

December 23, 2025

Achi Dunitz Ltd. (the Company)

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

To: Tel Aviv Stock Exchange Ltd. www.tase.co.il

Dear Sir/Madam,

Re: Execution of a Supermajority Signature in the One Ha'Am Urban Renewal Project in Hadera

In reference to section 8.8.1 of Part A of the Company's annual report for the year 2024 (published by the Company on March 27, 2025, reference no.: 2025-01-021710 (the periodical report)), regarding the One Ha'Am urban renewal project in Hadera, the Company is pleased to announce that on December 22, 2025, the Company (through Yisrael Europa (A.A.) Ltd., a consolidated company held by the Company at a rate of 50%, as detailed in section 2.7 of the periodical report (the consolidated company)), signed an agreement to carry out the urban renewal project with approximately 70% of the rights holders in the real estate (who own more than 50% of the common property) known as parcels 441-443, block 10036, on One Ha'Am Street (corner of Hillel Yaffe) Hadera (the owners, the agreement, the project and the real estate, respectively), thus crossing the required signature threshold according to law and according to the agreement.

As part of the planned project, three existing buildings on the real estate will be demolished, which include 43 housing units and several commercial units (the existing buildings), and in their place, it is planned (according to the consolidated company's plans) to construct a new residential complex with 267 housing units (43 of which will belong to the owners and 224 for marketing) as well as public/commercial/office spaces, subject to the approval of a new city plan which the consolidated company has begun proceedings to promote (the city plan). (The project is included in a master plan promoted by the Government Authority for Urban Renewal) and the receipt of the required permits.

The main terms of the agreement are as follows:

- 1) As part of the agreement, the consolidated company undertook to provide construction services to the owners, including the demolition of the existing buildings and the construction of the new ones – among them, inter alia, 43 apartments for the owners.
- 2) The agreement contains a clause according to which the project will be declared as an urban renewal complex under the statutory authorities' pathway as defined in the Real Estate Taxation Law (Appreciation and Purchase), 1963, and the Government Authority for Urban Renewal Law, 2016.
- 3) The agreement contains several suspensive conditions customary in such agreements, the main ones being: completion of obtaining the signature of all (100%) owners of the real estate (including via a judicial decision), completion of the approval process of the city plan, declaration of the project complex as an urban renewal complex, as mentioned above, obtaining a building permit, and obtaining bank financing (the suspensive conditions).

According to the consolidated company's plans and estimates, as of the date of this report, the total expected revenues from the project are approximately ILS 484,240 thousand (excluding VAT) and are based on the assumption that the planned average size of a saleable unit in the project is approximately 110 square meters, with an expected gross profit margin of about 20%. According to the consolidated company's working assumptions, the expected construction commencement date is during 2029 and construction works are expected to last about 3 years.

The above-mentioned information includes forward-looking information, as defined in the Securities Law, 1968, in connection with the project, including but not limited to the scope of the project, number of residential units to be built, number of residential units for marketing, the total expected revenues in the project, the expected gross profit margin, project scheduling and the very implementation of the project (the information). The information is based on the assessments of the Company and the consolidated company, relying on the forecasts and estimates of the Company and the consolidated company, including estimates regarding completing the promotion of the city plan procedures for the project and completing planning procedures in accordance with the

company's plans, project construction costs and expected sale prices. It should be emphasized that at this stage there is no certainty that these estimates will be realized as they are based on events outside the Company's sole control. The above information may materialize differently than expected by the Company and the consolidated company, including materially or not at all, due to a variety of reasons, among others, non-advancement or delays in statutory procedures including the city plan approval process by the planning authorities, changes in the scope of building rights by the planning authorities compared to the Company's and consolidated company's plans, changes in sales prices, increase in construction input costs, non-fulfillment of any of the suspensive conditions, and realization of any of the Company's risk factors detailed in Part A of the Company's periodical report.

Respectfully,
Ronen Yafe, CEO
Achi Dunitz Ltd.