

Electra Consumer Products (1970) Ltd. (the Company)

Re: Immediate Report Regarding a Non-Material Private Placement

To:
Israel Securities Authority
<https://www.magna.isa.gov.il>

To:
The Tel Aviv Stock Exchange Ltd.
<http://maya.tase.co.il>

According to the Securities Regulations (Offering of Securities by a Listed Company), 2000

November 13, 2025

Immediate Report Regarding a Non-Material Private Placement

The Company hereby announces that on November 13, 2025, the Company's Board of Directors, after receiving the approval of the Company's Compensation Committee, approved the allocation of 55,325 unregistered options exercisable into shares of the Company (the options and underlying shares, respectively), to an individual who is expected to be appointed as an office holder in the Company, to the position of the Company's Chief Financial Officer (the offeree), and under the terms set forth in this report below (the offer).

The offer is pursuant to the Company's options plan approved by the Company's Board of Directors on November 25, 2014, as amended (the Options Plan), and is subject to the commencement of employment of the offeree with the Company, expected to be on February 1, 2026.

1. The Offeree

The offeree is expected to be appointed as an office holder in the Company and is not an interested party in the Company and will not become an interested party as a result of the offer.

2. The percentage of securities relative to the voting rights and the issued share capital of the Company

Assuming the exercise of all options into shares at a ratio of one share for each exercised option (that is, the exercise of 55,325 ordinary shares of the Company), the shares, considering the Company's issued and paid-up share capital (as at the date hereof), will constitute approximately 0.24% of the Company's share capital and voting rights, and assuming full dilution (i.e., exercise of all the Company's convertible securities into shares), approximately 0.24% of the Company's share capital and voting rights¹.

3. Terms of the securities offered

The options are offered to the offeree in their capacity as an employee of the Company.

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¹ The issued and paid-up share capital of the Company consists of 25,155,642 ordinary shares. This amount includes 1,961,488 dormant shares. All calculations disregard the dormant shares, and accordingly, the issued capital for the purpose of the calculations is 23,194,154 ordinary shares. Also, the said data assumes the allotment of options and their full exercise into exercise shares at a ratio of one exercise share for each exercised option. Nevertheless, the assumption regarding the exercise of the options into exercise shares at a 1:1 ratio is theoretical only, since in practice, upon exercise of the options, the offeree will be allocated only the number of shares reflecting the monetary benefit inherent in the options (net exercise – cashless), as detailed in Section 4 below. As of the date of the report, the Company has no other securities that are convertible or exercisable into shares except for 280,000 unregistered options that were allocated to office holders, managers, and employees in the Company.

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3.1 General

The options will be offered to the offeree according to the options plan and the provisions of the capital gains route set forth in sections 102(b)(2) and 102(b)(3) of the Income Tax Ordinance [New Version], 1961 (the capital gains route and the Income Tax Ordinance, respectively).

The options allocated to the offeree according to the capital gains route will be deposited for them in trust with a trustee (the trustee), who will hold them in trust throughout the life of the option and for no less than the periods stipulated in section 102 of the Income Tax Ordinance (section 102), and under the terms detailed below.

The options will not be listed for trading on the stock exchange.

Upon exercise of the options into exercise shares, the company will act to register them in the shareholder register of the company in the name of the company for registration purposes, and at the member of the stock exchange – in the name of the trustee (until the date of release of the exercise shares from the trustee or their sale by the trustee for the offeree) or in the name of the offeree, as applicable².

The exercise shares will be listed for trading on the stock exchange from the date of their allocation.

The company will retain in its registered capital a sufficient quantity of registered but unissued shares, for the purpose of allocating the exercise shares in accordance with the offer, subject to adjustments to be made under section 5 below or will ensure that such a sufficient quantity of shares exists³.

3.2 Option Price and Exercise Price

The options are offered to the offeree at no consideration.

The exercise price of the options (the exercise price) is equal to the higher of (a) 7.5% above the average price quotations for the company's shares on the stock exchange during the 30 trading days preceding the allocation date of the options (the date of board approval, hereinafter: the grant date or the allocation date) or (b) the quoted price of the company's share on the stock exchange on the allocation date.

In this context, it is noted that as on the grant date, the average price of the company's share on the stock exchange during the 30 trading days preceding this date totaled NIS 112.52 and after the addition of 7.5%, amounts to NIS 120.96, which is higher than the NIS 115 constituting the price of the share on the trading day preceding the grant date; therefore, the exercise price is evaluated at NIS 120.96.

The exercise price is subject to adjustments as detailed in section 5 below. The exercise price is not linked to the Consumer Price Index or any index.

At the time of exercise, the offeree will not be required to pay the exercise price, except as detailed in section 4 below.

3.3 Vesting Periods

Vesting Period – the options will be exercisable as follows:

The options are offered to the offeree in their capacity as an employee of the Company.

² It is clarified that wherever the plan and the report refer to the allocation of exercise shares to the offeree or to the trustee on their behalf, as applicable, the shares will be registered in the shareholder register of the company in the name of the company for registration purposes.

³ It should be noted that instead of allocating new shares, the company may grant the offeree shares from among the dormant shares, and the offer will be subject to the required changes as a result.

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3.3 Vesting Periods (continued)

Vesting period – the options will become exercisable as follows:

- 3.3.1 1/4 of the options will become exercisable following two (2) years from the date the board of directors approved the granting of the options (being November 13, 2025) (the first options tranche);
- 3.3.2 1/4 of the options will become exercisable following three (3) years from the allocation date (the second options tranche);
- 3.3.3 1/4 of the options will become exercisable following four (4) years from the allocation date (the third options tranche);
- 3.3.4 1/4 of the options will become exercisable following five (5) years from the allocation date (the fourth options tranche).

The first option tranche, the second options tranche, the third option tranche, and the fourth option tranche shall collectively be referred to hereinafter as: the options tranches, and each of these tranches individually as: option tranche.

Existence of employer-employee relationship⁴ – the vesting period shall be counted only during periods in which there is an employer–employee relationship between the Company and the Offeree.

Acceleration provision – in the event that Electra Ltd. ceases to be the controlling shareholder of the Company and, as a result, the Offeree's employment ends, the vesting of the next (only) unvested option tranche as of the change of control date will be accelerated. 'Control' – as defined in the Securities Law, 1968 (Securities Law).

3.4 Exercise period and expiry of the options – An option tranche for which the vesting period has elapsed shall be exercisable into shares until the end of twelve (12) months from the vesting date of the relevant tranche (the exercise period), subject to the provisions of the plan regarding termination of employment, and the options in such tranche that are not exercised shall expire immediately thereafter and shall not entitle the Offeree to any right (options expiry date). On the options expiry date, all rights of the Offeree and/or their heirs in connection with the options, including the right to acquire exercise shares, shall expire. In addition, at the options expiry date, the trust will end.

3.5 Option allocation document – after obtaining all required legal approvals, the Offeree will be given written notice of the option allocation (the allocation document) by the Company. The allocation document will specify, inter alia, the option terms (e.g., quantity of options, exercise price, vesting period, options expiry date, tax regime applicable to the options, and any other term associated with the option grant) provided these terms are in accordance with the options plan, this immediate report, and applicable law. The Offeree will sign a declaration that they are aware of the provisions of Section 102 of the Income Tax Ordinance and the applicable tax regime, and that they agree to the provisions of the trust agreement that will be signed between the Company and the trustee, a copy of which will be attached to said declaration.

Exercise of the options

- 4.
- 4.1 The options will be exercisable into exercise shares in accordance with their terms, as detailed in this report.

Exercise of the options

The options are offered to the offeree in their capacity as an employee of the Company.

⁴ If the Offeree becomes engaged by the Company as an independent contractor, the term employer-employee relationship in this report shall hereinafter be interpreted accordingly as an engagement relationship. In such a case, the option terms will be amended as necessary.

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4.2 Should the offeree wish to exercise their right to exercise the options allotted to them, in whole or in part, they shall deliver a written notice to the Company at its registered office (and to the trustee, as applicable) regarding the exercise of options, in a form to be determined by the Company from time to time, which shall include, inter alia, the number of options they wish to exercise (exercise notice), together with payment of a cash sum as stated in section 4.5 below. The day the exercise notice, together with the said amount, is received by the Company shall be considered the exercise date of the options specified in the exercise notice (the exercise date).

4.3 Notwithstanding the foregoing, no exercise of options into shares shall be performed on the record date⁵ for the distribution of bonus shares, a rights offering, a dividend distribution, a capital consolidation, share split, or capital reduction (each of the foregoing shall be referred to hereinafter as: a corporate event). In addition, if the ex-date⁶ of a corporate event falls before the record date of a corporate event (as these terms are defined in the Stock Exchange regulations), no exercise of options into shares shall be performed on such an ex-date.

4.4 At the time of exercise, the following calculation will be performed:

$$X = Y \times (A - B) / A$$

Where:

X = the number of shares resulting from the exercise of the options (partial exercise shares).

Y = the number of options included in the exercise notice.

A = the closing price of the Company's share on the Stock Exchange on the day preceding the exercise date (which, as noted, is the day the offeree's notice is received).

B = the exercise price per share.

4.5 Shortly after the exercise date and subject to all applicable law, the Company shall allocate to the offeree (or to the trustee on their behalf, as applicable) the number of exercise shares resulting from section 4.4 above (i.e. the partial exercise shares), provided that the offeree has paid the Company in cash the higher of: (a) the aggregate par value of the partial exercise shares allocated to them (or to the trustee on their behalf, as applicable) or (b) the minimum price – according to the Stock Exchange regulations and instructions by virtue thereof – in aggregate for the partial exercise shares allocated to them (or to the trustee on their behalf, as applicable). It is clarified that the offeree shall not be entitled to exercise an option for a fractional share, and the number of shares to which the offeree is entitled upon option exercise under the plan shall be rounded (up or down, as applicable) to the nearest whole number, unless the Company determines otherwise.

4.6 The exercise of the options will be subject to applicable law, including any prohibition regarding the use of inside information, to the extent applicable.

4.7 Rights of the exercise shares – The exercise shares arising from the options shall have equal rights to the existing shares in the Company's capital for all purposes and shall be subject to the provisions of the Company's articles of association.

Exercise of the options

Exercise of the options

⁵ The record date as defined in the Stock Exchange regulations. As of the date of the resolution, this means the date set by the company for entitlement to participate in a corporate event.

⁶ The ex-date as defined in the Stock Exchange regulations. As of the date of the resolution, this means the record date; however, if the record date is not a business day – the business day preceding the record date; and if neither the record date nor the preceding business day are trading days – the first trading day after the record date.

The exercise shares shall be entitled to any dividend or other benefit, where the record date for the right to receive them occurs at or after the date of their registration in the Company's shareholder register pursuant to law.

4.8 Voting Rights – To the extent the exercise shares are held by the trustee for the beneficiary, the voting rights in respect of these shares shall be held by the trustee. The trustee shall not vote in respect of the exercise shares held by them for the beneficiary and shall grant a power of attorney to the beneficiary to vote the exercise shares at the general meeting of shareholders, subject to the beneficiary's request, if and to the extent that such a request is made.

5. Adjustments to protect the offeree

5.1 If the company distributes bonus shares and the record date for their distribution (the bonus date) falls after the allocation date of the options but before their exercise date, the exercise price of each option shall not change; rather, the number of theoretical shares the offeree is entitled to upon exercise of the options shall increase by the number of bonus shares to which the offeree would have been entitled had they exercised the option. Similar adjustments shall be made in the event of a split (or consolidation) of the company's shares.

5.2 In the event of a rights offering by the company to its shareholders (including by means of an offering of convertible securities) after the option allocation date but before their exercise date, the company shall offer the offeree the same securities on identical terms as the offer to shareholders, and the offeree shall be considered as if they had exercised their options.

5.3 If the company distributes a dividend (in cash or in kind) to all its shareholders and the record date for the dividend entitlement falls after the option allocation date but before their exercise date, the exercise price of each option shall be reduced by the gross amount of the dividend per share distributed by the company, provided that the exercise price of the option shall not be reduced below the par value of the company's share.

5.4 In the event of a change of structure in the company (restructuring), merger of the company with or into another company, whether by means of share exchange, cash purchase or otherwise (merger), or sale of all the company's assets or issued share capital, or the overwhelming majority of the company's assets or issued share capital, to any third party (sale), the Board of Directors (or a committee appointed by it) shall have the right, inter alia, at its discretion and subject to any law, to determine, as a rule, that the options shall be replaced by options in the new company, that the options will be adopted by the new company, that the options will be cancelled and returned to the company against cash compensation, or that other required adjustments will be made at its sole discretion. Immediately upon the completion of the restructuring, merger or sale as aforesaid, all options of the company granted under the plan will expire, unless they are adopted by the new company as stated.

5.5 In the case of a sale, the offeree shall be required to participate in such sale and sell all their shares, provided that the consideration received for their shares shall be equal to the consideration per share to which the company's shareholders are entitled in such sale, subject to the discretion of the Board of Directors.

For the purposes of this section, the term 'new company' refers to a company with which a merger is carried out, with which a sale transaction is performed, or which will assume the company's place following a restructuring or merger.

Exercise of the options

Limitations on the Exercise of Options – Termination of Employee-Employer Relationship

6. If the offeree, for any reason, ceases to be employed by the company (termination of employment), the options subject to this report will expire as detailed below:

6.1 The termination date will be the day the employer-employee relationship between the employee and the company ends (the termination date).

6.2 On the termination date, all options allocated to the offeree under this report for which their vesting period has not yet ended shall expire.

6.3 Notwithstanding the provisions of section 3.4 above regarding the exercise period, options allocated to the offeree that have vested until the termination date may be exercised by the offeree until the earlier of (i) the end of the option period or (ii) 90 days from the termination date.

6.4 Despite the above, if the offeree is dismissed under circumstances in which severance pay may be fully or partially denied pursuant to the Severance Pay Law, 1963, and subject to any law, all options allocated to them under this report will immediately expire, including options for which the vesting period has ended.

6.5 Neither this report nor the grant of options as detailed herein constitutes any direct or indirect obligation of the company to continue employing or engaging with the offeree. The offeree is not granted by means of this report any right to continue their engagement with the company, and no condition of this report limits the company's discretion to terminate the offeree's engagement at its sole discretion.

7. Transferability of the Options and Exercise Shares

The options allocated according to this report, and any right arising therefrom, shall not be transferable or assignable in any case, except for transfer by law to heirs. In the case of transfer to heirs as stated, the terms of the option and the provisions of the plan and this report will bind the heirs.

7.1 The exercise shares will be subject to restrictions on their sale and/or transferability as determined by the Board of Directors from time to time, subject to applicable law (see also section 12 below), including with regard to the prohibition on use of inside information, if applicable.

In addition, the offeree is required not to create private hedging arrangements that eliminate the effects of the risk sensitivity inherent in the options (including through short positions and the like), directly or indirectly, whether by themselves or by another person.

8. Tax consequences of granting the options, exercising them into shares, and selling the exercise shares

8.1 General

8.1.1 Within the framework of the plan, the options shall be granted in accordance with the Capital Gains Track provisions in section 102 of the Income Tax Ordinance.

8.1.2 If there is any tax liability or other mandatory payment (National Insurance, Health Insurance, etc.) due to and/or in connection with this report, including for the allocation of options to the offeree, their exercise into shares, sale of the exercise shares, receipt of dividends, or any other benefit in respect of the options or shares

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8.1.3 The trustee shall not release any share to the offeree or as per their instructions, until full payment of all required payments.

8.2 Taxation applying to options within the provisions of Section 102 of the Income Tax Ordinance and the minimum trust period

8.2.1 Options granted to the offeree pursuant to the capital gains track shall be deposited with a trustee for the benefit of the offeree for the required period specified in Section 102 of the Income Tax Ordinance and the regulations (the minimum trust period). If the requirements of Section 102 of the Income Tax Ordinance are not met, the offeree will not benefit from the tax benefit under this section.

8.2.2 All rights in connection with the exercise shares (the rights), including bonus shares but excluding cash dividends, shall be granted to the trustee and held by them until the end of the minimum trust period. The rights will be subject to the tax track applying to the exercise shares.

Dividends distributed in cash will be transferred directly to the offeree (after withholding tax as required by law), all as determined by the Board of Directors, at its sole discretion and subject to any law, prior to making a distribution of such dividends. Regarding the adjustment of the option exercise price after distribution of dividends, see above section 5.3.

8.2.3 The offeree shall not be entitled to sell or transfer from the trust any option, or share received as a result of exercising an option granted under Section 102 of the Income Tax Ordinance under the capital gains track, or from exercising rights received in respect of such shares, including bonus shares, before the end of the minimum trust period. Any such sale or transfer shall be subject to deduction or payment of the applicable tax.

8.2.4 The company's option plan (namely the plan called Electra Consumer Products Ltd. - Option Plan (2014)) was submitted to the Tax Authority on December 7, 2014, extended by the company's Board of Directors on August 27, 2024, and the company holds a tax ruling regarding the plan for approval of a net exercise mechanism and adjustment of the exercise price for dividend distributions.

The provisions in this section 8 above refer to the law applicable at the date of the report. The provisions of law regarding mandatory payments and tax implications for the options may change from time to time.

The above does not purport to be an authoritative interpretation of the provisions of law mentioned above or an exhaustive description of all relevant legal provisions applying to taxes that may apply in connection with the options offered to the offeree, and does not substitute for legal and professional advice on the matter. As is customary in investment decisions, the offeree should consider the different tax implications and their

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The tax implications that will apply to the offeree's investment. The offeree should consult with his professional advisors, including legal and tax advice, taking into account their particular circumstances.

9. Data on the company's share price

The closing price of the company's share on the exchange at the end of the trading day preceding the date of the Board of Directors' resolution was 115 NIS. For the option exercise price and the ratio between it and the share price on the exchange, see section 3.2 above.

10. Consideration for the offered securities

Assuming the exercise of all options offered under this report into shares, the company will receive in cash the amount as stated in section 4.5 above.

11. Agreements between the offeree and other shareholders

To the best of the company's knowledge, and after contacting the offeree and ascertaining the matter with them, except as described in this report, there are no written or verbal agreements between the offeree and any other holder of the company's shares, regarding the purchase or sale of the company's securities or regarding voting rights in the company.

12. Restrictions that will apply to transactions with the exercise shares

12.1 The sale of the exercise shares will be subject to the restrictions set forth in the Securities Law and the Securities Regulations (Details for the purpose of Sections 15A to 15C of the Law), 2000:

12.1.1 For a period of six (6) months from the actual date of allocation of the options (after the fulfillment of the conditions precedent detailed in section 13 below) (in this section: the period) the offeree shall not be entitled to offer the exercise shares during trading on the exchange, without publishing a prospectus that has been approved for publication by the Israel Securities Authority.

12.1.2 For a period of six (6) consecutive quarters (the additional periods) after the end of the period, the offeree will be entitled to offer within exchange trading, without publishing a prospectus so approved, on any trading day, no more than the daily average trading volume of the company's shares in the eight (8) weeks preceding the date of the offer by the offeree, provided that the total amount offered each quarter, in the additional periods, does not exceed 1% of the issued and paid-up share capital of the company, as of the date of the offer. For this purpose, 'issued and paid-up share capital'—excluding shares deriving from exercise or conversion of convertible securities allocated up to the date of the offer by the offeree and not yet exercised or converted.

12.1.3 The above also applies to securities purchased during any of the above periods other than under a prospectus and other than during exchange trading, from the offeree, and to securities resulting from the exercise of allocated securities.

12.2 Additionally, there are restrictions on the transferability of the options and exercise shares, as detailed in section 7 above, as well as restrictions on transactions in the options and exercise shares pursuant to Section 102 of the Ordinance, as detailed in section 8.2 above.

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The allocation of the options is pursuant to the approval of the company’s Board of Directors dated November 13, 2025, and the approval of the company’s Compensation Committee from the same day, and in accordance with the provisions of the company’s option plan.

The allocation of the options is subject to receiving the approval of the stock exchange for the listing for trading of the exercise shares. The company intends to apply to the stock exchange to register the exercise shares for trading, shortly after the publication of this report.

13. Required Approvals and Allocation Date

The allocation of the options is pursuant to the approval of the company’s Board of Directors dated November 13, 2025, and the approval of the company’s Compensation Committee from the same day, and in accordance with the provisions of the company’s option plan.

The allocation of the options is subject to receiving the approval of the stock exchange for the listing for trading of the exercise shares. The company intends to apply to the stock exchange to register the exercise shares for trading, shortly after the publication of this report.

By:
Daniel Zalkind, Chairman of the Board of Directors
and Tzvika Schwimmer, CEO