

Convenience Translation
The Hebrew version is the binding version

Bazan Ltd.
(“The Company”)

August 18, 2021

FAO:
Israel Securities Authority
Via the MAGNA online platform

FAO:
The Tel Aviv Stock Exchange Ltd.
Via the MAGNA online platform

Re: **Immediate Report – Private Placement of the Company’s Debentures (Series L)**

1. The Company wishes to announce that on August 17, 2021, it entered into a contract with classified investors, as per their definition in the Securities Law Regulations (Offer of Securities to the Public), 2007 (“the Offerees”)¹ in an agreement for the private placement of NIS 300,000,000 par value of the Company’s debentures (Series L) (hereinafter: “the Debentures”), at a price of NIS 102 for each par value of NIS 100 of Debentures, and for a total (gross) consideration of NIS 306 million.
2. On completion of the said private placement, the Debenture series (Series L) will amount to an overall par value of NIS 672,158,625.
3. The Debentures will be allocated to the Offerees by expansion of a marketable series, which was initially listed on the Tel-Aviv Stock Exchange Ltd (hereinafter: “the TASE”) under the shelf offering report dated September 14, 2020 (“the Shelf Offering Report”) and the Company’s shelf prospectus dated November 30, 2018 (hereinafter and jointly: “the Shelf Prospectus”), by virtue of the Debentures (Series L) deed of trust signed on September 14, 2020 between the Company and Hermetic Trust (1975) Ltd. (“the Deed of Trust”).
4. The terms of the Debentures to be allocated as part of the private placement will be identical in every respect to the terms of Debentures as described in the Shelf Offering Report and the Shelf Prospectus, and commencing on their date of listing, they shall constitute a single series in every respect together with the Debentures (Series L) in circulation as issued by the Company, as abovementioned. The Debentures issued in the private placement will be entitled to interest payments commencing from the interest payment to be made on September 25, 2021.
5. After their placement, the Debentures shall be subject to the restrictions on the resale of securities pursuant to the provisions of Section 15c of the Securities Law, 1968, and the provisions of the Securities Regulations (details in relation to Section 15a through 15c of the Law), 2000.
6. The weighted discount rate of the Company Debentures in circulation amounts to 4.812%. The adjusted value of the Debentures (Series L), as of August 17, 2021, is NIS 101.99 for

¹ The Offerees are not related to the Company, and to the best of the Company’s knowledge neither are they related to the Company’s controlling shareholders.

Disclaimer

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each par value of NIS 100. Therefore, the Debentures that are the subject of this placement report are issued at a unit price that is higher than their said adjusted value; therefore, they will be issued without discount. On December 1, 2020, the Company was granted approval from the Israel Tax Authority with regard to the method of calculation of tax deduction at source from the discount fees for the Debentures, according to which the Debentures will be determined a uniform discount rate pursuant to a formula that weighs the various discount rates in this Series. Pursuant to the provisions of Section 5.2 of the Company's Shelf Offering Report, and the said approval of the Israel Tax Authority, the weighted discount rate that will apply after this private placement of all the Company Debentures (Series L) in circulation will amount to 2.764%.

7. For the purpose of the private placement as described in this Immediate Report, the Company complies with the terms and the financial covenants set forth in the Deed of Trust.
8. Allocation of the Debentures that are the subject of this report is subject to receipt of approval from the TASE for the listing of the Debentures, as well as receipt of approval for rating of the Debentures from S&P Global Ratings Maalot Ltd.

Yours sincerely,

Bazan Ltd.

by Adv. Eli Mordoch,
Company Secretary

Cc: Hermetic Trust (1975) Ltd.

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