

December 25, 2025

Arit Industries Ltd.

(hereinafter: the Company)

To: Israel Securities Authority www.isa.gov.il

To: Tel Aviv Stock Exchange Ltd. (the
"Exchange") www.tase.co.il

Dear Sirs,

Subject: Continued Report – Approval by the Exchange for Issuance and Registration of Institutional Securities of the Subsidiary Reshef Technologies Ltd., in the Financial Scope of NIS 600 Million and up to Approx. NIS 900 Million Subject to the Exercise of Warrants

Following the immediate report of the Company dated December 22, 2025 (reference no. 2025-01-101771) regarding a private placement (not by way of prospectus) of shares of the subsidiary, Reshef Technologies Ltd. (hereinafter: Reshef), the sale of part of the Reshef shares held by the Company, as well as the granting of unregistered warrants convertible into shares of Reshef by Reshef and non-tradable options convertible into Reshef shares, in a financial scope of NIS 550 million (and up to about NIS 825 million subject to the exercise of warrants) and cancellation of an initial public offering of Reshef (hereinafter, respectively: the report regarding the private placement to institutions and the private placement to institutions), the Company is honored to announce that, following additional orders received from the nostro account of a leading insurance company and another investor (the "Investors"), on December 24, 2025 the Company and Reshef completed an agreement with the Investors for an additional fund raising of NIS 50 million (and up to about NIS 75 million subject to the exercise of warrants) (hereinafter: the "Supplementary Raising").

Together with the Supplementary Raising, the issuance of securities to the institutional entities will stand at NIS 600 million (and up to NIS 900 million subject to the exercise of the warrants). Following and subject to the completion of the private placement to institutions and the Supplementary Raising, Reshef does not intend to carry out another private placement in the near future and has undertaken to the Investors not to conduct additional share offerings for a period of two years (except for an initial public offering of its shares to the public at a value exceeding NIS 5.5 billion).

Half of the supplementary raising amount (approx. NIS 25 million) will be transferred to Reshef against the issuance of 3,180,500 shares and 1,590,250 unregistered warrants of Reshef, and the other half (approx. NIS 25 million) will be transferred to the Company against the sale of 3,180,500 Reshef shares by the Company and the granting of 1,590,250 options for Reshef shares held by the Company.

Subject to the completion of the private placement to institutions and the supplementary raising, the purchasers in these offerings will hold 15.38% of the share capital of Reshef and the Company will hold 84.43% of the share capital of Reshef (not on a fully diluted basis), and assuming full exercise of the warrants convertible into further shares of Reshef (which would constitute 7.41% of Reshef shares on a fully diluted basis) these purchasers would hold 22.22% of the share capital of Reshef and the Company would hold 77.60% of the share capital of Reshef.

Except for the amount of the raising (and consequently the number of shares and options), the other terms of the supplementary raising, including the price per Reshef share (which also includes a right to 0.5 warrant), the period and exercise price of the warrants, the registration for trading on the TASE UP system and the other commitments of the Company and Reshef – are identical to the terms of the private placement to institutions (for further information regarding the main terms of the private placement to institutions, see the report regarding the private placement to institutions).

2024-06-05

Below is a summary table of the holdings in the securities of Reshef before and after the allocation and sale of shares and
Reshef warrants in the private placement to institutions and in the supplemental fundraising, as detailed above¹:

Name of shareholder	Ordinary shares before the institutional offering	Ordinary shares to be issued to institutions by Reshef	Ordinary shares to be sold to institutions by the company	Total issued share capital	Percentage of rights (%) in the issued and paid-up capital and in voting rights	Shares arising from the exercise of non-tradable Reshef warrants ²	Shares to be sold to institutions by the company in accordance with warrant exercises granting this right ³	Total issued share capital (fully diluted)	Percentage of rights (%) in the issued and paid-up capital and in voting rights (fully diluted)
The Company	457,201,400	-	(38,168,000)	419,033,400	84.43%	-	(19,084,000)	399,949,400	77.60%
Other shareholders	961,600	-	-	961,600	0.19%	-	-	961,600	0.18%
Institutions (*)	-	38,168,000	38,168,000	76,336,00	15.38%	19,084,000	19,084,000	114,504,000	22.22%
Total	458,163,000	38,168,000	-	496,331,000	100%	19,084,000	-	515,415,000	100%

(*) Total securities to be issued in the framework of the private placement to institutions.

The supplemental fundraising expresses additional confidence on the part of the institutional entities in the company and its goals, in addition to the contribution
to the business development of Reshef and the strengthening of the capital of the company and of Reshef, as detailed in the report regarding the private placement
to institutions.

On December 24, 2025, the Exchange's approval was received for the listing for trading on TASE UP of the securities of Reshef,
as set forth in the report regarding the private placement to institutions (as defined above) and in this report in connection with the supplemental fundraising.

In light of the foregoing, as of the reporting date, the company and Reshef are working to complete the sale and allocation of the securities to the
institutional investors, as relevant, and to receive the proceeds from the sale and allocation.

Respectfully,
Arite Industries Ltd.
Signed by:

Mr. Chaim Stapler, CEO.
Mr. Zvi Levy, Chairman of the Board.

¹ The data presented in the table below are based on the assumption that the contingent changes to the share capital of Reshef will be made effective after the completion of the private placement to institutions as detailed below:

- Cancellation of the par value of Reshef's share capital;
- Increase of Reshef's registered share capital to 100,000,000,000 shares without par value;
- Allocation of 453,581,370 bonus shares of Reshef without par value, such that after the allocation, the issued and paid-up capital of Reshef will be 458,163,000 shares without par value.

² For every exercise of warrants, half (50%) of the warrants will be Reshef warrants and half (50%) will be company warrants.

³ For every exercise of warrants, half (50%) of the warrants will be Reshef warrants and half (50%) will be company warrants.