

DIRECT FINANCE OF DIRECT GROUP (2006) LTD

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Registration Number: 513893123

To: Israel Securities Authority To: Tel Aviv Stock Exchange Ltd. Form Number: T081 (Public)
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Immediate Report on Cash Dividend Distribution for Securities

Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

1. We hereby report that on the date 14/08/2025, it was decided to pay a dividend.
2. Record date (ex-date): 27/08/2025

Payment date: 04/09/2025

3. Payment details:
 - Dividend distributed from an Israeli resident company (see section 7a for composition of dividend sources and tax rates)
 - Dividend distributed by a Real Estate Investment Trust (see section 7c for composition of dividend sources and tax rates)

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| Eligible Security Number | Security Name | Dividend Amount per Security | Dividend Amount Currency | Payment Currency | Representative Rate for Payment Date | Individual Tax % | Corporate Tax % |
|--------------------------|---|------------------------------|--------------------------|------------------|--------------------------------------|------------------|-----------------|
| 1168186 | Ordinary shares of 1 NIS par value each | 3.7940514 | NIS | NIS | _____ | 25 | 0 |

- Dividend distributed from a foreign resident company (see section 7b for tax rates)

Please note: The dividend amount to be paid must be specified with up to 7 decimal places when the dividend currency is NIS, and up to 5 decimal places if the dividend currency is another currency.

4. The total amount of dividend to be paid is: 11,220,300 NIS _____.
5. The remaining retained earnings of the corporation as defined in section 302 of the Companies Law, 1999, after the distribution subject of this report, are: 639,090,000 NIS _____.
6. Dividend distribution approval process:

See section 10 below.

The above distribution is not subject to court approval according to section 303 of the Companies Law: No

The final dividend amount per share is subject to changes due to _____.

It is possible to update the final dividend amount per share up to 2 trading days before the record date.

7. The withholding tax rates detailed below are for the purpose of withholding tax by the members of the stock exchange.

7a. Composition of dividend sources distributed from an Israeli resident company from shares and financial instruments, excluding REIT funds.

| | % of Dividend | Individuals | Companies | Foreign Residents |
|--|---------------|-------------|-----------|-------------------|
| Taxable income for corporate tax (1) | 100 | 25% | 0% | 25% |
| Income originating overseas (2) | 0 | 25% | 23% | 25% |
| Income from approved/preferred enterprise (3) | 0 | 15% | 15% | 15% |
| Income from Irish privileged enterprise up to 2013 (4) | 0 | 15% | 15% | 4% |
| Income from Irish privileged enterprise from 2014 (5) | 0 | 20% | 20% | 4% |
| Preferred income | 0 | 20% | 0% | 20% |
| Income from approved agricultural/tourism enterprise (6) | 0 | 20% | 20% | 20% |
| Income from approved/preferred enterprise that submitted a waiver notice (7) | 0 | 15% | 0% | 15% |
| Distribution classified as capital gain | 0 | 25% | 23% | 0% |
| Distribution by Participating unit | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |

Explanation:

- (1) Taxable income for corporate tax - income from profit distribution or dividend originating from income produced or accrued in Israel, received directly or indirectly from another entity subject to corporate tax.
- (2) Income originating overseas is income produced or accrued abroad and not taxed in Israel.
- (3) Including income from a preferred tourism enterprise with a selection/operation year up to 2013.
- (4) Irish privileged enterprise with a selection year up to 2013.
- (5) Irish privileged enterprise with a selection year from 2014 onwards.
- (6) Including income from a preferred tourism enterprise with a selection/operation year from 2014 onwards.
- (7) Approved or preferred enterprise that submitted a waiver notice by 30.6.2015, after corporate tax was deducted.

7b. Dividend distributed from a foreign resident company

| | Individuals | Companies | Foreign Residents |
|--|-------------|-----------|-------------------|
| Dividend distributed from a foreign resident company | 25% | 23% | 0% |

7c. Dividend distributed by a Real Estate Investment Trust

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| | % of Dividend | Individuals (1) | Companies | Foreign Resident Companies | Exempt Trust Fund | Pension Fund (2) |
|---|---------------|-----------------|-----------|----------------------------|-------------------|------------------|
| From real estate appreciation, capital gain, and depreciation (3) | _____ | 25% | 23% | 23% | 0% | 0% |
| Other taxable income (e.g., rent) | _____ | 47% | 23% | 23% | 23% | 0% |
| From income-producing real estate for rental housing | _____ | 20% | 20% | 20% | 0% | 0% |
| Income taxed by the fund (4) | _____ | 25% | 0% | 25% | 0% | 0% |
| Extraordinary income | _____ | 70% | 70% | 70% | 60% | 70% |
| Other | _____ | _____ | _____ | _____ | _____ | _____ |
| Weighted withholding tax rate | 100% | _____ | _____ | _____ | _____ | _____ |

(1) Individuals - including taxable trust fund income, foreign resident individuals.

(2) Pension fund for retirement, provident, or compensation as defined in the Income Tax Ordinance, as well as a pension fund or foreign pension fund resident in a reciprocating country.

(3) From real estate appreciation or capital gain, except from the sale of real estate held for a short period, and from income in the amount of depreciation expenses.

(4) Distribution from income taxed by the fund according to section 64A4(e).

8. Number of the corporation's dormant securities not entitled to dividend payment and for which a waiver letter for receiving the dividend payment must be provided: _____

9. Effect of the dividend distribution on convertible securities:

- The company has no convertible securities
- The dividend distribution has no effect on convertible securities
- The effect of the dividend distribution on convertible securities is as follows:

| Security Name | Security Number | Remarks |
|---|-----------------|---------|
| Unlisted warrants for employees and senior officers | 1180579 | Other |
| The exercise price will be reduced by the full amount of the dividend per share | | |

10. Recommendations and decisions of the directors regarding the dividend distribution according to Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:
11. The company's board of directors' decision to distribute a cash dividend in the amount specified above ("the distribution") was made after the board examined the company's profits (as defined in section 302(b) of the Companies Law, 1999 ("the Companies Law")), the company's compliance with the solvency test (as stated in section 302(a) of the Companies Law) ("distribution tests"), and its compliance with financial requirements and restrictions imposed on it (including financial covenants to which it is committed to bondholders under trust deeds and financial restrictions to which it is committed to banking corporations) ("financial requirements").
12. The board examined the company's ability regarding the distribution by reviewing the company's financial position as of June 30, 2025, considering the impact of significant events that occurred after the report date on the financial situation and the company's expected cash flow. As part of its review, the board received a review from management regarding the company's financial position. In addition, the board examined the company's ability to meet its obligations as stated after the distribution. An examination was also made of the impact of the distribution on the capital structure, leverage level, compliance with financial requirements, and the implications of the distribution on the company's operations in its current form, including the implementation of its business plans and investment plans.
13. The board determined that the distribution is not expected to prevent the company from meeting its existing and expected obligations as they become due, including financial requirements, considering the company's expected cash flow, after reviewing the assumptions of said cash flow and sensitivity tests for the main assumptions, including changes in the company's factoring transaction volumes, changes in credit loss rates, and changes in the company's capital and debt raising.
14. After discussion, the board approved the distribution, based on the following reasons: 4.1. In the board's opinion, the distribution meets the distribution tests; 4.2. In the board's opinion, the distribution is not expected to prevent the company from meeting its existing and expected liabilities (including financial requirements), considering the company's financial position, capital structure, leverage level, compliance with financial covenants, restrictions imposed on it, and its liquidity status. The board also does not expect the distribution to cause any harm to the company's operations in its current form and the implementation of its investment plans; 4.3. Based on its financial statements, the distribution is not expected to significantly harm the company's equity, and no warning signs exist (as defined in the Securities Regulations (Periodic and Immediate Reports), 1970).

15. The above information includes forward-looking information (as defined in the Securities Law, 1968). The company's assessments as stated in these sections above are based on an analysis of the company's future cash flows, its existing and expected liabilities, based on the data currently available to the company. These expectations and assessments may not materialize, in whole or in part, or may materialize in a materially different manner than expected, due to factors beyond the company's control, including changes in economic downturns or slowdowns, information security and cyber risks, liquidity risk, political and security changes, regulatory changes, and more.

Authorized signatories on behalf of the corporation:

| | Signatory Name | Position |
|---|----------------|----------|
| 1 | Eran Golan | CEO |
| 2 | Oren Shkedi | CFO |

Explanation: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted under these regulations must be signed by those authorized to sign 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

Form structure update date: 15/07/2025

Short name: DIRECT FINANCE OF DIRECT GROUP (2006) LTD

Address: Af'al 35, Petah Tikva 4951132 Phone: 03-7215739, Fax: 03-6282062 Email: contact@5555.co.il Company website: www.5555.co.il

Previous names of the reporting entity:

Electronic signatory name: Ben Artzi Shimon Position: Chief Financial Officer Employer company name: Address: Af'al 35, Petah Tikva 4951132 Phone: 03-7215560 Fax: Email: shimonbi@5555.co.il