

2025-12-04

Y. I. Nofar Energy Ltd. (the Company)

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

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

Dear Sir/Madam,

Subject: Update regarding forward transactions of the controlling shareholder

The Company is honored to announce that it has been notified by the controlling shareholder, Mr. Ofer Yanai (Yanai), that Yanai and The Phoenix Insurance Company Ltd., The Phoenix Pension and Provident Funds Ltd. (together: The Phoenix), entered into a transaction on December 4, 2025 in connection with their holdings in the Company's shares (the Transaction), the main points of which are as follows:

Yanai purchased from The Phoenix, in an off-exchange forward transaction, 1,420,000 shares of the Company (constituting approximately 3.72% of the Company's undiluted share capital), for a price of NIS 104 per share and for a total sum of approximately NIS 147,680 thousand (the Purchased Shares).

An advance payment of approximately NIS 22,150 thousand was paid upon entering into the Transaction. The remaining amount (the Remainder of the Consideration), plus a yield as set in the Transaction (the Yield Addition), will be paid by December 4, 2026 (the Final Payment Date).

As collateral for the aforesaid Transaction, 940,000 Company shares owned by Yanai were deposited with The Phoenix as a pledged deposit and first degree lien (the Pledged Shares), and they will be released and transferred to Yanai upon full payment of the Remainder of the Consideration, with the Yield Addition, including any dividend and bonus shares distributed in respect thereof during the period.

If the Remainder of the Consideration with the Yield Addition is not paid by the Final Payment Date, then without derogating from any remedies available to The Phoenix under law, The Phoenix shall have a Call Option to purchase the Purchased Shares for an amount equal to the Remainder of the Consideration with the Yield Addition, by way of offset (the Call Option).

Yanai will have the option to extend the Final Payment Date with respect to a sum of approximately NIS 38,730 thousand by an additional year, until December 4, 2027 (the Option to Extend the Payment Date), in exchange for an additional payment of the additional Yield Addition as set in the Transaction (the Extended Remainder of the Consideration). The Call Option will apply with the necessary modifications also in the event Yanai exercises the Option to Extend the Payment Date.

In the event the Option to Extend the Payment Date is exercised, the pledged deposit will continue until payment of the Extended Remainder of the Consideration—the number of the Company's shares held as collateral to the loan-to-value (LTV) ratio as determined between the parties, and in any case at least 460,000 shares will remain in the collateral and shall be transferred to Yanai upon full payment of the Extended Remainder of the Consideration, with the Yield Addition, including any dividend and bonus shares distributed in respect thereof during the period.

Concurrently, Yanai sold to The Phoenix, in an off-exchange forward transaction, 960,000 shares of the Company held by him directly or through companies wholly owned by him (constituting approximately 2.52% of the Company's undiluted share capital), for a price of NIS 104 per share and for a total of approximately NIS 99,840 thousand. An advance of approximately NIS 91,850 thousand was paid upon entering into the transaction. The remaining consideration will be paid by the Final Payment Date (the Remainder of the Consideration for the Sold Shares).

It should be clarified that there is not and shall not be any shareholder agreement between Yanai and The Phoenix. Nothing herein shall derogate from a power of attorney granted to Yanai by The Phoenix to vote by virtue of the pledged shares at his sole discretion (the Power of Attorney).

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It was also agreed, and not as part of the transaction, that The Phoenix will lend to Yanai, through a banking corporation, 1,200,000 shares for a period of one year from the date of signing the transaction.

Upon completion of the transactions and payment of the consideration as determined in the agreement between the parties; the release and transfer of the pledged shares to Yanai, and the expiration of the power of attorney, Yanai will remain with ownership of 460,000 shares out of the purchased shares (in addition to the shares he holds as of the date of execution of the transaction), which constitute approximately 1.21% of the company's share capital on a non-diluted basis.

Respectfully,

A.Y. Nofar Energy Ltd.

By: Ofer Yanai, CEO and Director, and Nir Peleg, CFO.
