

December 25, 2025

Acro Group Ltd. (the Company)

To:
Israel Securities Authority
Via the MAGNA system

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

Re: Immediate Report

Further to the immediate report of the Company dated February 8, 2023 (the Previous Report)¹, and section 6.4.7 of the Corporate Business Description Report attached as Chapter A to the Company's periodic report for 2024², regarding the engagement of Acro Urban Renewal in Tel Aviv 16 (Limited Partnership), which is held at a rate of 85% by the Company (indirectly), in an agreement to execute an urban renewal project (the Agreement) with rights holders representing about 72% of all rights holders in the project on HaTapuz, HaEmek and Weizmann Streets in Kfar Saba, conditional on precedent conditions, the Company is honored to update as follows:

On December 24, 2025, the Tel Aviv District Planning and Building Committee approved the fulfillment of the conditions required for the approval of the zoning plan in the project and its publication in the official records (an approval that constitutes one of the precedent conditions for the engagement), so that subject to the fulfillment of all precedent conditions and receipt of all permits and approvals for the construction of the project, the project is planned to include the construction of 490 new residential units (of which about 161 units will be allocated to the current owners), about 2,700 sqm of public built areas and about 7,000 sqm for commerce and employment (of which 6 stores with a total area of about 480 sqm for the current owners) (the Project).

It should be clarified that as of this date, the remaining precedent conditions required for the Agreement to come into effect have not yet been fulfilled, the main ones of which were described in the Previous Report. It should also be clarified that the updated estimate of the investments in the Project, including financing costs and overhead (for 100% of the Project), stands at about NIS 1 billion (excluding VAT), reflecting an increase of about NIS 50 million compared to previous Company estimates in this regard. This gap derives from the addition of rights to the Project (including underground areas for parking in the Project), the requirement to build public areas in the Project and the increase in projected construction costs of the Project. However, it should be clarified that according to the estimate of the Company, despite the said increase in Project costs, as of this date there has been no change in the Company's assessment regarding the expected gross profit in the Project as described in section 6 of the Corporate Business Description Report.

For more details about the Agreement and/or the Project, see the details in the previous reports referenced herein. Terms not expressly defined in this report shall have the meanings given to them in the previous reports.

It should be clarified that the aforementioned information regarding the very establishment of the Project (including the number of units to be included therein as well as the rights for residential, commercial and employment use) (the Information) and the expected gross profit in the Project, is forward-looking information as defined in the Securities Law, 1968, which constitutes a preliminary estimate only, based on the Company's experience and the information available to it as of this date, and is subject, among other things, to: obtaining 100% of owners in the area to sign the Agreement; the fulfillment of all conditions precedent stipulated in the Agreement; obtaining all necessary approvals for the execution of the Project; non-fulfillment of the conditions subsequent stipulated in the Agreement; and realization of the Company's estimates regarding the number of apartments

that will ultimately be included in the Project, the actual timetable of the Project, the expected sale prices, conditions

of the agreements the Company will in fact enter into with the Project's contractors and suppliers, and the remaining Project costs (including costs

² Published on March 26, 2025, Reference number: 2025-01-020475 (the periodic report and together with the previous report: the previous reports).

³ 15% of the rights in the project company are held by a third party, which may increase its holdings up to 25% subject to provision of equity as detailed in Note 154 of the periodic report.

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(financing), etc. Naturally, these assessments may not materialize, or may materialize differently than expected, including a material change, among other things, as a result of factors not dependent on the company. In addition, the company's assessments as stated are subject to the non-occurrence of any of the risk factors applicable to the company's activities. Therefore, there is no certainty that the company's assessments will come to pass, and even if they do, there is no certainty that there will not be a change in the company's assessments, including a material change.

Respectfully,

Acro Group Ltd.

Signed by Ziv Yaakobi, CEO and Director