

DIRECT FINANCE OF DIRECT GROUP (2006) LTD

("the Company")

September 18, 2025

To:

Israel Securities Authority
TEL AVIV STOCK EXCHANGE LTD

www.isa.gov.il
www.tase.co.il

Dear Sir/Madam,

Subject: Issuance of Bonds by Way of Private Placement (Expansion of Series 5)

The Company is honored to announce that on September 18, 2025, the Company's Board of Directors approved a private placement to investors listed in the First Addendum to the Securities Law, 1968 ("Securities Law" and "Qualified Investors", respectively), of NIS 200,000,000 par value of the Company's bonds, registered in the name and each with a par value of NIS 1 ("the Bonds"), listed for trading on the TEL AVIV STOCK EXCHANGE LTD ("the Exchange"), by way of series expansion, in accordance with the following details:

1. The terms of the Bonds to be allocated under this report will be identical to the terms of the Bonds in circulation, which were first issued to the public and listed for trading on the Exchange pursuant to the shelf offering report dated December 20, 2021 (Reference No.: 2021-01-111580) (this information is incorporated by reference) ("Shelf Offering Report"), published under the Company's shelf prospectus dated August 16, 2020, with a date of August 17, 2020 (Reference No.: 2020-01-089157) (including its amendments from August 20, 2020 (Reference Nos.: 2020-01-091350 and 2020-01-091503) (this information is incorporated by reference)), and which were allocated in private placements to Qualified Investors on July 11, 2022, August 22, 2022, August 25, 2022, January 17, 2023, May 2, 2024, June 4, 2024, and December 8, 2024, as well as in accordance with the provisions of the trust deed for the Bonds, signed on December 19, 2021, between the Company and the trustee for the bondholders, Reznik Paz Nevo Trustees Ltd., and attached as Appendix B to the Shelf Offering Report ("the Trust Deed").

- 2.** The Bonds to be allocated under this report will, from the date of their registration for trading on the Exchange, constitute a single series for all intents and purposes together with the Bonds in circulation, with a total par value of NIS 1,853,349,426.
- 3.** The total immediate (gross) consideration for the Bonds to be allocated under this report will be NIS 214,660,000, reflecting a price of 107.33 agorot for each NIS 1 par value ("the Allocation Price").
- 4.** The existing Bonds in circulation issued under the Shelf Offering Report were issued without a discount. The existing Bonds in circulation issued under each of the private placements were issued at a discount. As of the date of this report, the discount rate of all Bonds in circulation is 7.69602%. As of the date of this report, the adjusted value (principal and interest) of each NIS 1 par value of the Bonds is 115.89 agorot ("the Adjusted Value"). The Bonds are issued under this report at the Allocation Price, which is below the Adjusted Value, and therefore at a discount.
- 5.** Pursuant to the approval of the Israel Tax Authority for the Company's request for a "Green Track" arrangement, which the Company received on July 7, 2022, regarding withholding tax on the discount income for the Bonds, the discount rate in the allocation of the Bonds subject to this report is 7.38480%, and the uniform weighted discount rate created for all the Bonds is 7.66243%.
- 6.** It should be noted that the Company complies with the provisions of Section 2.4 of the Trust Deed, regarding the conditions required for the issuance of additional Bonds under this report.

Image alt: Company Logo

7. Additional Details

- 7.1.** As of the date of this report, the Bonds are rated A1.il, with a stable outlook, by Midroog Ltd.²⁰³
- 7.2.** The Bonds to be allocated under this report will, after their allocation, be subject to resale restrictions in accordance with the provisions of Section 15C of the Securities Law and the regulations enacted thereunder.
- 7.3.** The allocation of the Bonds subject to this report is subject to the approval of the Exchange for their registration for trading and the receipt of an updated rating report from Midroog Ltd.

Sincerely,

DIRECT FINANCE OF DIRECT GROUP (2006) LTD

Signed by Eran Golan, CEO

and Oren Shkedi, CFO and VP Business Financial Development

Image alt: Company Logo

FOOTNOTE:

¹⁰¹ For more details, see the Company's immediate reports dated July 7, 2022, August 18, 2022, August 25, 2022, May 2, 2024, June 2, 2024, and December 5, 2024 (Reference Nos.: 2022-01-072015, 2022-01-085023, 2022-01-087882, 2023-01-008571, 2024-01-046512, 2024-01-058230, and 2024-01-622442, respectively) (this information is incorporated by reference).

¹⁰² See also the Company's immediate report dated December 30, 2021 (Reference No.: 2021-01-116794) (this information is incorporated by reference).

²⁰³ For more details, see the Company's immediate report dated June 23, 2025 (Reference No.: 2025-01-044365) (this information is incorporated by reference).