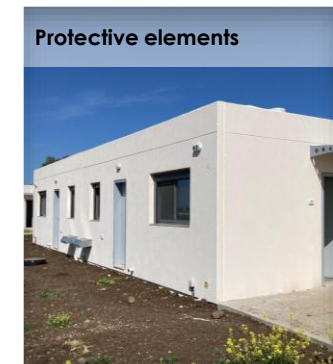
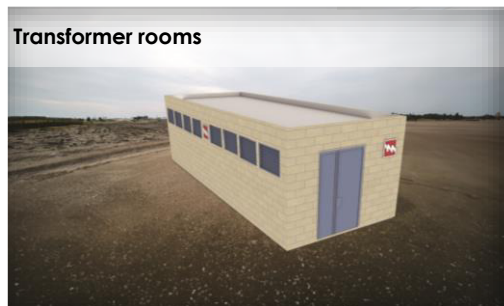
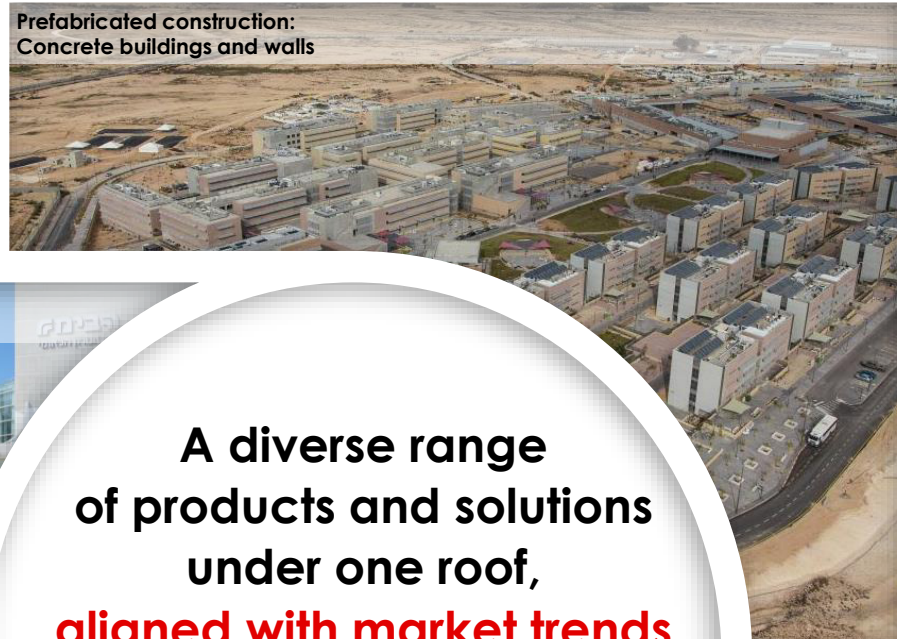
The Ministry of Construction and Housing is working to promote the integrated use of innovative industrial technologies for residential construction

[GOV](#) | 12.11.23

Homes within 4 months: The state will approve the construction of permanent, protected structures for evacuees along a rapid route

The methods chosen by the Planning Authority are prefabricated construction methods already implemented in Israel, with local factories and contractors

[YNET](#) | 13.11.2023



Ackershwin Group's power multipliers enable seamless integration into any construction or infrastructure project in Israel



Extensive professional knowledge

nearly 100 years of experience across diverse projects



Widest variety of products & solutions under one roof



Advanced production facilities deployed nationwide with extensive delivery capacity



Financial strength enables investment in innovative products and processes

Segments Activity

-  Industry Segment
-  Engineering Segment
-  Overseas Industry Segment
-  Real Estate Segment

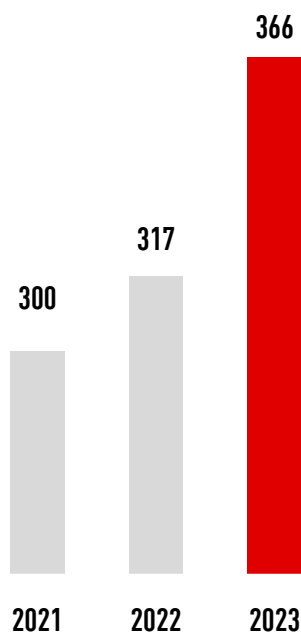


Industry segment

Sustained growth in revenue and profit, attributed to investment initiatives in 2022 and 2023

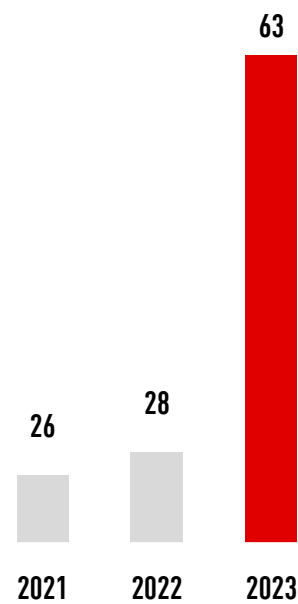


22%



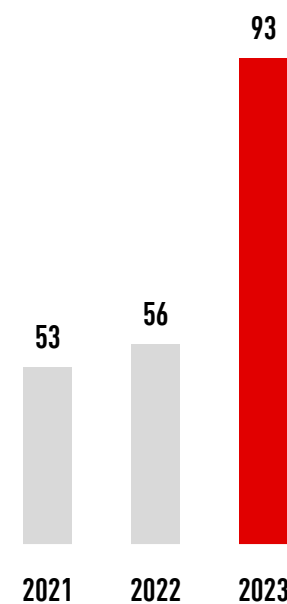
Revenue¹

140%



Operating income¹

74%



EBITDA¹

(1) Amounts in millions of ILS, percentages represent the growth from 2021 to 2023

The widest range of products for hundreds of public and private projects



Stones to define bike lanes



Photography by Assaf Pinzuk

Cladding and facades



Photography by Nimrod Levi

Landscape design



Retaining walls



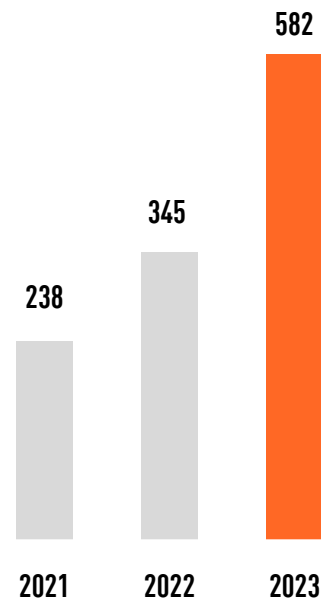
Pipes for infrastructure

Engineering segment

Revenue growth and profitability boost, driven by increase in project size and scope of work

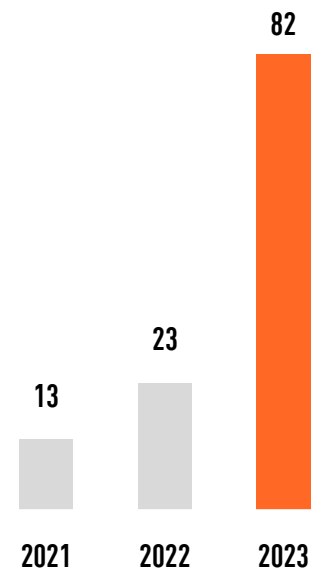


145%



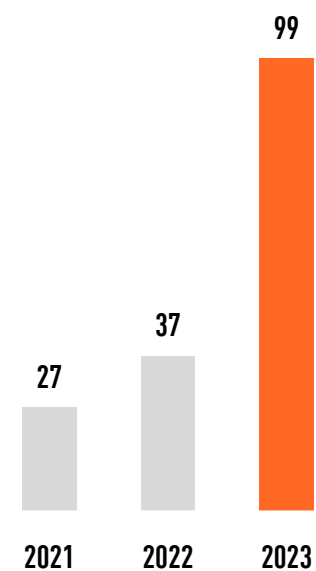
Revenue¹

548%



Operating income¹

273%



EBITDA¹

(1) Amounts in millions of ILS, percentages represent the growth from 2021 to 2023

Customized solutions for diverse projects

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



Authorized supplier
for the State of Israel



Authorized supplier
for Israel Railways



Acoustic walls for transportation



Protective elements and shelters



Infrastructure elements



rail concrete sleeper



Prefabricated construction



Infrastructure elements



Strategic focus for continued profitable growth

Engineering Segment

Expanding operations in the protective structures and prefabricated construction

Meeting the growing demand

Engineering Segment

Industry Segment

Continuing to invest in innovation

Constant expansion of products and solutions

Engineering Segment

Industry Segment

Integrating future construction and infrastructure projects

Maximizing the scope of work for each project

Prefabricated construction: the key to accelerating construction

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



Transformer rooms



Large residential unit



Wall



Fence



Cladding & facades



Stairs & Shaft



Small residential unit

Proactively prepared for increased demand in prefabricated construction



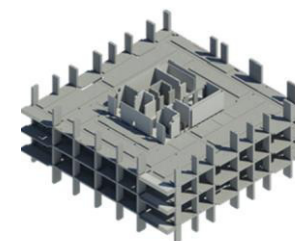
Expanding production capacity

Throughout 2023, production capabilities were expanded, alongside the development of versatile manufacturing capabilities in various technologies



Enhancing planning expertise

in collaboration with PCE¹, a UK-based company with 55 years of experience, specializing in innovative planning for hybrid industrial construction to achieve optimization, efficiency, and industry-leading quality.



(1) Images are courtesy of [PCE](#)

Leveraging design and execution capabilities in response to increasing demands



ELBIT building in Ramat Bekah



Prefabricated houses – Tkuma Project



Prefabricated houses – Tkuma Project

Entering new categories: Construction and Complex Steel Structures



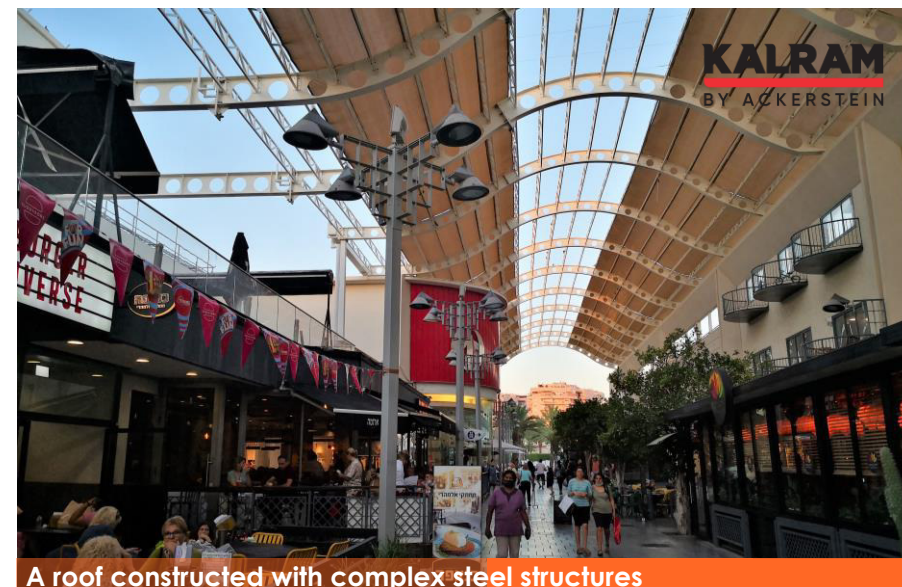
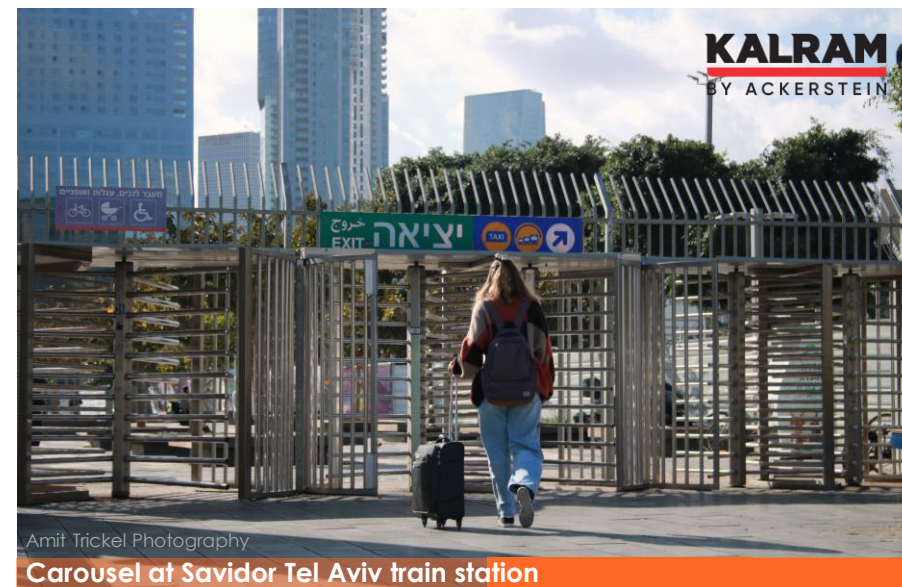
Acquired KALRAM

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



Successful integration and backlog increase

The introduction of Kalram to the market and Ackershtein customers has been a significant contributor to the growth of both product and project backlogs since its acquisition in 2022



Overseas Industry segment

2023: Results impacted by macroeconomic environment and high interest rates

Implemented management-level personnel changes and established a new marketing plan

Anticipating market recovery in H2 2024



BRANDS AKER-STONE HAS WORKED WITH:



	2023	2022	2021
Revenue \$M	16	27	23
EBITDA \$M	(6.6)	3	2.6

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

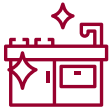


Local production and supply

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



Demand for hardscape products is expected to increase to \$3.9 billion in 2025



Continued growth in the popularity of outdoor living spaces, such as patios and outdoor kitchens



Healthy economic outlook, which will support investment by both residential and commercial



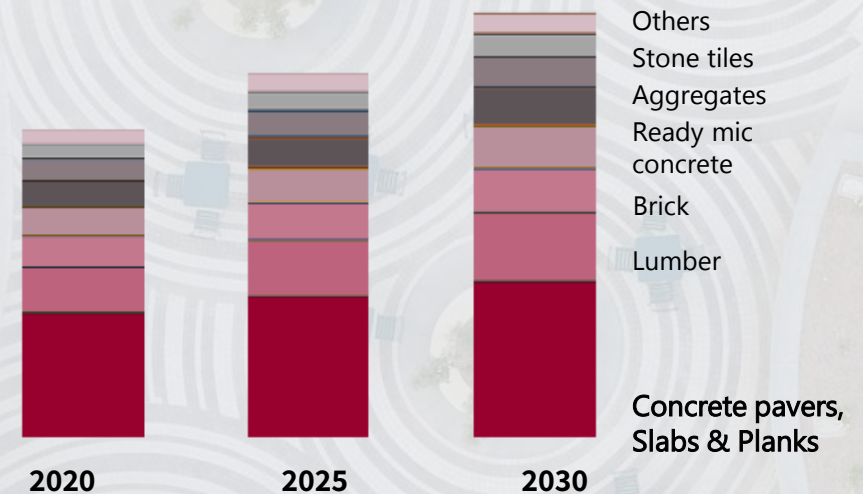
Increasing installation of permeable pavers in all markets, as these product types help prevent issues with water runoff and flooding



Hardscape products that offer easier construction, which can limit labor requirements

Source: [Freedonia](#)

Expected demand by Product type



Real Estate Segment

427 ILS million
Investment properties

23 ILS million
NOI

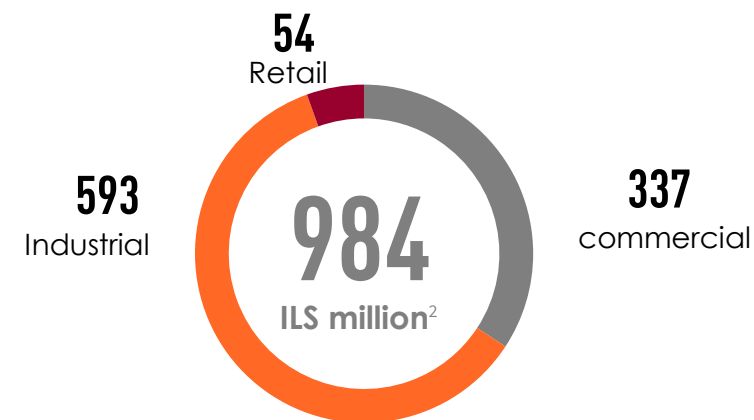
8 ILS million
Net Debt
Associated with real-estate

86k sq m
Built

25k sq m (built)
yielding

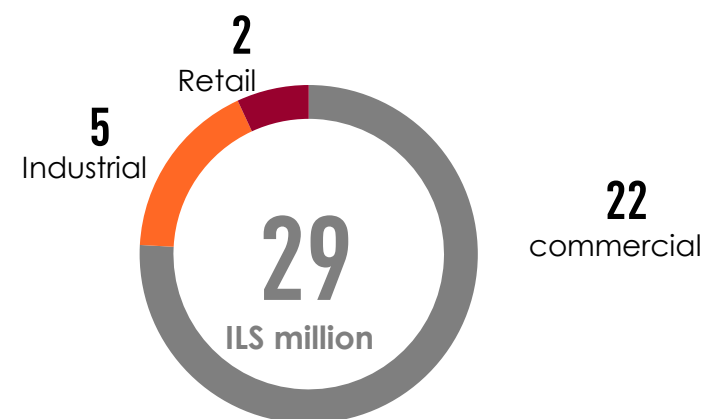
577k sq m
In 9 assets
About 364k sq m classified as fixed assets

2023 Real estate value breakdown



(2) Including real estate that is classified as fixed assets (557 ILS million) and Investment properties (427 ILS million)

2023 Rental revenue³ breakdown



(3) Revenues from unrelated third party

(4) The average occupancy rate of the offices in Herzliya Pituach was 92.1% in 2023

Ackerstein House: Value-added features

23,000 square meters of mixed-use space, including:

50 apartments
of 50 square meters each

500 square meters
of commercial space

Status: Approval has been received for granting validity under the terms of the comprehensive plan for Herzliya, on the basis of which a Building-City plan will be submitted for the property



Illustration

Ackerstein Towers: Second Phase

55,000 square meters of mixed-use
space, including:

41,000 square meters commercial

10,000 square meters residential

4,000 square meters retail

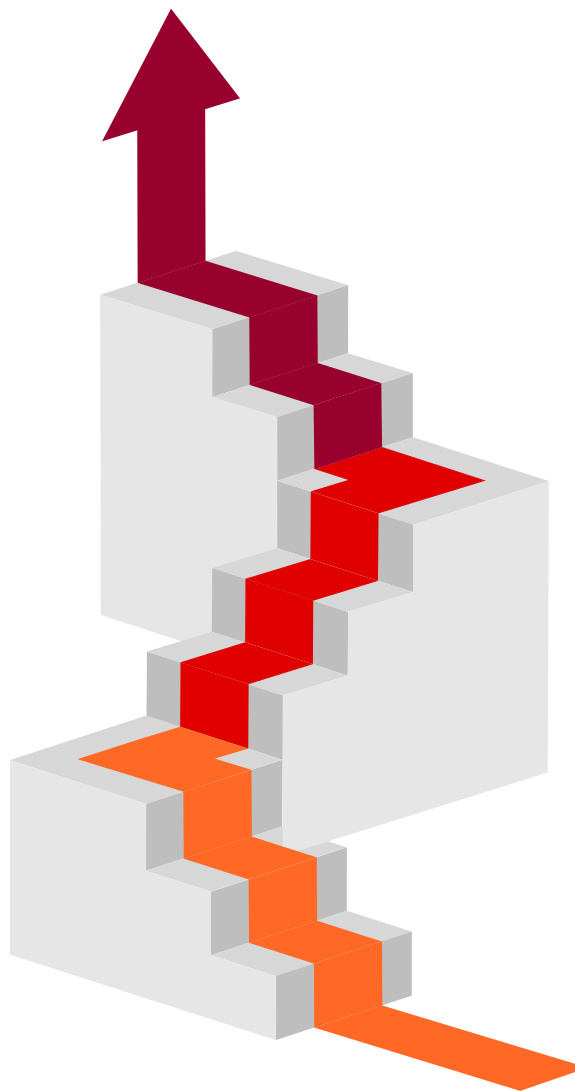
Status: Approval has been received for
granting validity under the terms of the
comprehensive plan for Herzliya, on
the basis of which a Building-City plan
will be submitted for the property



Potential for growth and value creation



Illustration



+ Potential value-add
Ashdod factory

+ Value-add
Ackersstein Towers

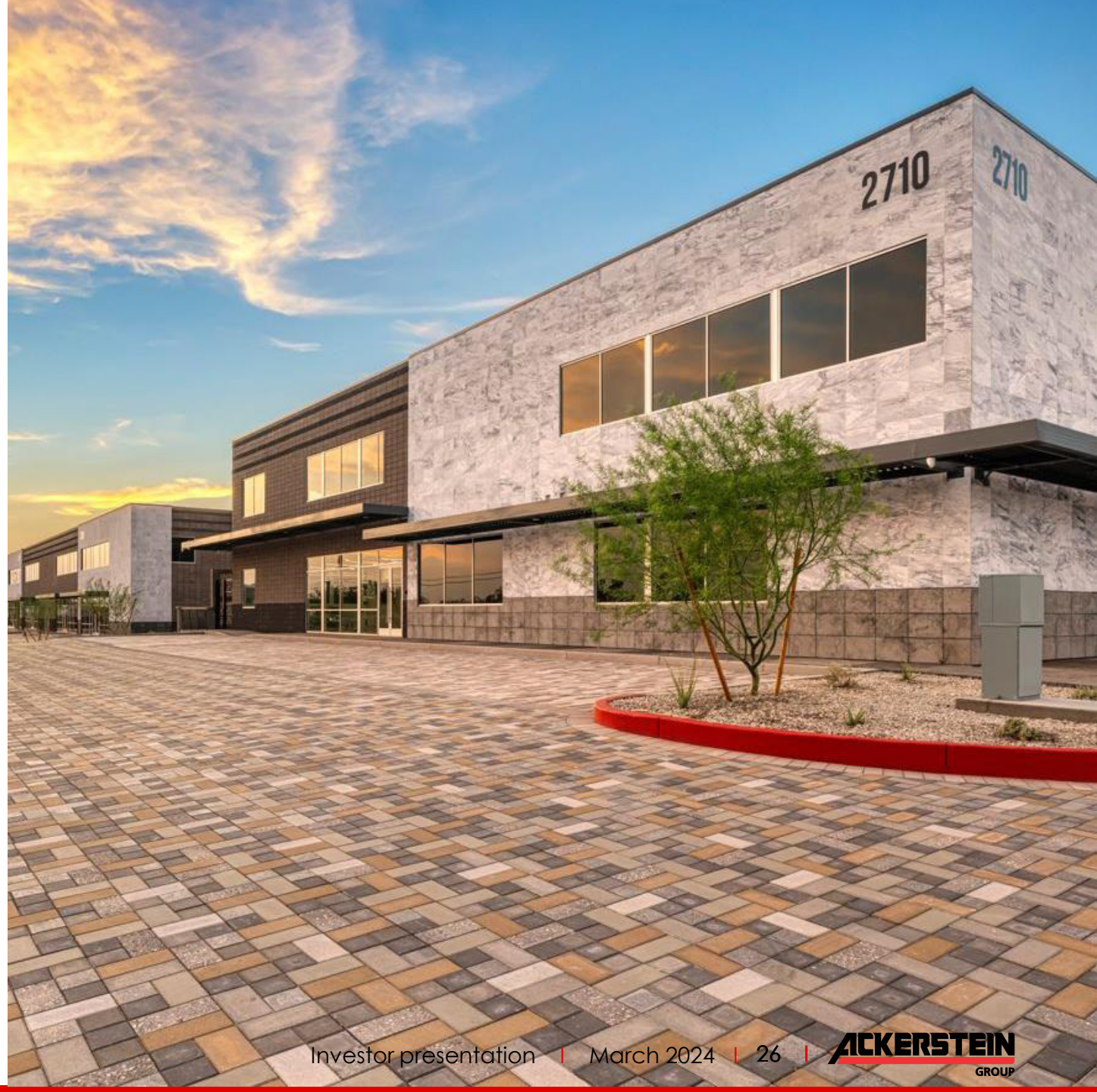
+ Value-add
Ackersstein House

23

ILS Million
2023 NOI

Financial data

Q4 2023 and YE 2023



Revenue & EBITDA

Consolidated basis, in thousands ILS

	2023	2022	2021
Revenue	1,036,962	782,253	640,491
EBITDA	182,789	117,858	100,713
Net profit	93,615	75,704	60,337

Industry & Engineering segments

Revenue	948,175	661,338	538,285
EBITDA	192,233	92,840	79,872

Oversea Industry segment

Revenue	59,084	91,867	75,887
EBITDA	(24,501)	10,137	8,359

Real Estate segment

Revenue	29,703	29,048	26,319
EBITDA	15,057	14,881	12,482

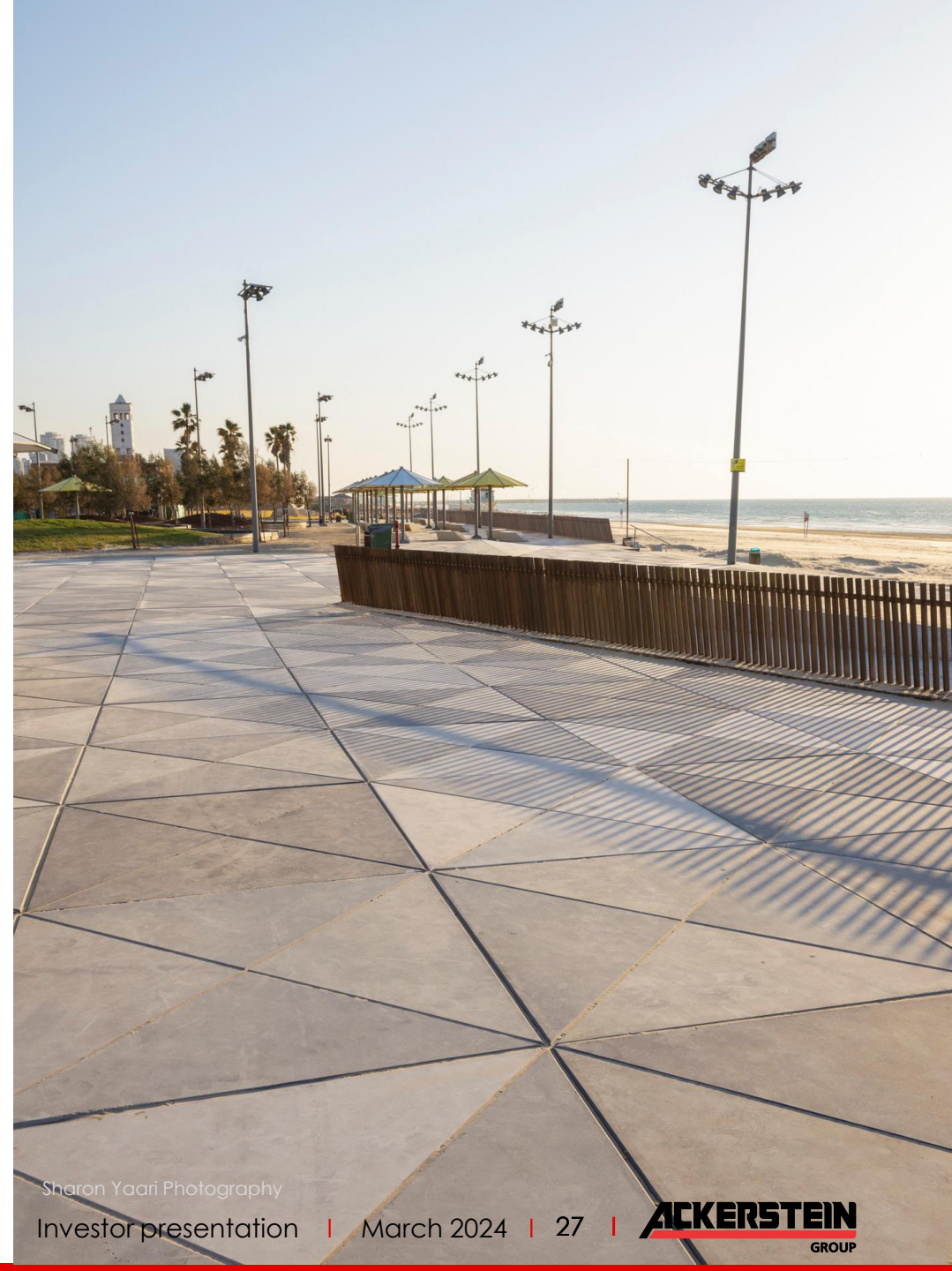
	Q4 2023	Q4 2022	Q4 2021
Revenue	251,541	199,531	171,894
EBITDA	49,614	37,461	29,863
Net profit	32,254	42,699	30,061

Revenue	231,434	170,346	148,799
EBITDA	52,324	31,235	27,318

Revenue	13,360	21,783	16,622
EBITDA	(5,912)	1,985	(627)

Revenue	6,747	7,402	6,473
EBITDA	3,202	4,241	3,172

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



Sharon Yaari Photography

Investor presentation

March 2024

27

ACKERSTEIN
GROUP

Consolidated balance sheet

As of December 31, 2022, and 2023 in million ILS

Current assets:	2023	2022
Cash and cash equivalents	134	178
Short-term investments	-	65
Customers	297	263
Receivables and others	39	42
Inventory	118	113
Total	588	661

Non-current assets		
Right of use asset, net	39	42
Investment properties	427	422
Fixed assets	817	801
Other	15	8
Total	1,300	1,273

Total assets	1,888	1,934
---------------------	--------------	--------------

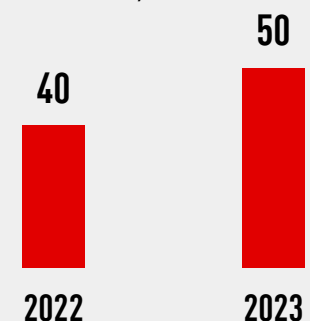
Current liabilities	2023	2022
Credit from banks	42	54
Lease current liabilities	7	8
Trade payables	140	130
Other current liabilities	178	264
Total	367	456

Non-current liabilities		
Liabilities to banks	101	135
Lease liabilities	35	35
Liabilities with respect to other benefits after employment termination	4	4
Deferred taxes, net	229	220
Total non-current liabilities	369	394

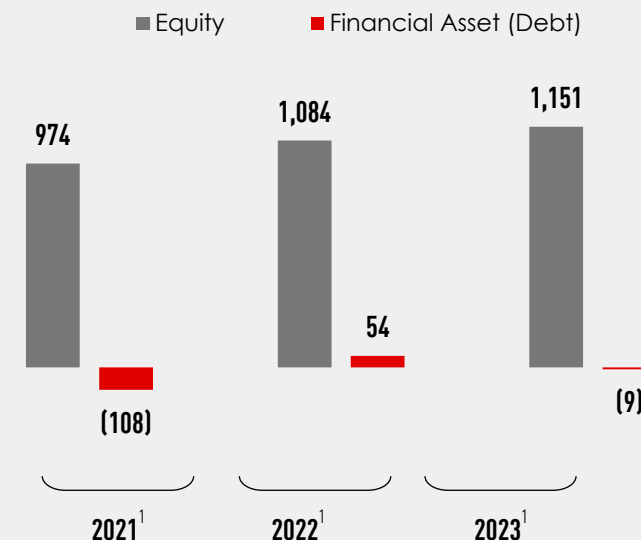
Equity	1,152	1,084
---------------	--------------	--------------

Total liabilities and equity	1,888	1,934
-------------------------------------	--------------	--------------

Dividend (ILS M)
Attributed to profits generated
in the years below



Equity and Net Debt development (ILS M)



(1) Dec. 31



Plays an integral role in the construction boom in Israel

Comprehensive products and solutions across the entire value chain

Nationwide deployment of advanced production facilities

Maximizing project scope for construction and infrastructure projects



Increased demand for the company's offerings

increasing demand in the defense and infrastructure sectors

Constant expansion of products and solutions

Expanding operations in prefabricated construction



Financial resilience 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



ACKERSTEIN
GROUP

Thank you!