



Israel-Canada (T.R) Ltd.

("the Company")

To:

Israel Securities Authority
www.isa.gov.il

Tel Aviv Stock Exchange Ltd. ("the Stock Exchange")
www.tase.co.il

September 9, 2025

Subject: Immediate Report

Further to the Company's report dated July 8, 2025 ^[101] ("the Reference Report"), regarding the receipt of a letter from a shareholder of the Company ("the Shareholder") demanding to file a lawsuit against the controlling shareholders of the Company ("the Controlling Shareholders") and against CANADA GLOBAL (T.R) LTD ("CANADA GLOBAL") ^[102], in light of allegations of alleged exploitation of a business opportunity of the Company, all as detailed in the Reference Report ("the Demand Letter"), the Company updates that on September 9, 2025, the Company responded to the Demand Letter, via a letter from its legal counsel, the main points of which are summarized below:

1. Upon receipt of the Demand Letter, it was forwarded for review and examination by the Company's Audit Committee, which consists only of external and/or independent directors ("the Audit Committee"). The Audit Committee held several meetings on the matter, together with the Company's legal advisors, and conducted the necessary factual and legal inquiries regarding the claims in the Demand Letter.
2. Following the factual and legal inquiry, the Audit Committee found that the claims in the Demand Letter are unfounded, both factually and legally, so that there is no justification for filing a lawsuit against the Controlling Shareholders and against CANADA GLOBAL, and such a

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lawsuit, if filed, is highly likely to be dismissed. Under these circumstances, filing a lawsuit as requested is not in the Company's interest and would even cause it significant and unnecessary harm.

3. Factually, the Demand Letter claims that the Controlling Shareholders allegedly chose to conduct transactions through CANADA GLOBAL, instead of through the Company. However, a factual inquiry into CANADA GLOBAL's immediate reports shows that this claim is baseless, and the factual description presented in the Demand Letter is partial and distorted, fundamentally undermining the claims in the Demand Letter, since the business opportunity regarding those transactions belongs to Flow Property Investors LLC (Flow) [¹⁰³], as the locator and initiator of those transactions, and not to the Controlling Shareholders. As appears from the aforementioned immediate reports, with respect to each of the transactions described in the Demand Letter, Flow was the one who located the transaction, performed the necessary actions to engage with the other party, including entering into agreements alone with the other party at the first stage, and mainly – it was Flow who offered CANADA GLOBAL the opportunity to participate in the transactions described in the Demand Letter, thereby sharing with CANADA GLOBAL the business opportunity it owned under a cooperation agreement between it and CANADA GLOBAL. Therefore, the aforementioned transactions were never a business opportunity "of the Company", and thus could not have been taken from it. Accordingly, there is no basis for the claim that the Controlling Shareholders of the Company even had the option to choose through which company to execute the transactions.

4. Additionally, legally, contrary to the claims in the Demand Letter, the Company's fields of activity are specific and defined, and do not include real estate transactions in the USA; as detailed in the Company's reports, the Company has consciously updated its business strategy in the past to focus solely on real estate in Israel and to exit the field of real estate abroad [²⁰⁴], for various reasons, so it cannot be claimed that conducting real estate transactions in the USA is part of the Company's related activities; also, the activity demarcation arrangement between the Company and the Controlling Shareholders, as described in the Company's periodic reports for several years, indicates that conducting real estate transactions in the USA is not within the Company's fields of activity. In this context, it was further clarified that, in the Company's view, the claim that the activity demarcation arrangement is not in effect is unfounded, and the Company maintains that the arrangement is valid and in force.

5. In light of the above, the Audit Committee decided to reject the Shareholder's demand to file a lawsuit against the Controlling Shareholders and/or against CANADA GLOBAL. The Audit Committee also decided to reject the Shareholder's demand for documents, among other reasons, because this demand is not based on any right the Shareholder has as a shareholder in the Company; and since there is no minimal evidentiary basis for filing such a lawsuit, there is no justification for transferring the requested documents to the Shareholder.

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It is clarified, for the avoidance of doubt, that nothing in this immediate report is intended to exhaust in any way the Company's position regarding the Demand Letter and the matters raised therein.

For further details, see the Reference Report. Terms not defined in this immediate report shall have the meaning given to them in the Reference Report.

Respectfully,

Israel-Canada (T.R) Ltd.

Signed by: Guy Canada

Deputy CEO of the Company



Alt: Israel-Canada company logo

FOOTNOTE:

¹⁰¹ Reference number: 2025-01-050101, the information of which is brought in this report by way of reference.

¹⁰² A public company whose securities are traded on the stock exchange and whose controlling shareholders are the controlling shareholders of the Company.

¹⁰³ A significant shareholder in CANADA GLOBAL (holding shares constituting about 29% of CANADA GLOBAL's issued and paid-up share capital).

²⁰⁴ Except for existing longstanding activity in Russia and Poland and except for activity within a subsidiary in the hotel sector, for which the Company's field of activity was specifically expanded also to hotels in Greece, as detailed in the Reference Report.