

AFRICA ISRAEL RESIDENCES LTD

Company number: 520034760

To:

- Israel Securities Authority (www.isa.gov.il)
- Tel-Aviv Stock Exchange Ltd (www.tase.co.il)

Form Number: T081 (Public)

Transmitted via Magna: 29/11/2025

Reference: 2025-01-094017

The corporation scheduled the report to be published on: 30/11/2025 07:57

Immediate Report on the Distribution of Cash Dividend to Securities

Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

1. We hereby report that on **27/11/2025** it was decided to pay a dividend.
2. Record date (ex-date): **09/12/2025**
3. Payment date: **25/12/2025**

3. Payment details:

- Dividend distributed by an Israeli resident company (see section 7A for the composition and tax rates).

Security Number	Security Name	Dividend Amount per Security	Currency of Dividend Amount	Payment Currency	Representative Rate for Payment Date	Individuals Tax %	Companies Tax %
1097948	Ordinary shares of 1 NIS	0.9473784	NIS	NIS	_____	25	0

- Dividend distributed by a real estate investment fund (see section 7C for the composition and tax rates)

The amount of dividend to be paid must be specified with a precision of up to 7 digits after the decimal point when the currency is NIS, and up to 5 digits after the decimal point when it is another currency.

4. The total amount of dividend to be paid is: **12,000,000 NIS**

5. The remaining earnings of the corporation, as defined in section 302 of the Companies Law, 1999, after the distribution subject to this report are: **1,410,617,000 NIS**

6. Procedure for approving the dividend distribution:

On 27.11.2025, the company's Board of Directors decided on a dividend distribution of 12 million NIS.

The above distribution does **not** require court approval pursuant to section 303 of the Companies Law.

The final dividend per share is subject to changes due to exercising of warrants.

The final dividend per share may be updated up to 2 trading days before the record date.

7. The tax withholding rates listed below are for the purpose of withholding at source by members of the exchange.

7A. Composition of the distributed dividend from an Israeli resident company from shares and financial instruments (excluding REIT):

	% of Dividend	Individuals	Companies	Foreign Residents
Corporate taxable income (1)	100	25%	0%	25%
Income originated abroad (2)	0	25%	23%	25%
Approved/granted enterprise (3)	0	15%	15%	15%
Irish privileged enterprise up to 2013 (4)	0	15%	15%	4%
Irish privileged enterprise from 2014 (5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Approved agriculture/tourism enterprise (6)	0	20%	20%	20%
Approved/granted waver enterprise (7)	0	15%	0%	15%
Distribution classified as capital gain	0	25%	23%	0%
Distribution by Participating unit	0	0	0	0
Other	0	0	0	0

Explanation for income types (numbered):

1. Corporate taxable income – income from profit distribution or dividend originating from income produced or accrued in Israel received directly or indirectly from another corporation liable to corporate tax.
2. Income originated abroad – income produced or accrued abroad, not taxed in Israel.
3. Including income from an approved tourism enterprise with selection/operation year up to 2013.
4. Irish privileged enterprise chosen until 2013.
5. Irish privileged enterprise chosen from 2014 and onward.
6. Including income from an approved tourism enterprise with selection/operation year from 2014 onward.
7. Approved or granted enterprise that submitted a waiver notice until 30.6.2015, after corporate tax deduction where required.

7B. Dividend distributed by a foreign resident company

	Individuals	Companies	Foreign Residents
Dividend from a foreign company	25%	23%	0%

7C. Dividend distributed by a real estate investment fund (REIT)

Income Type	% of Dividend	Individuals (1)	Companies	Foreign Resident Companies	Exempt Mutual Fund	Pension Fund (2)
From real estate appreciation, capital gain, depreciation (3)	_____	25%	23%	23%	0%	0%
Other taxable income (like rent)	_____	47%	23%	23%	23%	0%
From income producing real estate for rental housing	_____	20%	20%	20%	0%	0%
Incomes taxed by the fund (4)	_____	25%	0%	25%	0%	0%
Extraordinary income	_____	70%	70%	70%	60%	70%
Other	_____	_____	_____	_____	_____	_____
Weighted withholding tax rate (%)	100%	_____	_____	_____	_____	_____

Notes:

1. Individuals – including taxable mutual funds, foreign resident individuals.
2. Provident fund for pension, benefits or severance as defined in the Income Tax Ordinance, and foreign pension/mutual fund resident in a reciprocal state.
3. From real estate appreciation or capital gain, except from selling real estate held short-term, and from income equal to depreciation expenses.
4. Distribution from income taxed by the fund according to section 64A4(e).

8. Number of the corporation's dormant securities not eligible for dividend payment and for which a waiver letter is required to obtain payment: _____

9. Effect of the dividend distribution on convertible securities:

- The company **does not** have convertible securities
- The dividend distribution **does not** affect convertible securities
- **The effect of the dividend distribution on convertible securities is as follows:**

Security Name	Security Number	Remarks
Africa Meg 3/22	1186311	On "ex-dividend" day, the gross dividend per share will be fully deducted from the exercise price of each existing warrant.
Africa Meg Others	1202951	The exercise price of each outstanding warrant will be reduced by the gross dividend per ordinary share actually paid (subject to the minimum per-share exercise price).

10. Directors' recommendations and resolutions regarding the dividend distribution under Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:

After the presentation to the company directors at their meeting on 27.11.2025 of relevant data from the company's consolidated financial statements as of 30.9.2025 and the solo financial statements as of 30.9.2025, and after the presentation of the company's cash flow forecast for 2025-2027, analysis of financial ratios with the addition of significant events for 2025, the board of directors determined, among other things, as follows: Regarding the 'profit test,' as of 30.9.2025, the company's distributable profits (prior to the distribution) total approximately 1,423 million NIS. The dividend approved for distribution amounts to 12 million NIS. The maximum approved self-purchase amount totals 50 million NIS. Thus, the total maximum distribution is 62 million NIS. Regarding the 'solvency test,' the company's Board of Directors considered, among other things, the reviewed financial statements as of 30.9.2025 and management's explanations, including reviewing the undistributed earnings available, the company's expected cash flow for two years, the equity attributed to shareholders, the company's compliance with its financial covenants to bondholders, and the total working capital as per the solo statements as of 30.9.2025. The Board of Directors also considered the company's ability to meet existing and expected cash needs (even under adverse scenarios, not including the company's ability to raise additional credit). Based on the above, it is the Board's view that the dividend distribution, together with the share buyback, is not expected to adversely and significantly affect the company's financial condition and there is no reasonable concern that the distribution will prevent the company from fulfilling its existing and expected obligations when due. Regarding the company's commitment to financial covenants to holders of BONDS (series 5) – in the opinion of the Board, the dividend and buyback will not cause non-compliance with the financial covenants taken toward the holders of said BONDS. Furthermore, in the Board's estimation, the distribution is not expected to materially adversely affect the company's financial position, including its capital structure, leverage level, liquidity, or its ability to continue its ongoing activity.

Authorized signatories on behalf of the corporation:

#	Signatory Name	Position
1	Aharon Frenkel	Deputy CEO, Finance

Note: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted under these regulations must be signed by the authorized signatories on behalf of the corporation. Staff position on the matter can be found [here](#). (link leads to a document in Hebrew)

Previous names of the reporting entity: Africa Israel Residences Ltd

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Position: Company Secretary

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Securities of the corporation are listed for trading on the Tel-Aviv Stock Exchange

- Short name: Africa Residences

Form structure update date: 21/10/2025