

26 October 2025

To:

Israel Securities Authority
TEL AVIV STOCK EXCHANGE LTD

www.isa.gov.il
maya.tase.co.il

Dear Sir/Madam,

Subject: Immediate Report Regarding a Material Private Offering in Accordance with the Securities Regulations (Private Offering of Securities in a Listed Company), 2000 (hereinafter: "the Regulations")

REIT 1 LTD (hereinafter: "the Company") is honored to hereby submit an immediate report pursuant to the Regulations, as follows:

1. Introduction

1.1

The private offering subject to this report is in accordance with an agreement signed on August 30, 2022, between the Company and REIT 1 Management Services Ltd (hereinafter: "the Management Company"), whereby the Management Company will provide the Company with management services as detailed in sections 6.1 and 6.2 below (hereinafter: "the Management Agreement" and "the Management Services").

As part of the consideration for the management services, the Company undertook that as long as the Management Agreement is in effect, it will allocate to the Management Company ordinary shares of the Company with a nominal value of NIS 1 each (hereinafter: "Ordinary Shares"), in an amount derived from the Company's asset value at the time of allocation, and at the times as detailed below.

1.2

For details regarding the engagement in the Management Agreement and its approval by the general meeting of the Company's shareholders, see section 25.1 in Chapter A of the Company's periodic report for 2024, which was published by the Company on March 16, 2025 (Reference: 2025-01-017063) (hereinafter: "the Periodic Report"), which is hereby incorporated by reference.

According to the provisions of the Management Agreement, at this time, the Company is to allocate to the Management Company 65,175 ordinary shares (hereinafter: "the Allocated Shares"). The above allocation is subject to the approval of the TEL AVIV STOCK EXCHANGE LTD (hereinafter: "the Stock Exchange").

1.3

According to Regulation 1 of the Regulations, all offers that are part of a single transaction are considered as one private offering.

According to the Management Agreement, as part of the consideration for the management services provided by the Management Company to the Company, ordinary shares will be allocated to the Management Company in the scope and under the conditions set forth in the Management Agreement (see section 3 below). In addition, options for ordinary shares of the Company (hereinafter: "the Options") will be allocated annually to employees of the Management Company and/or employees of the Company's subsidiaries and/or service providers to the Company, as long as the Management Agreement is in effect. To the best of the Company's knowledge, the Chairman of the Company's Board of Directors, Mr. Dror Gad, is a shareholder in the Management Company and is also employed by the Management Company, and is therefore entitled to options allocated from time to time. It should also be noted that Mr. Shmuel Rofe, who serves as the Company's CEO and as the CEO of the Management Company and is employed by it, and Mr. Shmuel Said, who serves as Deputy CEO in the Company and in the Management Company, and is a shareholder in the Management Company and is employed by it, are entitled to options allocated from time to time.

Therefore, as a precaution, a material private offering report is submitted regarding the private offering to the Management Company described in this report.

2. The Offeree



Image alt: Company Logo

2.1 To the best of the Company's knowledge, as of the date of this report, the shareholders in the Management Company are:

- (1) Mr. Dror Gad, who serves as Chairman of the Company's Board of Directors;

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- (2) Mr. Shmuel Said, who serves as Deputy CEO in the Company;
- (3) PHOENIX INVESTMENT HOUSE LTD (hereinafter: "PHOENIX INVESTMENT HOUSE").

To the best of the Company's knowledge, PHOENIX FINANCIAL LTD (hereinafter: "PHOENIX FINANCIAL") is the controlling shareholder of PHOENIX INVESTMENT HOUSE. As mentioned, Mr. Shmuel Rofo serves as CEO of the Company and as CEO of the Management Company.

2.2 PHOENIX FINANCIAL, PHOENIX INVESTMENT HOUSE, Dror Gad, Shmuel Said, Shmuel Rofe, and the Management Company may be considered as "acting together" in accordance with the provisions of the Securities Law, 1968 (hereinafter: "the Securities Law"). As of September 30, 2025, their combined holdings in the issued share capital of the Company amounted to approximately 14.64% (approximately 16.12% of the Company's capital on a fully diluted basis).

2.3 As of September 30, 2025, the Management Company's holdings in the issued share capital of the Company amounted to approximately 0.49% (approximately 0.48% of the Company's capital on a fully diluted basis).

3. Terms of the Allocated Shares

3.1 The allocated shares will have identical rights to the other ordinary shares existing in the Company's capital and will be allocated free of any lien, attachment, pledge, or other third-party right.

3.2 The allocated shares are allocated to the Management Company as part of the consideration paid to the Management Company for the management services it provides to the Company in accordance with the Management Agreement.

3.3 The value of the allocated shares according to this report is: NIS 1,547,433. The annual value of the shares to be allocated to the Management Company is determined in the Management Agreement as a derivative of the Company's asset value, as follows:

Company Asset Value	Annual Value of Allocated Shares for the Relevant Tier
From 0 up to NIS 6 billion	0.06%
Above NIS 6 billion up to NIS 10 billion	0.075%
Above NIS 10 billion	0%

The number of allocated shares according to this report was determined based on the annual value of the allocated shares, as stated above, divided by four (four quarters), divided by the average closing price of the Company's share as determined on the Stock Exchange in the 30 trading days preceding the end of the third quarter of 2025, subject to adjustments due to the occurrence of an "ex-date" for dividend distribution during the said trading days, if any.

3.4 The allocated shares will be registered in the name of the Company in the records of the TEL AVIV STOCK EXCHANGE LTD and will be held in trust by the trust company of Fischer & Co. Law Offices (hereinafter: "the Trustee"), and will be blocked until September 26, 2029 (end of the Management Agreement period), at which time they will be transferred from the Trustee to the Management Company.

Notwithstanding the above in this section, in any case of early termination of the Management Agreement, for any reason, all blocked shares held by the Trustee for the Management Company at that time will be released from the block and transferred to the Management Company, except in circumstances of a material breach by the Management Company or if the Management Company or any of its key persons or its CFO breached their fiduciary duty to the Company and/or acted in conflict of interest and/or acted maliciously or with gross negligence and/or committed a criminal offense, resulting in significant damage to the Company.

3.5 Subject to any law, during the blocking period, the Management Company will be entitled to allocate any of them to any of its employees or its subsidiaries' employees, or to service providers, at its discretion, and appropriate notice will be given to the Trustee.

3.6. During the period in which the Trustee holds the allocated shares, the Trustee will exercise the powers and authorities vested in it by virtue of holding the allocated shares only according to written instructions received from the Management Company. All dividends and/or any other rights to which the allocated shares are entitled during the trust period will belong to the Management Company and will be transferred to the Management Company upon its first request.

4. Number of Allocated Shares and the Percentage They Constitute of the Company's Share Capital and Voting Rights

A total of 65,175 ordinary shares of the Company with a nominal value of NIS 1 each will be allocated to the Management Company according to this report. The allocated shares constitute approximately 0.033% of the issued share capital and voting rights in the Company after the allocation (approximately 0.032% on a fully diluted basis [³⁰²]).

5. Share Price on the Stock Exchange

The share price at which the allocated shares are offered is NIS 23.743.

The closing price of an ordinary share of the Company on the Stock Exchange on October 23, 2025, shortly before the publication of the report, is NIS 26.70.

The ratio between the price at which the allocated shares are offered and the closing price on the Stock Exchange on October 23, 2025, shortly before the publication of the report, is approximately 88.92%.

6. Main Points of the Transaction

Below is a description of the main points of the transaction with the Management Company. For a more detailed description of the Management Agreement, see section 25.1 of the Periodic Report.

6.1. Background - The Company was established in April 2006 at the initiative of the Management Company, as a real estate investment trust in accordance with the Income Tax Ordinance, which acquires, holds, and manages income-producing real estate for profit purposes. At the time of its establishment, the Company entered into an agreement with the Management Company whereby the Management Company would provide the Company with management services, including:

- Identifying investments for the Company
- Conducting due diligence
- Negotiating investment, financing, etc. agreements
- Economic and financial consulting for investments by the Company
- Accompanying, supervising, and managing the Company's investments
- Consulting on raising equity and debt for the Company (hereinafter: "the First Management Agreement")

The period of the First Management Agreement ended on September 26, 2013, and the parties entered into a second management agreement starting September 27, 2013 (hereinafter: "the Second Management Agreement"). On July 30, 2020, the general meeting of the Company's shareholders approved the exercise of the option available to the Company to extend the Second Management Agreement under the same terms, until September 26, 2022.

In light of the expiration of the extension period of the Second Management Agreement on September 26, 2022, the parties entered into the Management Agreement, which was approved by the general meeting of the Company's shareholders on September 6, 2022, and which became effective on September 27, 2022.

6.2. Under the Management Agreement, the Management Company provides the Company with the management services detailed in section 6.1 above, and provides the Company with the services of:

- CEO
- CFO
- VP Business Development
- VP Assets and Marketing
- VP Engineering
- Controller
- All officers and functionaries required for the management and ongoing operation of the Company.

6.3. Period - The Management Agreement will be in effect for a period of seven years, until September 26, 2029. The Company has the option to extend the Management Agreement, under the same terms, for up to an additional three years.

6.4. Consideration - For the provision of the services, the Company will pay various types of compensation as follows:

- **6.4.1.** Annual management fees - will be derived from the total asset value of the Company as defined in the Management Agreement, at the rates and according to the tiers detailed in section 25.1 of the Periodic Report.

.6.4.2	Performance-based bonus - the maximum amount of the bonus to which the Management Company will be entitled will be derived from the total asset value of the Company as defined in the Management Agreement, at the rates and according to the tiers detailed in section 25.1 of the Periodic Report, and its payment depends on the following three metrics: • 1. Maintaining the Company's debt rating, at a rating not lower than il/A+, and maintaining the Company's status as a real estate investment trust in accordance with the provisions of the Income Tax Ordinance; • 2. FFO yield between 6% and 10%; • 3. Meeting the annual NOI budget.
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.6.4.3	Allocation of blocked shares - as stated above in this immediate report, the allocation of shares will be made in four tranches per calendar year, for each calendar quarter in advance. The annual value of the shares to be allocated will be derived from the total asset value of the Company as defined in the Management Agreement, at the rates and according to the tiers detailed in section 3.3 above. The number of shares to be allocated each quarter will be determined as stated in section 3.3 above, and they will be held in trust and blocked until the earlier of five years from their allocation or September 26, 2029.
.6.4.4	Options for employees of the Management Company - as stated above, the Company will allocate options to employees of the Management Company and/or employees of the Company's subsidiaries and/or service providers to the Company. The options will be exercisable into ordinary shares of the Company, and will be allocated every 12 months as long as the Management Agreement is in effect. The fair value of each allocation will be derived from the total asset value of the Company as defined in the Management Agreement, at the rates and according to the tiers detailed in section 25.1 of the Periodic Report, and will be calculated based on the data of the first trading day of September each year, according to the B&S model, based on a three-year standard deviation and a three-year risk-free interest rate. The allocation of the blocked shares and the options as stated above is subject to the approval of the Stock Exchange for the listing for trading of the shares and the shares resulting from the exercise of the options (the options will not be listed for trading on the Stock Exchange). Shortly before each allocation, the Company will publish a private offering report and apply to the Stock Exchange for its approval for the listing of the securities for trading as stated.

For further details according to the Sixth Schedule to the Regulations, see Regulation 21 in Chapter D of the Periodic Report, which is hereby incorporated by reference.

5. Share Capital and Holdings of the Management Company

The registered share capital of the Company is NIS 300,000,000 and is divided into 300,000,000 ordinary shares. As of September 30, 2025, the issued share capital of the Company is 200,388,210 ordinary shares. As of September 30, 2025, the shareholding percentages in the Company's share capital, of the Management Company and of the other interested parties in the Company, to the best of the Company's knowledge, are as follows:

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Holder Name	Number of Shares Held Before Allocation, as of September 30, 2025		Holding Percentage in Issued Capital Before Allocation, as of September 30, 2025		Holding Percentage in Issued Capital After Allocation		Holding Percentage After Allocation to Offeree and Assuming All Convertible or Exercisable Securities are Converted or Exercised
PHOENIX FINANCIAL LTD	18,190,925		9.08%		9.07%		8.85%
PHOENIX INVESTMENT HOUSE LTD	7,030,298		3.51%		3.51%		3.42%
REIT 1 MANAGEMENT SERVICES LTD	985,631		0.49%		0.52%		0.51%
Dror Gad	1,562,750		0.78%		0.78%		1.76%
Harel Insurance Investments and Financial Services Ltd.	19,036,059		9.50%		9.50%		9.26%
MIGDAL INSURANCE & FINANCIAL HOLDINGS LTD.	26,550,742		13.25%		13.25%		12.91%
MENORA MIVTACHIM HOLDINGS LTD	11,395,201		5.69%		5.68%		5.54%

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CLAL INSURANCE ENTERPRISES HOLDINGS LTD.	10,262,928		5.12%		5.12%		4.99%
Shmuel Said	1,564,276		0.78%		0.78%		1.19%
Shmuel Rofe	-		-		-		0.43%
Total Interested Parties	96,578,810		48.20%		48.21%		48.86%
Public	103,809,400		51.80%		51.79%		51.14%

*(According to a report received from the holder CLAL INSURANCE ENTERPRISES HOLDINGS LTD., on October 21, 2025, its holding percentage in the issued and paid-up capital of the Company decreased to 4.98% and from that date ceased to be an interested party in the Company. For details, see the report published by the Company on October 23, 2025, Reference 2025-01-079413, which is hereby incorporated by reference.

8. Consideration for the Offered Securities and How It Was Determined

For the allocated shares, the Management Company provides the Company with management services as detailed in sections 6.1 and 6.2 above. The consideration was determined between the parties through negotiation, within the framework of the Management Agreement, and according to its terms.

9. Interested Parties in the Consideration

Mr. Dror Gad, Chairman of the Board, and Mr. Shmuel Said, Deputy CEO of the Company, are shareholders in the Management Company and also serve as officers in it. Mr. Dror Gad is an interested party in the Company by virtue of his position as Chairman of the Board^[603]. Mr. Shmuel Rofe is an interested party by virtue of his position as CEO of the Company and also serves as CEO of the Management Company.

10. Required Approvals; Date of Allocation of the Securities

As stated above, the private offering subject to this report is subject to the approval of the Stock Exchange, and the allocated shares under the private offering will be allocated to the Management Company only after receiving the Stock Exchange's approval as stated above.

11. Details of Agreements Between the Management Company and the Company or Another Shareholder

To the best of the Company's knowledge, there are no agreements, either written or oral, between the Management Company and a shareholder of the Company or between the Management Company and any other entity or person, regarding the purchase or sale of the Company's securities or regarding voting rights therein. Also, as of this date, the Management Company does not intend to enter into such an agreement. This statement by the Company is based on a declaration by the Management Company given to the Company shortly before the publication of this report.

12. Details of Prevention or Restriction (hereinafter: "Blocking Conditions")

Without derogating from the provisions of section 3.4 above, the Management Company will be subject to the restrictions set forth in section 15C of the Securities Law and the Securities Regulations (Details Regarding Sections 15A to 15C of the Law), 2000, which state:

- The offeree is prohibited from offering the allocated shares for six months from their allocation date.
 - During the following six quarters, the Management Company may offer on any trading day a number of shares not exceeding the daily average trading volume of the Company's shares on the Stock Exchange during the eight weeks preceding the offer date, provided that it does not offer in one quarter a number of shares exceeding one percent of the issued and paid-up capital of the Company.
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REIT 1 LTD

By:

Shmuel Rofe, CEO
Aviram Benasouli, CFO

FOOTNOTE:

²⁰¹ That is, assuming all options granted by the Company are exercised.

³⁰² The Management Company intends to transfer part of the allocated shares to Dror Gad, Chairman of the Company's Board of Directors and a shareholder in the Management Company, to Shmuel Rofe, CEO of the Company, and to Shmuel Said, Deputy CEO of the Company and a shareholder in the Management Company.

⁶⁰³ It should be noted that PHOENIX FINANCIAL, PHOENIX INVESTMENT HOUSE, and the Management Company may be considered as holding together with Dror Gad, Shmuel Rofe, and Shmuel Said shares of the Company, as defined by the term "holding or purchasing securities together with others" in section 1 of the Securities Law.