Alony-Hetz Properties and Investments Ltd.
ALONY-HETZ PROPERTIES & INVESTMENTS LTD
Registration number: 520038506

To: Israel Securities Authority www.isa.gov.il
To: Tel-Aviv Stock Exchange Ltd. www.tase.co.il
T081 (Public)
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Immediate report regarding distribution of cash dividend for securities
Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970

1. We hereby report that on the date *19/05/2026*it was decided to pay a dividend.

2. The record date (ex-date): *29/05/2026*
Payment date: *10/06/2026*

3. Payment details:
- Dividend distributed by an Israeli resident company (for composition of dividend sources and tax rates see section 7a)
- Dividend distributed by a Real Estate Investment Trust (for composition of dividend sources and tax rates see section 7c)

Number of eligible security	Name of the security	Dividend amount per one security	Dividend amount currency	Payment currency	Representative rate for payment for date	Individuals tax %	Companies tax %
390013	*Ordinary shares*	*0.25*	*NIS*_________	*NIS*	_________	*25*	*0*

- Dividend distributed by a foreign resident company (for tax rates see section 7b)

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Security number	Name of the security	Gross amount per one security	Amount currency	Tax abroad %	Tax under treaty %	Remaining tax on individuals to be withheld in Israel %	Remaining tax on companies to be withheld in Israel %
_________	_________	_________	_________	_________	_________	_________	_________
		Amount to be paid in Israel per one security	Payment currency	Representative rate for payment for date		Actual tax on individuals in Israel %	Actual tax on companies in Israel %
		_________	_________	_________		_________	_________

The exact amount of the dividend to be paid must be stated up to 7 digits after the decimal point when the dividend currency is NIS and up to 5 digits after the decimal point when the dividend currency is another currency.

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4. The total amount of dividend to be paid is: *56,560,191NIS*_________.

5. The remaining profits of the corporation as defined in section 302 of the Companies Law, 5759-1999, after the distribution that is the subject of this report, amount to:
*1,414,808,809NIS*_________

6. Procedure for approving the dividend distribution:
The Board of Directors' decision to distribute a dividend for the second quarter of 2026 is within the framework of the dividend policy for 2026, as approved at the Board of Directors' meeting of March 17, 2026 (see immediate report published by the Company on March 18, 2026 (reference number 2026-01-023492)).
The above distribution is with the approval of the court in accordance with section 303 of the Companies Law *No*
The final dividend amount per share is subject to changes due to *Not applicable*

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

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

7a. Composition of the sources of dividend distributed by an Israeli resident company from shares and financial instruments, excluding REIT fund.

	% of the dividend	Individuals	Companies	Foreign residents
Income subject to corporate tax (1)	*100*	25%	0%	25%
Income originating abroad (2)	*0*	25%	23%	25%
Income of an Approved/Benefited Enterprise (3)	*0*	15%	15%	15%
Income of a Benefited Enterprise in Ireland up to 2013 (4)	*0*	15%	15%	4%
Income of a Benefited Enterprise in Ireland from 2014 (5)	*0*	20%	20%	4%
Preferred income	*0*	20%	0%	20%
Income of an Approved Tourism/Agricultural Enterprise (6)	*0*	20%	20%	20%
Income of an Approved/Benefited Enterprise that submitted a waiver notice (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:

(1) Income subject to corporate tax - income from distribution of profits or from dividends derived from income produced or accrued in Israel that was received directly or indirectly from another body of persons that is subject to corporate tax.

(2) Income originating abroad is income produced or accrued abroad and not taxed in Israel.

(3) Including income from a Benefited Tourism Enterprise where the year of choice/operation is up to 2013.

(4) Benefited Enterprise in Ireland where the year of choice is up to 2013.

(5) Benefited Enterprise in Ireland where the year of choice is from 2014 onwards.

(6) Including income from a Benefited Tourism Enterprise where the year of choice/operation is from 2014 onwards.

(7) Approved or Benefited Enterprise that submitted a waiver notice by 30.6.2015, after corporate tax was withheld from it as required.

7b. Dividend distributed by a foreign resident company

	Individuals	Companies	Foreign residents
Dividend distributed by a foreign resident company	25%	23%	0%

7c. Dividend distributed by a Real Estate Investment Trust

	% of the dividend	Individuals (1)	Companies	Foreign resident companies	Exempt mutual fund	Pension fund (2)
From real estate capital gain, capital gain and depreciation (3)	________	25%	23%	23%	0%	0%
Other taxable income (such as: rent)	________	47%	23%	23%	23%	0%
From income-producing real estate for residential rental purposes	________	20%	20%	20%	0%	0%
Income taxed at the fund level (4)	________	25%	0%	25%	0%	0%
Irregular income	________	70%	70%	70%	60%	70%
Other	________	________	________	________	________	________
Weighted tax withholding at source %	100%	________	________	________	________	________

(1) Individuals – including income of a taxable mutual fund, individual foreign residents.

(2) Pension fund for annuity or for compensation or for severance pay as defined in the Income Tax Ordinance, as well as a pension fund or foreign pension fund that is a resident of a treaty state.

(3) From real estate capital gain or capital gain, except from the sale of real estate held for a short period, as well as from income in the amount of depreciation expenses.

(4) Distribution out of income taxed at the fund level in accordance with section 64A4(e).

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8. Number of dormant securities of the corporation that are not entitled to receive dividend, and for which a waiver letter must be submitted in order to receive the dividend payment *85,340*

9. Effect of the dividend distribution on convertible securities:

- The company has no convertible securities
- The dividend distribution has no effect on the convertible securities
- The effect of the dividend distribution on the convertible securities is as follows:

Name of the security	Security number	Comments
Warrants 03/23	1195809	Other *The current (nominal) exercise price will be reduced by the dividend amount per share.*
Alony Hetz Employees	1205756	Other *The current (nominal) exercise price will be reduced by the dividend amount per share.*
Alony Hetz Others	1205749	Other *The current (nominal) exercise price will be reduced by the dividend amount per share.*
Alony Hetz Others 1	1240688	Other *The current (nominal) exercise price will be reduced by the dividend amount per share.*

10. Recommendations and resolutions of the directors in connection with the dividend distribution in accordance with Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970:

1. The Company's Board of Directors approved the dividend distribution based on the Company's reviewed financial data as of 31.3.2026 and after examining the sources of repayment for existing and expected obligations that the Company is required to repay during a period of two years and 9 months beginning on 31.3.2026, the sources of credit and credit facilities available to the Company and the projected cash flow from the Company's ongoing operations. 2. The Company's Board of Directors approved the distribution in accordance with the tests prescribed for this purpose in section 302 of the Companies Law, 5759-1999, as set out below: "Profit test" - According to the Company's audited financial data as of 31.03.2026, the Company's retained earnings balance is approximately NIS 1,471 million. "Solvency test" - The Company's Board of Directors' position is that the distribution does not impair the Company's financial strength and that underlying its operations there are several additional parameters that contribute to its ability to meet its obligations: A. As a rule, the Company has positive cash flow from operating activities, mainly arising from the receipt of dividends from investee companies, which have a declared dividend distribution policy that has continued for many years and is derived from their positive operating cash flows, mainly from lease contracts with broad diversification as well as from income from the sale of electricity; B. The Company's assets are not pledged (and partly are tradable securities); C. The existence of approved (solo) credit lines on a large scale; D. The Company's proven ability over many years to raise financing for its operations and for refinancing its existing debts; E. In the opinion of the Company's Board of Directors, the distribution will not materially affect the Company's capital structure, its leverage level, its compliance with the financial ratios required of it or its ability to continue operating in its current operating format and to implement its investment plans. Based on the foregoing and after the Company's Board of Directors has been satisfied, taking into account the Company's financial condition as stated above, that there is no reasonable concern that the distribution will prevent the Company from fulfilling its existing and expected obligations when they fall due, the Board of Directors resolved to approve the dividend distribution. The above information is forward-looking information as defined in the Securities Law, 5728-1968, based, inter alia, on an analysis of financial data performed by the Company, based on the data currently in its possession. These expectations and estimates may not materialize, in whole or in part, or may materialize in a manner that is materially different from what was anticipated.

Details of the signatories authorized to sign on behalf of the corporation:

	Name of signatory	Position
1	Nathan Hetz	*CEO and Director*
2	Oren Frankel	*Chief Financial Officer*

Explanation: According to Regulation 5 of the Securities Regulations (Periodic and Immediate Reports) (5730 – 1970), a report filed pursuant to these regulations shall be signed by the persons authorized to sign on behalf of the corporation.

The staff's position on this matter can be found on the Authority's website: Click here .

1.) The tax rate applicable to dividend to an individual who is not a substantial shareholder - 25%. 2.) The total dividend amount is subject to changes that may result from an increase in the number of shares entitled to the dividend, due to the exercise and conversion into shares of the Company's convertible securities that are in circulation.

Reference numbers of previous documents on the subject (the mention shall not constitute inclusion by way of reference):

The corporation's securities are listed for trading on the Tel-Aviv Stock Exchange   Form structure update date: 21/10/2025

Short name: Alony Hetz

Address: Jabotinsky2 , Ramat Gan5250501   Telephone: 03-7521115 , Fax: 03-7514730

E-mail: office@alony-hetz.com   Company website:www.alony-hetz.com

Previous names of reporting entity:

Electronic reporter name: Lunbraun Haimovich YifatPosition: Attorney, Company SecretaryEmployer company name:

Address: Jabotinsky2 , Ramat Gan5250501Telephone: 03-7521115Fax: 03-7514730E-mail: yifat@alony-hetz.com