Veridis Environment Ltd.

("the Company")

To March 17, 2026

Israel Securities Authority

Via MAGNA

To

The Tel-Aviv Stock Exchange Ltd.

Via MAGNA

Re: Substantial private placement of the Company's shares that is not exceptional

1. General

The Company is pleased to hereby announce, in accordance with the Securities Regulations (Private Placement of Securities in a Listed Company), 5760-2000 (hereinafter: the "**Private Placement Regulations**"), that on March 17, 2026, the Company's Board of Directors approved a private placement of 8,333,300 ordinary shares of the Company, of NIS 0.01 par value each (hereinafter: the "**Offered Shares**" and the "**Ordinary Shares**", as applicable), to third parties, who are not related to the Company and/or its controlling shareholder, and who, to the best of the Company's knowledge, are institutional investors included among the investors listed in the First Addendum according to Section 15A(b) of the Securities Law, 5728-1968 (hereinafter: the "**Offerees**" and the "**Private Placement**", as applicable).

To the best of the Company's knowledge, out of the Offered Shares, a total of 3,888,900 shares are offered to the Phoenix Israel Equity Partnership, from the Phoenix Group, which is an interested party in the Company by virtue of the group's holdings in the Company's shares for the private placement that is the subject of this immediate report, and therefore is an "interested party" in the Company as defined in Section 270(5) of the Companies Law, 5759-1999[1].

To the best of the Company's knowledge, based on information provided to it by the Offerees, the remaining Offerees are not an "interested party" and will not become such after the completion of the Private Placement.

The Company is pleased to hereby provide details regarding the Private Placement as required under the Private Placement Regulations, as detailed below:

2. Terms of the Offered Shares

Within the framework of the private placement to the Offerees (which will be carried out subject to receiving the approval mentioned in Section 5 below), the Offered Shares will be allocated to the Offerees by the Company, concurrently with and against a payment of NIS 36 per one ordinary share of the Company, amounting to a total (gross) amount of approximately NIS 300 million.

The Offered Shares that will be issued to the Offerees will constitute, immediately after their allocation, a rate of approximately 5.43% of the issued and paid-up share capital of the Company and of the voting rights therein (hereinafter: "**the Company's capital**") after the allocation, and a rate of approximately 5.36% of the Company's capital on a fully diluted basis,[2] as of the date of this immediate report.

Except for the lock-up restrictions that will apply to the Offered Shares as detailed in Section 9 below, the Offered Shares will be equal in their rights, for all intents and purposes, to the existing shares in the Company's capital as of the date of this immediate report and, among other things, will entitle their owners to any dividend and any other distribution for which the record date for receipt is on the date of their allocation or later.

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[1] For details regarding the Phoenix Group and its controlling shareholders, see the immediate report regarding the status of holdings of interested parties in the Company as of December 31, 2025, as published by the Company on January 6, 2026 (Reference No.: 2026-01-002373) ("**Interested Parties Holdings Status**"), the information included in which is presented in this report by way of reference.

[2] "**The Company's capital on a fully diluted basis**" is the issued and paid-up capital of the Company assuming full exercise of the Company's convertible securities that are in effect and have not yet been exercised as of the date of this immediate report.

3. Price of the offered shares on the Tel Aviv Stock Exchange Ltd.

The closing price of the Company's shares on the Tel Aviv Stock Exchange Ltd. (hereinafter: "the Exchange") on the trading day preceding the publication date of this immediate report (March 16, 2026) was 3,650 agorot (NIS 36.5), which is approximately 1.4% higher than the price per share in the private placement.

4. Consideration

As stated, each share will be issued to the offerees at a price of NIS 36, so that the total gross consideration to be received from the offerees will amount to approximately NIS 300 million. The consideration was determined in negotiations between the Company and the offerees.

5. Required approvals or conditions set for the execution of the allocation according to the offer

The private placement subject of this immediate report is subject to receiving the Exchange's approval for the listing for trading of the offered shares according to this report. The Company will apply to the Exchange for the listing of the offered shares for trading shortly after the publication date of this immediate report. The allocation of the offered shares will take place shortly after receiving the Exchange's approval.

6. Date of allocation of the offered shares

As detailed in Section 5 above, the Company will allocate the offered shares to the offerees subject to and after receiving the Exchange's approval for their listing for trading of the offered shares.

In accordance with the TASE Regulations, all offered shares will be registered in the Company's securities register in the name of the Registration Company of the Tel Aviv Stock Exchange Ltd.

7. The Company's Capital

The authorized share capital of the Company is 200,000,000 ordinary shares. As of the date of this immediate report, the Company's issued capital includes 145,165,310 ordinary shares. After the private placement, the Company's issued capital will stand at 153,498,610 ordinary shares, and on a fully diluted basis (i.e., assuming the allocation of the offered shares and the conversion of the Company's convertible securities, which have not yet been exercised as of this date), at 155,373,610 ordinary shares.

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To the best of the Company's knowledge, below are the details of the holdings of the offerees, interested parties, and other shareholders in the issued and paid-up share capital of the Company and its voting rights[3] :

Name	Before the Allocation				After the Allocation			
	Ordinary Shares	Non-marketable warrants for employees and officers	Holding rate in the issued and paid-up share capital and in the voting rights of the Company	Holding rate in the issued and paid-up share capital and in the voting rights of the Company (fully diluted)	Ordinary Shares	Non-marketable warrants for employees and officers	Holding rate in the issued and paid-up share capital and in the voting rights of the Company	Holding rate in the issued and paid-up share capital and in the voting rights of the Company (fully diluted)
Delek Automotive Systems Ltd.	72,683,333		50.07%	49.43%	72,683,333		47.35%	46.78%
Israel Infrastructure Fund 3 General Partner Company Ltd.	15,575,001		10.73%	10.59%	15,575,001		10.15%	10.02%
General Partner - Israel Infrastructure GP 4, Limited Partnership	13,047,668		8.99%	8.87%	13,047,668		8.5%	8.4%
Harel Insurance Investments and Financial Services Ltd. - Nostro	130,532		0.09%	0.08%	130,532		0.09%	0.08%
Harel Insurance Investments and Financial Services Ltd. - Provident Funds	5,601,774		3.85%	3.81%	5,601,774		3.65%	3.61%
Harel Interested Parties Mutual Funds and ETFs	859,335		0.56%	0.55%	859,335		0.56%	0.55%
Menora Mivtachim Holdings Ltd. - Provident Funds and Provident Fund Management Companies	14,892,894.89		10.26%	10.13%	14,892,894.89		9.7%	9.59%
Menora Mivtachim Holdings Ltd. - Nostro	22,600		0.02%	0.02%	22,600		0.01%	0.01%
Phoenix Finance Ltd. - Nostro	615,455		0.40%	0.10%	615,455		0.4%	0.4%
Phoenix Finance Ltd. - Provident Funds and Provident Fund Management Companies	11,061,566		7.62%	7.52%	14,950,466		9.74%	9.62%
Phoenix Finance Ltd. - Profit-Participating Life Insurance Accounts	60,492		0.04%	0.04%	60,492		0.04%	0.04%
Phoenix Investment House Ltd. - Mutual Funds	895,139.67		0.58%	0.58%	895,139.67		0.58%	0.58%
Phoenix Investment House Ltd. - Market Making	-503.67		0%	0%	-503.67		0%	0%
Ilan Ben Simon	330,000	430,000	0.23%	0.22%	330,000	430,000	0.21%	0.21%
Ofer Zelermayer	3,560		0%	0%	3,560		0%	0%

[3] The data is to the best of the Company's knowledge and in accordance with the current interested party holdings status of the Company reflecting the quantities of securities held by institutional entities and senior officers, plus the orders according to this report.

Name	Before Allocation				After Allocation			
	Ordinary shares	Non-marketable warrants for employees and officers	Holding percentage in the issued and paid-up share capital and in the voting rights of the company	Holding percentage in the issued and paid-up share capital and in the voting rights of the company (fully diluted)	Ordinary shares	Non-marketable warrants for employees and officers	Holding percentage in the issued and paid-up share capital and in the voting rights of the company	Holding percentage in the issued and paid-up share capital and in the voting rights of the company (fully diluted)
Senior officers who are employees and are not interested parties	470,000	970,000	0.32%	0.32%	470,000	970,000	0.31%	0.30%
Additional offerees who are not interested parties and will not be interested parties after the allocation	0		0%	0%	4,444,400		2.9%	2.86%
Remaining public holdings	8,916,463.1		6.14%	6.06%	8,916,463.1		5.81%	5.74%
Total	**145,165,310**	**1,400,000**			**153,498,610**	**1,400,000**		

8. **Agreements between the Offerees and holders of the Company's shares**

To the best of the Company's knowledge and as informed by the Offerees, as of this date, there are no agreements, whether written or oral, between the Offerees and shareholders in the Company and/or between the Offerees, all or some of them, among themselves or with others, regarding the purchase or sale of securities of the Company or regarding voting rights in the Company.

9. **Material shareholder or senior officer who has a personal interest in the consideration and the nature of the interest**

To the best of the Company's knowledge, there is no material shareholder or senior officer who has a personal interest in the consideration that deviates from the interest of the rest of the Company's shareholders.

10. **Lock-up provisions and transfer restrictions applying to the Offerees**

Pursuant to the Securities Law, 5728-1968 and the Securities Regulations (Details regarding Sections 15A to 15C of the Law), 5760-2000, the following restrictions shall apply to the sale during TASE trading of the offered shares under the private placement that is the subject of this immediate report:

10.1 Prohibition to offer the offered shares during TASE trading for six months from the date of allotment of the offered shares.

10.2 During six consecutive quarters from the end of the aforementioned six months, the Offerees shall be entitled to offer on any trading day a quantity of shares that does not exceed the daily average of the trading volume on TASE in the Company's shares during an eight-week period prior to the day of the private placement, provided that regarding the offered shares, the Offerees shall not offer in one quarter a quantity of shares exceeding one percent of the issued and paid-up capital of the Company.

For this purpose, "issued and paid-up capital" – excluding shares resulting from the exercise or conversion of convertible securities allotted by the date of the private placement and not yet exercised or converted.

For this purpose, "quarter" – means a period of three months; the first quarter begins at the end of the period stated in sub-section 7.1 above.

The Offerees have undertaken to comply with the restrictions imposed on them by virtue of the lock-up provisions.

Sincerely,

Veridis Environment Ltd.

By: Benny Bar On, CFO

and Hagit Bensch, Legal Counsel