



INROM CONSTRUCTION INDUSTRIES LTD

("the Company")

C.R. 51-500165-9

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To:

Israel Securities Authority

www.isa.gov.il

Tel Aviv Stock Exchange Ltd.

www.tase.co.il

August 13, 2025.

Dear Sir/Madam,

Subject: Compensation Agreement with the Director of Property Tax and Compensation Fund for Damages from the 'Iron Swords' War

The Company is honored to update that on August 12, 2025, an agreement was signed between NIRLAT COLORS LTD. and the Director of Property Tax and the Compensation Fund ("Property Tax") regarding the scope of compensation to which NIRLAT COLORS LTD. is entitled for the direct damages caused to the plant at the kibbutz ("the Agreement").

This notice is further to the provisions of section 62.1 of the Company's 2024 periodic report ¹⁰¹, as well as to the Company's reports from April 10, 2025 and April 28, 2025, ¹⁰² regarding the advances received by the subsidiary NIRLAT COLORS LTD. ("NIRLAT COLORS LTD.") from Property Tax on account of compensation funds for damages caused to NIRLAT COLORS LTD.'s operations due to the damage to NIRLAT COLORS LTD.'s main production plant at Kibbutz Nir Oz at the outbreak of the 'Iron Swords' war ("the plant", "the kibbutz", and "the war"), and the impact of the war on its operations.

Below is a summary of the main points of the agreement:

- 1.** Property Tax will pay NIRLAT COLORS LTD. an additional amount of NIS 215,600,000 plus VAT, on top of the advance paid to NIRLAT COLORS LTD. on October 23, 2023, ¹⁰³ for the direct damages caused to it such as: raw material inventory, finished goods inventory, equipment, new production lines built before the outbreak of the war, process equipment, process piping, instrumentation and electricity, etc., direct damages to buildings (including the kibbutz's share as the owner of the buildings, ¹⁰⁴ intended for the restoration of the buildings at the plant), as well as for dismantling and clearing the real estate and engineering service fees required by NIRLAT COLORS LTD. as part of the plan to rehabilitate and restore the plant ("the compensation amount");
- 2.** Within 30 days from the date of signing the agreement, NIRLAT COLORS LTD. will be paid an additional advance of NIS 57,800,000, so that the total advances paid and/or to be paid to NIRLAT COLORS LTD. on account of the compensation amount will stand at 50% of the agreed compensation amount for fixed assets and inventory, and the balance will be paid according to the progress of the work and against the presentation of invoices as required by law.
- 3.** In addition, the agreement stipulates that if NIRLAT COLORS LTD. presents to Property Tax documentation and invoices for expenses incurred for the restoration of the plant in an amount equal to 90% of the total advances paid and/or to be paid to NIRLAT COLORS LTD. by Property Tax (as specified in sections 1 and 2 above), then in such a case NIRLAT COLORS LTD. will be entitled to an additional advance payment from Property Tax in the amount of NIS 50,000,000.
- 4.** It was also determined that the maximum period for submitting claims for indirect damages caused to NIRLAT COLORS LTD.'s business operations will be 36 months from the date of signing the agreement until August 1, 2028.

For more details regarding the advance requests submitted by NIRLAT COLORS LTD. to Property Tax from the outbreak of the war until today for the indirect damages caused to its operations, as well as for full details regarding the claim submitted by NIRLAT COLORS LTD. for the direct damages caused to the plant (inventory and equipment, excluding buildings), see the director's report attached to the Company's first quarter report for 2025, published on May 21, 2025 (reference number 2025-01-2025).

Respectfully,

INROM CONSTRUCTION INDUSTRIES LTD

Signed by:

1)	Peretz Shahr, Acting CEO
2)	Sagi Mauda, CFO

FOOTNOTE:

¹⁰¹ The Company's 2024 periodic report was published on March 27, 2025 (reference number 2025-01-021107).

¹⁰² See the Company's immediate reports from April 10, 2025 and April 28, 2025 (reference numbers 2025-01-027088 and 2025-01-029774)

¹⁰³ For more details regarding the receipt of the above advance, see the Company's immediate report from October 23, 2023 (reference number 2023-01-096979).

¹⁰⁴ The buildings were leased by the kibbutz to NIRLAT COLORS LTD. under a sublease agreement signed in August 2015 and extended in June 2021. However, in light of the events of the war and the significant damage caused to the plant during the war, and in accordance with discussions held with representatives of Property Tax and the kibbutz, from January 1, 2024 onwards, NIRLAT COLORS LTD. stopped paying lease fees to the kibbutz (except for real estate that was not damaged and is still in its use), and to the best of the Company's knowledge, the above rent is paid to the kibbutz directly by Property Tax.

²⁰⁵ It should be noted that under the agreement it was determined that if Property Tax decides that exceptional force majeure circumstances have occurred that prevent compliance with the deadlines set in this section, such as the declaration of a special situation on the home front due to war or pandemic and the imposition of significant restrictions on economic activity, the said period will be extended by the number of days during which such exceptional force majeure circumstances occurred as mentioned above.