

Elco Group

Capital Market Presentation

Q2 & H1
Overview, 2025



ELCO

The Elco Group stands shoulder to shoulder with the brave servicemen and women of the Israel Defense Forces and security services, who continue to put their lives on the line to protect the safety and future of our country. We all look forward to the swift release of the hostages and hope for better days ahead.

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Furthermore, the presentation may include data and estimates based on external sources that have not been externally reviewed by the Company, and the Company bears no responsibility for their accuracy.

Who We Are

The Israeli Investment Company with a Global Presence

Our Operational Strategy

- Prudent management via a lean, focused executive team
- Focus on generating cash flows to maximize value
- Stringent management of a conservative leverage policy
- Holding companies and ventures in which the Group can exercise effective control
- Diverse contracting, retail, service, and trade portfolio
- Full involvement of the controlling shareholders and executive team in ongoing activities, building on many years of experience
- Growth and improvement while identifying and realizing opportunities within the activity sectors of the Group's companies
- Focus on major areas for the local growth engine

ABOUT US

Elco – Facts & Figures

A Family-Controlled Public Company Active for 75 Years in Israel & Worldwide

Established
1949

63.5%
Controlling Interest

Approx.
24,000
Employees Worldwide

Traded on Indexes
TA-90, TA-125, TA-Family

Approx. NIS
4.7
Billion
Market Cap [1]

Approx. NIS
10.9
Billion
Revenue, H1 2025

Approx. NIS
5.5
Billion
Revenue, Q2 2025

Approx. NIS
908
Million
EBITDA, H1 2025

Approx. NIS
431
Million
EBITDA, Q2 2025

NIS **65** Million
Dividend
Paid & Declared in 2025
(as of publication)

NIS **61** Million
Total Dividend Received & Declared from Held Companies in 2025
(as of publication)

Approx. NIS
2.2
Billion
Shareholder Equity as of June 30, 2025

Approx. NIS
6.4
Billion
Net Asset Value (NAV) [2]

Approx. NIS
806
Million
Net Solo Debt as of June 30, 2025 [3]

Approx.
10%
Solo Leverage [4]

ilAA-
Company & Bond Rating by S&P Maalot

1. Closing price on Aug 25, 2025.
2. Public companies – closing price on Aug 25, 2025. Private companies – values stated in the company's books as of June 30, 2025. Financial debt – values stated in the company's books as of June 30, 2025, less the balance of the proceeds from exercising the option to sell Electra Ltd. shares, received immediately after the reporting date.
3. Does not include approx. NIS 66 million received by the company immediately after the reporting date as consideration from exercising the option to sell Electra Ltd. shares.
4. See footnote 2 above.

Activities

Leading Israel's Main Growth Engines, with Significant & Growing Overseas Activities



ELECTRA CONSIDER IT DONE

(46%)

Public Company (TA-90)

Main Areas of Activity

Contracting & Infrastructure in Israel

Contracting & Infrastructure in the USA & Europe

Facility Management

Real Estate Initiation & Development

Concessions in Infrastructure, National Projects & Transportation Services



ELECTRA CP

(45%)

Public Company (TA-90)

Main Areas of Activity

Electrical Appliances

Electrical Retail Stores

F&B Retail Stores

Sports & Leisure Brands

Real Estate Investments



ELECTRA REAL ESTATE

(51%)

Public Company (TA-90)

Private Equity Fund Manager

3 Multifamily Investment Funds in the USA

2 Debt Funds for Multifamily Financing in the USA

Active in Single-Family Rentals (SFR) in the USA

Hotel REIT Fund in the USA

Office Investment Fund in the UK

Single-Family Rental Fund in the USA (SFR-BTR)



ELECTRA POWER

(61%)

Public Company

Main Areas of Activity

LPG Sector

Natural Gas & Cogeneration Sector

Electricity Supply Sector



DIC DISCOUNT INVESTMENT CORPORATION

(29.8%)

Public Company

Main Areas of Activity

Income-Producing Office Real Estate in Israel via Holding in Gav-Yam Land Corporation Ltd.

Income-Producing Office Real Estate in the USA via Holding in 10 Bryant Park



ELCO

Additional Activities

Dream Group Holdings

Operates a chain of movie theaters nationwide

Elco Hospitality

Owns and operates "The George" hotel in Tel Aviv

H1 2025 at Elco Group

The strategy of focusing and improving the companies is bearing fruit | notable improvement in KPIs for most companies

ELCO

Returned to net profit – NIS 55 and 107 Million in Q2 and H1 2025, respectively

Improved and reinforced the financial structure

Realized Electra Ltd. shares for a total consideration of approx. NIS 171 Million

Obtained approval for a plan to self-purchase the company's bonds – up to NIS 100 Million

Received confirmation of the company's S&P Maalot rating of ilAA-/stable

Acquired the remaining partner holdings (70%) in the George Hotel property for a consideration of approx NIS 226 Million

ELECTRA

Established and consolidated US operations, achieving a significant backlog

Opportunistic acquisitions – PJ Mechanical in the US and Terre Armee* in Israel

Record order backlog – reflecting broad-based growth across all sectors

Sold holdings in the Netanya Government Complex – reduced debt by approx. NIS 280 Million alongside capital gains

ELECTRA CP

The food sector is experiencing significant growth momentum – revenue growth (2.3% vs. 2024) and a jump in profit (151% vs. 2024)

Strong results in Q2 2025 despite the war with Iran

Ended plant operations for producing heat pumps, as part of the focus strategy

Strategic real estate transaction* - acquisition of part of the Reality Fund, creating adjacent lots covering more than 15 acres

ELECTRA REAL ESTATE

New funds – first closing for the BTR/SFR fund, and initial steps to establish a 5th fund for multi-family investments

Opportunistic acquisitions in the BTR/SFR fund – 2 BTR complexes at prices reflecting an approx. 5.9% capitalization rate (approx. 20% below market prices)

Current distributions to fund investors – approx. $340 Million since the start of the year

Turning point in the multi-family market – decreased supply alongside increased demand for rental housing

ELECTRA POWER

Six months of moderate growth in all KPIs

Implemented a strategic growth plan for the company's activities, following the streamlining plan that was instituted at the end of the previous year

Continued to improve the capital structure and reduce debt in relation to the balance sheet

DIC

Continued implementation of the strategy to focus on income-generating real estate activities through Property & Building Corp.

10 Bryant Tower – Improvements:

Lease agreement with an Amazon Group corporation – approx. 330,000 sq. ft.

Lease agreement with the Life Time health clubs chain – approx. 52,000 sq. ft.

Tower's valuation updated to $700 Million

*This transaction has not yet been completed. The completion of this transaction constitutes forward-looking information as defined in the Securities Law, as detailed on Slide 3 of this presentation.

2025

Focus & Improvement Strategy While Maintaining Financial Strength

Focus

Continuing to implement the focus strategy throughout existing activities

Israeli Economic Reconstruction & Renewal – War Fallout

The Group has a strong presence in all pillars of the Israeli economy

Many opportunities within reconstruction due to damage caused by the war and the shift in national perception in its wake, alongside expected economic growth once the war concludes

Value Addition

Continuing to implement measures to improve and maximize the potential of Group companies

Using growth-enhancing measures alongside efficiency measures where needed

Finance

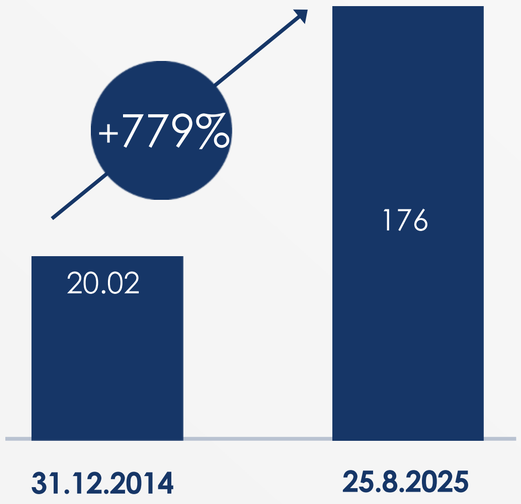
Adhering to the strategy of reducing debt at the Elco level

Continuing commitment to low leverage

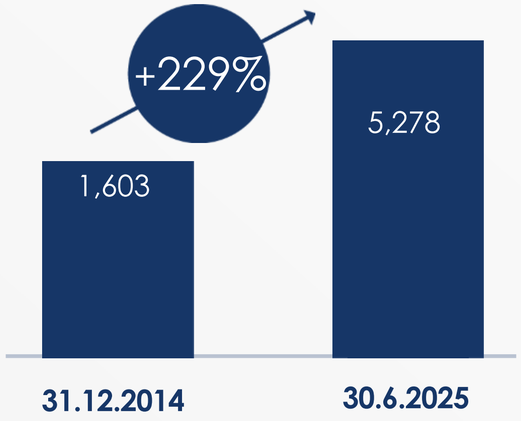
Elco 2014-2025

From Traditional Industry to an Infrastructure & Retail Giant

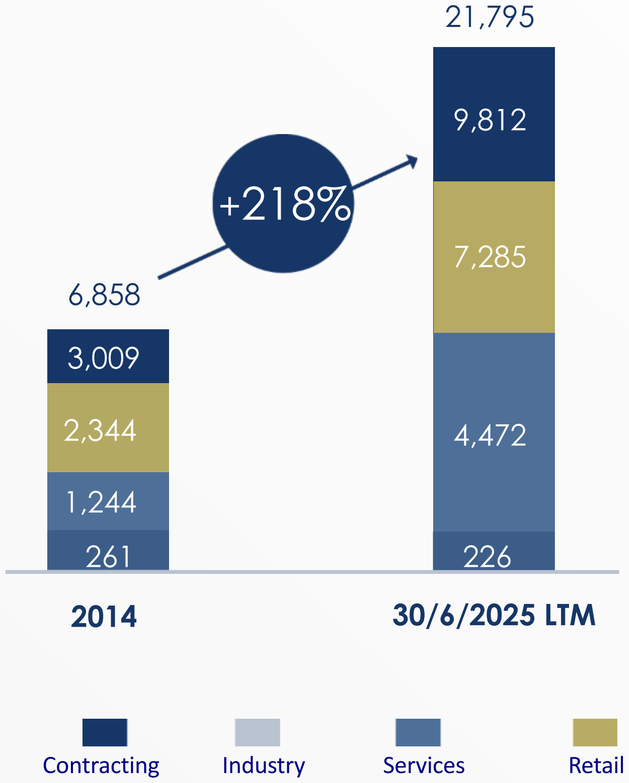
Elco Share Price



Consolidated Equity
(NIS Thousands)

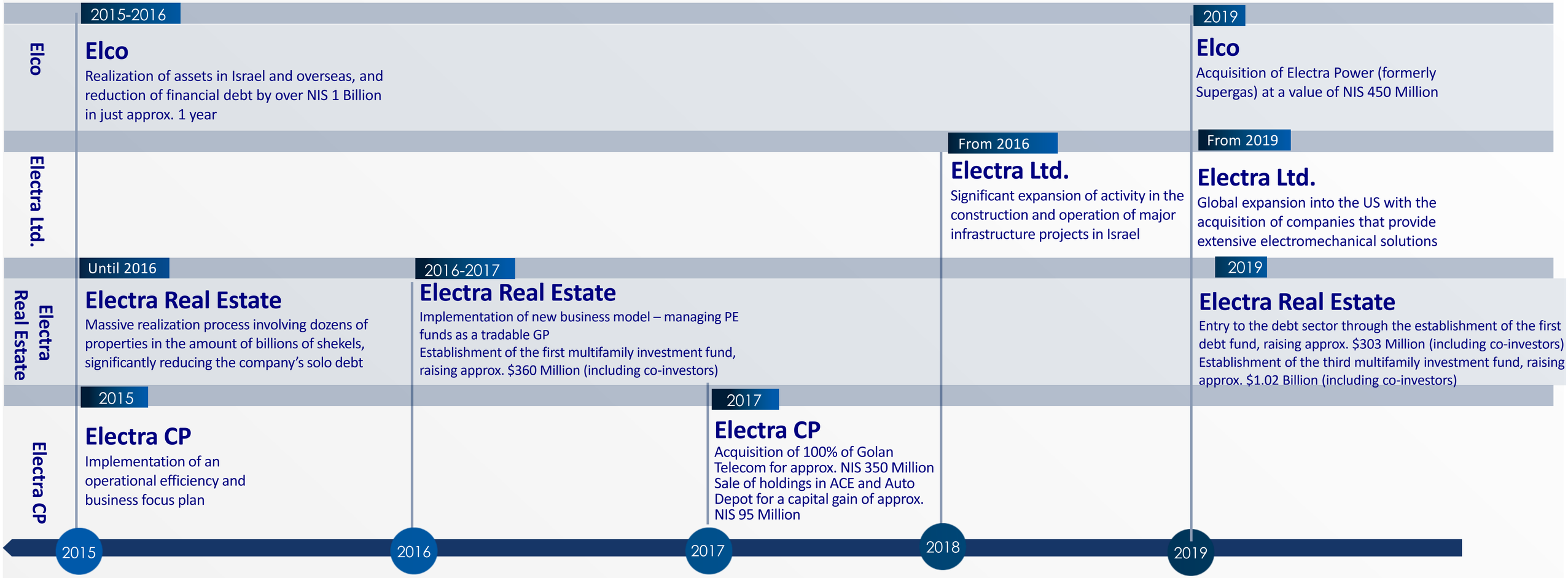


Revenue Breakdown
(NIS Thousands)



Elco's Development Over the Years

Implementing a Growth & Improvement Strategy While Realizing Opportunities in the Activity Sectors of Group Companies & Identifying Opportunities in Complementary Fields



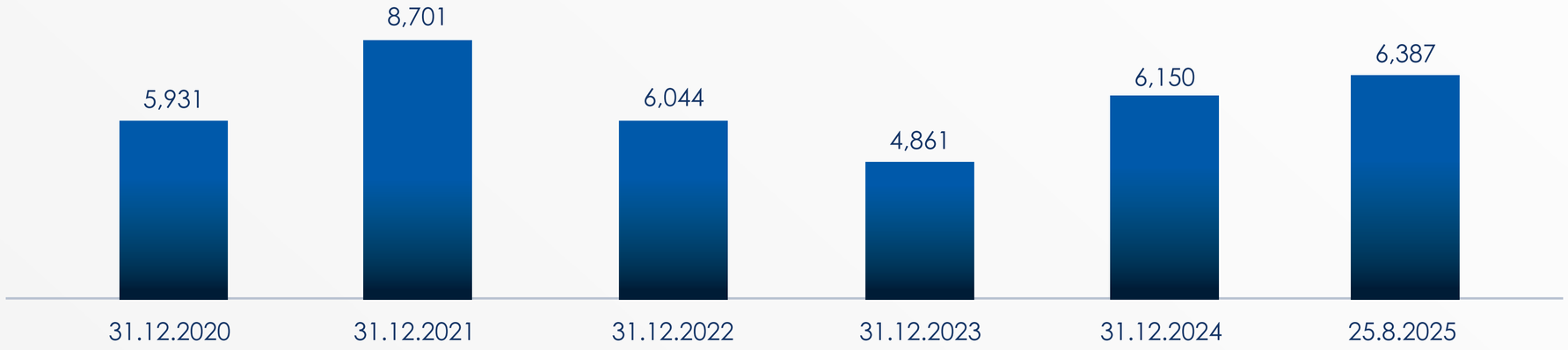
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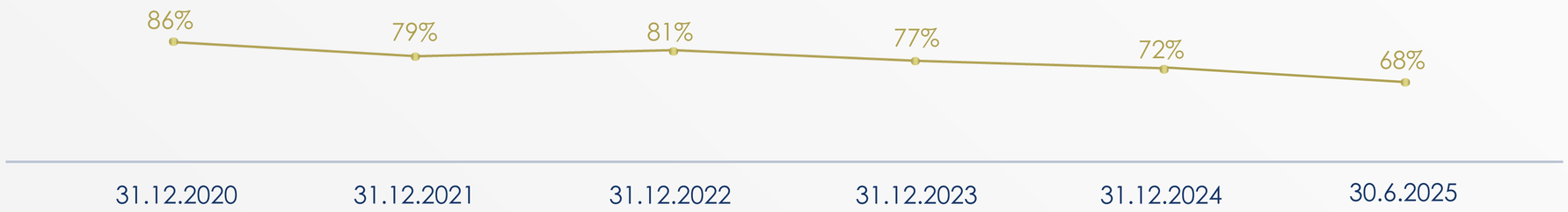
	2020	2021	2022	2023	2024-2025
Elco	**Elco** IPO of Electra Power (formerly Supergas) on the TASE at a post-money valuation of approx. NIS 1.2 Billion	**Elco** Acquisition of 29.8% of DIC	**Elco** Increase in the company's rating to ilAA-, the third increase since 2014		**Elco** -Implementation of a strategy to focus and improve existing activities -Acquisition of joint holdings in the George Hotel property, transferring to full ownership
Electra Ltd.		**Electra Ltd.** Entry to the field of public transportation and shuttle operations through the acquisition of Electra Afikim	**Electra Ltd.** Significant expansion in the scope of residential real estate development activities		**Electra Ltd.** Record order backlog volume Significant foothold in US contracting activities Introduction of a partner and expansion of residential real estate development activities
Electra Real Estate	**Electra Real Estate** Entry to the SFR field		**Electra Real Estate** Cumulative fundraising volume of $5 Billion to date Establishment of a fourth multifamily fund, raising $1.17 Billion (including co-investors) – the company's largest fundraising volume to date Entry to new activity areas – hotel REIT and an investment fund in the UK		
Electra CP	**Electra CP** Sale of all the company's holdings in Golan Telecom to Cellcom for a consideration that reflects the company's profits of over NIS 0.5 Billion within 3 years of the acquisition date	**Electra CP** Entry to the sports and leisure sector – acquisition of a Columbia franchise in Israel Entry to the F&B retail sector – acquisition of the Bitan Wines chain Introduction of the Reality Fund as a strategic partner (50%) in real estate in Rishon LeZion		**Electra CP** Establishment of F&B retail activity – conversion of Bitan Wines stores to Carrefour From a B2B/B2C electrical goods chain to a retail giant that mainly sells directly to the end customer (B2C)	**Electra CP** Implementation of a focus and efficiency plan – growth and transition to profitability in the F&B sector while improving core activities in other sectors

Growth & Improvement While Maintaining Strictly Conservative Leverage & Strong Balance Sheet

Development of Elco's NAV



Development of Elco's Equity-to-Solo Asset Ratio

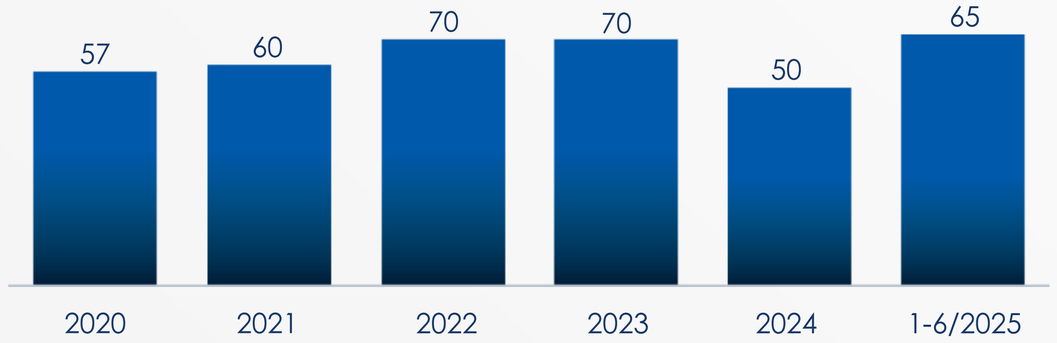


Maximizing the Cash Flows of Held Companies & Therefore by Elco

Dividends Received by Elco*



Dividends Distributed by Elco to Its Shareholders*

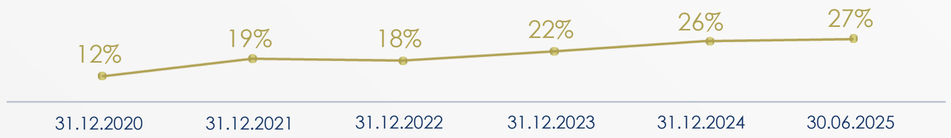


*As of the financial reporting date for Q2 2025.

Financial Debt

Managing a Conservative Leverage Policy & Maintaining Long-Term Financial Strength
Committing to Low Leverage for the Foreseeable Future

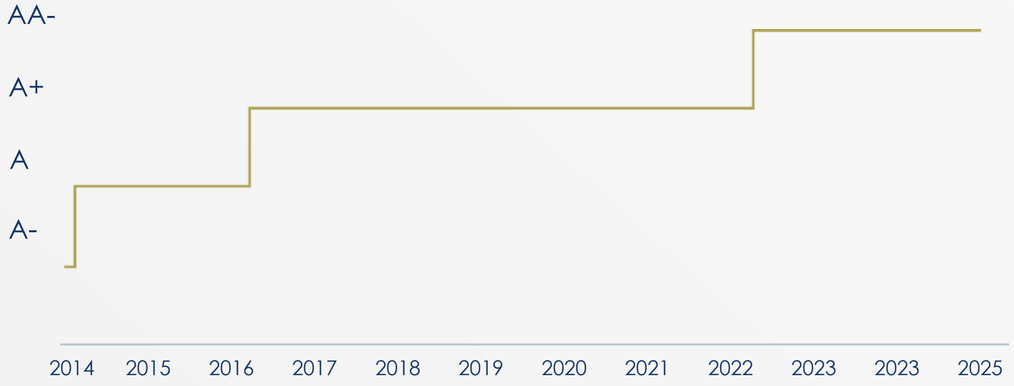
Net Debt to Solo Cap Ratio



LTV Ratio Based on Market Data

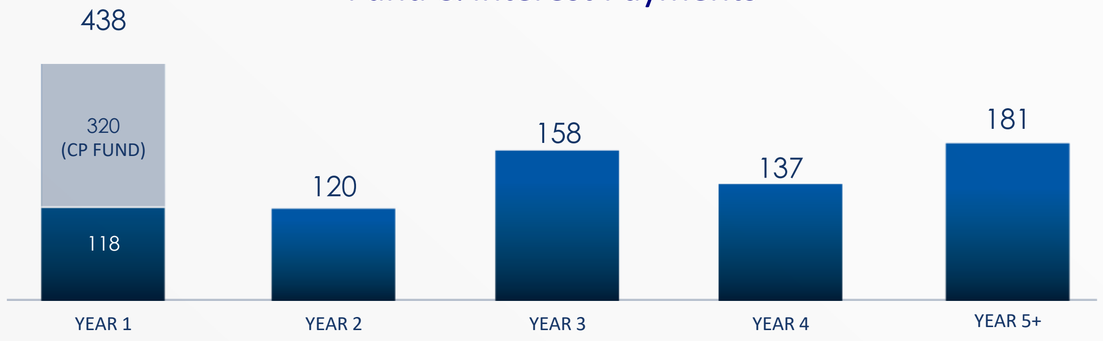


Rated AA- with Stable Outlook by S&P Maalot



Well-Distributed Repayment Schedule

Fund & Interest Payments



1. See footnote 4 on Slide 5.

Elco – NAV Analysis

Investment Breakdown	Value (Elco's Share, NIS Millions)	Valuation Model
Investment in Electra Ltd.	3,221	Market Cap as of Aug 25, 2025
Investment in Electra CP	1,356	Market Cap as of Aug 25, 2025
Investment in Electra Real Estate	1,564	Market Cap as of Aug 25, 2025
Investment in Electra Power	378	Market Cap as of Aug 25, 2025
Investment in DIC	321	Market Cap as of Aug 25, 2025
Others	287	Book Value as of Jun 30, 2025
Total Assets	7,127	
Net Solo Debt	740	*
NAV	6,387	
Elco Market Cap	4,740	Market Cap as of Aug 25, 2025
Discount	26%	

*As of June 30, 2025, the balance of financial debt in the company's books is approx. NIS 806 million, less the balance of the proceeds from exercising the option to sell Electra Ltd. shares in the amount of approx. NIS 66 Million, which were received immediately after the reporting date.

Summary of Q2 & H1 2025 in Elco Group Companies


ELECTRA
CONSIDER IT DONE
Electra Ltd.

Key Events During 2025

Winning Major Projects in Israel & Internationally

Sde Dov Residential Complex, Tel Aviv
Won a project that includes 437 apartments, commercial areas totaling 2,200 sqm, and 3,500 sqm of office space, with revenue of approx. NIS 2.5 Billion (Electra Residences' share: 50%).

Assuta Ashdod Hospitalization Tower
Won a project to build a new 7-story hospital tower that includes 2 underground levels, totaling approx. NIS 0.5 Billion.

Queens Borough Jail
Addition to the project in the amount of NIS 0.5 Billion (through the acquisition of PJM).

Netanya Data Center
Won a project to build a new server farm and perform development works in the surrounding area, totaling approx. NIS 0.5 Billion.

Vertical City
Piling and foundation works for two towers and a 6-level parking garage, totaling approx. NIS 0.4 Billion.

Business Strategy

Netanya Government Complex
An agreement was signed to sell the Group's holdings in this concession. In Q3 2025, the company is expected to generate pre-tax capital gains of approx. NIS 16 Million while its net financial debt will decrease by approx. NIS 280 Million.

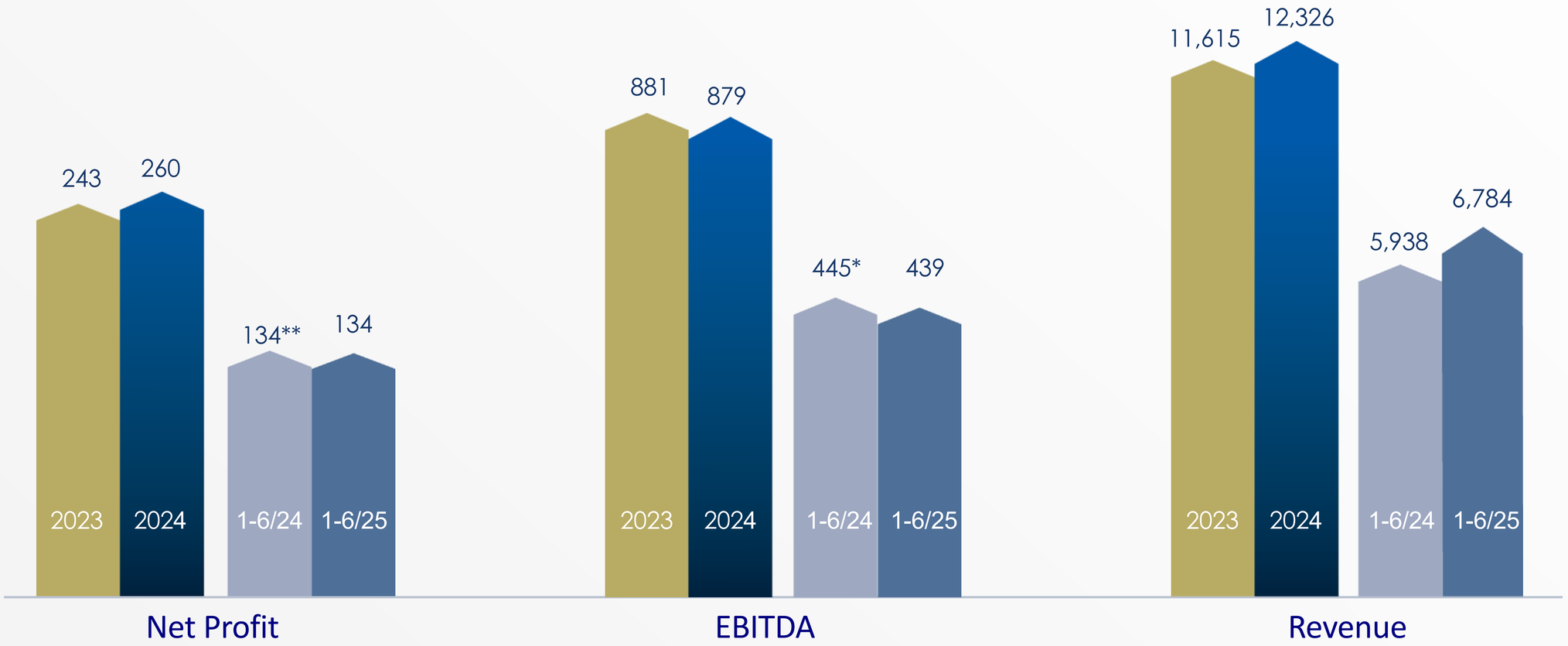
Seizing Opportunities

P.J Mechanical
Acquisition of a US contracting company specializing in mechanical works. The acquisition will increase annual turnover by an estimated $180 Million.

Terre Armee*
Signed an agreement to acquire 51% of the Terre Armee Group. This acquisition is expected to increase turnover by approx. NIS 320 per year and the backlog by approx. NIS 800 Million. Completion of this transaction is subject to several conditions precedent.

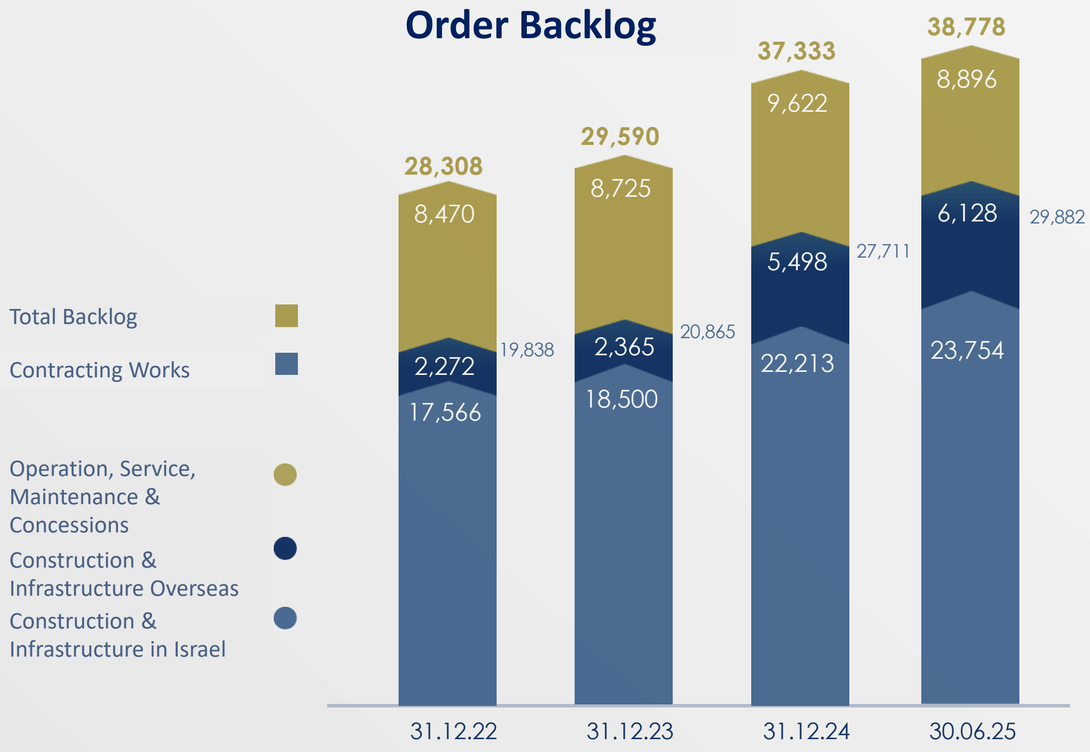
*This transaction has not yet been completed. The completion of this transaction constitutes forward-looking information as defined in the Securities Law, as detailed on Slide 3 of this presentation.

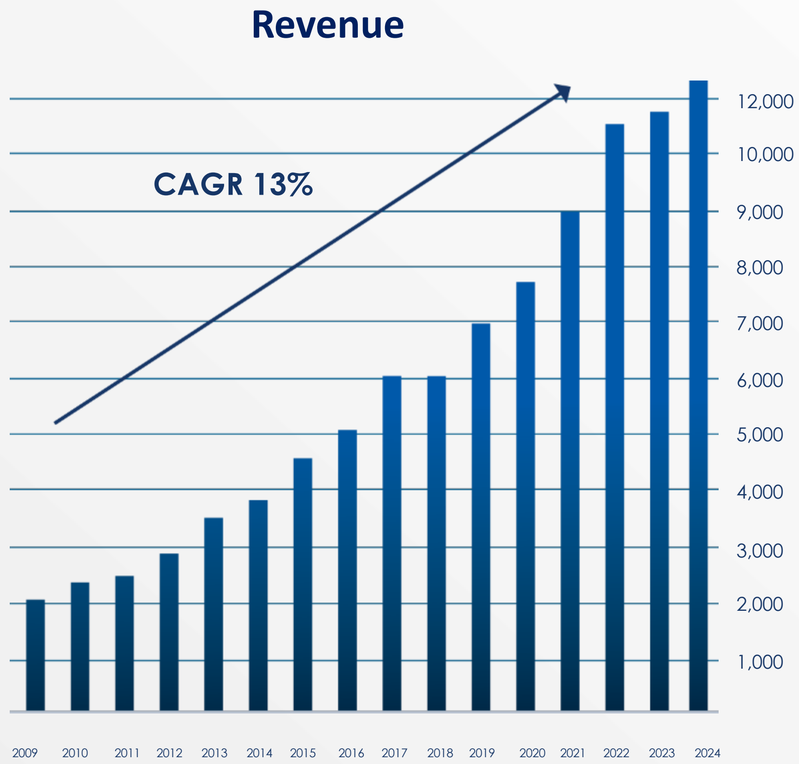
Results



*Includes profit from the realization of the Group's holdings in the Bar Ilan project in the amount of approx. NIS 13 Million.
**Includes profit after tax from the realization of the Group's holdings in the Bar Ilan project in the amount of approx. NIS 10 Million.

Revenue & Backlog Development (NIS Millions)
A Growth Company





Looking to the Future

Many opportunities available as Israel's economy enters the post-war phase, while also intensifying Electra's US operations and presence

Electra USA

- Acquired P.J. Mechanical in January 2025
- Established as a leading company in the US market (including winning its first mega project during 2024)
- Able to provide a complete electromechanical solution
- Order backlog in excess of $1.5 Billion, following the P.J. Mechanical deal

Order Backlog

Record order backlog (NIS 38.8 Billion) reflecting growth in all sectors

"The Day After" – Opportunities

Significant changes in public perception regarding the war and the new security situation

Transition to Israeli Mass Production, Reducing Reliance on Overseas Production	Private Sector Financing & Construction of Civil Infrastructure	Expected Residential Boom	Massive Infrastructure Repairs
Enhancing the Defense & Tunneling Capabilities of Strategic & Military Infrastructure	Armored Vehicles: Privatization of Construction, Storage, Repair & Maintenance	Investment in Border Security, Including Building a Smart Fence on the Eastern Border	Transition to Availability Contracts from Procurement Contracts in the Defense Industry


ELECTRA
REAL ESTATE
Electra Real Estate

Key Highlights

Impact of Foreign Exchange on Company Results

The strengthening of the shekel against the dollar in Q2 2025 led to a loss of approx. $11 Million before tax and was a major factor in the company's loss during that quarter.

Regular Distributions to Fund Investors

The company continues to make regular distributions to its investors. Since the beginning of the year, approx. $340 Million[2] has been distributed to investors in the funds and investment partnerships managed by the company.

Opportunistic Transactions for BTR/SFR Fund

The BTR/SFR fund acquired 2 BTR complexes during the last quarter[1] at attractive prices representing an approx. 5.9% capitalization rate (approx. 10-20% discount on market prices).

Turning Point in the Multi-Family Housing Market

Since the beginning of the year, the downward trend in new construction has continued alongside increased demand for rental housing. This has led to decreased available supply in the market and is expected to positively affect rent growth in the years ahead.

US Economy & Federal Reserve Interest Rate

US inflation has remained moderate at 2.7%, below expectations, while unemployment rose to 4.2% alongside weak employment data. In recent days, Federal Reserve Chairman Jerome Powell has emphasized that weakness in the labor market may justify interest rate cuts in the coming months.

America First

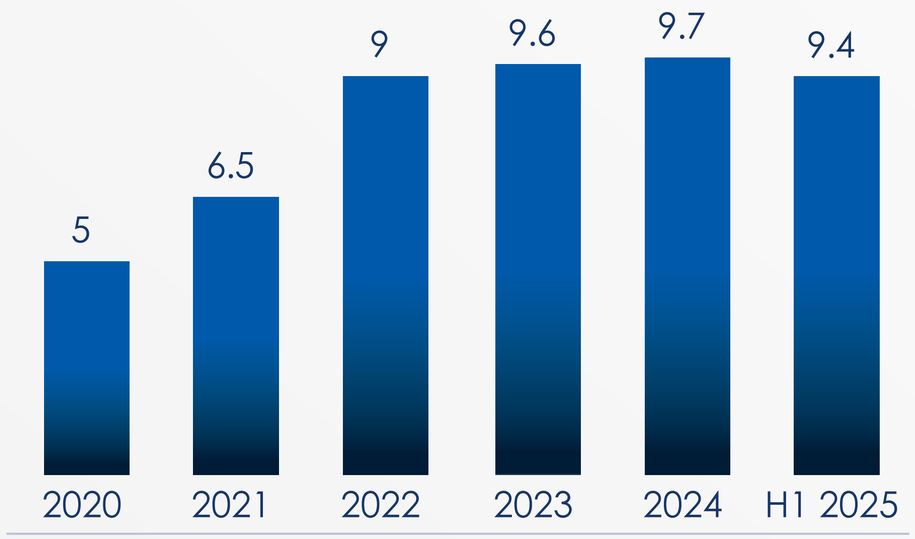
Since taking office, Trump has pursued an "America First" policy that has increased uncertainty in the short term but will support the economy in the long term. Large-scale tariffs have recently been imposed but the market reaction has remained subdued, indicating that the sense of uncertainty is fading.

1. As of the date of publication of this presentation.
2. Including distribution to co-investors.

Development of Managed Real Estate Assets [1]

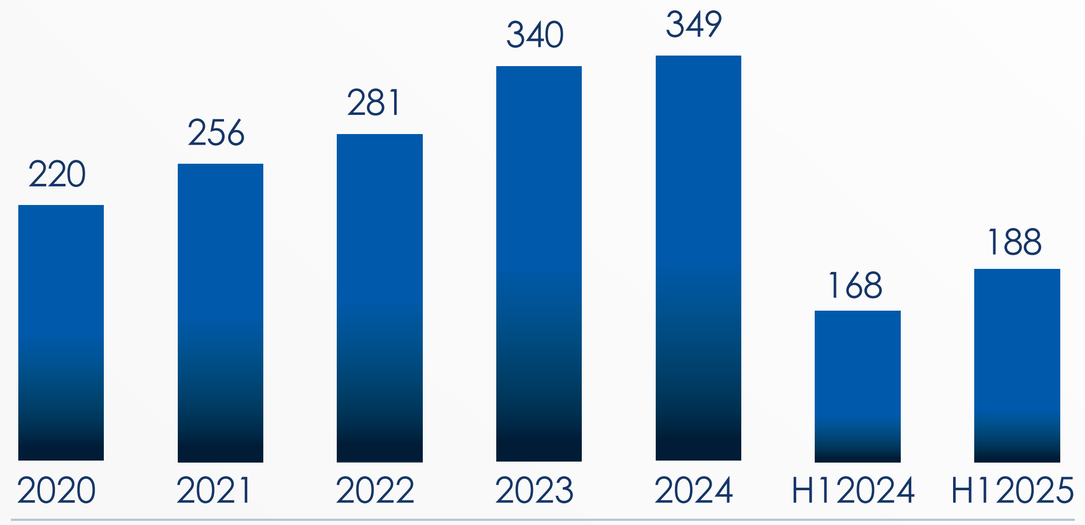
Value of Managed Real Estate Assets

(100%, $ Billions)



NOI of Managed Assets

(100%, $ Millions)



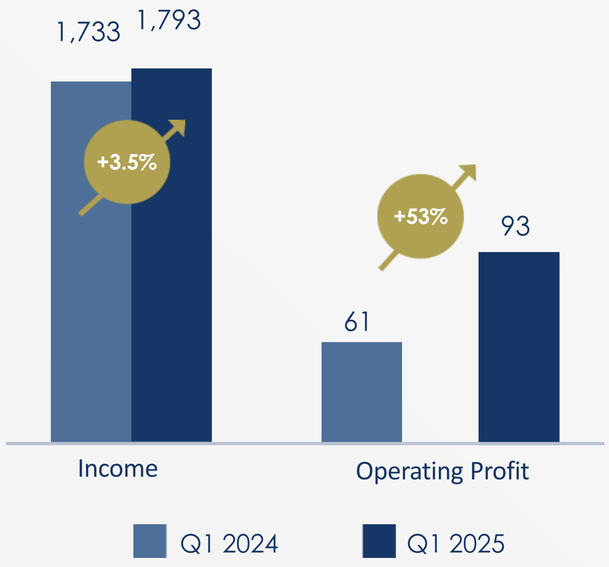
1. Real estate under the company's management, excluding transactions in debt funds.

Electra CP



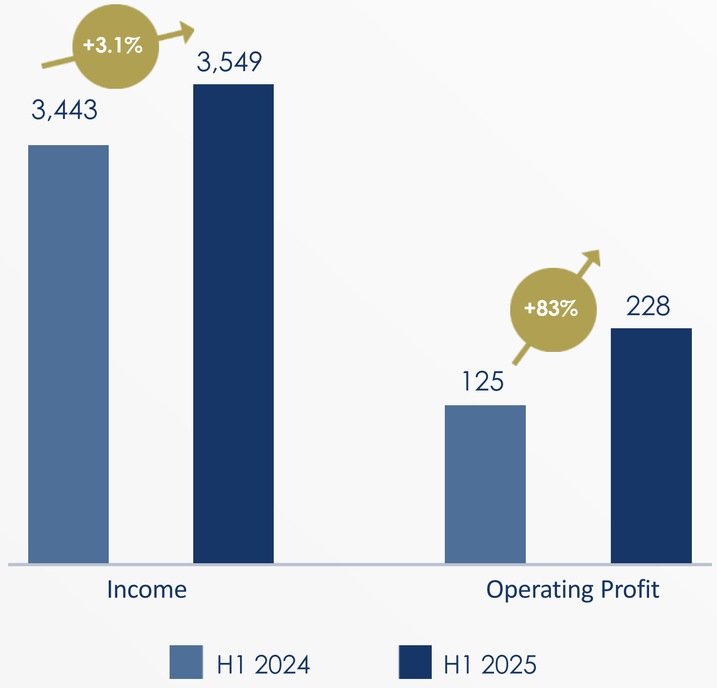
Growth in Sales & Surge in Operating/Net Profit

Q2 Results (NIS Millions)



Net Profit for Majority Shareholders:
Approx. NIS 30 Million
Compared to NIS 0.1 Million Last Year

H1 Results (NIS Millions)



Net Profit for Majority Shareholders:
Approx. NIS 51 Million
Compared to NIS 19 Million Last Year

Consolidated	H1 2024	H1 2025
EBITDA	305	348
% Income	8.9%	9.8%
EBITDA Excluding IFRS 16	131	161
% Income	3.8%	4.5%

Consolidated	Q2 2024	Q2 2025
EBITDA	147	158
% Income	8.5%	8.8%
EBITDA Excluding IFRS 16	59	63
% Income	3.4%	3.5%

Overview of Achievements by Sector, Q2 2025

Real Estate Investment	Electrical Appliances	Sport & Leisure Retail	F&B Retail	Electrical Retail
Real estate valued at approx. NIS 490 Million is currently being improved**	**Approx. 1.3% growth in sales**	**Columbia and Adidas – same-store growth of approx. 5.1%*** **	**Steady growth in sales and in sectoral/net profit**	**Growth in sales and gross profit**
The company owns a unique unit of land covering more than 15 acres in Central Israel with diverse planning options**	7% increase in A/C sales offset by a decline in trade due to the war	Impact of the war: approx. 3.4% decrease in sales in Q2, approx. 8.3% same-store decrease	Approx. 3.4% sales growth	Approx. 4.7% sales growth
Full ownership will permit flexibility in realizing its potential	35% increase in sales of VRF A/C systems	2 new stores opened: Shvilim – Shfaram Adidas – Tayibe	Approx. 5% same-store growth	Approx. 1.1% decrease in sector profit margin
In Q2, a revaluation of approx. NIS 35 Million was recorded for the land	55% increase in the number of contracts to supply A/C for projects		Sector profit margin increased from 3.8% to 5.1%	Approx. NIS 147 Million gross profit, growth of approx. 5%
			Positive EBITDA (excluding IFRS 16) of approx. NIS 35 Million	Expansion of direct import activity for Samsung and Hisense monitors
			Carrefour's cash flow from ongoing activities increased to approx. NIS 46 Million vs. NIS 8 Million last year	Opening of 3 new stores: Beer Yaakov Ofakim Vered Eilat
			Carrefour has net profit* of approx. NIS 5 Million	
			Opening of 4 new stores	

All data compared to Q2 last year.
* According to global retail solo data.
**A value of approx. NIS 490 Million represents full ownership of the real estate after the completion of the transaction.
***Not including the days of the war with Iran.


ELECTRA
POWER
Electra Power

Key Events During 2025

Implementation of Strategic Growth Plan

Growth and improvement of the LPG sector

Growth and leadership in electricity supply to households

Creating new growth engines
and cross-sector synergies

Improving the customer experience while streamlining operations

Continuing to improve the capital structure while reducing debt

A Quarter of Growth & Improvement

24% revenue growth*

58% growth in cash flow from ongoing activities*

Continued growth in the power industry – transitioning to positive EBITDA

Improving capital structure while reducing debt

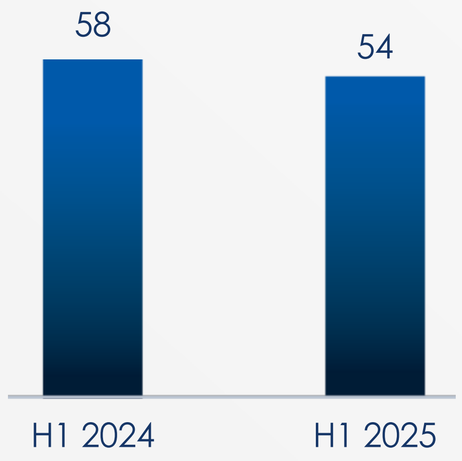
US operations – continuing asset realization and reducing exposure

*Relative to the same period last year.

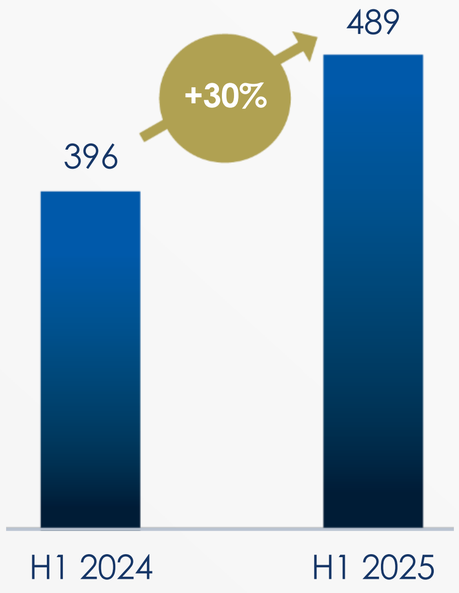
H1 Results

Growth in Revenue & Cash Flow

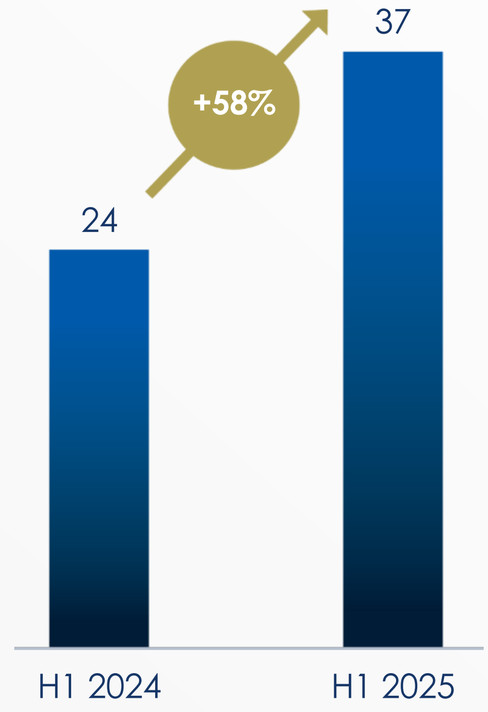
EBITDA



Company Revenue



Cash Flow from Ongoing Activities




DIC
DISCOUNT INVESTMENT
CORPORATION
Discount Investment Corporation

Key Events During 2025

Activity focused on the holdings of Property & Building Corp. after realizing the balance of the company's primary assets

10 Bryant Tower

Lease Agreements

An Amazon Group Corporation:
Leasing approx. 330,000 sq. ft. for 15 years, with 2 extension options (5 and 10 years) and the option to expand the leased area by approx. 145,000 sq. ft.

Life Time:
Leasing approx. 52,000 sq. ft. over 4 floors to a branch of the exclusive urban health club chain

Updated Valuation
As a result of the improvements resulting from these significant lease agreements, the building's valuation was updated to $700 Million

Property & Building Corp. – Financing

Rating – Outlook was updated from negative to stable and the company's ilA was confirmed by S&P Maalot

From the rating report:
"The stable outlook reflects our assessment that in the next 12 months, Property & Building Corp. will present stable performance and financial ratios appropriate to this rating, that is, a debt-to-equity ratio of around 65% and an EBITDA coverage ratio of approximately 1.3 times, while also maintaining a significant holding in Gav-Yam Land Ltd."

Early closing of a put option to hedge the sale of 4.9% of Gav-Yam shares in two stages while recording a total capital gain of NIS 35 Million

Summary – Why Elco?

An active, central investment company in the Israeli market, with ~75 years of experience

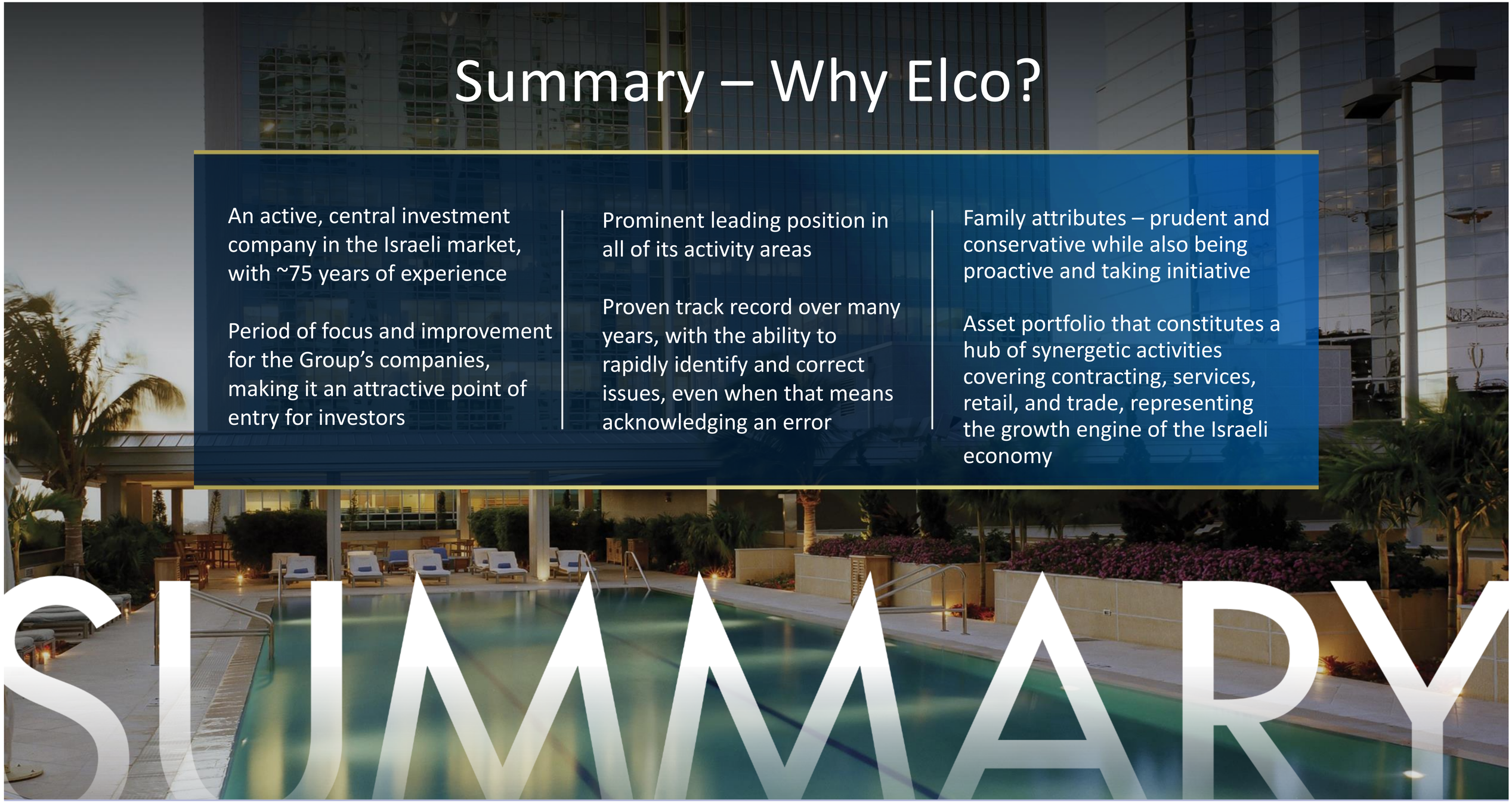
Period of focus and improvement for the Group's companies, making it an attractive point of entry for investors

Prominent leading position in all of its activity areas

Proven track record over many years, with the ability to rapidly identify and correct issues, even when that means acknowledging an error

Family attributes – prudent and conservative while also being proactive and taking initiative

Asset portfolio that constitutes a hub of synergetic activities covering contracting, services, retail, and trade, representing the growth engine of the Israeli economy





Thank You