

December 29, 2025

Electra Ltd.
(the Company)

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

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

Subject: Immediate Report

The Company is honored to announce that on December 28, 2025, the financial closing was completed, in which the Company, through Electra Sludge Drying Ltd. (a wholly owned subsidiary of the Company) (the Concessionaire) signed a series of agreements in connection with providing financing to carry out a project for the design, construction, operation, maintenance, and handover of a sludge drying facility in Shafdan **(the Financing Agreements and the Project, respectively)**.¹

1.

The Financing Agreements were signed between the Concessionaire and Discount Bank Ltd. (the Lender).

2.

The Financing Agreements include the provision of credit lines totaling approximately NIS 450 million, including, among others, a financing line for the construction period and additional related credit lines.

3.

The loans are expected to be repaid starting from the end of the construction period until 6 months before the end of the concession period for the Project.

4.

The short-term loans will bear interest based on the Bank of Israel rate and the long-term loans on the basis of government bonds (Series 80) linked to the Consumer Price Index; all of the foregoing, with an additional spread of 1.25% - 2.7% per year according to the provisions of the Financing Agreements.

5.

The Company will provide the required equity, estimated at approximately NIS 70 million, via a bridge facility for the injection of equity, and will also provide a bank guarantee in a similar amount to secure the repayment of the bridge facility.

6.

The provision of each loan is subject to the fulfillment of several conditions precedent, as customary in such projects, including: (a) no breach of the Financing Agreements; (b) the accuracy of representations and warranties of the Concessionaire under the Financing Agreements at the time of providing the loan; (c) registration and effectiveness of the required securities according to the Financing Agreements; (d) effective insurances; (e) receipt of all necessary permits and approvals in force at the time of providing the loan.

7.

The Financing Agreements set forth events of default leading to immediate repayment of the loans, as customary in such agreements, including, among others, late payment, breach of representations and commitments, insolvency proceedings, and failure to meet the financial covenants as specified below.

8.

According to the Financing Agreements, the Concessionaire is not permitted to take on additional debt, except for specific exceptions listed in the Financing Agreements, such as shareholder loans.

9.

The Financing Agreements set forth financial covenants as customary in such agreements: historic debt service coverage ratio², anticipated debt service coverage ratio³, and a coverage ratio over the life of the loan⁴, whereby for each of the above-mentioned financial covenants, the coverage ratio is required not to be less than 1.05.

1

For details about the project, see the company's immediate report dated September 10, 2023 (reference number: 2023-01-104622).

² This means the ratio between the available cash flow for debt service over the 12 months preceding the calculation date and the debt service during this period. ³ This means the ratio between the available cash flow for the anticipated debt service during the 12-month period beginning on the calculation date and the anticipated debt service for this period.

⁴ This means the ratio between the present value at the calculation date of the available cash flow for anticipated debt service until the final maturity date versus the outstanding debt at the calculation date.

2024-06-12

Additional Agreements

10.

In addition, the concessionaire has entered into additional agreements required for the execution of the project, among them, an agreement for design and construction with the project's construction contractor (which is 100% held by the company) for carrying out all the planning and construction works of the project in a volume of approximately NIS 350 million, and an operation and maintenance agreement with the project's operation and maintenance contractor (which is 100% held by the company) for providing all operation and maintenance services for the project in a volume estimated at approximately NIS 900 million.

Liens and Securities

11.

According to the financing agreements, various liens will be registered in favor of the financing parties, including a lien on all assets and rights of the concessionaire, a lien on the company's entire holdings in the concessionaire, and all current and future rights of the company by virtue of being a shareholder in, or towards, the concessionaire, as is customary in such projects.

12.

By virtue of the construction agreement and the operation and maintenance agreement, the concessionaire and the contractors (through the shareholders) will provide various securities, including performance bonds for the concessionaire and performance guarantees for the contracting authority, as customary in such projects.

The company's assessments regarding the project and its financing as detailed above constitute forward-looking information, as defined in the Securities Law, 1968, and are based on information available to the company as of the date of the report. This includes the company's estimate relying, among other things, on its past experience, data provided to it as part of the tender, including the forecast of the contracting authority, its submission in the tender, as well as the company's intentions as of this date. This information may not materialize (in whole or in part) or may materialize significantly differently from the company's estimates and forecasts, inter alia due to changes in the political and economic situation in Israel, and other risk factors relevant to the company's activity, as detailed in section 80 of the company's annual report for 2024, as published on March 25, 2025 (reference number: 2025-01-020139).

Respectfully,

Electra Ltd.

Details of the Signatories:

Shai Amsalem, CFO

Ronit Barzilai, VP and Legal Counsel