



Alt: Company Logo

TURPAZ INDUSTRIES LTD (the "Company")

Company Number: 514574524

Address: 10 HaShita St., Caesarea

Phone: 03-5560913, Fax: 03-5560915

August 19, 2025

To:

Israel Securities Authority

Via MAGNA

Tel Aviv Stock Exchange Ltd.

Via MAGNA

Dear Sir/Madam,

Re: Immediate Report Regarding a Non-Material and Non-Exceptional Private Offering

The Company is pleased to submit this immediate report in accordance with Regulation 21 of the Securities Regulations (Private Offering of Securities in a Listed Company), 2000 (the "Private Offering Regulations") regarding a non-material and non-exceptional private offering to an employee of the Company (hereinafter: the "Offeree"), according to the outline published by the Company on March 20, 2024 (Reference: -2024-01-024088) (the "Outline"), pursuant to the resolution of the Company's Board of Directors dated August 18, 2025.

1. The amount of securities offered and the percentage they will constitute of the issued and paid-up share capital of the Company after the allocation and on a fully diluted basis

- **1.1** 75,000 non-tradable warrants, each exercisable into one ordinary share with no par value of the Company in accordance with the Company's 2021 option plan, to be allocated to the Offeree under the capital gains route (with trustee) pursuant to Section 102 of the Income Tax Ordinance [New Version] under the material terms detailed below (the warrants shall hereinafter be referred to as the "Offered Securities" or the "Warrants").
- **1.2** The shares resulting from the exercise of the warrants will constitute, based on the Company's share capital data as of the date of this report, approximately 0.07% of the issued and paid-up share capital of the Company and of its voting rights (approximately 0.07% on a fully diluted basis).
- **1.3** As of the date of the report, the Company's registered share capital is 1,000,000,000 ordinary shares with no par value, the issued and paid-up share capital is 101,228,047 ordinary shares, and the fully diluted issued share capital is 103,875,672 ordinary shares.
- **1.4** The offered securities are not tradable and will not be listed for trading on the Tel Aviv Stock Exchange Ltd. (the "TASE") or any other exchange.

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1.5. The shares resulting from the exercise of the offered securities (the "Exercise Shares") will be registered for trading on the TASE in the name of the Company for the TASE's records and, from the date of their allocation, will be equal in all respects to the ordinary shares with no par value of the Company. The Company will consider the Exercise Shares as fully paid shares.

2. Terms of the Offered Securities

2.1. The exercise price of each warrant is NIS 51.80 and will be subject to adjustments as detailed below.

2.2. The vesting period of the warrants will be four (4) years starting from the grant date as follows:

- First tranche (66.66% of the options) will vest after three years from the allocation date,
- Second tranche (33.33% of the options) will vest after four years.

The allocated options may be exercised by the Offeree in whole or in part from time to time, provided that the Offeree is employed by the Company or a company under its control (including by way of an agreement for the provision of services with any of them), directly and/or indirectly. All warrants will be exercisable up to five years from the allocation date, i.e., the first tranche will be exercisable up to two years from its vesting date and the second tranche up to one year from its vesting date (the "Exercise Period" and "End of Exercise Period," respectively).

At the end of the Exercise Period, all warrants will expire (unless they have expired or been exercised earlier, in accordance with the provisions of the equity compensation plan), and the warrants will not be exercisable from that date.

The Company has undertaken to reserve in its registered capital a sufficient number of unissued ordinary shares for the allocation of the Exercise Shares, until the end of the Exercise Period.

2.3. For details regarding the exercise procedure, plan terms in case of termination of employment or office, and protection provisions for the Offeree, see Sections 8, 9, and 10 of the Outline, respectively, which are incorporated herein by reference.

2.4. Restrictions on the exercise date in accordance with the TASE regulations

According to the TASE guidelines, notwithstanding the above, no exercise of the options will be made on the record date for a bonus share distribution, rights offering, dividend distribution, capital consolidation, capital split, or capital reduction (each of the above hereinafter: a "Company Event"). In addition, if the ex-date of a Company Event precedes the record date of a Company Event, no exercise of the offered options into shares will be made on the said ex-date.

3. Consideration for the Offered Securities

The offered securities will be allocated to the Offeree for no consideration.

4. Agreements between the Offeree and holders of the Company's shares

To the best of the Company's knowledge, as of the date of publication of this report, there are no agreements, written or oral, between the Offeree and holders of the Company's shares, or with others, regarding the purchase or sale of the Company's securities or regarding voting rights in the Company.

5. Details of any restriction or limitation on actions in the offered securities

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The offered options and/or the Exercise Shares will be subject to restrictions under any law, including the TASE regulations and resale restrictions (lock-up provisions) set forth in Section 15 of the Securities Law, 1968 and the regulations enacted thereunder.

3. - - By virtue thereof. In addition, restrictions will apply under the equity compensation plan and, with respect to options allocated to employees and office holders, also in accordance with the provisions of Section 102 of the Income Tax Ordinance.

Respectfully,

TURPAZ INDUSTRIES LTD

By: Yoni Edini, Legal Counsel and Company Secretary

FOOTNOTE:

¹⁰¹ The Offeree is not a controlling shareholder of the Company by virtue of his holdings and will not become a controlling shareholder as a result of the allocation subject of this report. In addition, an employer-employee relationship exists between the Offeree and the Company.

¹⁰² Including, after the allocation and exercise of all securities subject of this report.

¹⁰³ Including, after the allocation of the securities subject of this report.