

November 30, 2025

Lapidoth Capital Ltd.
(the Company)

To:
Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem 9546434

To:
Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv 6525216

Dear Sirs,

Immediate Report – Update and Extension of Loan Agreement between the Company and the Deputy Chairman of the Company's Board of Directors

Further to Note 30.h to the Company's consolidated financial statements as of December 31, 2024 (reference -2025 01-018617), regarding the Company's engagement in a loan agreement (the "Agreement" and the "Loan," respectively) with the Deputy Chairman of the Company's Board of Directors, Mr. Ariel Shafir, which is included in this report by way of reference, the Company is pleased to update as follows:

1.
On November 20, 2025, the Audit Committee, and on November 27, 2025, the Company's Board of Directors, approved the extension of the loan period and the update of the annual interest rate to Prime + 0.25% (plus VAT).
2.
The outstanding loan balance, as of the date of this report, amounts to approximately NIS 4.85 million (principal + interest), and shall be repaid in a single payment on October 22, 2026. Notwithstanding the foregoing, Mr. Shafir may, at his sole discretion, repay the loan or any part thereof in early repayment prior to the end of the loan period.
3.
The loan is secured by a first-degree pledge on all of the Company's shares held by Mr. Shafir as of the date of this report (91,030 shares), as well as 107,874 ordinary shares of Sunny Communications Cellular Ltd., with a total value (close to the date of this report) of approximately NIS 7.8 million. Additionally, the Company shall be entitled to offset any amount owed to it by Mr. Shafir in respect of the loan against any payment owed to Mr. Shafir (including a company owned by him) by the Company.
4.
For the avoidance of doubt, it is clarified that the loan is not on a non-recourse basis, and therefore Mr. Shafir shall be obligated to its repayment, regardless of possible changes in the value of the pledged securities.
5.
The decision regarding the extension of the loan period was made by the Audit Committee and the Company's Board of Directors after having, among other things, a legal opinion stating that a loan granted to an officer at an interest rate on market terms (and therefore not conferring an economic benefit) does not constitute terms of office and employment of the officer. Also considered was a quote from a leading banking corporation regarding the interest rate it requires for loans of similar terms and initial collateral coverage ratios. The interest rates for the loan were determined in accordance with said quote.

2024-06-05

6.

Considering the terms of the loan, and in particular the interest rate for it corresponding to the quote received by the company, the members of the audit committee and the board of directors were of the opinion that the loan terms do not provide a benefit to Mr. Shapir, and therefore the company is not recording any cost in its books for it and is even recording finance income as a result. Moreover, the interest rate for the loan is higher than the company's average cost of financing and the interest rate the company receives on its deposits in financial institutions, and for this reason as well, it is to the company's benefit.

Respectfully,
Lapidoth Capital Ltd.
By Eyal Palti, Legal Advisor