

11 December 2025

Mivtach Shamir Holdings Ltd.  
(the Company)  
69-2025

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

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

**Subject: Kesem Energy – Signature on Financial Close and Entry into Financing Agreements**

Further to the Company's reports<sup>1</sup> regarding the signing of an agreement for the supply of gas and steam turbines and related equipment for the new power station under development by Kesem Energy Ltd. (a consolidated company of the Company, which is held in it indirectly through the Shamir Energy Group (2023) Ltd. at a rate of 42.4%) (Kesem Energy), the entry of Kesem Energy into agreements for heavy maintenance, operation and maintenance of the power station, and receipt of a building permit for the power station, the Company is honored to announce that on 10 December, 2025,

Kesem Energy entered into a set of project financing agreements with Bank Hapoalim Ltd. (the Financing Agreements and the Financiers, respectively) for the financing of the construction, operation, and maintenance of the power station in a total amount of approximately EUR 1.1 billion and approximately NIS 300 million, including credit lines for the project financing and ancillary lines as customary in such projects.

Below are the main points of the financing agreements:

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| Loan amount and purpose                       | Several credit lines totaling approximately EUR 1.1 billion and approximately NIS 300 million, including credit lines for project financing and ancillary lines as customary in projects of this type (guarantee framework, VAT framework, working capital, and debt service reserve framework). |
| Loan repayment dates (principal and interest) | The loans for the project financing will be repaid in quarterly installments (principal and interest) over the commercial operation period of the project.   |

<sup>1</sup> Company's reports from 8 October 2025, 23 November 2025, and 7 December 2025 (reference numbers: 2025-01-074225, 2025-01-090226, and 2025-01-097100, respectively).

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| Interest and linkage terms                       | The loans for the financing of the project will bear, in part, a fixed interest based on the Euro Swap, and, in part, a variable interest based on the Euribor plus an annual margin of between 3% and 3.3%.   |
| Financial covenants                              | - Historical debt service coverage ratio <sup>2</sup> ; - Projected debt service coverage ratio <sup>3</sup> ; - Coverage ratio over the life of the loan <sup>4</sup> ; For all the aforementioned covenants, it is required that the coverage ratios are not less than 1.05. <sup>5</sup>  |
| Securities; Guarantees                           | To ensure compliance with the obligations of Kesem Energy within the framework of the financing agreements as mentioned, the following securities, among others, will be provided to the lenders: (a) a first-ranking floating charge over all of Kesem Energy's assets, rights, and revenues; (b) a first-ranking fixed charge on the equipment and materials of the power station, all of Kesem Energy's rights under the project agreements, Kesem Energy's bank accounts, and the insurance policies; (c) a first-ranking fixed charge on the shareholders' holdings in Kesem Energy and all of their other rights in Kesem Energy, all in accordance with what is detailed in the pledge agreements; (d) direct agreements of the lenders with the construction contractor, the heavy maintenance contractor, and the operation and maintenance contractor of the power station, granting, among other things, step-in rights to the lenders in case of a breach of the financing agreements. |
| Grounds for immediate repayment                  | The financing agreements regulate events upon which the lenders will be entitled to accelerate the loans, including violations of various obligations under the financing agreements, including the financial covenants as mentioned above.  |
| Principal additional restrictions and provisions | According to the financing agreements, Kesem Energy is not permitted to take on additional debt, except for specific exceptions listed in the financing agreements such as subordinated shareholder loans and operational leasing transactions.  |

A material condition for utilizing the credit facilities for financing the project is obtaining a tariff approval from the Electricity Authority.  
the Electricity Authority.

2  
This means the ratio between the free cash flow for debt service over the 12 months preceding the calculation date and the debt service in that period.

3  
This means the ratio between the projected free cash flow for debt service over the 12 months beginning from the calculation date and the projected debt service in that period.

4  
This means the ratio between the present value at the calculation date of the projected free cash flow for debt service until the final repayment date and the outstanding debt at the calculation date.

5  
As of the date of this report, the company complies with the projected coverage ratios. Considering that the project is close to establishment, as of the date of this report, the company is not required to meet the historical coverage ratio.  
As of the date of this report, the company is not required to meet the historical coverage ratio.

2024-06-13

The assessments regarding the realization of the credit facilities are forward-looking information, as this term is defined in the Securities Law, 1968, the realization of which is uncertain and not under the exclusive control of the company. These assessments are based, among other things, on the company's plans and assessments, and may not be realized due to factors not under the company's control, such as not receiving the required regulatory approval.

Respectfully,  
  
**Mivtach Shamir Holdings Ltd.**  
**Limor Avidor, Deputy CEO**

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This means the ratio between free cash flow to debt service over the 12 months preceding the calculation date and debt service in that period.  
This means the ratio between projected free cash flow to debt service for the 12 months starting from the calculation date and the projected debt service in that period.  
This means the ratio between the calculated present value as of the calculation date of projected free cash flow to debt service until the final maturity date and the outstanding debt as of the calculation date.  
As of the report date, the company meets the projected coverage ratios. Note that since the project is nearing construction, as of this report date the company is not required to meet the historical coverage ratio.