



# ISRAEL CANADA (T.R) LTD

("the Company")

To:

Israel Securities Authority  
[www.isa.gov.il](http://www.isa.gov.il)

Tel Aviv Stock Exchange Ltd. ("the Stock Exchange")  
[www.tase.co.il](http://www.tase.co.il)

September 30, 2025

**Subject:**

## **Approval of the Company's Board of Directors for the Merger Transaction of the Hospitality Company with D.N.A**

Further to the immediate report dated July 17, 2025 <sup>[101]</sup> ("the Reference Report") and Note 5u to the financial statements attached to the Company's second quarter report for 2025, <sup>[102]</sup> the Company is pleased to update that on September 30, 2025, the Company's Board of Directors, after receiving the approval of the Audit Committee, approved a merger transaction between Israel Canada Hospitality Ltd., held by the Company at a rate of approximately 68.5% (indirectly) ("Israel Canada Hospitality"); the shareholders of Israel Canada Hospitality, including the Company as mentioned, <sup>[103]</sup> Mr. Reuven Elkes (about 12%), who serves as a director and CEO of Israel Canada Hospitality, and Ofer Feldman (about 4.5%), and entities from the Menora group (about 15%); and between the D.N.A (T.R) Ltd. group ("D.N.A"), a public company whose shares are traded on the stock exchange and is controlled by Mr. Barak Rosen and Assaf Tuchmair, the controlling shareholders of the Company; according to section 103K of the Income Tax Ordinance [New Version], whereby, subject to the fulfillment of suspensive conditions, all shareholders in Israel Canada Hospitality will transfer all their holdings in Israel Canada Hospitality, constituting 100% of the issued and paid-up share capital of Israel Canada Hospitality <sup>[104]</sup>, as is, clean and free <sup>[105]</sup>, in exchange for the allocation of 706,985,445 new ordinary shares of D.N.A with equal rights ("the Merger Transaction"). <sup>[106]</sup>

The exchange ratio in the Merger Transaction was determined based on valuations of Israel Canada Hospitality and D.N.A as of June 30, 2025, according to which the value of D.N.A is approximately NIS 140 million and the value of Israel Canada Hospitality is approximately NIS 801 million, so that there is no material change in the exchange ratios compared to what was stated in the Reference Report ("the Valuations").

The Merger Transaction is subject to the fulfillment of suspensive conditions by November 30, 2025, as detailed below:

- Receipt of approval from the Audit Committee and the Company's Board of Directors (which have been received, as stated in this report)
- Receipt of approval from the Board of Directors and the General Meeting of Israel Canada Hospitality (which were received on September 30, 2025)
- Receipt of approval from the General Meeting of D.N.A shareholders [<sup>107</sup>] for the Merger Transaction as well as for additional transactions to be raised on the agenda of the said meeting and approved as a package with the Merger Transaction [<sup>108</sup>], by the majority set in section 267A and section 275 of the Companies Law, 1999
- Receipt of approval from the Tax Authority
- Receipt of approval from third parties, including approval from the Competition Commissioner or exemption from the need for his approval, as required, and including financing entities that provided financing to Israel Canada Hospitality [<sup>109</sup>]
- Receipt of approval from the Stock Exchange ("the Suspensive Conditions")



If and to the extent that all the suspensive conditions are met and the Merger Transaction is completed, D.N.A will become a public subsidiary of the Company, which will be held by the Company at a rate of approximately 55.70% (about 54.76% on a fully diluted basis).

For more details about D.N.A, see D.N.A's periodic report, which was reported by it on March 13, 2025 (reference number: 2025-01-016721); as well as D.N.A's semi-annual report for the first half of 2025, which was reported by it on August 28, 2025 (reference number: 2025-01-064670); the information from which is brought in this report by way of reference.

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For more details about the Merger Transaction as a whole, including the arrangement for delineation of activity between the Company and D.N.A after the merger, the activity of Israel Canada Hospitality, the financial statements of Israel Canada Hospitality, the valuations and additional details, see the notice of general meeting report of D.N.A dated September 30, 2025 (reference number: 2025-01-073475), the information from which is brought in this report by way of reference ("the Notice Report"). It should be noted that the information about the Merger Transaction as a whole is presented in this report in summary and by way of reference to the Notice Report of D.N.A, which includes information about the Merger Transaction and its related transactions, in accordance with the Securities Regulations (Private Offering of Securities in a Listed Company), 2000, in accordance with the Securities Regulations (Transaction between a Company and its Controlling Shareholder), 2001, and according to Regulation 36 of the Securities Regulations (Periodic and Immediate Reports), 1970.

**Sincerely,**

ISRAEL CANADA (T.R) LTD

Signed by: Guy Canada

Deputy CEO

**FOOTNOTE:**

<sup>1</sup> Reference number: 2025-01-053078, the information from which is brought in this report by way of reference.

<sup>2</sup> As published on August 27, 2025 (reference number: 2025-01-064080), and as amended on September 3, 2025 (reference number: 2025-01-066826), the information from which is brought in this report by way of reference.

<sup>3</sup> Whether directly or indirectly, through a wholly owned and controlled subsidiary.

<sup>4</sup> After the exercise of all convertible securities in Israel Canada Hospitality, including the exercise of non-tradable options of entities from the Menora group on the eve of the merger, subject to the completion of the Merger Transaction.

<sup>5</sup> Except for a lock-up under section 15G of the Securities Law, 1968.

<sup>6</sup> As stated in the Reference Report, the parties entered into the Merger Agreement on July 16, 2025, and on September 30, 2025, entered into an addendum to the Merger Agreement, extending the final date for the fulfillment of the suspensive conditions and adjusting the number of allocated shares (in light of an immaterial change in their value).

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<sup>7</sup> It should be noted that the approval of the Audit Committee and the Board of Directors of D.N.A have been received.

<sup>8</sup> Including approval of a new compensation policy, approval of the terms of office of Mr. Barak Rosen as Chairman of the Board, approval of the terms of office of Mr. Reuven Elkes as CEO, change of name of the merged company, and approval of a Run-Off policy.

<sup>9</sup> To the best of the Company's knowledge and as reported to it by Israel Canada Hospitality, the financing entities have given verbal principal consent to the Merger Transaction and Israel Canada Hospitality is working to obtain their written approval.