

Tor Paz Industries Ltd. (the Company)

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

To:
Israel Securities Authority
via MAGNA

To:
Tel Aviv Stock Exchange Ltd.
via MAGNA

12 November, 2025

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

Company Number: 514574524
Address: 10 Hashita St., Caesarea
Phone: 03-5560913, **Fax:** 03-5560915

1. Quantity of Securities Offered and the Percentage They Will Constitute of the Company's Issued and Paid-Up Share Capital After Allocation and in Full Dilution

- 1.1** 100,000 non-tradable options, each of which may be exercised into one ordinary share with no par value of the company in accordance with the company's 2021 option plan and which will be allocated to the offeree under the capital gains track (with trustee) pursuant to Section 102 of the Israeli Income Tax Ordinance [New Version], under the material terms specified below (the options shall hereinafter be referred to as: the Offered Securities or the Options).
- 1.2** The shares to be derived from the exercise of the options will constitute, based on the company's share capital data as of the date of this report, approximately 0.09% of the issued and paid-up capital of the company and of its voting rights (approximately 0.09% on a fully diluted basis²).
- 1.3** As of the date of this report, the company's registered share capital is 1,000,000,000 ordinary shares of no par value, its issued and paid-up share capital is 108,355,158 ordinary shares, and its fully diluted issued share capital is 111,068,888 ordinary shares³.
- 1.4** The offered securities are non-tradable and will not be listed for trading on the Tel Aviv Stock Exchange Ltd. (the TASE) or on any other exchange.
- 1.5** The shares to be derived from the exercise of the offered securities (the Exercise Shares) will be registered for trading in the company's name in the register kept by the Tel Aviv Stock Exchange Ltd., and from the date of their allocation shall be equal in all respects to the company's ordinary shares of no par value. The company will consider the Exercise Shares as being fully paid up.

2. Terms of the Offered Securities

¹ The offeree is not considered an interested party in the company by virtue of their holdings and will not become an interested party as a result of the allocation discussed in this report. Furthermore, there is an employer-employee relationship between the offeree and the company.

² Including, after the allocation and exercise of all securities subject to this report.

³ Including, after the allocation of the securities subject to this report.

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2. Terms of the Offered Securities

2.1 The exercise price of each option is 53.96 NIS and will be subject to adjustments as detailed below.

2.2 The vesting period of the options will be four (4) years starting from the grant date as follows: the first tranche (66.66% of the options) will vest after three years from the allocation date, and the 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 serving in the company or a controlled company (including by engagement with any of them under a service agreement), directly and/or indirectly. All of the options will be exercisable until five years have passed from the allocation date, meaning the first tranche may be exercised up to two years after its vesting, and the second tranche may be exercised up to one year after its vesting (the exercise period and end of the exercise period, respectively).

At the end of the exercise period, all of the options will expire (if they have not already expired or been exercised according to the provisions of the equity compensation plan), and the options will not be exercisable from that date onward.

The company has undertaken to reserve, in its registered capital, a sufficient number of unissued ordinary shares for the purpose of allocating exercise shares, until the end of the exercise period.

2.3 For details regarding the exercise process of the options, program terms in the event of termination of employment or service, and protection provisions for the offeree, please refer to Sections 8, 9, and 10 of the Prospectus, which are incorporated into this report by reference.

2.4 Limitations on the timing of exercise according to the rules of the stock exchange

According to the instructions of the stock exchange, notwithstanding the above, options may not be exercised on the record date for bonus share distribution, for rights offering, for dividend distribution, for share consolidation, for share split, or for capital reduction (each of these hereinafter referred to as: a company event). Additionally, if the ex-date for a company event is before the record date, options offered for shares may not be exercised on that ex-date.

3. Consideration for the Offered Securities

The offered securities will be allocated to the offeree at 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, either written or oral, between the offeree and holders of the company's shares, or others, regarding the purchase or sale of the company's securities or concerning voting rights in the company.

5. Details of Any Restriction or Limitation on Actions with the Offered Securities

The offered options and/or the exercise shares will be subject to all limitations under law, including the regulations of the stock exchange and resale restrictions (lock-up provisions) set forth in Section 15 of the Securities Law, 1968, and the regulations enacted thereunder. Additionally, there will be restrictions under the equity compensation plan and, with respect to options granted to employees and officers, also according to the provisions of Section 102 of the Israeli Income Tax Ordinance.

Respectfully,

Tor Paz Industries Ltd.

By: Yoni Edini Cohen, Legal Counsel and Company Secretary