

December 31, 2025

Isras Investments Ltd. (the Company)

To:
Israel Securities Authority
Via MAGNA

To:
Tel Aviv Stock Exchange Ltd.
Via MAGNA

Dear Sir/Madam,

Re: A wholly owned subsidiary's agreement for the sale of part of real estate in Be'er Sheva

The Company is honored to hereby inform that on December 31, 2025, Hasin Esh Ceramic Products Ltd. (1990) Ltd., a wholly owned (100%), directly and indirectly, subsidiary of the Company (the Subsidiary), entered into an agreement with a third party not related to the Company and/or to its controlling shareholder (the Purchaser), for the sale of the rights of the Subsidiary in land of approximately 23 dunams designated for industry in Be'er Sheva (the Agreement and the Sold Property, respectively).

It should be clarified that the Sold Property constitutes part of an area of approximately 44 dunams owned by the Subsidiary, and from which it previously operated in the field of production and marketing of clay blocks, an activity not performed for quite some time. The rights in the remaining area of approximately 21 dunams, the vast majority of which is designated for commerce and employment, will remain in the Subsidiary's ownership.

In consideration for the purchase of the Sold Property, the Purchaser will pay the Subsidiary a sum of approximately NIS 65.3 million plus VAT (the Consideration). Immediately after the signing of the Agreement, the Purchaser deposited the entire Consideration into an escrow account, and it will be paid as follows:

1. A sum of approximately NIS 11.5 million, plus VAT, will be transferred to the Subsidiary from the escrow account subject to the registration of a cautionary note in the Land Registry Office in favor of the Purchaser;
2. A sum of approximately NIS 4.9 million, plus VAT, will be transferred from the escrow account to the Land Tax Authority on the date set by law for capital gains tax, as applicable;
3. A sum of approximately NIS 48.9 million, plus VAT, will be transferred to the Subsidiary from the escrow account within 5 business days from the date on which the condition precedent (as defined below) is met and upon delivery of possession of the Sold Property to the Purchaser.

Completion of the transaction is conditional on the approval of a new and specific detailed plan for the Sold Property to be advanced by the Purchaser, as specified between the parties to the Agreement, within 12 months from the signing of the Agreement (above and hereinafter: the Condition Precedent and the Period for Satisfaction of the Condition Precedent, respectively). It is noted that the Purchaser shall be entitled to extend from time to time the Period for Satisfaction of the Condition Precedent, for a period of up to an additional 12 months, in return for an additional payment of up to NIS 2 million, plus VAT.

It is noted that in the event that the transaction is not completed due to non-fulfillment of the Condition Precedent, the Subsidiary will retain an amount between NIS 5–9 million, plus VAT, depending on the final extension of the Period for Satisfaction of the Condition Precedent.

In the Company's estimation, completion of the sale of the Sold Property is expected to yield the Subsidiary a pre-tax profit of approximately NIS 61 million, which will constitute part of the Subsidiary's cash flow.

The information stated in this immediate report regarding the impact of the sale of the Sold Property on the financial results of the Subsidiary, including the expected profit, constitutes forward-looking information, as defined in the Securities Law, 1968, based, among other things, on information in the Company's possession as of this date and on the Company's assumptions regarding

2024-06-10

The above information is subject to the costs associated with the execution of the transaction, as well as the fulfillment of the suspensive condition and the completion of the transaction. This information may not materialize, or may materialize differently than expected, among other things, if the aforementioned company assumptions prove to be different than expected.

Sincerely,

ISRAC HOLDINGS LTD.

By: Ilan Toker, Director