

ISRAEL CANADA (T.R) LTD

ISRAEL CANADA (T.R) LTD (the Company)

To:
Israel Securities Authority
www.isa.gov.il

To:
Tel Aviv Stock Exchange Ltd.
www.tase.co.il

17 November 2025

Re: Immediate Report – Entry into a Financing Agreement in Connection with the Vertical City Project

Further to that stated in section 9.11.2 of the corporation’s business description report, which was attached as Chapter A to the company’s periodic report as of 31 December 2024 (the periodic report); and to the company’s immediate report dated 11 September 2025 (the reference report); in connection with the Vertical City Project (Bursa Triangle), which is held by the company at approximately 55.9% (the project); the company is pleased to update that on 16 November 2025, the company, through Vertical City Ltd., the project company which holds all rights in the project (the project company), entered into a financing agreement with two local banks (the lenders), for the provision of a financial credit framework in a total amount not exceeding approximately NIS 1,290 million (obligo, including financial credit and Sale Law guarantees⁴) (the financing agreement), constituting an increase of approximately NIS 330 million compared to the existing credit framework. The financial credit will be used for funding the construction works of the project and for issuing Sale Law guarantees to purchasers in the project.

As of the date of this report, the project company has entered into sales agreements regarding an office area of approximately 26,600 sq.m, for consideration of approximately NIS 720 million, plus VAT.

Signed by:
Guy Canada, Deputy CEO

For further details regarding the financing agreement, see Appendix A attached to this immediate report.

For details regarding the project, see section 9.11.2 of the periodic report as well as in the reference report, both incorporated herein by reference.

Terms not specifically defined in this report shall have the meaning ascribed to them in the periodic report and the reference report.

Respectfully,
ISRAEL CANADA (T.R) LTD

For further details regarding the financing agreement, see Appendix A attached to this immediate report.

¹ Published on 25 March 2025, reference number: 2025-01-020059, the information of which is incorporated herein by reference.

² Reference number: 2025-01-068732, the information of which is incorporated herein by reference.

³ The balance is held by corporations from the Clal Insurance Group (approx. 24.5%) and by a subsidiary controlled by B.S.R. Engineering and Development Ltd. Group (approx. 19.6%).

⁴ The issuance of Sale Law guarantees to the buyers of offices in the project, up to NIS 300 million, is part of the financial credit framework (the voucher agreement). The voucher agreement will be signed in the coming days (the company will not publish an additional immediate report regarding the signing of the voucher agreement as stated).

Annex A – Details Regarding the Financing Agreement

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Name of the Borrower	Company's Share in Project (Final Link)	Date of Entering into Agreement	Credit Facility Amount	Final Repayment Date	Securities / Collaterals	Annual Interest Rate (Effective Interest Rate)	Change of Control/ Structure/ Authority Clause	Other Commitments
Vertical City Ltd. (the Borrower)	55.9%	16/11/2025	Up to approx. NIS 1.29 billion, including financial credit and a credit facility for Sale Law guarantees.	31/12/2026 (Bank guarantees and Sale Law guarantees will expire according to their terms)	To secure repayment of the financing agreement, the following were registered (or will be registered, according to the timeline agreed with the lenders) in favor of the lenders: first-degree fixed charges, as customary in such agreements, including the following securities and collaterals: 1. Unlimited mortgage on the borrower's full rights in the real estate (ownership and leasehold); 2. Unlimited fixed charge and assignment by way of charge on all of the borrower's rights in the real estate according to the purchase agreement; 3. Unlimited fixed charge and assignment by way of charge on all rights in the project, including the borrower's rights under the agreement with the contractor, the	Annual interest rate at Prime plus 0.2%–0.7% (the margin) (effective interest rate: 6.35%–6.87%); in addition, the borrower will pay lenders customary fees as typical in such agreements.	Until full and final repayment of the financing agreement, no change to the borrower's structure shall be made and no change in ownership of the borrower, including change of control, without prior written consent from the lenders. For the avoidance of doubt, transfers of shares between existing shareholders of the borrower or to another company wholly owned by the same controlling shareholder in the borrower's shareholder, shall not be considered a change of control.	Financial Covenants: The company is required to comply with the financial covenants set out in section 15.3.2 of the corporation's business description report, attached as Chapter A to the periodic report. Conditions precedent for utilizing the credit facility: The agreement includes the following conditions precedent for utilizing the credit facility: registration of securities in favor of the lenders; project insurance (exists); receipt of building permit (obtained); signing agreement with the contractor for excavation and foundation works (signed); delivery of financial statements (delivered); payment of all fees; absence of breaches or expected breaches; delivery of a confirmation regarding the validity of the securities; declaration confirming the fulfillment of the conditions precedent. Conditions precedent for providing Sale Law guarantees and Sale Law policies (sale collaterals) by the lenders, mainly as follows: fulfillment of all the above conditions and provision of land financing in practice; signing all documents required for providing the sale collaterals to the lenders. Additionally, the borrower undertook to fulfill all its obligations under the tender

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					borrower's rights under sale agreements signed with apartment purchasers, rights in the borrower's accounts, and rights in project insurance; 4. Perpetual guarantee with no limit by the Company (pro rata share in guarantee – 74%), and by B.S.R. Engineering and Development Ltd. (pro rata share – 26%), to secure the borrower's obligations; 5. Commitment not to create a floating charge on the borrower's shares and/or other rights (negative pledge).			and the agreement with RMI (including a rental agreement for apartments), not to agree to any change in the agreement's terms with RMI without the lenders' consent, and, in general, to obtain "Rental Apartments Israel"s approval for entering into the financing agreement within three months of signing it. Events of Acceleration: The financing agreement includes standard events of acceleration and/or enforcement of collateral, subject to agreed cure periods, including: delay in payment of any amount; cessation of project execution for over 30 days; cost overruns in project budget; deviation from permits and approvals relating to the project; bankruptcy, arrangement, receivership, seizure or enforcement proceedings regarding the property, the project, or project accounts; if in the lenders' judgment there is a material adverse change in the borrower's business; if, in the lenders' judgment, there is a material deterioration in the value of the collateral and no replacement collateral is provided; transfer, pledge, or assignment of rights in the project by the borrower without prior consent of the lenders; cancellation of contracts with the contractor without a replacement contract; non-compliance with the aforementioned financial covenants; occurrence of one or more acceleration

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								events (with appropriate modifications) with respect to any of the guarantors, or occurrence of any of the cases listed in any other document the borrower (or any guarantor on its behalf) signed or will sign in favor of the lenders, which constitute a ground for accelerating any liability.