



Y.H. Damari Construction and Development Ltd.

("The Company")

October 8, 2025

To:

Israel Securities Authority
Via MAGNA

TEL AVIV STOCK EXCHANGE LTD
Via MAGNA

Subject: Immediate Report Regarding a Significant Private Placement

In accordance with the provisions of the Companies Law, 1999 (hereinafter: "the Companies Law"), the Securities Regulations (Private Offering of Securities in a Listed Company), 2000 (hereinafter: "Private Offering Regulations"), and the Securities Regulations (Periodic and Immediate Reports), 1970 (hereinafter: "Reporting Regulations"), the Company is honored to announce that on October 5, 2025, the Company's Board of Directors approved a significant private placement, as defined in Section 1 of the Private Offering Regulations, of 640,000 ordinary shares of the Company, registered in the name, each with a par value of 1 NIS (hereinafter: "Ordinary Shares" and "the Offered Shares", respectively) in exchange for a total of 233,600,000 NIS (the Offered Shares shall hereinafter be referred to as: "the Offered Securities").

1. The Offerees

1.1. The following are the details of the offerees:

Name	Number of Ordinary Shares	Consideration (in thousands of NIS)
Menora Mivtachim Israel Equity ETF	210,000	76,650
Israeli Equity ETF Partnership (Harel)	430,000	156,950

(together hereinafter: "the Offerees").

1.2. To the best of the Company's knowledge, as of the date of this report, the Offerees are classified investors, as defined in Regulation 1 of the Securities Regulations (Manner of Offering Securities to the Public), 2007, and are not "interested parties" in the Company, as defined in Section 270(5) of the Companies Law, except for "Israeli Equity ETF Partnership (Harel)" (hereinafter: "Harel"), who, as a result of the allocation subject to this report, are expected to become interested parties in the Company by virtue of their holdings. To the best of the Company's knowledge, the controlling shareholders of Harel are Mr. Yair Hamburger ID 007048671, Gideon Hamburger ID 007048663, and Nurit Manor ID 051171312, and they hold Harel mainly through "G.Y.N. Economic Consulting and Investment Management 2017 Limited Partnership (Partnership No. 550272587) ("G.Y.N. Partnership").

"Classified Investor" - one of the following: (1) Portfolio manager as defined in Section 8(b) of the Advisory Law, purchasing at his discretion for a client's account; (2) A corporation wholly owned by one or more classified investors, purchasing for itself or for another classified investor; (3) An investor listed in Section 15A(b)(2) of the Securities Law, 1968 (hereinafter: "Securities Law"); (4) An investor listed in items (1) to (9) or (11) of the First Schedule to the Securities Law, purchasing for itself. In addition, a classified investor must commit to purchase securities in an amount of at least 800,000 NIS.



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A partnership under their full control and ownership, in which they hold as limited partners, through private companies wholly owned by them, and also hold the general partner in the G.Y.N. Partnership.

2. Terms of the Offered Securities, Their Quantity, and the Percentage They Will Constitute of the Company's Share Capital

- **2.1. Quantity of Offered Securities and the Percentage of the Company's Share Capital**

- The Company will allocate to the Offerees a total of 640,000 ordinary shares of the Company. The allocated shares will constitute approximately 3.11% of the issued and paid-up share capital of the Company and of the voting rights therein (hereinafter: "Company's Share Capital"). After the allocation, the shares will constitute approximately 3.02% of the Company's share capital and approximately 2.91% of the Company's share capital on a fully diluted basis^[202]

- **2.2. Terms of the Offered Shares**

- **2.2.1.** The offered shares to be allocated by the Company according to this report will, after their allocation, have equal rights to the existing ordinary shares in the Company's issued share capital. For the rights attached to the Company's shares, see the Company's Articles of Association as published by the Company on November 8, 2020 (Reference No.: -2020-01-111358).
- **2.2.2.** The offered shares according to this report will be registered in the Company's shareholders register in the name of Mizrahi Tefahot Registration Company Ltd. (hereinafter: "the Registration Company").

3. Share Price on the Stock Exchange and Their Percentage Ratio

- **3.1.** The closing price set for the Company's shares on the stock exchange on September 30, 2025, which was the last trading day prior to the Board of Directors' approval date, was 381.5 NIS per ordinary share of the Company (hereinafter: "Share Price on the Stock Exchange on the Trading Day Prior to the Board Approval Date").
- **3.2.** The price of the offered shares constitutes approximately 95.67% of the share price on the stock exchange on the trading day prior to the Board approval date.

4. The Company's Share Capital, the Quantity and Percentage of Holdings of the Offerees and Interested Parties in the Company

The Company's registered share capital prior to the allocation of the offered securities is 100,000,000 ordinary shares. The issued and paid-up share capital of the Company prior to the allocation of the offered securities consists of 20,721,971 ordinary shares, and after the allocation, will amount to 21,361,971 ordinary shares, and on a fully diluted basis 22,200,199 ordinary shares^[202]^[202].

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Below is a breakdown of the holdings of the Offerees, interested parties in the Company, and the total holdings of other shareholders in the Company in the issued and paid-up share capital and voting rights in the Company, to the best of the Company's knowledge, as of the date of publication of this report and assuming the allocation of the offered securities as stated: ^[204], ^[203]

Holder Name	Quantity and Percentage of Holdings in Issued and Paid-Up Share Capital and Voting Rights In the Company Before the Allocation of the Offered Securities	Quantity and Percentage of Holdings in Issued and Paid-Up Share Capital and Voting Rights In the Company After the Allocation of the Offered Securities
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		Without Dilution		Fully Diluted		Without Dilution		Fully Diluted	
		Percentage	Shares	Percentage	Shares	Percentage	Shares	Percentage	Shares
Yigal Damari		58.40%	12,102,286	56.13%	12,102,286	56.65%	12,102,286	54.51%	12,102,286
Y.H. Damari Construction and Development Ltd.		0.00%	175,922	0.00%	175,922	0.00%	175,922	0.00%	175,922
Clal Insurance - Provident Funds		5.06%	1,049,284	4.87%	1,049,284	4.91%	1,049,284	4.73%	1,049,284
Clal Insurance - Nostro		0.07%	15,235	0.07%	15,235	0.07%	15,235	0.07%	15,235
Migdal Insurance - Profit Participating		4.96%	1,027,957	4.77%	1,027,957	4.81%	1,027,957	4.63%	1,027,957
Migdal Insurance - Mutual Funds		0.97%	201,260	0.93%	201,260	0.94%	201,260	0.91%	201,260
Public and additional offerees detailed in Section 1.1 above, excluding the offerees in the above rows of this table		30.53%	6,150,027	33.23%	6,988,255	32.61%	6,790,027	35.15%	7,628,255
Total		100.00%	20,721,971	100.00%	21,560,199	100.00%	21,361,971	100.00%	22,200,199

5. Consideration and How It Was Determined

The offered shares are offered at a price per share of 365 NIS. The consideration was determined through negotiations between the parties.

6. The Name of Any Significant Shareholder or Officer in the Company Who, to the Best of the Company's Knowledge, Has a Personal Interest in the Consideration and the Nature of Each One's Personal Interest

To the best of the Company's knowledge, as of the date of this report, none of the interested parties has a personal interest in the consideration according to this report, except for the offerees themselves.

7. The Offered Securities Will Be Allocated to the Offerees Shortly After Receiving All Approvals Required by Law for the Private Offering, Including:

- The allocation of the securities subject to this report is conditional upon the fulfillment of all the following precedent conditions cumulatively:
 - **7.1.** Approval by the Company's Board of Directors of the allocation of the offered securities, such approval was received on October 5, 2025;
 - **7.2.** Receipt of approval from the TEL AVIV STOCK EXCHANGE LTD (hereinafter: "the Stock Exchange") for the listing for trading of the offered shares. The Company will apply to the Stock Exchange for the listing of the offered shares for trading shortly after the publication of this report.

If the private placement does not take place for any reason, including due to non-fulfillment of the precedent conditions, and this until the end of 21/14 business days from the date of the commitment letter by the offerees, the offer will be canceled.

8. Agreements Between the Offerees and Other Shareholders

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To the best of the Company's knowledge, and after inquiry with the offerees, as of the date of this report, there are no agreements, written or oral, between the offerees and other shareholders in the Company or between the offerees and others, regarding the purchase or sale of the Company's securities or regarding voting rights in the Company.

9. Restriction or Limitation on Activity in the Offered Securities

- The sale of the offered shares is subject to the provisions of Section 15C of the Securities Law, 1968 and the Securities Regulations (Details Regarding Sections 15A and 15C of the Law), 2000, as detailed below:
 - **9.1 Absolute Lock-Up Period** – It is prohibited to offer the offered shares on the stock exchange if six (6) months have not yet passed from the date of allocation of the securities.
 - **9.2 Drip Period** – For six (6) consecutive quarters, counted from the end of the period mentioned in paragraph (1) above, the offerees may offer on any trading day a quantity of shares not exceeding the daily average trading volume on the stock exchange in the Company's shares during the eight (8) weeks preceding the offer day, provided that the offerees do not offer in one quarter a quantity of shares exceeding 1% of the Company's issued and paid-up share capital.
 - For this purpose, "quarter" means a period of three months; the first quarter begins at the end of the period mentioned in section 10.1 above.

The above shall also apply to shares purchased from the offerees during the absolute lock-up period or the drip period as stated, not according to a prospectus and not during trading on the stock exchange.

The offerees have undertaken and declared that they are aware that the offered shares will be subject to resale restrictions (lock-up) in accordance with the Securities Law and that they will act in the securities in a manner that will not be considered a violation of the Securities Law regarding these restrictions (the lock-up), and they have undertaken to comply with the restrictions imposed on them by virtue of the lock-up provisions.

10. Date of Allocation of the Offered Shares to the Investor

The offered shares will be allocated shortly after receiving the required approvals as detailed in Section 7 above.

Respectfully,

Y.H. Damari Construction and Development Ltd.

By Noa Toizer, Company Secretary

FOOTNOTE:

¹⁰¹ "Classified Investor" – one of the following: (1) Portfolio manager as defined in Section 8(b) of the Advisory Law, purchasing at his discretion for a client's account; (2) A corporation wholly owned by one or more classified investors, purchasing for itself or for another classified investor; (3) An investor listed in Section 15A(b)(2) of the Securities Law, 1968 (hereinafter: "Securities Law"); (4) An investor listed in items (1) to (9) or (11) of the First Schedule to the Securities Law, purchasing for itself. In addition, a classified investor must commit to purchase securities in an amount of at least 800,000 NIS.

²⁰² It should be noted that the above data are net of 175,922 dormant shares as defined in Section 308 of the Companies Law (Security No. 1090315).

²⁰³ The data regarding the holdings of institutional entities are to the best of the Company's knowledge and as of June 30, 2025.

²⁰⁴ The data in the table refer only to interested parties before the allocation date. Regarding offerees who were not interested parties at the allocation date, the Company has no data regarding their percentage holdings in the Company.