

SHAPIR ENGINEERING AND INDUSTRY LTD

Registry number: 514892801

To: Israel Securities Authority To: Tel Aviv Stock Exchange Ltd.

Form Number: T053 (Public)

Filed in Magna: 20/11/2025 Reference: 2025-01-089478

Immediate Report on an Event or Matter Deviating from the Corporation's Ordinary Business

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

Note: Report on issuance results must be submitted in T20 form and not in this form. **Note:** Report on bonds or corporation ratings should be submitted via form T125.

Report Subject:

Immediate report regarding the signing of an agreement for the purchase of additional shares in the company "Ad 120"

1. Details:

Further to the details mentioned in section 12.12.1 of the company's annual report published on March 19, 2025 (reference: 2025-01-018388) ("the annual report"), regarding an agreement for the acquisition of control in the sheltered housing company Ad 120 and related agreements signed in this regard, the company is honored to update that on November 19, 2025, an agreement was signed for the purchase of shares between the company and its subsidiaries, Shapir Residential and Building Ltd. and Ad 120 Centers for Residential Care for the Elderly Ltd. (as of the date of this report, the company holds 100% of the share capital of Shapir Residential, and Shapir Residential holds about 53% of the share capital of Ad 120 on a fully diluted basis; "Shapir Residential" and "Ad 120", as applicable), and The Phoenix Insurance Company Ltd. ("Phoenix"), whereby Shapir Residential shall purchase from Phoenix ordinary shares with a par value of NIS 1 each ("ordinary shares") in Ad 120 as detailed below ("the share purchase agreement" or "the agreement"): A. Shapir Residential shall purchase from Phoenix 1,163 ordinary shares of Ad 120, constituting 15% of the share capital of Ad 120 on a fully diluted basis ("the purchased shares"). B. The consideration for the purchased shares shall be in a total amount of NIS 279,750,000 ("the consideration"), to be paid to Phoenix upon closing of the transaction, as follows:

1. NIS 110,000,000 (one hundred and ten million) of the consideration will be paid to Phoenix by way of a private placement of NIS 121,244,186 par value BONDS (Series 3) of the company, through extension of the series ("Allocated Series 3");
 2. NIS 100,000,000 (one hundred million) of the consideration will be paid to Phoenix by way of a private placement of NIS 100,000,000 par value BONDS (Series 4) of the company, through extension of the series ("Allocated Series 4");
 3. The remaining consideration of NIS 69,750,000 shall be paid by way of a seller's loan which will bear the prime interest rate from the signing date of the agreement until the date of payment to Phoenix ("the seller's loan"). The seller's loan shall be repaid in a single payment no later than 9 months from the transaction closing; the interest will accrue to the principal until repayment. Repayment of the seller's loan will be made in cash and/or by way of a private allocation of company shares to Phoenix, according to the mechanism specified in the agreement, and in the case of repayment by way of a private allocation, subject to receiving all necessary approvals, including those of the competent organs of the company and approval of the Tel Aviv Stock Exchange ("the stock exchange") for listing the shares for trading. C. After the closing of the transaction and subject to its completion, Shapir Residential will hold about 68% of the issued and paid-up share capital of Ad 120 on a fully diluted basis; and Phoenix will hold about 32% of the issued and paid-up share capital of Ad 120 on a fully diluted basis. D. Completion of the transaction is subject to approval from the stock exchange for the listing for trading of Allocated Series 3 and Allocated Series 4 ("the suspensive condition"). It is noted that shortly after this report is published, the company will publish a separate significant and non-routine private offer report regarding Allocated Series 3 and Allocated Series 4, and will act to complete all actions necessary for the allocation of these BONDS, including receiving approval for their listing for trading. E. The last date for fulfilling the suspensive condition is December 10, 2025, unless the seller extends it by written notice. F. Should the transaction subject of this report be completed, and given that the financial reports of Ad 120 are already consolidated into the financial reports, the consideration amount will be recorded as a reduction in the company's equity. G. It is noted that upon closing of the transaction and subject to its completion, the parties will sign an amendment to the shareholders agreement in Ad 120 regarding the construction and development mechanism by Ad 120 (or its subsidiary) regarding the possibility of receiving construction services for one of Ad 120's projects from the company (or its subsidiary), as well as an amendment to the initiation services agreement provided by Shapir Residential to some of Ad 120's subsidiaries. With regard to the initiation fees to which the company is entitled, as detailed in section 12.12.1.3 of the annual report, the last date for future enhancement was extended by 6 additional months, and the indexation of the initiation fees was updated to 2%.
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2. The date and time when the corporation first became aware of the event or matter:

19/11/2025, at 18:00

3. If the report was delayed—the reason for the delay:

4. On _____ at _____, the obstacle to reporting was removed.

5. The company is a shell company as defined in the stock exchange bylaws: []

Authorized signatories on behalf of the corporation:

No.	Name	Position
1	Amir Shaked, Adv.	Legal Advisor

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

Securities of the corporation are listed for trading on the Tel Aviv Stock Exchange.

Short name: Shapir Engineering

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Previous names of reporting entity: Shapir Holdings Bareket Ltd.

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Name of electronic reporter: Shaked Amir **Position:** Legal Advisor and Company Secretary **Employer company name:** Shapir Civil & Marine Engineering Ltd.

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