

# Electra Real Estate Ltd. (the "Company")

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August 25, 2025

To:

Israel Securities Authority  
[www.isa.gov.il](http://www.isa.gov.il)

Tel Aviv Stock Exchange Ltd  
[www.tase.co.il](http://www.tase.co.il)

Dear Sir/Madam,

**Subject:**

**Immediate Report Regarding a Non-Material Private Placement According to the Securities Regulations (Offering of Securities in a Listed Company), 2000**

The Company hereby announces that on August 24, 2025, the Company's Board of Directors, following the approval of the Company's Compensation Committee (in relation to office holders), approved a total allocation of 371,782 options to purchase shares of the Company (the "Options" and the "Exercise Shares", respectively), to three employees of the Company, two of whom are office holders in the Company (hereinafter together and separately: the "Grantees"), all in accordance with the Company's option plan approved by the Board of Directors on January 16, 2018 (the "Option Plan"), and in the quantity and under the terms as detailed in this report below.

## 1. The Grantees

The grantees are employees of the Company, two of whom are office holders in the Company. The grantees are not interested parties in the Company by virtue of their holdings in the Company's shares, and will not become interested parties in the Company as a result of the allocation or exercise of the options. The grantees are not interested parties (as defined in Section 270(5) of the Companies Law, 1999) and will not become interested parties as a result of the allocation subject to this report.

## 2. Quantity and Percentage of Securities Out of the Voting Rights and Issued Share Capital of the Company

Assuming the exercise of all options into shares at a ratio of one share per exercised option (i.e., exercise into 371,782 shares of the Company), the shares, considering the issued and paid-up share capital of the Company (as of today), will constitute approximately 0.58% of the Company's share capital and voting rights, and assuming full dilution (i.e., exercise of all convertible securities of the Company into shares) approximately 0.57% of the Company's share capital and voting rights. <sup>101</sup>



Image description

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Terms of the Offered Securities	3.
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The offered securities are offered to the grantees as employees of the Company, where an employer-employee relationship exists between them and the Company.

3.1 General

- The options will be offered to the grantees according to the Company's option plan, as employees of the Company, subject to the provisions of the Company's compensation policy (regarding grantees who are office holders in the Company) and applicable law, including the capital gains track provisions set forth in Sections 102(b)(2) and 102(b)(3) of the Income Tax Ordinance [New Version], 1961 (the "Capital Gains Track" and the "Income Tax Ordinance", respectively).
- The options granted to the grantees under the capital gains track will be deposited in trust with a trustee (the "Trustee"), who will hold them in trust throughout the life of the option and not less than the periods set forth in Section 102 of the Income Tax Ordinance ("Section 102"), and under the terms detailed below.
- Upon exercise of the options into exercise shares, the exercise shares will be registered in the Company's shareholders register in the name of the Company for registration (Mizrahi Tefahot Registration Company Ltd.) and with the TASE member - in the name of the Trustee (until the release of the exercise shares from the Trustee or their sale by the Trustee for the grantees) or the grantees, as applicable.
- The exercise shares will be listed for trading on the Tel Aviv Stock Exchange Ltd (the "TASE") from the date of their allocation. The options themselves will not be listed for trading.
- The Company will maintain in its registered capital a sufficient quantity of registered but unissued shares for the allocation of the exercise shares according to the offer, subject to adjustments made according to Section 5 below or will ensure that such shares exist in sufficient quantity.

### **3.2 Option Price and Exercise Price**

- The options are offered to the grantees at no consideration.
- According to the Company's compensation policy, the exercise price of the options (the "Exercise Price") will be equal to the average price of the Company's shares on the TASE during the 30 trading days preceding the date of the Board's resolution regarding the allocation, plus 2.5% for each year from the date of allocation until the vesting date, and not more than 7.5% in total.
- In this context, it is noted that the average closing price of the Company's shares on the TASE during the 30 trading days preceding the Board's resolution was NIS 46.52. Accordingly, in the first tranche, the exercise price will be NIS 47.69, in the second tranche after the allocation date the exercise price will be NIS 48.85, and in the third tranche and onwards the exercise price will be NIS 50.01.

The following table details the ratio between the exercise price and the underlying asset price at the time of the Board's decision (NIS 44.06) according to the expected annual change in the exercise price:

Vesting from Grant Date (Option Tranche)	1	2	3	4	5
Underlying Asset Price (NIS)	44.06	44.06	44.06	44.06	44.06
Expected Exercise Price (NIS)	47.69	48.85	50.01	50.01	50.01
% Exercise Price of Underlying Asset Price	108.24%	110.87%	113.5%	113.5%	113.5%

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 other index.

At the time of exercise, the grantees 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 become exercisable as follows:

- **3.3.1**
  - 1/5 of the options will become exercisable after two (2) years from the allocation date, which is the date of approval of the allocation by the Board (the "Allocation Date" and the "First Option Tranche", as applicable);
- **3.3.2**
  - 1/5 of the options will become exercisable after two (2) years from the allocation date (the "Second Option Tranche");
- **3.3.3**
  - 1/5 of the options will become exercisable after three (3) years from the allocation date (the "Third Option Tranche");
- **3.3.4**
  - 1/5 of the options will become exercisable after four (4) years from the allocation date (the "Fourth Option Tranche");
- **3.3.5**
  - 1/5 of the options will become exercisable after five (5) years from the allocation date (the "Fifth Option Tranche").

The first, second, third, fourth, and fifth option tranches will be referred to collectively as the "Option Tranches" and each individually as an "Option Tranche".

After five (5) years from the allocation date, all option tranches will be exercisable.

### **Existence of Employer-Employee Relationship<sup>304</sup>**

- The vesting period will only count periods during which there is an employer-employee relationship between the Company and each of the grantees.

### **Acceleration Provisions**

Notwithstanding the above, if ELCO LTD ceases to be the controlling shareholder of the Company and as a result your employment ends, the vesting dates of the options will be accelerated so that at the time of the change of control, the next option tranche (only) that has not yet vested at the time of the change of control will vest. For this purpose, "control" - as defined in the Securities Law, 1968 (the "Securities Law").

#### **4.**

If one of the grantees becomes employed by the Company as an independent contractor, the term "employer-employee relationship" in this report will be interpreted accordingly as "employment relationship". In such a case, the option terms will be amended as required.

#### **4.**

**3.4 Exercise Period and Expiry of Options** - Option tranches whose vesting period has passed will be exercisable into shares until five (5) years and 30 days from their allocation date and will expire immediately thereafter (the "Option Expiry Date"). At the option expiry date, all rights of each grantee and/or their heirs in connection with the options, including the right to purchase the exercise shares, will expire. In addition, at the option expiry date, the trust will end.

**3.5 Option Grant Document** - After receiving all required approvals by law, the grantees will be given written notice by the Company regarding the grant of the options (the "Grant Document"). The grant document will specify, among other things, the terms of the options (e.g., number of options, exercise period, exercise price, vesting period, method of exercise, and any other condition related to the grant of the options) provided that the terms are in accordance with this report, the option plan, and applicable law. Each grantee will sign a declaration that they are aware of the provisions of Section 102 of the Income Tax Ordinance and the applicable tax track, and that they agree to the terms of the trust deed to be signed between the Company and the Trustee, a copy of which will be attached to the declaration.

#### **4. Exercise of Options**

**4.1** The options will be exercisable into exercise shares according to their terms, as detailed in this report.

**4.2** If any of the grantees wishes to exercise their right to exercise the options allocated to them, in whole or in part, they will submit 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 will include, among other things, the number of options the grantee wishes to exercise (the "Exercise Notice"), together with payment of a cash amount equal to the par value of the Company's share multiplied by the number of exercise shares actually allocated, as explained below, as applicable.<sup>405</sup> The day the exercise notice and the amount are received by the Company will be considered the exercise date of the options listed in the exercise notice (the "Exercise Date").

**4.3** Notwithstanding the above, no exercise of options into shares will be made on the record date<sup>406</sup> for the distribution of bonus shares, rights offering, dividend distribution, capital consolidation, capital split, or capital reduction (each of the above: a "Company Event"). In addition, if the ex-date<sup>407</sup> of a Company Event occurs before the record date of a Company Event (as these terms are defined in the TASE regulations), no exercise of options into shares will be made on such ex-date.

**4.4** At the exercise date, the following calculation will be made:

<b>X = Y(A–B)/A</b>	
Where:	
<b>X</b>	Number of shares resulting from the exercise of the options ("Partial Exercise Shares").
<b>Y</b>	Number of options included in the exercise notice.

Notwithstanding the above and subject to applicable law, including the TASE regulations, the Company's Board of Directors may, at its sole discretion, determine that the grantees will not pay the par value amount and that the Company will capitalize part of its profits to share capital or act in any other manner permitted by law in the case of issuing shares for less than their par value, all in accordance with applicable law, including Section 304 of the Companies Law.

"Record date" as defined in the TASE regulations.

"Ex-date" as defined in the TASE regulations.



A = Closing price of the Company's share on the TASE on the day preceding the exercise date.

B = Exercise price per share.

**4.5**

Shortly after the exercise date and subject to all laws, the Company will allocate to the grantees (or to the Trustee for them, as the case may be) the number of exercise shares obtained according to Section 4.4 above (i.e., the partial exercise shares), provided that each grantee has paid the Company in cash the total par value of the partial exercise shares allocated to them (or to the Trustee for them, as the case may be). It is clarified that the grantees will not be entitled to exercise an option for a fraction of a share and the number of shares to which the grantees are entitled upon exercise of an option under the plan will be rounded (up or down, as the case may be) to the nearest whole number, unless the Company decides otherwise.

**4.6**

The exercise of the options will be subject to applicable law, including the prohibition on the use of inside information, as applicable.

**4.7**

Rights of Exercise Shares - The exercise shares resulting from the options will have equal rights to the existing shares in the Company's share capital for all purposes and will be subject to the provisions of the Company's articles of association. The exercise shares will be entitled to any dividend or other benefit, the record date for entitlement to which occurs at the time of their registration in the Company's shareholders register or thereafter.

**4.8**

Voting Rights - To the extent that the exercise shares are held by the Trustee for the grantees, the voting rights for these shares will be held by the Trustee. The Trustee will not vote in respect of the exercise shares held by them for the grantees and will grant a proxy to the grantees to vote in respect of the exercise shares at the shareholders' meeting, subject to the grantees' request, if and to the extent such a request is made.

<b>5.</b>	<b>Adjustments for the Protection of Grantees</b>
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**5.1**

If the Company distributes bonus shares and the record date for their distribution (the "Bonus Date") occurs after the option allocation date but before their exercise date, the exercise price for each option will not change, but the number of theoretical shares the grantees are entitled to upon exercise of the options will increase by the number of shares the grantees would have been entitled to as bonus shares had they exercised the option. In the case of a split (or consolidation) of the Company's shares, the number and type of shares resulting from the exercise of the options will be adjusted proportionally to maintain the number of shares each grantee is entitled to under each option, provided that the exercise price per option does not change.

## **5.2**

In the case of a rights offering by the Company to its shareholders (including by offering convertible securities) after the option allocation date but before their exercise date, the Company will offer the grantees the same securities on the same terms as offered to the shareholders, and the grantees will be deemed to have 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 entitlement to such dividend occurs after the option allocation date but before their exercise date, the exercise price of each option will be reduced by the gross amount of the dividend per share distributed by the Company, provided that the exercise price of an option will not be less than the par value of the Company's share.

## **5.4**

In the case of a structural change in the Company ("Structural Change"), a merger of the Company with or into another company, whether by share exchange, cash purchase, or otherwise ("Merger") or the sale of all or substantially all of the Company's assets or issued share capital to any third party ("Sale"), the Board of Directors (or a committee thereof) may, among other things, at its discretion and subject to all laws, determine, in general, that the options will be replaced with options in the new company, that the options will be adopted by the new company, that the options will be canceled and returned to the Company for cash compensation, and/or that other required adjustments will be made at its discretion. Immediately after the structural change, merger, or sale as aforesaid, all options of the Company granted under the plan will expire, unless adopted by the new company as aforesaid.

For the purposes of this section, the term "New Company" refers to the company with which the merger is carried out, with which the sale transaction is carried out, or which steps into the Company's shoes after the structural change.



## 5.5

In the case of a sale, the grantees will be required to participate in the sale and sell all their shares, provided that the consideration they receive for their shares is equal to the consideration per share to which the shareholders are entitled in such sale, subject to the discretion of the Board of Directors.

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## 6. Restrictions on the Exercise of Options - Termination of Employment

If the grantees cease for any reason 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 date on which the employer-employee relationship between each employee and the Company ends (the "Termination Date").
  - **6.2** On the termination date, all options allocated to the grantees under this report whose vesting period has not yet ended will expire. Notwithstanding Section 3.4 above regarding the exercise period, options allocated to the grantees whose vesting period has ended by the termination date will be exercisable by the grantees until the earlier of: (a) the option expiry date and (b) 90 days after termination of employment.
  - **6.3** Notwithstanding the above, if one of the grantees is dismissed in circumstances where severance pay can be fully or partially denied as stated in the Severance Pay Law, 1963, and subject to all laws, all options allocated to them under this report, including options whose vesting period has ended, will expire immediately.
  - **6.4** Nothing in this report and/or in the grant of options as stated herein constitutes any direct or indirect obligation of the Company to continue to engage with the grantees. The grantees are not granted any right to continue their engagement with the Company by virtue of this report, and nothing in this report limits the Company's right to terminate the engagement of any grantee at its sole discretion.
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## 7. Transferability of Options

The options allocated under this report, and any right arising from them, will not be transferable and/or assignable, in any case, except for transfer to heirs by law. In the case of transfer to heirs as aforesaid, the option terms and the provisions of the plan and this report will bind the heirs.

In addition, the grantees are required not to create private hedging arrangements that negate the effects of the risk sensitivity inherent in the options, directly or indirectly, whether by themselves or by another person.

**8. Tax Implications of Granting the Options, Their Exercise into Shares, and Sale of the Exercise Shares**

**8.1 General**

- **8.1.1** Under the plan, the options will be granted according to the capital gains track provisions in Section 102(b)(2) of the Income Tax Ordinance.
- **8.1.2** If any tax liability or other mandatory payment (National Insurance, health tax, etc.) arises due to and/or as a result of this report, including the allocation of options to the grantees, their exercise into shares, sale of the exercise shares, receipt of dividends, or any other benefit in respect of options or exercise shares, each grantee will bear it according to their liability. The grantees will indemnify the Company and/or the Trustee for any payment or claim for payment of any tax as required, if required, and the Company will be entitled to deduct from amounts due to the grantees any outstanding debt of the grantees to the Company, if such debt exists for such indemnification.
- **8.1.3** The Trustee will not release any share to the grantees or according to their instructions until full payment of all required payments.

**8.2 Applicable Tax on Options under Section 102 of the Ordinance and Minimum Trust Period**

Applicable Tax on Options	Under Section	102	of the Ordinance and	Minimum Trust	Period
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- **8.2.1** Options granted to the grantees under the capital gains track will be deposited with a Trustee for the benefit of the grantees for the period required by Section 102 of the Ordinance and the rules (the "Minimum Trust Period"). If the requirements of Section 102(b)(2) of the Ordinance are not met, the grantees 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, will 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 applicable to the exercise shares. Cash dividends distributed will be transferred directly to the grantees (after withholding tax as required), all as determined by the Board of Directors, at its sole discretion and subject to all laws, before the distribution of such dividends. For the adjustment of the exercise price of the options after dividend distribution, see Section 5.3 above.
- **8.2.3** The grantees will not be entitled to sell shares or transfer them from the trust before the end of the minimum trust period. Also, rights granted by virtue of these shares, including bonus shares but excluding cash dividends, will be deposited with the Trustee until the end of the minimum trust period. Notwithstanding the above, the grantees may transfer from the Trustee shares and/or rights and/or sell them even before the end of the minimum trust period, provided that tax was withheld at source or the withholding of tax at source was secured according to the plan's terms.

The above in Section 8 refers to the law in effect at the date of the report. The provisions of the law regarding mandatory payments and tax aspects in respect of the options may change from time to time.

The above does not purport to be an authoritative interpretation of the legal provisions mentioned above or a comprehensive description of all legal provisions relating to taxes that may apply in connection with the options offered to the grantee,

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and does not replace legal and professional advice in this regard. As is customary in investment decisions, the grantees should consider the various tax aspects and the tax implications of their investment. The grantees should consult their professional advisors, including legal and tax advice, considering their particular circumstances.

#### **9. Data on the Company's Share Price**

The closing price of the Company's share on the TASE at the end of the trading day preceding the Board's decision was NIS 44.06. For the exercise price of the options and the ratio between it and the share price on the TASE as stated - 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 an amount equal to the par value as detailed in Section 4.5 above, i.e., an amount equal to the par value of the Company's shares multiplied by the number of partial exercise shares (as defined in Section 4.4 above) actually received as a result of the exercise of the options. The exercise price of the options was determined according to the provisions of the Company's compensation policy.

#### **11. Agreements Between the Grantees and Other Shareholders**

To the best of the Company's knowledge, and based on inquiries made with the grantees, except as described in this immediate report, there are no written or oral agreements between the grantees 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 on Transactions in 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 Regarding Sections 15A to 15C of the Law), 2000:
  - **12.1.1** For a period of six (6) months from the actual allocation date of the options (after the fulfillment of the conditions precedent detailed in Section 13 below) (in this section: "the period"), the grantees will not be entitled to offer the exercise shares for trading on the TASE without publishing a prospectus approved for publication by the Israel Securities Authority.
  - **12.1.2** For a period of six (6) consecutive quarters ("the additional periods") after the period, the grantees will be entitled to offer, within the trading on the TASE, without publishing a prospectus approved by the Authority, on any trading day on the TASE, no more than the daily average trading volume of the Company's shares on the TASE during the eight weeks preceding the grantees' offer, provided that the total quantity offered in each quarter, during the additional periods, does not exceed 1% of the issued and paid-up share capital of the Company on the offer date. For this purpose, "issued and paid-up share capital" - excluding shares resulting from the exercise or conversion of convertible securities allocated up to the offer date by the grantees and not yet exercised or converted.
  - **12.1.3** The above also applies to securities purchased during all the above periods, not according to a prospectus and not during trading on the TASE, from the grantees, and to securities resulting from the exercise of securities allocated.
- **12.2** In addition, there are restrictions on the transferability of the options, as detailed in Section 7 above, as well as restrictions on transactions in the options and exercise shares according to the provisions of Section 102 of the Ordinance, as applicable to the grantees, as detailed in Section 8.2 above.

### **13. Required Approvals and Date of Grant of Options**

The allocation of the options is pursuant to the approval of the Compensation Committee on August 18, 2025, and the Board of Directors on August 24, 2025, and is in accordance with the provisions of the Company's option plan.

The grant of the options subject to this report is subject to the approval of the TASE for the listing for trading of the shares resulting from the exercise of the options subject to this report. The Company has applied to the TASE for such approval.

The allocation of the options will be made shortly after receiving the TASE approval as aforesaid.

## **ELECTRA REAL ESTATE LTD**

By: Amir Yaniv, CEO  
And Eliezer Vasli, CFO

### **FOOTNOTE:**

<sup>101</sup> The issued and paid-up share capital of the Company includes 65,310,535 ordinary shares. This amount includes 892,127 dormant shares. All calculations ignore the aforementioned dormant shares. Also, the above data assumes the allocation of the options and their full exercise into exercise shares at a ratio of one exercise share for each exercised option. However, the assumption of exercise of the options into exercise shares at a 1:1 ratio is theoretical only, since in practice, upon exercise of the options, the grantees will be allocated shares in an amount reflecting only the cash benefit embedded in the options (net exercise - cashless), as detailed in Section 4 below.

<sup>2</sup> It is clarified that wherever the plan and the report refer to the grant of exercise shares to the grantees or to the Trustee for them, as applicable, the shares will be registered in the Company's shareholders register in the name of the Company for registration.

<sup>3</sup> Regarding the vesting date of each tranche, i.e., the exercise price of the first option tranche will always be NIS 47.69, and so on, the exercise price of the second option tranche will always be NIS 48.85, and the exercise price of the third, fourth, and fifth option tranches will always be NIS 50.01.

<sup>304</sup> Existence of employer-employee relationship: The vesting period will only count periods during which there is an employer-employee relationship between the Company and each of the grantees. If one of the grantees becomes employed by the Company as an independent contractor, the term "employer-employee relationship" in this report will be interpreted accordingly as "employment relationship". In such a case, the option terms will be amended as required.

<sup>405</sup> As explained below, as applicable.

<sup>406</sup> "Record date" as defined in the TASE regulations.

<sup>407</sup> "Ex-date" as defined in the TASE regulations.