This is an English convenience translation from the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original.

**Israel Corporation Ltd.**

Registrar's Number: 520028010

**Form T121**
**(Public)**

Transmission via Magna: January 21, 2025

Reference: 2025-01-005987

To:
The Securities Authority
www.isa.gov.il

To:
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

# Immediate Report of General Material Information

**Explanation: Do not use this form when there is a form specifically adapted for the reported event.**

This reporting form is intended for material reports for which there is no specifically designated form.

Offering results should be reported on a T20 form and not on this form.

Reports regarding bond ratings or corporate ratings should be submitted using Form T125.

**Nature of the event:** *Engagement in agreements to purchase shares of Prodalim Investments Ltd.*

Reference numbers of previous reports in the matter: __________, __________, __________.

*Attached is the Immediate Report - Engagement in Agreements to Purchase Shares of Prodalim Investments Ltd.*

Attached is a file: Engagement in Agreements to Purchase Shares of Prodalim

The company *is not* a shell company as defined in the Stock Exchange Rules and Regulations.

The date on which the corporation first became aware of the event: *January 21, 2025* at the time: 18:30.

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

| | **Name of Signatory** | **Position** |
|---|---|---|
| **1.** | *Adv. Maya Alcheh-Kaplan* | *Other*<br>*Vice President, General Counsel & Company Secretary* |
| **2.** | *Sagi Kabla* | *CFO*<br>__________________________ |

Explanation: Pursuant to Regulation 5 of the Periodic and Immediate Reporting Regulations, 5730 – 1970, a report that is submitted pursuant to these Regulations shall be signed by the signatories authorized to sign on behalf of the corporation. The ISA Staff's position on this matter is available on the ISA's website: ***please click here.***

*The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan*
*Position: Vice President, General Counsel & Company Secretary*
*Date of signature: January 21, 2025.*

The reference numbers of previous documents in the matter (the reference does not constitute incorporation by reference):

Date of update of form structure: August 6, 2024

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange.
Short name: Israel Corporation
Address: P.O.B. 20456, Tel Aviv 61204 Tel: 03-6844517, 03-6844500, Fax: 03-6844587
Email: MAYAAK@ISRAELCORP.COM

Previous names of the reporting entity: The Israel Corporation Ltd.

Name of electronic reporter: Maya Alcheh-Kaplan
His *[sic]* position: Vice President, General Counsel & Company Secretary, Name of Employer Company:
23 Aranha St., Tel Aviv, 61204, Tel: 03 – 6844517, Fax: 03 – 6844587, E-mail: mayaak@israelcorp.com

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January 21, 2025

To:

| | |
|---|---|
| The Securities Authority | The Tel Aviv Stock Exchange Ltd. |
| Through the MAGNA system | Through the MAGNA system |
| www.magna.isa.gov.il | www.tase.co.il |

Dear Sir/Madam,

Re: **Immediate Report – Engagement in Agreements to Purchase Shares of Prodalim Investments Ltd. ("Prodalim")**

The Company is pleased to announce that on January 21, 2025, following approval by the Company's Board of Directors, the Company entered into investment agreements and share purchase agreements with existing shareholders of Prodalim Investments Ltd. ("**Prodalim**").

Prodalim is a global private company, incorporated in Israel, which is engaged in creating natural solutions for various industries. Its products include concentrates, flavors and fragrances, beverage bases and other natural functional ingredients. In addition, Prodalim is developing innovative activities focused on the emerging world of the dealcoholization of alcoholic beverages.

Subject to and after the completion of the investment transaction and the share purchase transaction, the Company is due to hold approximately 27.5% of Prodalim's issued and paid-up share capital.[1]

The investment in Prodalim represents the continued implementation of the Company's business strategy, to expand its investment portfolio, with the aim of enabling risk profile diversification and maximizing shareholder value.

## 1. Description of the main terms and conditions of the transaction

### (a) The Investment Agreement

In accordance with the Investment Agreement, on the date of the completion of the transaction thereunder, the Company will invest the amount of US $42 million in Prodalim, in consideration of the allocation of approximately 10.14% of Prodalim's issued share capital[1] (the "**Investment Transaction**"). The Investment Agreement contains representations regarding Prodalim and indemnifications, as is customary in transactions of this type.

**The completion of the Investment Transaction is contingent upon several conditions precedent, as is customary in transactions of this type, including:**

(a) Completion of the Share Purchase Transaction (as defined below); (b) receipt of certifications from the competition authorities in the relevant territories; (c) the

[1] On a fully diluted basis.

representations of the parties being true and correct in all material respects on the date of completion of the transaction; (d) the absence of any "Material Adverse Change" (as this term is defined in the Investment Agreement) in Prodalim's situation and that of its subsidiaries.

**(b) Agreements for the Purchase of Shares from Existing Shareholders**

In addition to the Investment Agreement, the Company has entered into an agreement with I.W.S International B.V. (an existing shareholder of Prodalim) to purchase all of the shares that I.W.S. holds in Prodalim, in consideration of the amount of approximately US $71.9 million, and it has also entered into agreements with additional sellers (who are not members of the founding family) to purchase their shares in Prodalim, in consideration of the amount of approximately US $2 million (the "**Share Purchase Transaction**"). The Share Purchase Agreements include customary representations regarding the shares being sold. The completion of the Share Purchase Transaction will be implemented simultaneously with the completion of the Investment Transaction.

**(c) Shareholders' Agreement**

At the time the agreements were signed, an amended Shareholders' Agreement and Articles of Association were signed between Prodalim, the Company and the remaining shareholders of Prodalim, which will take effect on the date of completion of the Investment Transaction.

**The main rights determined for the Company are**: (a) as long as the Company holds 15% of Prodalim, it will have the right to appoint two out of seven directors of Prodalim; (b) the Company will have veto rights (protective provisions) over types of decisions as set forth in the agreement; (c) the Company will have a right of first refusal, a tag-along right and a preemptive right, and it will also be subject to a right of first refusal and a tag-along right, under the terms and conditions set forth in the agreement.

The Company estimates that the completion of the transaction is expected within the next two months.

**2. Additional details about Prodalim and its core activities**

Prodalim is a global private company, incorporated in Israel, which is engaged in creating natural solutions for various industries. Its products include concentrates, flavors and fragrances, beverage bases and other natural functional ingredients.

In addition, Prodalim is developing innovative activities focused on the emerging world of the dealcoholization of alcoholic beverages while optimally preserving the aroma. Prodalim's main growth plans regarding this technology are to enter the non-alcoholic beverage market, particularly the production of non-alcoholic wine for various wine companies worldwide, as well as the production of flavor and fragrance essences of various spirits.

Prodalim's growth plans in the food-tech industry are based on entering a new market, which is in its early stages and, therefore, investment in this industry may involve relatively high risk and uncertainty arising from the commercial risks and the implementation of the business plan as intended. Prodalim maintains an advanced and industry-leading research and development infrastructure, and plans to invest additional funds in the future to enhance and maintain its competitive advantage in this field.

Prodalim has a full “value chain” spanning several countries worldwide, which includes fruit processing using advanced technologies that enable maximum utilization of fruit components, the production of natural ingredients and applications for the beverage, food, flavors and fragrances industries, and sales and distribution to end-customers all around the world. Prodalim has extensive operations spanning more than sixty countries, including nine sites worldwide, comprising manufacturing plants, distribution facilities, research and development centers, and more. Its customers include international brands and some of the world’s largest flavors and fragrances companies, and it also promotes strategic collaborations with some of them. Prodalim has approximately three hundred and forty employees in Israel and worldwide.

Prodalim’s total revenue in 2023 amounted to approximately US $300 million.

The Company’s investment amounts are expected to be used by Prodalim for growth purposes, both in its main area of activity of providing natural ingredient-based solutions and in the food-tech sector.

***The information regarding the expected completion date of the transaction, Prodalim’s growth plan, future investments, and uses of the Company's investment amounts constitutes forward-looking information, as defined in the Securities Law, 5728-1968. This information may not materialize or may materialize differently than anticipated, due to factors beyond the Company’s control, including the materialization of any of the risk factors described in Section 17 of Chapter A of the Company’s Periodic Report for 2023.***[2]

Sincerely yours,

Israel Corporation Ltd.

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan
Position: Vice President, General Counsel & Company Secretary
Date of signature: 21.1.2025

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[2] Published on March 27, 2024 (Reference No. 2024-01-033453).