



ISRAEL CANADA (T.R) LTD

"The Company"

To:

Israel Securities Authority

Tel Aviv Stock Exchange Ltd.

www.isa.gov.il

www.tase.co.il

July 31, 2025

Subject: Midtown Jerusalem Project - Entry into an Accompaniment Agreement

Further to the statements in the Company's immediate reports dated October 1, 2020 ^[101], October 13, 2024 ^[102], and March 25, 2025 ^[103] (the "Previous Reports"); and as stated in section 8.12.8 of the Corporate Business Description Report attached as Chapter A to the Company's periodic report as of December 31, 2024 ^[104] ("2024 Periodic Report"); regarding the Company's engagement, through the asset company held approximately 73% by the Company (the "Asset Company"), which holds the Midtown Jerusalem Project (the "Project"), in a financing agreement with a local bank (the "Bank") that provided credit to the Asset Company (the "Financing Agreement"); the Company is pleased to update that on July 30, 2025, the Asset Company entered into an accompaniment agreement with the Bank and institutional entities (the "Lenders"), for the provision of a financing framework in an amount not to exceed approximately NIS 4.38 billion (obligo, including financial credit and Sale Law guarantees), of which a financial credit framework totaling up to approximately NIS 1.56 billion (hereinafter: the "Financial Credit").

The Financial Credit will be used to repay the existing loan provided for the land (which, as of the date of this report, amounts to a principal of approximately NIS 819 million), as well as to finance the construction of the Project. In addition, a mezzanine loan in an amount not to exceed NIS 130 million was provided, at an interest rate identical to the Financial Credit; all

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for the purpose of advancing the construction of the entire Project (together: the "Accompaniment Agreement").

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For further details regarding the Accompaniment Agreement, see Appendix A attached to this immediate report.

For details regarding the Project and the Financing Agreement, see the Previous Reports as well as section 8.12.8 of the 2024 Periodic Report, which are referenced in this report by way of reference.

Terms not expressly defined in this report shall have the meaning given to them in the Previous Reports.

Respectfully,

ISRAEL CANADA (T.R) LTD

Signed by:

Guy Canada, Deputy CEO



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Appendix A - Details Regarding the Accompaniment Agreement

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Borrower Name	Company's Share in the Project in Chain	Date of Agreement	Credit Framework Date (NIS)	Final Repayment Date	Credit Amount Utilized from Credit Frameworks	Liens / Securities To secure repayment of the accompaniment agreement, registered or to be registered, according to the schedule agreed with the lenders (in favor of the lenders) or in favor of the company	Effective Annual Interest Rate (Prime and Final Rate)	Change of Control/Authority/Structure Clause in the Borrower, including change of control, without prior written consent of the bank.	Other Commitments
Midtown	73%	30/07/2025	Credit	Credit utilized from frameworks	The Company	To secure repayment of the accompaniment agreement, registered or to be registered, according to the schedule agreed with the lenders (in favor of the lenders) or in favor of the company	Annual interest until full repayment	Financial covenants: the company is required to comply with the financial covenants detailed in section 15.3.2 of the Corporate Business Description Report attached as Chapter A to the 2024 Periodic Report.	
Jerusalem (ISRAEL CANADA (T.R) LTD)			Up to approx. NIS 4.38 billion, at the end of 6 months from the first completion date, as customary in such			First degree fixed liens, as detailed below:	At a rate of prime plus 0.5%-0.9% (the "margin") (no change in conditions prior to the	The agreement includes conditions precedent for the provision of financing according to the stage of the project, including changes to the conditions precedent for the provision of financing	

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			agreements, including the liens detailed below:			provision of financing according to the stage of the project as detailed below):		
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1. Conditions precedent for the provision of financial credit for land financing, the main points of which are detailed below:

- Unlimited mortgage on all the borrower's rights in the real estate and in connection with the real estate;
- Provision of an updated letter of intent regarding the outstanding balance of the credit under the land financing agreement; registration of securities in favor of the lenders.

2. Fixed and floating charge on all rights in the project, on the project itself, and on all assets and customer rights related to it, including debtors, suppliers, service providers, tax authorities, contractors, and all customer rights in such agreements.

3. Unlimited continuing guarantee. The accompaniment agreement includes standard grounds for immediate repayment of the accompaniment agreement.

It should be noted that the equity may be reduced in steps set in the accompaniment agreement, down to a minimum amount of approximately NIS 552.3 million, which constitutes 12% of the project budget, all according to the pace of apartment sales, office space sales, project execution rate, and signing of (lump sum) construction agreements with contractors in the project, according to the targets set in the accompaniment agreement. It should be noted that as of the date of this report, total equity amounts to approximately NIS 674 million, and including the mezzanine loan amount, totals approximately NIS 804 million.

Notwithstanding the above, the borrower will be entitled to sell more than 10% of the office space in the project, at the expense of apartment sales, provided that the proceeds from the sale of apartments together with the said office space, will not be less than approximately NIS 1,208 million.

For sales data, see section A of the Company's Board of Directors report for the first quarter of 2025, published on May 28, 2025 (reference number: 2025-01-038065), which is referenced in this report by way of reference.



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Borrower Name	Company's Share	Date of Engagement in Project (in Chain)	Date in Credit Agreement (NIS)	Framework Amount	Final Repayment Date	Liens / Securities	Interest Rate Effective Annual Interest Rate	Change of Control/ Authority/Structure Clause	Other Commitments
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Of the company to secure the borrower (hereinafter: "Company Guarantee").

- And/or for the realization of the securities, subject to agreed cure periods, including:
 - Delay in payment of any amount;
 - Failure to commence project execution on time;
 - Suspension of project execution for a period exceeding 60 cumulative days;
 - Delay in project construction that postpones the completion date (February 2031);
 - Sales pace or sales prices are lower than set in the agreement;
 - Deviation exceeding 5% in the project budget;
 - Deviation from permits and approvals related to the project;
 - Initiation of liquidation, compromise, arrangement, receivership, attachment, or enforcement proceedings regarding the real estate, the project, or the project's accounts;
 - If, at the lenders' discretion, there is a material adverse change in the borrower's business;
 - If, at the lenders' discretion, there is a material deterioration in the value of the securities, and no alternative securities are provided;
 - The borrower transfers, pledges, or assigns rights in the project without the bank's prior consent;
 - Cancellation of agreements with the main contractor or architect, without signing a replacement agreement;
 - Failure to comply with the financial covenants detailed above.

4. Commitment not to pledge the borrower's shares and/or other rights of the borrower (negative pledge).

FOOTNOTE:

¹⁰¹ [¹⁰¹] Reference number: 2020-01-106824, referenced in this report by way of reference.

¹⁰² [¹⁰²] Reference number: 2024-01-610154, referenced in this report by way of reference.

¹⁰³ [¹⁰³] Reference number: 2025-01-020022, referenced in this report by way of reference.

¹⁰⁴ [¹⁰⁴] Published on March 25, 2025, reference number: 2025-01-020059, referenced in this report by way of reference.

⁵ Footnotes 5, 6, 7 appear in the text but are not attached here. Please refer to the original for complete information.