

SHAPIR ENGINEERING AND INDUSTRY LTD

Registry number: 514892801

To: Israel Securities Authority | www.isa.gov.il
To: Tel Aviv Stock Exchange Ltd. | www.tase.co.il
Form number: T053 (Public)
MAGNA transmission date: 03/11/2025
Reference number: 2025-01-082960

Immediate Report on an Event or Matter Outside the Ordinary Course of the Corporation’s Business

Regulation 36 of Securities Regulations (Periodic and Immediate Reports), 1970

Note: Issuance results must be reported in T20 and not in this form.
Note: To report bond or corporation rating, use Form T125.

Reporting on:

☐ Delayed submission

Nature of the Event:

Entering into a memorandum of understanding with institutional bodies in connection with the company's rights in concession projects.

1. Description of the Event:

The company is honored to update that on November 2, 2025, the company entered into a memorandum of understanding (MOU) with two institutional bodies ("the institutional bodies") for the sale of units in a partnership (as defined below) (in the final percentage to be agreed) to which the company's rights and/or holdings in concession projects where the contracting party is the State of Israel will be transferred. In the framework of the transaction: (1) the company will transfer its ownership shares in the concessionaire companies detailed below to a designated limited partnership that it owns and manages ("the partnership"), and (2) sell to the institutional bodies limited partnership units ("the units") in the partnership.

The concessionaire companies (the company's ownership stake) to be transferred to the partnership are: (1) Company 6 - North Cross Ltd. (the concessionaire in the Highway 6 North Project (sections 3+7)), (2) Derech Nof - Highway 16 Ltd. (the concessionaire in the Highway 16 project), and (3) The Fast Lane Ltd. (the concessionaire in the Fast Lane Project). For details of these projects and the company's holdings in them see sections 10.7, 10.13, and 10.14 in Part A of the company's 2024 annual report, published on March 19, 2025 (Reference: 2025-01-018388).

According to the MOU, the institutional bodies will purchase 33.5%-38.5% of the units in the partnership, while the control, management, and operation of the projects as mentioned will remain with the company through the general partner of the partnership, which is a wholly-owned subsidiary of the company. It is noted that at this stage, the company will continue to hold the majority of the units. In addition, it was agreed that the limited partners will have no right to replace the general partner, except in special circumstances in which a majority among the limited partners can approve the replacement.

The consideration for the units acquired by the institutional bodies in the limited partnership is set between the parties, as of this date, at NIS 9-10 million for each 1% of the units (as of September 30, 2025 and subject to adjustments as set out in the MOU). As part of the MOU, the company has undertaken to grant exclusivity to the institutional bodies for purchasing rights in the partnership for a limited period during which they will conduct due diligence.

The transaction as described, if binding agreements are signed and completed as detailed above, is expected to lead to an increase in the company's equity by an amount dependent, among other things, on the number of units sold, final pricing, and tax effects. The MOU also includes provisions regarding the rights and obligations of rights holders in the partnership, including rules regarding partnership financing. Common principles for such transactions have also been set in the MOU regarding lock-up periods for transferring the company's rights in the partnership, protections for the purchase value and limited partners' rights, tag along, drag along, and the like. The MOU is non-binding, except for clauses on confidentiality, exclusivity, governing law, and jurisdiction.

Completion of the sale transaction, if binding agreements are signed in the future, is subject to several suspensive conditions, including completion of due diligence by the institutional bodies as mentioned, approval of the transaction by the proper bodies of the parties, receipt of all third-party approvals required (including from the contracting party and financial bodies in the projects) to complete the transaction, and more. It is emphasized that as of this date there is no certainty that binding agreements will be signed in continuation of the MOU and/or that the agreement terms, if signed, will not materially differ from those of the MOU, and/or that the suspensive conditions will be met and/or that the transaction will be completed.

2. Date and Time the Company First Learned of the Event or Matter:

02/11/2025 at 12:00.

3. If the Report Was Delayed - Reason for Delay:

[Not applicable]

4. On the Date ____ at Time ____ the impediment to report was removed.

[Not applicable]

5. The company is a shell company as defined in the Exchange’s regulations:

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Authorized signatories for the corporation:

- 1. Amir Shaked, Adv. – Legal Counsel

Explanatory Note: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted pursuant to these regulations must be signed by the authorized signatories on behalf of the corporation. Staff position on the matter can be found on the Authority's website: [Click here](#)

Additional Details

The corporation’s securities are listed for trading on the Tel Aviv Stock Exchange

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Previous company names:

Shapir Holdings Bareket Ltd.

Electronic signatory name: Amir Shaked **Position:** Legal Counsel and Company Secretary **Employer name:** Shapir Civil and Marine Engineering Ltd. **Address:** Bareket 12, Petach Tikva 4951780 **Tel:** 03-9169555 **Fax:** 03-9169600 **Email:** amirs@shapir.co.il