



ELECTRA LTD.

("the Company")

October 16, 2025

To:

Israel Securities Authority
www.isa.gov.il

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

Subject:

Immediate Report according to the Securities Regulations (Private Offering of Securities in a Listed Company), 2000

("Private Offering Regulations"), regarding a private offering that is not a material private offering and not an exceptional private offering of unlisted warrants of the Company

("Private Offering Regulations"), regarding a private offering that is not a material private offering and not an exceptional private offering of unlisted warrants of the Company

The Company hereby announces, in accordance with the Private Offering Regulations, the decision of the Company's Board of Directors on September 21, 2025 ("the Grant Date") to approve a private allocation of 159,020 non-tradable and non-transferable warrants, exercisable (at the time of allocation) into ordinary shares with no par value of the Company, at no consideration, to one (1) offeree (as defined below) according to the terms detailed in this report below ("the Grant").

1. General

- **1.1** The Grant constitutes a "private offering that is not a material private offering or an exceptional private offering," as defined in the Private Offering Regulations.
- **1.2** The granting of the warrants is subject to the approval of the Tel Aviv Stock Exchange Ltd. ("the Stock Exchange") for the listing for trading of the shares to be derived from the exercise of the warrants.

2. The Offeree

- **2.1** The warrants will be granted to one (1) offeree, who is a senior officer who is not the CEO of the Company and not a director ("the Offeree"), in accordance with and subject to the terms of the Company's "2016 Option Allocation Plan" ("2016 Plan"), adopted by the Company's Board of Directors on March 28, 2016, and extended in March 2021. There is an employer-employee relationship between the Offeree and the Company or a company under its control.
 - **2.2** To the best of the Company's knowledge, as of the date of this report, the Offeree is not an interested party (as defined in Section 270(5) of the Companies Law, 1999) and will not become an interested party as a result of the Grant, and the Offeree is not a controlling shareholder in the Company by virtue of holdings and will not become a controlling shareholder in the Company by virtue of holdings.
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On September 30, 2025, the Company's general meeting approved, among other things, a proposal for a share split and cancellation of the par value of the Company's shares. The split itself is expected to take place on October 19, 2025.



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3. The terms of the offered warrants, their quantity, and the percentage they will constitute of the voting rights and the issued and paid-up share capital of the Company

3.1 The Company will grant the Offeree a total of 159,020 non-tradable warrants, exercisable into a maximum theoretical amount of 159,020 ordinary shares with no par value of the Company ("the Warrants") [see FN 1 above]. The Company reserves the right to allocate exercise shares from dormant shares held by the Company at the time of exercise.

It should be noted that according to the terms of the Grant, in accordance with the exercise mechanism based on the benefit component as detailed in Section 4.5 of this report below and considering that at the date of this report the exercise price of the warrants is higher than the share price at the reporting date, as of the date of this report the Offeree is not entitled to receive any shares in the Company upon exercise of the warrants.

3.2 Assuming that each one (1) warrant is exercised into one (1) ordinary share of the Company, then the exercise shares will constitute about 0.21% of the voting rights and the issued and paid-up share capital of the Company,²⁰² and after the allocation and full dilution²⁰³ will constitute about 0.19% of the voting rights and the issued and paid-up share capital of the Company.

3.3 The warrants will be granted to the Offeree at no monetary consideration as part of his employment with the Company or a company under its control, and in accordance with the terms of the 2016 Plan and the allocation agreement to be signed with him.

3.4 The warrants are granted to the Offeree through a trustee under Section 102 of the Income Tax Ordinance [New Version] ("the Ordinance") in the capital gains track.

3.5 The warrants will vest (become exercisable) over a period of 5 years, with 20% of the total warrants granted vesting and becoming exercisable after each full 12 months of continuous service by the Offeree, starting from the Grant Date (as defined above).

3.6 The first batch of warrants (the first 20% of the total warrants granted to the Offeree) will be exercisable from the vesting date specified above until 15 months after the vesting date; for each of the other four batches, the warrants will be exercisable from the relevant vesting date specified above until three months from the relevant vesting date. Warrants not exercised by the end of the exercise period will expire and will not grant the Offeree any right.



Company Logo or Relevant Image

4. Exercise Price

4.1 The exercise price for each warrant is NIS 101.145 ("the Exercise Price"). The exercise price was set according to the provisions of the 2016 Plan, as the average closing price of the Company's shares (adjusted for the share split. See FN 1 above) during the 30 trading days preceding the Grant Date plus a premium of 7.5% on said price.

4.2 The exercise price is not linked to any index.

4.3 The closing price of the Company's share on the Stock Exchange (adjusted for the share split. See FN 1 above) on September 18, 2025, the trading day preceding the Board's decision, was NIS 86.72. The exercise price is about 16.6% higher than this price.

4.4 At the Offeree's choice, the Offeree may exercise the warrants according to the "Cash Benefit Amount" (as defined below), in which case at the time of exercise the Offeree will not be required to pay the exercise price.

4.5 Exercise according to the Cash Benefit Amount

As stated, at each exercise date the Offeree may decide to exercise according to the "Cash Benefit Amount".

- **A.** In such a case, at the time of exercise, a calculation will be made of the difference between:
 - The future share price calculated as the average closing price over the 90 days preceding the exercise request date, all according to Stock Exchange data ("Future Share Price").
 - And:
 - The exercise price (subject to adjustments set in the 2016 Plan and the allocation agreement).
- **B.** The difference between the Future Share Price and the exercise price will constitute the benefit amount accruing to the relevant Offeree at the time of exercise for each warrant exercised ("the Difference Amount").
- **C.** The Difference Amount, multiplied by the number of warrants for which an exercise notice was given ("the Cash Benefit Amount"), and divided by the last closing price of the share before receipt of the exercise notice – will constitute the number of shares to be allocated to the relevant Offeree according to section D below.
- **D.** The Company will allocate to the Offeree a number of shares whose total market value, according to the last closing price of the share before receipt of the exercise notice by the Company, equals the Cash Benefit Amount.



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E. It is clarified that notwithstanding the above, the Company will not allocate fractional shares, and in the event that as a result of the benefit calculation the Offeree is entitled to a non-whole number of shares, the Offeree will receive a cash amount in lieu of a fractional share.

5. The shares resulting from the exercise of the warrants will be fully paid and will be identical and equal in their rights, for all intents and purposes, to the rights granted to holders of ordinary shares of the Company, existing in the issued and paid-up share capital of the Company, and will entitle the holder to any dividend or other benefit for which the record date falls after the exercise date.

6. The shares resulting from the exercise of the warrants will be registered in the name of Mizrahi Tefahot Registration Company Ltd. (or any other registration company as determined by the Company from time to time, in the event the Company decides to replace the registration company in connection with all its securities).

7. Adjustments

- **7.1 Adjustments for Bonus Share Distribution**

- In any case where the Company distributes bonus shares for which the record date falls after the Grant Date but before the exercise date, the Offeree's rights will be preserved so that the number of shares resulting from the exercise of the warrants to which the Offeree will be entitled upon exercise will increase or decrease by the number of shares of the same type to which the Offeree would have been entitled as bonus shares had he converted the warrants.
- For the avoidance of doubt, the calculation of the preservation of rights as stated will be determined proportionally to the number of shares actually exercised, in the case of exercise according to the "Cash Benefit Amount" (as defined above).
- The bonus shares will be granted to the Offeree if he exercises the warrants after the record date. The bonus shares will be granted in addition to the exercise shares and will be of the same type as distributed as bonus shares to shareholders of the type of shares exercised, as fully paid bonus shares. The bonus shares will be blocked according to the blocking conditions applicable to the Offeree, if any. The adjustment method is not subject to change.

- **7.2 Adjustments for Change in Issued Share Capital**

- In any case where, after the Grant Date, there is a change in the issued share capital of the Company by way of a share split, consolidation or exchange of shares, change in the Company's capital structure or any similar event by or of the Company, then the number of exercise shares will be adjusted proportionally in order to proportionally preserve the number of shares and their aggregate exercise price.

- **7.3 Adjustments in the Event of a Voluntary Liquidation Decision**

- If a decision is made to voluntarily liquidate the Company while there are outstanding warrants that have not been exercised, the Company will notify the Offeree of the receipt of such a decision, and the Offeree will have ten (10) days

7.4 Adjustments for Rights Offering

If the Company offers its shareholders securities by way of a rights offering, where the record date for their receipt (in this section: "Ex-Rights Day") falls after the Grant Date but before the warrants are exercised or expire, the Offeree's rights will be preserved so that the number of exercise shares will be adjusted to the benefit component in the rights offering as reflected in the ratio between the closing price of the share on the Stock Exchange on the last trading day before the "Ex-Rights Day" and the base price set for the Company's shares "Ex-Rights".

7.5 Adjustments for Dividend Distribution

The exercise price of warrants not yet exercised will be adjusted in the event of a dividend distribution for which the record date (ex-dividend date) falls after the Grant Date (as defined above) ("the Dividend").

The adjustment will be made by reducing the exercise price of each warrant by an amount calculated as the gross dividend distributed per share from the dividend.

Note: It is clarified that the above is a summary only, and does not exhaust all the arrangements, agreements, and conditions that existed between the Company and the Offeree in connection with the warrants, including regarding: non-tradability and non-transferability of the warrants, terms of the 2016 Plan in the event of termination of employment or office, exercise procedures, adjustment provisions, provisions of the Ordinance, taxation, Offeree's obligations, etc.

8 Agreements to which the Offeree is a party regarding holdings in the Company's shares
To the best of the Company's knowledge, based on an inquiry made with the Offeree, as of the date of this report, there are no agreements, written or oral, between the Offeree and any other holder of the Company's shares, and between the Offeree and others regarding the purchase or sale of the Company's securities or regarding voting rights therein.

9 Prevention or restriction on actions in the warrants, to the best of the Company's knowledge

- **9.1** The warrants are not traded publicly and will not be listed for trading on any stock exchange. The Company will act to list the shares resulting from the exercise of the warrants for trading on the Stock Exchange, subject to the approval of the Stock Exchange.
- **9.2** According to the Stock Exchange's guidelines, the warrants will not be exercisable on the record date for the distribution of bonus shares, for a rights offering, for a dividend distribution, for a share consolidation, for a share split, or for a capital reduction (each of the above hereinafter: "Company Event"). If the ex-date of a Company Event occurs before the record date of a Company Event, no exercise will be made on the ex-date as stated.



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9.3 The warrants or the Offeree's rights in connection with the warrants, whether payment was made for them or not, are not transferable, assignable, pledgeable, or any right in them to be given to a third party, except according to inheritance and will laws and except as expressly provided in the 2016 Plan, and during the Offeree's lifetime all the Offeree's rights to exercise the warrants granted to him are exercisable by the Offeree only.

9.4 The capital gains track provisions under Section 102 of the Ordinance will apply to the Offeree. According to this track, the warrants, the exercise shares to be granted, their exercise, and any right granted by them, including bonus shares, will be deposited with a trustee for a period of twenty-four (24) months (at least) from their allocation and deposit with the trustee for the Offeree, or any other period as may be determined by the Israeli tax authorities according to the terms of the capital gains taxation track through a trustee.

9.5 The sale of the exercise shares will be subject to the restrictions set forth in the Securities Law, 1968 and the Securities Regulations (Details regarding Sections 15A to 15C of the Law), 2000, as follows:

- **9.5.1** Absolute lock-up – during the six months from the allocation date of the warrants, it will not be possible to offer the exercise shares for trading on the Stock Exchange at all ("the Absolute Lock-Up Period").
- **9.5.2** For six consecutive quarters after the Absolute Lock-Up Period, the Offeree will not offer exercise shares in a quantity exceeding the following:
 - On any trading day on the Stock Exchange – the daily average trading volume on the Stock Exchange of the Company's ordinary shares in the 8 weeks preceding the offer.
 - In any quarter – 1% of the issued and paid-up share capital of the Company, on the offer date.
- **9.5.3** No restrictions regarding timing or quantities will apply to off-exchange sales, but any person who purchased the exercise shares from the Offeree not according to a prospectus and not during trading on the Stock Exchange, will step into the Offeree's shoes regarding compliance with the lock-up provisions as stated above.

Sincerely,

ELECTRA LTD.

Signatories:

- Shai Amsalem, CFO
- Ronit Barzilai, VP and Legal Counsel

FOOTNOTE:

¹⁰¹ At the time of allocation

²⁰² In the calculation of the issued and paid-up share capital, 235,775 dormant shares were not taken into account.

²⁰³ Full dilution is – (1) assuming theoretical exercise of the remaining 154,861 non-tradable warrants to employees and 24,628 non-tradable warrants to others of the Company into a maximum amount of 179,489 shares; and (2) assuming all dormant shares are sold and grant full voting rights.