

4. August, 2025



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To:

Israel Securities Authority Via MAGNA

TEL AVIV STOCK EXCHANGE LTD Via MAYA

www.isa.gov.il

www.tase.co.il

Subject: MEGA OR HOLDINGS LTD (hereinafter: "the Company")

Immediate Report pursuant to the Securities Regulations (Private Offering of Securities by a Listed Company), 2000

Regarding a Non-Exceptional and Non-Material Private Allocation

Pursuant to the Securities Regulations (Private Offering of Securities by a Listed Company), 2000 (hereinafter: "Private Offering Regulations"), the Company is honored to announce that on August 4, 2025, the Company's Board of Directors (hereinafter: "the Grant Date"), following the approval of the Compensation Committee, ¹⁰¹ approved a non-material private allocation (as defined in the Private Offering Regulations) of 15,508 Restricted Stock Units (RSU) (not listed for trading) (hereinafter: "Restricted Stock Units" and "RSU", respectively), which will automatically convert upon vesting into 15,508 ordinary shares of NIS 0.01 par value of the Company, as follows:

- To 3 office holders of the Company, who have employer-employee relations with the Company (hereinafter: "Office Holders"), the Company will allocate 9,769 RSUs (not listed for trading) which will vest into 9,769 ordinary shares of the Company;
- To employees of the Company, who have employer-employee relations with the Company (hereinafter: "Employees"), the Company will allocate 1,905 RSUs (not listed for trading) which will vest into 1,905 ordinary shares of the Company;
- To a service provider to the Company who serves as an office holder in the Company and does not have employer-employee relations with the Company (hereinafter: "Service Provider"), the Company will allocate 3,834 RSUs (not listed for trading) which will vest

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into 3,834 ordinary shares of the Company (hereinafter, together, the Office Holders and the Service Provider: "the Grantee" or "the Grantees").

To the best of the Company's knowledge, as of the date of this report, the Grantees are not interested parties in the Company and will not become interested parties solely by virtue of the vesting of the restricted stock units allocated under this report (if and when exercised), considering the issued and paid-up share capital and voting rights in the Company and their holdings in the Company's securities, as of the date of publication of this report.

The offer is in accordance with the Company's 2017 equity compensation plan, as amended in 2025 and approved by the Company's Board of Directors on July 14, 2025 (hereinafter: "Equity Compensation Plan").

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1. The percentage of the securities out of the voting rights and issued share capital of the Company

After the allocation and assuming full exercise of the restricted stock units (i.e., exercise into 15,508 shares of the Company), the restricted stock units will constitute approximately 0.042% of the Company's issued and paid-up share capital and voting rights on a fully diluted basis.

2. Terms of the Restricted Stock Units

2.1. General

The restricted stock units are offered to the Grantees in their capacity as office holders and/or employees of the Company and/or its subsidiaries and/or service providers to the Company. The RSUs offered to office holders are in accordance with the capital gains track provisions set forth in Section 102(b)(2) of the Income Tax Ordinance [New Version], 1961 (hereinafter: "the Ordinance" and "Capital Gains Track", respectively).

The RSUs allocated to office holders and employees under the capital gains track will be deposited in trust with a trustee (hereinafter: "the Trustee"), who will hold them in trust for the periods specified in Section 102 of the Ordinance.

The RSUs will not be listed for trading on the TEL AVIV STOCK EXCHANGE LTD (hereinafter: "the Stock Exchange"). Upon conversion of the restricted units allocated to the Grantees in the private offering, the Company will register the shares in the Company's shareholders register in the name of the Company for the records of the TEL AVIV STOCK EXCHANGE LTD, and from the date of their allocation, they will be equal in all respects to the existing ordinary shares in the Company's share capital. For the avoidance of doubt, until the allocation of the shares resulting from the conversion of the restricted units, the restricted units will not confer

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any rights granted to a shareholder, including voting rights or the right to participate in the Company's profits, including dividends.

2.2. Date of Allocation of the Restricted Stock Units

The RSUs will be allocated shortly after receipt of all required approvals, as detailed in Section 7 below.

2.3. Exercise Period and Vesting Conditions of the RSUs for the Grantees

2.3.1. The RSUs allocated to the Grantees will be exercisable as follows:

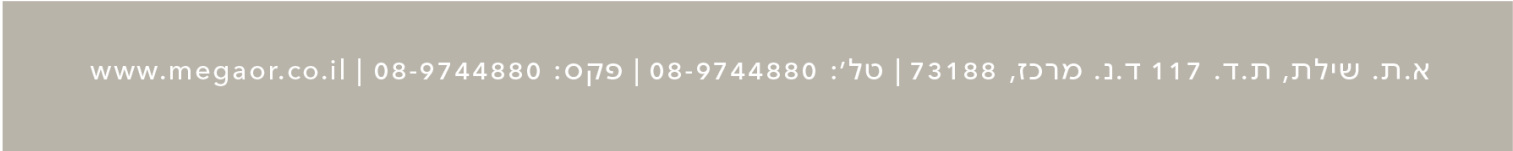
- **A.** 1/3 of the RSUs will vest one year after the grant date;
- **B.** 1/3 of the RSUs will vest two years after the grant date;
- **C.** 1/3 of the RSUs will vest three years after the grant date.

(hereinafter together: "Vesting Dates" or "Vesting Date", as applicable)

2.3.2. The above in Section 2.3.1 is subject to the Grantee serving as an employee and/or office holder (including as a service



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2.3.3 provider) in the Company or a company held by it at the relevant vesting date, as applicable. Any unvested restricted unit will immediately expire on the date the Grantee ceases to be an employee, service provider, or office holder in the Company or a company held by it.

(hereinafter together: "Exercise Period" and "Expiration Date", respectively).

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2.3.4 In the event of termination of engagement with the Grantee for any reason, including dismissal or resignation, the Grantee will be entitled to the restricted units for which the right to exercise has vested as of the date of termination.

2.3.5 In the event of termination of employment due to health issues or in the event of death, God forbid, the Board of Directors may approve the acceleration of the remaining unvested restricted units (non vested) and transfer them to the Grantee or his heirs or estate administrator, as applicable.

3 Method of Exercise of the RSUs for the Grantee

- (A) The exercise of the restricted units will be done by issuing ordinary shares of the Company. The allocation of shares resulting from the conversion of the RSUs will be made without consideration, ³⁰² and the Company will consider the exercise shares as fully issued and paid-up.
- (B) Shortly after the relevant vesting date as detailed in Section 2.3 above, the vested restricted units will automatically convert into Company shares and will be transferred to the Grantee or to the Trustee holding the restricted units for him under the plan, as applicable, without any notice required from him.
- (C) It is hereby clarified that any conversion of restricted units will be subject, inter alia, to the provisions of the Stock Exchange bylaws and its guidelines and in accordance with the Trustee's instructions.
- (D) Each restricted unit exercised as stated above will entitle the Grantee to receive (or the Trustee for him, as applicable) one ordinary share of the Company, subject to adjustments as detailed in Section 4 below.
- (E) Notwithstanding the above, and subject to the Stock Exchange bylaws and guidelines, no exercise will be made on the record date (as defined in the Stock Exchange bylaws) for the distribution of bonus shares, rights offering, dividend distribution, capital consolidation, capital split, or capital reduction (each hereinafter: "Corporate Event"). It is also clarified that if the ex-date of a Corporate Event occurs before the record date of a Corporate Event, no exercise of RSUs will be made on the ex-date as stated.

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4. Adjustments for the Protection of the Grantees

Upon the occurrence of any of the events mentioned below, during the period between the allocation date of the RSUs to the Grantees and their exercise date, the following adjustments will be made:

A. In the event of a rights offering by the Company to shareholders after the allocation date of the RSUs but before their vesting date, there will be no adjustment to the exercise price of the RSUs, but the number of shares resulting from their vesting, which have not yet vested

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on the date of determination of the right to participate in the rights offering, will be adjusted proportionally according to the benefit component of the rights offering, as reflected in the ratio between the closing price of the Company's shares on the last trading day before the ex-date and the base price of the share "ex-rights".

- B.** If the Company distributes a cash or in-kind dividend to all its shareholders, and the record date for entitlement to this dividend (hereinafter: "the Record Date") occurs after the allocation date of the RSUs but before their vesting date, the exercise price of each RSU not yet converted into a Company share before the Record Date will be reduced by the gross dividend amount per share distributed by the Company (or the value of the dividend in the case of an in-kind distribution), but in any case, the exercise price will not be reduced below the minimum price set in the Stock Exchange bylaws and its guidelines at the time of exercise.
- C.** If the Company distributes bonus shares and the record date for entitlement to them occurs after the allocation date of the RSUs but before their vesting date, the exercise price of each RSU will not change, but the number of exercise shares to which the Grantee is entitled upon conversion of the RSUs will increase by the number of bonus shares the Grantee would have been entitled to had the RSU been converted. Similar adjustments will be made in the event of a split (or consolidation) of the Company's shares and the like.
- D.** In the event of a "Transaction", ⁴⁰³ the Board of Directors (or a committee on its behalf) may, at its discretion, determine, in general, that the RSUs will be replaced with options for shares, according to the number of shares under the allocation letter not yet exercised, or for any security of the acquiring company (or parent or subsidiary of the acquiring company) distributed to the Company's shareholders in exchange for the Company's shares in connection with such transaction, and appropriate adjustments will be made to the exercise price per share, as required, to reflect such event, and all other terms of the RSUs will remain unchanged, including vesting dates, all as determined.
- E.** If it is decided to voluntarily liquidate the Company while there are unvested RSUs, the Company's Board of Directors may declare that all or some of the RSUs will expire on a date set for that purpose.

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in advance and approve the Grantee to exercise the RSUs granted to him.

5. Tax Implications

The Grantees alone will bear all tax liabilities arising from the grant of the RSUs, their

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exercise into shares, sale of the exercise shares, their transfer, or any other action regarding the RSUs and/or the exercise shares.

6. Consideration

The RSUs offered are offered to each of the Grantees free of charge, except for the Service Provider, who will be required to pay a cash consideration of 30 agorot for each converted share allocated to him, according to their vesting dates.

7. Required Approvals and Conditions for the Allocation

The allocation of the offered RSUs is subject to the approval of the Stock Exchange for the listing for trading of the exercise shares. Shortly after the publication of this report, the Company will apply to the Stock Exchange for such approval.

8. Absence of Agreements between the Grantees and a Shareholder in the Company

To the best of the Company's knowledge, as of the date of publication of this report, there are no agreements, whether written or oral, between the Grantees and shareholders of the Company and/or holders of the Company's securities or between the Grantees and others (all or some), regarding the purchase or sale of securities, or regarding voting rights. The Company has approached the Grantees and received their confirmation of the above.

9. Prohibition or Restriction on Actions with the RSUs

- A. The conversion of the restricted units will be carried out in accordance with the plan and as stated in this report.
- B. The RSUs or the Grantees' rights in connection with the RSUs, whether payment has been made for them or not, are not transferable, assignable, pledgeable, or any right in them to be granted to a third party, except for transfer by inheritance laws or by will before the applicable tax has been paid as stated in Rule 7 of the Income Tax Rules (Tax Relief in Allocation of Shares to Employees), 2003, and except as expressly stated in the Equity Compensation Plan.
- C. In addition to the above, the sale of exercise shares resulting from the conversion of the RSUs will be subject to the restrictions set forth in the Securities Law, 1968 and the Securities Regulations (Details regarding Sections 15A to 15C of the Law), 2000.

Respectfully,

MEGA OR HOLDINGS LTD
By: Zachi Nachmias, Director and Co-CEO
and Chaim Onfloos, CFO

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FOOTNOTE:

¹⁰¹ The Compensation Committee's approval was given in relation to the Grantees under this allocation report who are office holders in the Company only.

³⁰² Except for the Service Provider, who will pay a cash consideration of 30 agorot (which as of the report date constitutes the minimum price per share according to the Stock Exchange bylaws), as part of his engagement terms with the Company.

⁴⁰³ Merger, acquisition, reorganization of the Company with or into another company, where the Company is not the surviving company (does not continue to exist) or sale of all or a significant part of the Company's assets or shares.