

DIRECT FINANCE OF DIRECT GROUP (2006) LTD

Registry number: 513893123

To: Israel Securities Authority

www.isa.gov.il

To: Tel Aviv Stock Exchange Ltd.

www.tase.co.il

Form T053 (Public)

Transmitted in MAGNA: 29/10/2025

Reference: 2025-01-081167

Immediate Report on an Event or Matter Not in the Ordinary Course of Business of the Corporation

Regulation 36 of the Securities Regulations (Periodic and Immediate Reports), 1970

Issuance results must be reported on T20 and not on this form.

Reports on bond ratings or corporation ratings must be submitted through form T125.

Report Regarding:

- ☐ Delayed report submission

Nature of the Event:

Filing of a Request for Approval of a Class Action

1.

The Company hereby announces that on October 28, 2025, a claim and a request for its approval as a class action, pursuant to the Class Actions Law, 2006, were served to the Company and additional companies operating in the non-bank credit sector (the “Respondents”), on the grounds, in summary, that the Respondents allegedly do not cancel the registration of charges/pledges which were provided as collaterals for loans or credit they granted to their clients, even after full repayment of the clients’ obligations toward any of them, as applicable.

The grounds claimed within the approval request include, among others: breach of statutory duty, breach of duties under the Pledge Law, 1967, breach of duties under the Companies Ordinance [New Version], 1983, breach of Section 9A of the Banking Law (Service to Client), 1981, breach of contractual obligation (the loan agreement), breach of duty of good faith and enhanced fiduciary duty, unfair terms in a standard contract, breach of duty to disclose under the Fair Credit Law, 1993, breach of the duty to disclose and prohibition of deception under the Supervision of Financial Services (Regulated Financial Services) Law, 2016, breach of prohibition of deception under the Consumer Protection Law, 1981, breach of statutory duty (Section 63 of the Torts Ordinance [New Version], 1968), tort of negligence under Section 35 of the Torts Ordinance [New Version], 1968, unjust enrichment, violation of the right to property and right to a good name anchored in Basic Law: Human Dignity and Liberty, and violation of the Defamation Law, 1965.

The group to be represented, as defined by the applicants in the request, is all clients of the Respondents, which are companies providing non-bank credit, who have repaid their entire debts for which charges were created as security, and for whom the Respondents did not fulfill their duty and did not cancel and/or remove those charges and/or did not file a notice of deletion of the charges to the registrar (Registrar of Companies and/or Registrar of Cooperative Societies and/or Registrar of Pledges and/or Land Registry Office and/or Israel Land Authority and/or various housing companies and any other official registrar in the State of Israel), whether the debts were from loans or from credit, for charges that should have been canceled or notified as deleted within the seven years preceding the filing of the request.

The total claim against all Respondents was estimated by the applicants at approximately NIS 60 million. The personal damage estimated for each client was estimated by the applicants at about NIS 2,000. However, the applicants’ personal damages were not assessed, with the reasoning that they have not yet fully accrued, since, according to the applicants, as of the approval request date, the Respondents have yet to remove the charges/pledges that secured the loans or credit provided by the Respondents, as applicable.

The remedies sought by the applicants include, among others:

- An order requiring the Respondents to rectify and immediately cancel all registrations of charges relating to fully paid loans or other obligations of group members.
- An order instructing the Respondents to establish and operate an internal control mechanism that will ensure henceforth that any customer's charge is removed within 30 days of loan completion, including an obligation to proactively report to the customer within a reasonable period after said repayment, confirming the charge was removed (or explaining any delay).
- Alternatively or additionally, an order instructing the Respondents to refrain from registering charges for a period exceeding the loan duration + 90 days (as recommended by bank supervision instructions for banks), to prevent the existence of irrelevant charges remaining valid for too long.
- To instruct the Respondents to appoint a functionary or “accompanying expert” on their behalf, to supervise the implementation of the above instructions and enforce the decision in the class action (if accepted).
- Compensation and restitution.
- A reward to the applicant and attorney’s fees for the counsel representing group members.

The Company is examining the claims raised in the approval request.

2. Date and Time the Event Came to the Corporation's Attention:

28/10/2025 at 12:15

3. If the Report Was Delayed – Reason for Delay in Submission:

4. On Date: ____ At Time: ____ the obstacle to reporting was removed.

5.

- ☐ The company is a shell company as defined in TASE’s regulations.

Details of the authorized signatories on behalf of the corporation:

No.	Name	Role
1	Eran Golan	CEO
2	Shimon Ben Artzi	Other (CFO)

Explanation: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted in accordance with these regulations must be signed by the persons authorized to sign on behalf of the corporation. The ISA staff's position can be found on the Authority's website: [Click here](#)

Securities of the corporation are traded on the Tel Aviv Stock Exchange

Short name: Direct Finance K.B.
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Email: contact@5555.co.il
Company Website: www.5555.co.il

Names of previous reporting entities: None listed

Electronic reporter name: Hanita Spector
Role: Company Secretary
Employer Company Name:

Address: Af'al 35, Petah Tikva, 4951132
Phone: 050-2001533
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Form structure update date: 06/08/2024