

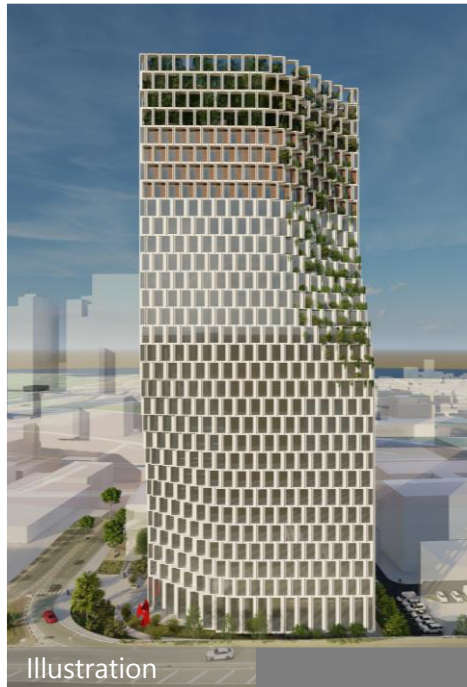


ACKERSTEIN

GROUP

INVESTOR PRESENTATION

August 2024



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Israel's Leading Manufacturer and Provider of Concrete Solutions

for Infrastructure, Protective and Prefabricated Construction, and Landscape Design

99

Years of
Excellence

17

Production
Facilities

573

Employees

931

ILS Million
LTM Revenue¹

160

ILS Million
LTM EBITDA¹

50

ILS Million
Dividend²

428

ILS Million
Investment
properties

1.13

ILS Billion
Equity³

(1) LTM- Last twelve months ended 30.6.2024

(2) Dividend paid on April 4, 2024

(3) As of 30.6.2024



Entrance plaza paving tiles Sammy Ofer Stadium, Haifa

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



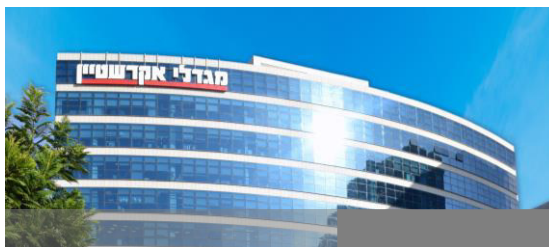
Overseas Industry Segment

Landscape design products in Western US

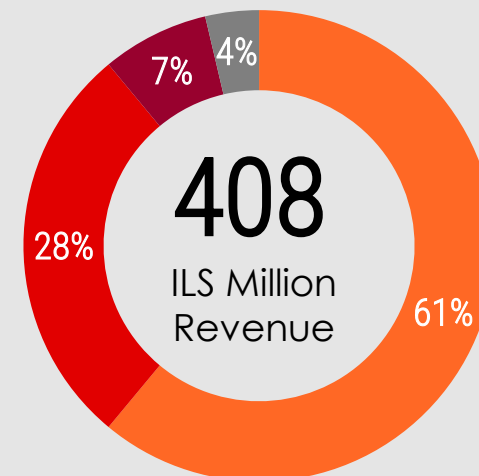


Real Estate Segment

Commercial, industrial and retail properties



H1 2024 Revenue Breakdown



Engineering Industry
Overseas Industry Real Estate

Lifetime Achievement Award Was Presented to Giora Ackerstein, Chairman of the Ackerstein Group



Significant Contribution to the Israeli Industry, Nation Building, and Development of the State of Israel

The award was granted in recognition of his vision as an industrialist who introduced the latest advancements and innovations in the concrete products industry to Israel, most notably interlocking stones, a product known to every Israeli. His contributions also include advanced products such as jacking pipes and prefabricated elements used for national construction, defense, IDF bases, infrastructure development, transportation needs, and water purification.

The award was presented in the presence of President Isaac Herzog and the President of the Manufacturers' Association of Israel, Dr. Ron Tomer.

ice 17/7/2024

The Swords of Iron War

Strengthening the Frontline and the Home Front

Support for Social Organizations and National Institutions

- › Assistance to the Hostages and Missing Families Forum
- › Donation to Zarit for an elderly shelter
- › Establishment of a national memorial site for the fallen soldiers of the Givati Brigade

Support for Company Employees Serving in the Reserves

- › Financial grants
- › Delivery of food baskets and gift packages to families

Support for Security Forces

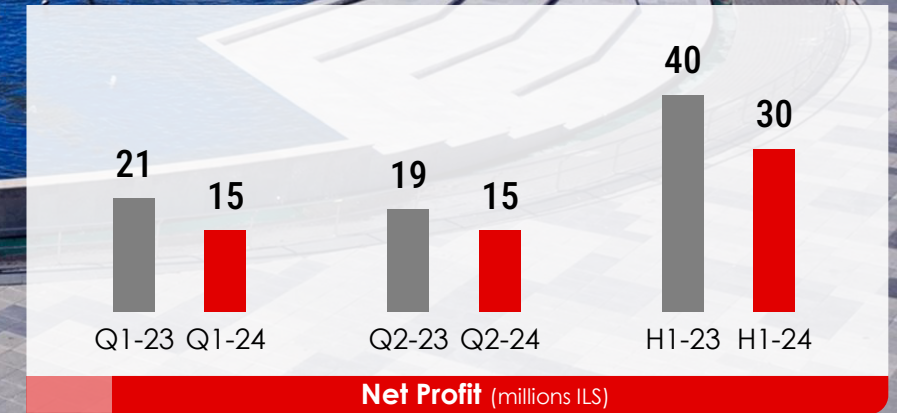
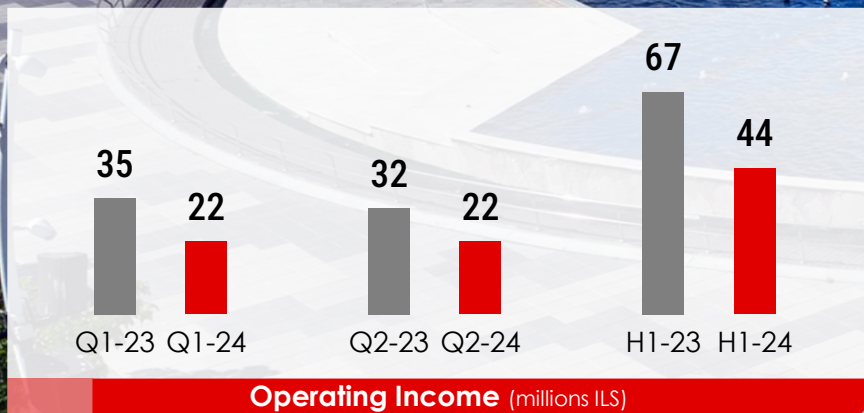
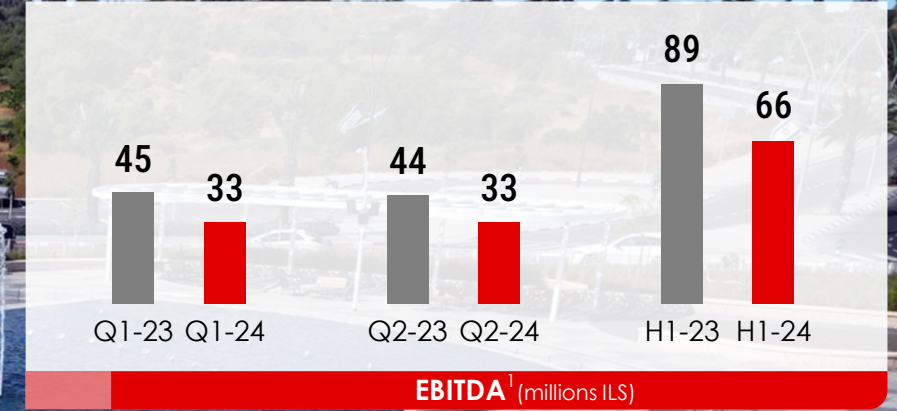
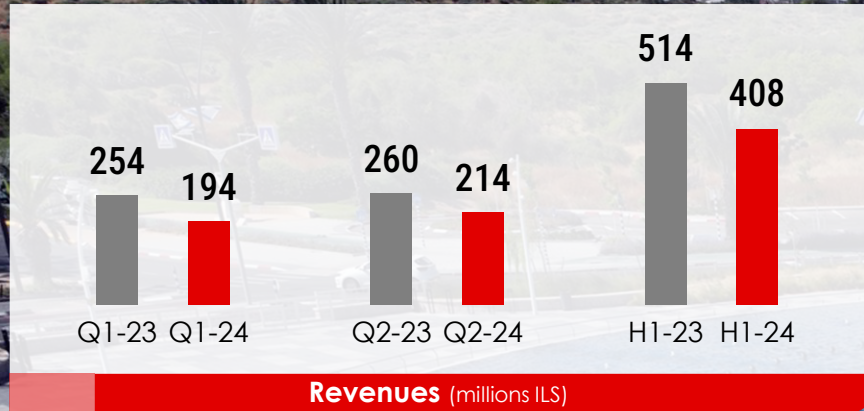
- › Sponsorship of two IDF units
- › Procurement and donation of winter gear and clothing
- › Funding meals for the sponsored units

Strategic Response to Security Challenges

- › Providing advanced security solutions
- › Converting production lines for defense needs
- › Developing and adapting innovative protection solutions for changing demands
- › Integration into Tekuma project

H1 2024 Financial Results

Current challenges have impacted first half results, yet our operational resilience ensures we meet the rising demand for protective and prefabricated construction solutions



Plaza paving Piazza Ashkelon

(1) The EBITDA presented above does not include other expenses and income

Amidst the War: Challenges in the Business Arena

First Half 2024 Summary

Construction and Infrastructure sector Challenges



Critical worker shortage

- › Labor costs doubled
- › Delays and disruptions in new projects
- › Industry sector operating at ~30% capacity¹



Construction & Infrastructure Commodities Crisis

- › Shortage of building materials and products
- › Disruptions in the Turkish supply chain
- › Input costs up by 15%-20%²

(1) [The marker 21.7.2024](#)

(2) [YNET8.7.2024](#)

Impact on Company Operations:

- › Project and order delays
- › Work halted in combat zones
- › Development of innovative solutions for evolving needs

Business Environment Opportunities

First Half 2024 Summary

Mamadon 5, Hila Model

In memory of Hila Kailin, a company employee who was murdered by Hamas terrorists at the Nova festival on October 7, 2023

Present Challenges and Future Needs



Protective Measures for Current Threats

Urgent need for reinforced protection of military, security, and civilian structures (existing and new)



Accelerating Prefabricated Construction

Reducing manpower needed on-site while significantly shortening construction timelines



Rapid Deployment of Housing Solutions

Urgent need for quick construction of residential buildings in the "Gaza Envelope" and northern Israel



Massive Infrastructure Development

Essential to accommodate rapid population growth of about 1 million every 5 years and to address delays caused by the war

The company leveraged its planning capabilities to deliver prefabricated housing solutions

The company is investing in new production lines for infrastructure

Ackerstein's force multipliers allow us to deliver comprehensive solutions to meet market needs



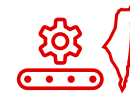
Extensive professional knowledge

nearly 100 years of experience across diverse projects



Widest variety of products & solutions

under one roof



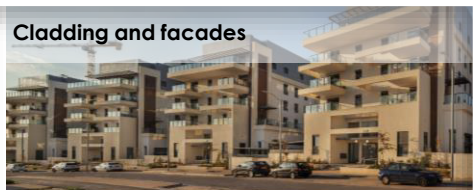
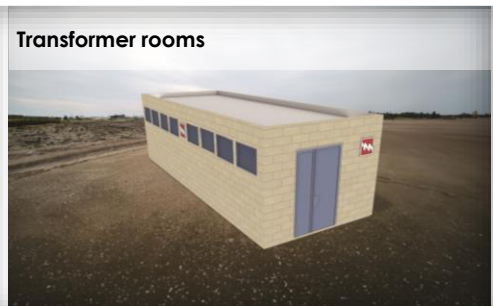
Advanced production facilities

deployed nationwide



Financial strength

enables investment in innovative products and new infrastructure production lines



Segments Activity

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



Acoustic wall, Olga interchange

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



Concrete roof tiles



Cladding and facades



Landscape design



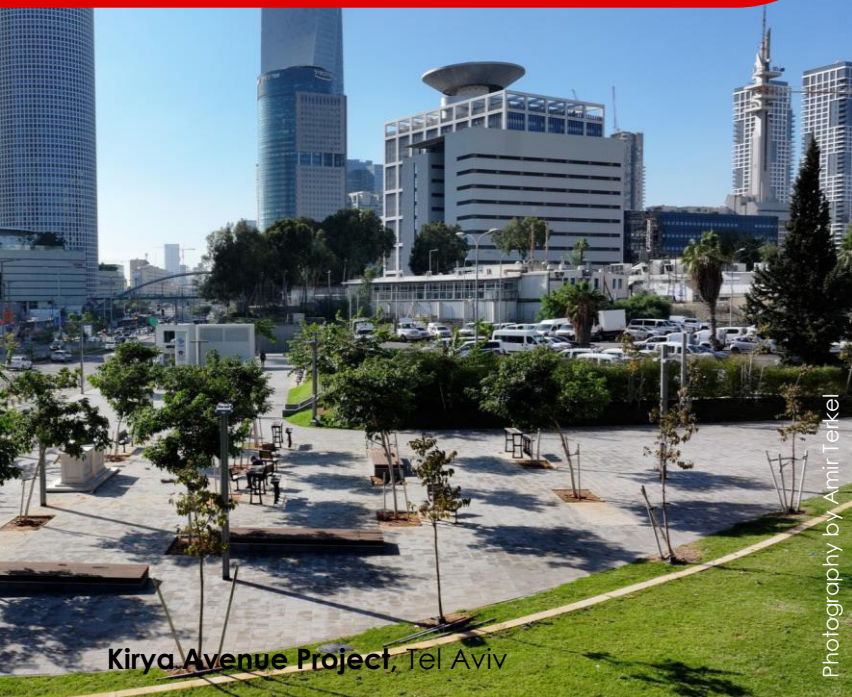
Retaining walls



Pipes for infrastructure

Industry segment

In landscape design, delays in product deliveries to construction sites—either closed or partially operational due to labor shortages—resulted in a significant decline in sales, affecting gross and operating profits in the first half of 2024



Photography by Amir Terkel

Kirya Avenue Project, Tel Aviv

millions ILS	Q1 2024	Q1 2023
Revenue	58	96
Operating Income	1	19
EBITDA	8	27

millions ILS	Q2 2024	Q2 2023
Revenue	56	91
Operating Income (Loss)	(1)	17
EBITDA	7	24

millions ILS	H1 2024	H1 2024
Revenue	114	187
Operating Income	-	36
EBITDA	15	51

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



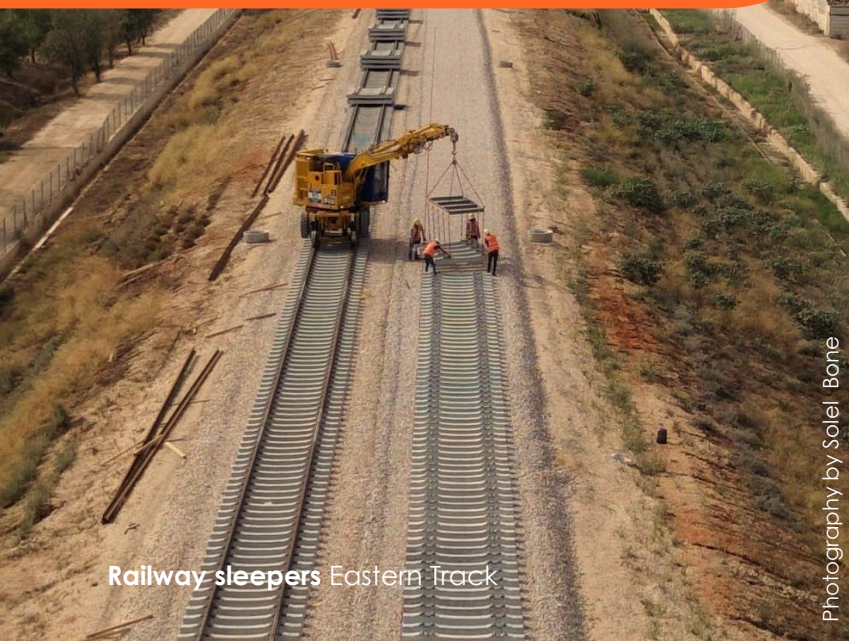
Prefabricated construction



Infrastructure elements

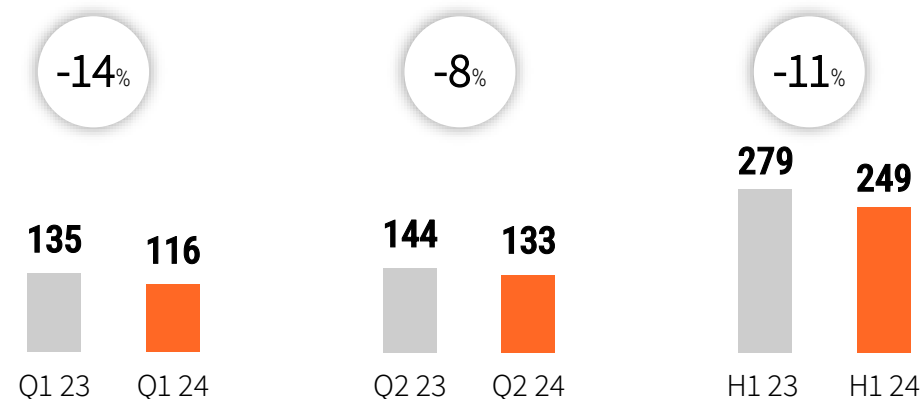
Engineering segment

Profit growth driven by expanded project volume in prefabricated construction, execution of protective and railway sleeper projects, and the successful implementation of operational and procurement efficiencies

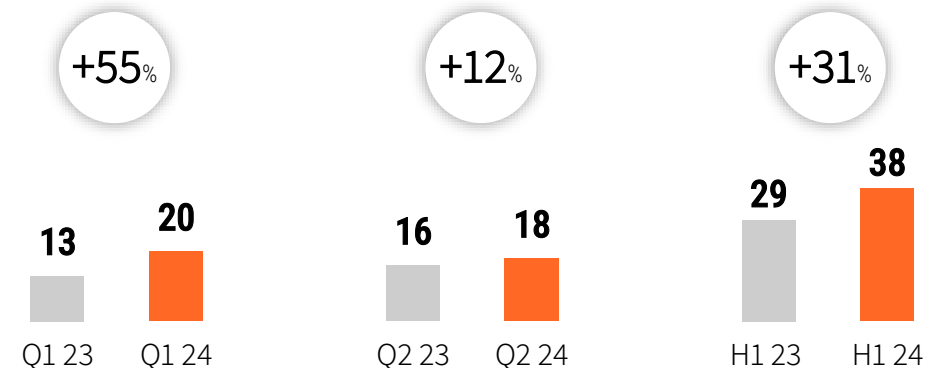


Railway sleepers Eastern Track

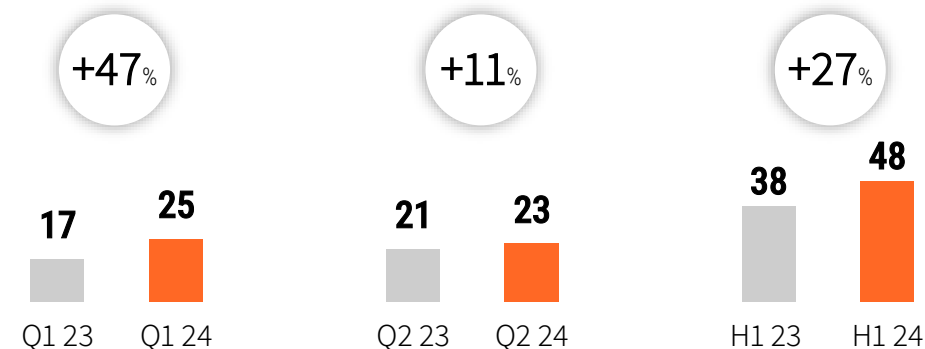
Revenue (millions ILS)



Operating Income (millions ILS)



EBITDA (millions ILS)





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

Tkuma Project in the “Gaza Envelope”

In just **6 months**, **56 villas** were constructed

Leveraging planning capabilities and prefabricated solutions



Within 6 months of receiving the work order in April and May 2024:

36 prefabricated villas will be delivered in September

An additional 20 villas will be delivered in October

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



Pergola Kiryat Ono Stadium



Complex Metal Structure

Overseas Industry segment



BRANDS AKER-STONE HAS WORKED WITH:



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

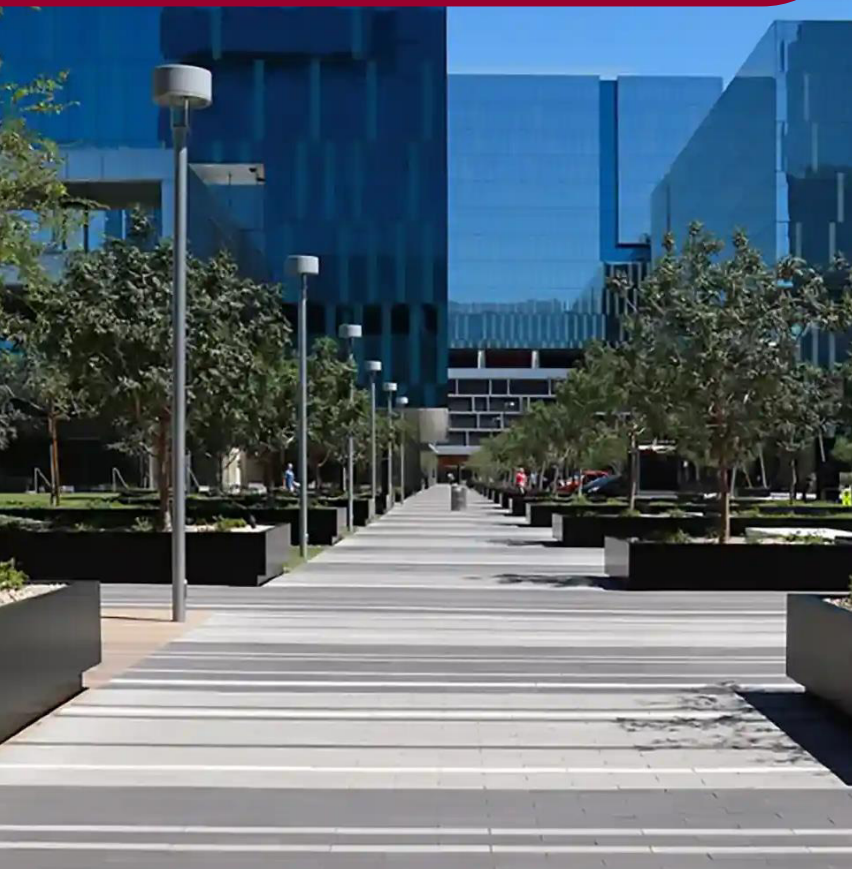


Olympic Opportunity

Anticipated demand surge for the 2028 Los Angeles Games. City preparations to fuel major infrastructure investments aligned with Akerstone's products

Overseas Industry segment

The company is executing a turnaround plan to drive profitable growth



millions ILS	Q1 2024	Q1 2023
Revenue	13	16
EBITDA	(3)	(2)

millions ILS	Q2 2024	Q2 2023
Revenue	17	17
EBITDA	(1)	(5)

millions ILS	H1 2024	H1 2024
Revenue	30	33
EBITDA	(4)	(7)

Real Estate Segment

428 ILS million
Investment properties

12 ILS million
NOI
H1 2024

15 ILS million
Net Debt
Associated with real-estate

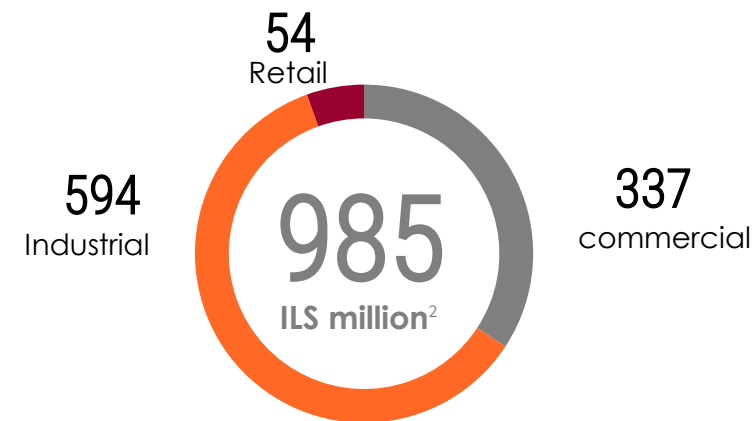
86k sq m
Built
60k sq m classified as fixed assets

26k sq m (built)
yielding

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

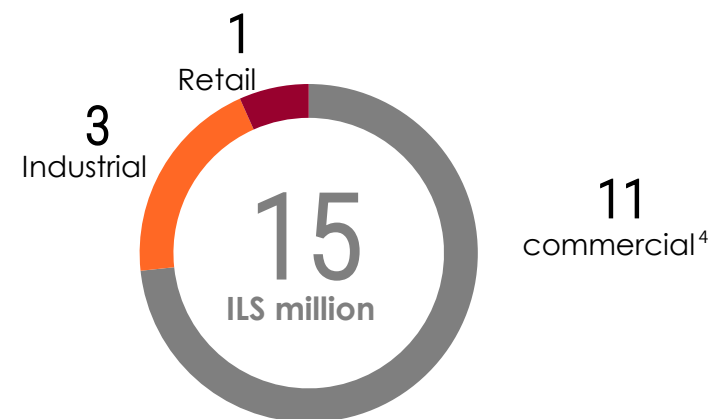
Real estate value breakdown

30.6.2024



(2) Including real estate that is classified as fixed assets (557 ILS million) and Investment properties (428 ILS million)

H1 2024 Rental revenue³ breakdown



(3) Revenues from unrelated third party

(4) The average occupancy rate of the offices in Herzliya Pituach was 91.1 % in 30.6.2024

Ackerstein House:

Introducing Israel's first tower built with prefabricated construction

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

50 apartments
of 50 square meters each

500 square meters
of commercial space

Status: The Herzliya Local Committee approved submitting the company's plan for the complex, pending specified conditions. The zoning plan is not yet approved.



Illustration

Ackerstein Towers: Second Phase¹

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

Approx. 85 square residential units

Status: The plan is being advanced in accordance with the guidelines of the employment area master plan.

1) The company's share in future rights is 47%, compared to 42% in current rights. The Metro Law, finalized in July 2024, reduces the Metro improvement tax to 20% (down from 32%) for building permit applications submitted by 2030, in addition to the standard 40% improvement levy. This reduced rate is lower than the estimate in Q1 2024 and is included in the valuation of Ackerstein Towers in Herzliya.



Potential for growth and value creation in real-estate



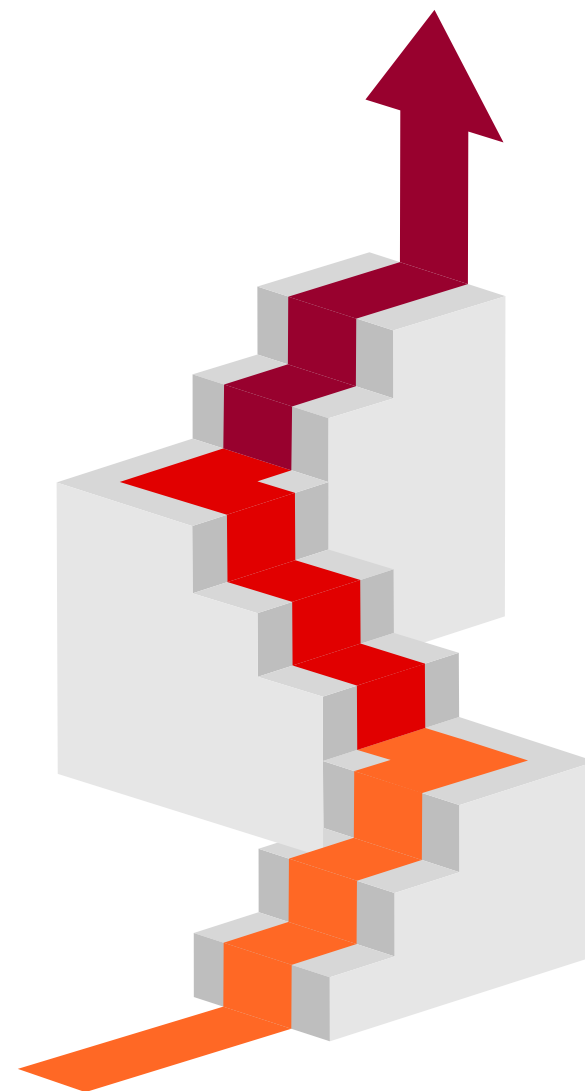
Illustration

+ **Potential value-add**
Ashdod factory

+ **Value-add**
Ackerstein Towers

+ **Value-add**
Ackerstein House

23
ILS Million
2023 NOI



Financial data

H1 2024



Revenue & EBITDA

Consolidated basis, in thousands ILS

	H1 2024	H1 2023
Revenue	408,493	514,172
EBITDA	65,731	88,919
Net profit	29,678	40,426

Industry & Engineering segments

Revenue	363,524	466,796
EBITDA	62,168	88,740

Oversea Industry segment

Revenue	29,913	32,622
EBITDA	(4,370)	(7,137)

Real Estate segment

Revenue	15,111	14,754
EBITDA	7,933	7,316

	2023	2022
Revenue	1,036,962	782,253
EBITDA	182,789	117,858
Net profit	93,615	75,704

Revenue	948,175	661,338
EBITDA	192,233	92,840

Revenue	59,084	91,867
EBITDA	(24,501)	10,137

Revenue	29,703	29,048
EBITDA	15,057	14,881

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



Architectural concrete paving Lido Beach, Ashdod

Investor presentation | August 2024 | 28 |

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Sharon Yaari Photography

Consolidated balance sheet

As of June 30, 2024, and December 31, 2023 in million ILS

:Current assets	24.30.6	31.12.23
Cash and cash equivalents	32	134
Short-term investments	58	-
Customers	260	297
Receivables and others	43	39
Inventory	120	118
Total	513	588

Non-current assets		
Right of use asset, net	40	39
Investment properties	428	427
Fixed assets	819	819
Other	14	15
Total	1,301	1,300

Total assets	1,814	1,888
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Current liabilities	30.6.24	31.12.23
Credit from banks	33	42
Lease current liabilities	8	7
Trade payables	102	140
Other current liabilities	183	178
Total	326	367

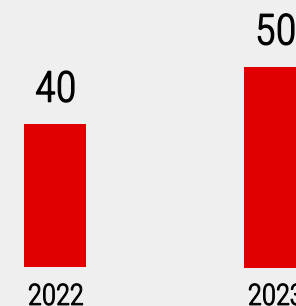
Non-current liabilities		
Liabilities to banks	87	101
Lease liabilities	35	35
Liabilities with respect to other benefits after employment termination	4	4
Deferred taxes, net	228	229
Total non-current liabilities	354	369

Equity	1,134	1,152
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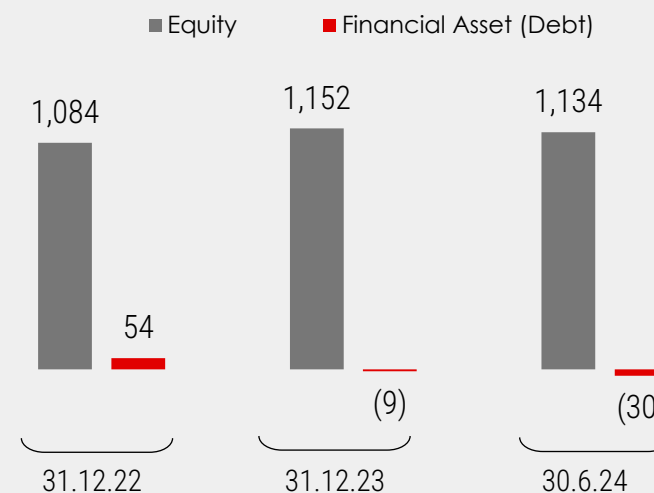
Total liabilities and equity	1,814	1,888
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Dividend (ILS M)

Attributed to profits generated in the years below



Equity and Net Debt development (ILS M)





Photography by Amir Terkel



Solutions aligned with current and future market needs

Comprehensive products and solutions across the entire value chain

Nationwide deployment of advanced production facilities

Maximizing project scope for construction and infrastructure projects



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



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Thank you!

Paving files Boulevard project, Holon