M. Yohananof and Sons (1988) Ltd.

("the Company")

To

Israel Securities Authority

via MAGNA

February 2, 2026

To

The Tel Aviv Stock Exchange Ltd.

via MAGNA

Dear Sir/Madam,

Subject: Partnership in Binyamina for the Construction of a Commercial Center

The Company is pleased to announce that it has entered into an agreement with Shay Hi Ltd. ("Shay Hi") and several other third parties, who are not related to the Company (together with Shay Hi: **"the Partners"**), in an agreement for the purchase and partnership to promote the entrepreneurship, planning, and joint execution of a project to establish a commercial center, with an area of approximately 14 thousand square meters[1], on land of approximately 17 dunams in Binyamina (**"the Land"** and **"the Complex"**).

In accordance with said engagement, the Company will purchase from the Partners 30% of the ownership rights in the Land[2] on which the Complex will be built, for a total consideration of approximately NIS 17 million[3].

Funding of the construction costs of the Complex will be provided by each of the parties separately, in accordance with their holding ratio, by themselves, or through joint bank financing, while the management of costs in connection with the construction of the Complex, as well as current management after completion of construction, will be performed by Shay Hi. Decision-making in connection with the project will be made by the parties jointly within the framework of the joint venture agreement, and in accordance with its terms.

The commercial center to be built as mentioned on the Land is expected to include, among other things, a retail store of the Company, which the Company will rent from the joint venture for a period of up to 20 years. Profits from the operation of the Complex, including from the rent that will be paid for the Company's retail store, will be distributed between the parties according to their holding rates in the Complex.

In addition, customary mechanisms in agreements of this type were established, such as provisions regarding management services to be provided by Shay Hi to the Complex, dispute resolution, transfer of rights and separation, including first rights and tag-along rights under set conditions.

As of this date, the Partners are working to obtain a building permit for the construction works of the Complex. The Company expects that the construction costs attributed to it for the Complex will be in the total amount of approximately NIS 16 million (excluding land acquisition price and financing costs, if any).

Except for the above regarding the Company's engagement in the set of agreements with the Partners as mentioned above, everything stated in this report is forward-looking information (as defined in the Securities Law, 5728-1968).

[1] Including parking areas.

[2] A number of plots, which the parties expect will undergo a consolidation process, where ownership will be 30% in each of the plots.

[3] Part of the payment will be paid directly to the lending bank of one of the partners, for the repayment of part of that partner's mortgage for the Land.

Including the completion of the acquisition of rights in the land, and as a result the coming into effect of the joint venture agreement, receipt of a building permit, commencement of establishment works and completion of the establishment of the complex on the land, establishment of a retail store in the complex, as well as the costs involved, and the dates described above. The aforementioned events and estimates are not within the Company's control and their actual realization may be materially different from what was planned.

Sincerely,

M. Yohananof and Sons (1988) Ltd.

Signed by: Eitan Yohananof, CEO and Director

Hezi Sidon, Head of the Legal Department and Company Secretary