

ELECTRA REAL ESTATE LTD

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

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

2/11/2025

Re: Electra Real Estate Ltd (hereinafter: the Company) – Immediate Report

The Company hereby announces that on October 30, 2025, it signed an agreement with a third party for the sale of all rights in a multifamily complex in Conroe, Texas, USA (hereinafter: the Asset), which is held by the second fund for investments in multifamily complexes in the USA, for consideration (100%) of approximately USD 32.5 million.

The Asset, which is managed by the Company as a General Partner, was acquired in September 2018 for a price (100%) of approximately USD 27.5 million and includes 208 residential units.

The equity invested (100%) totaled approximately USD 10.3 million. The free cash flow (100%) expected to result from the sale transaction amounts to approximately USD 7.3 million. In addition, during the holding period, the Asset distributed a total of approximately USD 10.3 million in ongoing distributions, so in total, the Asset will provide its investors with a cash flow of approximately USD 17.6 million until realization, reflecting an annual IRR of approximately 11.6% at the Asset level and an equity multiple of 1.7.

The original equity invested by the Company (as a Limited Partner) in this transaction was approximately USD 0.6 million, the free cash flow expected to result to the Company from the sale transaction, beyond ongoing distributions received during the holding period (approximately USD 0.6 million), amounts to approximately USD 0.5 million, and in total, the Company will receive a cash flow of approximately USD 1.1 million from this transaction.

As a result of the above, the Company is not expected to record material profit or loss in the third quarter of 2025.

Completion of the transaction, subject to the fulfillment of all conditions precedent under the sale agreement, is expected to take place in the fourth quarter of 2025.

The information in this immediate report regarding the effect of the transaction on the Company's financial results, the cash flow that will result for the Company, and the timing of completion, constitutes forward-looking information assuming the completion of the engagement with the third party as noted above, and is also based on the Company's assumptions regarding the costs involved in executing the transaction and tax obligations, final price adjustments that may apply to the transaction, and the date of satisfaction of the conditions precedent for completion. This information may not materialize, or may materialize differently than expected, inter alia if the Company's assumptions as noted do not materialize as expected.

Signatories:
Gil Roshink, Chairman of the Board
Amir Yaniv, CEO