

Shapir Engineering and Industry Ltd
SHAPIR ENGINEERING AND INDUSTRY LTD
Registrar number: 514892801

To: Israel Securities Authority	To: Tel-Aviv Stock Exchange Ltd. T053 (Public)	Transmitted by MAGNA: 25/05/2026
www.isa.gov.il	www.tase.co.il	Reference: 2026-01-047611

Immediate report on an event or matter deviating from the corporation’s ordinary course of business
Regulation 36 of the Securities Regulations (Periodic and Immediate Reports), 1970
Results of an offering must be reported on T20 and not on this form.
A report on rating of BONDS or rating of a corporation must be submitted via form T125

Report on: ☐ Report whose submission was delayed

Nature of the event: *Entering into an agreement with institutional bodies regarding the Company’s rights in several concession projects*

1. Further to the details set out in section 10.1.16 of Part A of the Company’s annual report for 2025, as published on March 19, 2026 (reference no.: 2026-01-024401), concerning entering into a memorandum of understanding with institutional bodies regarding the Company’s rights in several concession projects, the Company hereby updates as follows: 1. The transaction – On May 20, 2026 the Company entered into an agreement with Migdal Insurance Company Ltd. and three veteran pension funds under arrangement managed by Amitim Pension Funds (“the institutional bodies”) for the sale of units in a partnership (as these terms are defined below) to which will be transferred the rights and/or holdings of Shapir Civil and Marine Engineering Ltd. (“Shapir Civil and Marine”), a wholly owned and controlled subsidiary of the Company, in several concession projects in which the client is a body on behalf of the State of Israel. As part of the transaction and on its completion date: (1) Shapir Civil and Marine will transfer its share in the equity and in the shareholders’ loans and capital notes in the concession companies detailed below (“the project companies”) to a designated limited partnership established by it and under its management (“the partnership”) and (2) it will sell to the institutional bodies limited partnership units (“the units”) in the partnership, each separately and without mutual liability or guarantees between them. The rights and/or holdings of Shapir Civil and Marine in the project companies (Shapir Civil and Marine’s share) that will be transferred to the partnership are: (1) Company 6 - Cross North Ltd. (the concessionaire in the Highway 6 North project (sections 3+7)), (2) Derech Nof - Road 16 Ltd. (the concessionaire in the Road 16 project), and (3) Fast Lane Ltd. (the concessionaire in the Fast Lane project). For details regarding these projects and the Company’s holdings in them, see sections 10.7, 10.8 and 10.9 of Part A of the Company’s annual report for 2025. 2. Consideration – Under the agreement, the institutional bodies will acquire rights in the limited partnership at a rate of 38.5%. It was agreed between the parties that, as of the agreement date, the consideration for each 1% of the units sold to the institutional bodies will amount to NIS 9.5 million, so that the total consideration to the Company is expected to be approximately NIS 366 million, subject to: (1) deduction of certain distributions made by the project companies from the end of the third quarter of 2025 until the completion date, (2) addition of interest that will be added to the consideration from the signing date of this agreement until completion of the transaction (but in any event no interest shall be paid for a period exceeding 120 days), and (3) a price-adjustment mechanism (downward or upward) with respect to and regarding the distribution cash flows actually derived from the various projects compared with the forecasts as of the transaction completion date. 3. General 3.1 As part of the agreement for the sale of units in the partnership there were included, as customary in such transactions, representations regarding the business condition of the concession companies, various representations with respect to them, provisions regarding the management of the project companies during the interim period from the signing date of this agreement until completion of the transaction, general and specific indemnification clauses upon the occurrence of various events, and the like. It was further agreed in the agreement that if all the conditions precedent are not fulfilled by the end of 120 days from the signing date of the agreement, subject to the possibility of each party to extend said period by two additional periods of 60 days, each party shall be entitled to cancel the agreement. 3.2 In addition to the said agreements, the parties will enter into a partnership agreement on the transaction completion date. This agreement includes reference to the rights and obligations of the partners (general and limited) in the partnership, decision-making in the partnership (including a list of veto rights as customary in such transactions) as well as rules regarding financing of the partnership and regulation of provisions for changes and additional projects to be granted to the project companies. The partnership agreement also sets out customary principles in such arrangements regarding restrictions on transfer of rights, including lock-up periods on transfer of Shapir Civil and Marine’s rights in the partnership and the purchasers’ rights as limited partners, tag-along right, drag-along sale and the like. 3.3 In addition, the partnership agreement sets out provisions regarding its management by the general partner. 3.3.1 The management and control of the partnership and its activities shall be granted exclusively to the general partner (wholly owned by Shapir Civil and Marine), which will manage the partnership’s assets and will have the authority to carry out and perform all actions and enter into all agreements required for the realization of the partnership’s purposes, insofar as in the opinion of the general partner this is necessary and/or beneficial for achieving the partnership’s objectives, its activity and its business. 3.3.2 The

general partner shall not be entitled to transfer the general partner’s rights in the partnership, in whole or in part, or resign from its position as general partner. 3.3.3 Until the end of five years from the date of signing the partnership agreement (“end of the lock-up period”), Shapir Civil and Marine shall not transfer its holdings in the general partner (“transfer of holdings in the general partner”) and shall not fall below 40% in the holdings of a limited partner in the partnership without receiving the prior written consent of all limited partners who are not interested parties in the general partner. 3.3.4 After the end of the lock-up period, Shapir Civil and Marine shall be entitled to carry out a transfer of holdings in the general partner subject to conditions customary in such matters so that the recipient of the holdings in the general partner shall be acceptable to the other partners in the partnership and complies with all laws and agreements to which the concession companies are obligated and subject to the condition that at that same time it will also sell its holdings as a limited partner in the partnership. 3.3.5 The limited partners shall be entitled, at any time, by decision of limited partners holding 85% of the partnership (excluding the interests of partners who have breached an investment commitment in the partnership and the interests of limited partners who are interested parties in the general partner), to replace the general partner and appoint a replacement at the discretion of the said limited partners. 4. Completion of the transaction is subject to a number of conditions precedent, including, inter alia, receipt of all approvals required from third parties (including the clients and the financing bodies in the projects as well as the Competition Authority, insofar as required, and the Tax Authority) for completion of the transaction. It should be emphasized that as of this date there is no certainty that the conditions precedent for completion of the transaction will be fulfilled and/or that it will be completed.

- _____
2. The date and time on which the corporation first became aware of the event or matter:

○ 20/05/2026at 15:30.

○ _____

Report whose submission was delayed pursuant to Regulation 36(b):

3. If the report was delayed – the reason for which its submission was delayed:

4. On the date _____ at _____ the impediment to reporting was removed.
5. ☐ The Company is a shell company as defined in the TASE Regulations.

Details of the signatories authorized to sign on behalf of the corporation:

	Name of signatory	Position
1	Amir Shaked, Adv.	<i>Other</i> <i>Chief Legal Counsel and Company Secretary</i>

Explanation: Under Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report submitted under these regulations shall be signed by those authorized to sign on behalf of the corporation. The staff’s position on this matter can be found on the ISA’s website: [Click here](#).

Reference numbers of previous documents on the subject (mentioning them does not constitute incorporation by reference):

Securities of the corporation are listed for trading on the Tel-Aviv Stock Exchange Form structure update date: 06/08/2024

Short name: Shapir Engineering

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Email: amirs@shapir.co.il Company website:www.shapir.co.il

Previous names of reporting entity: Shapir Holdings Barkat Ltd

Name of electronic reporter: Shaked AmirPosition: Legal Counsel and Company SecretaryName of employing company:

Shapir Civil and Marine Engineering Ltd

Address: Barkat 12 , Petach Tikva4951780Telephone: 03-9169555Fax: 03-9169600Email: amirs@shapir.co.il