

2025-12-14

Date: 14/12/2025

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

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

Dear Sirs,

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

The Company hereby announces that on December 11, 2025, it signed a transaction with a third party for the sale of all rights in a residential complex in Charlotte, North Carolina, USA (hereinafter: the Asset), held by the second fund for investments in US residential complexes and a limited US investor (LP), for a total (100%) amount of approximately \$65.2 million.

The asset, which is managed by the Company as a General Partner (General Partner) was acquired in November 2018, at a price of (100%) approximately \$50.7 million and includes 318 residential units.

The equity (100%) invested amounted to approximately \$17.8 million. The free cash flow (100%) that will result from the sale transaction amounts to approximately \$21.7 million. In addition, during the holding period the asset distributed a total of approximately \$13.8 million in ongoing distributions, so that in total the asset will yield its investors a cash flow of approximately \$35.5

million up to the realization date, reflecting an annual return (IRR) of approximately 14.6% at the asset level and an equity multiple of 2.

The original equity invested by the Company (approximately as a Limited Partner) in this transaction amounted to approximately \$0.8 million,

The free cash flow that will result to the Company from the sale transaction, in addition to the ongoing distributions received during the holding period (approximately \$0.6 million), totals approximately \$1.6 million, and in total the Company will earn from this transaction cash flow of approximately \$2.2 million.

As a result of this transaction, the Company is expected to record a loss of approximately \$1.5 million, which will be attributed in its financial statements for the fourth quarter of 2025.

Completion of the transaction, subject to the fulfillment of all conditions stipulated in the sale agreement, is expected to be completed in the fourth quarter of 2025.

The information in this immediate report regarding the impact of the transaction on the Company's financial results, the cash flow that will result

to the Company and the timing of completion of the transaction, is forward-looking information which assumes the completion of the engagement with the third party

as mentioned above, and is based on the Company's assumptions regarding the costs involved in executing the transaction and the obligations for

income taxes, final price adjustments that may be in the transaction, and the time of fulfilling the conditions precedent for completing the transaction. This information may not materialize, or may materialize differently than expected, among others if

the Company's assumptions as aforesaid are realized differently than expected.

Electra Real Estate Ltd.

Names of the signatories:

Gil Rushinek, Chairman of the Board

Amir Yaniv, CEO