

# DANEL (ADIR YEOSHUA) LTD

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**To:** Tel Aviv Stock Exchange ([www.tase.co.il](http://www.tase.co.il))

## Immediate Report on Cash Dividend Distribution to Securities

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

- We hereby report that on the date **24/11/2025** it was decided to pay a dividend.
- Ex-date (record date): **01/12/2025**
- Payment date: **23/12/2025**

### 3. Payment Details:

- Dividend distributed from an Israeli resident company (see section 7a for composition of the dividend sources and tax rates).

Security Number	Security Name	Dividend per Security	Dividend Amount Currency	Payment Currency	Representative Rate Date	Individual Tax %	Corporate Tax %
314013	Danel (Manpower)	6.0	NIS	NIS	—	25	0

- Dividend distributed by a foreign resident company (see section 7b for tax rates).
- Dividend distributed by a real estate investment fund (see section 7c for structure and tax rates).

**Note:** The dividend amount should be stated with up to 7 decimal places for NIS and up to 5 in foreign currency.

- 4. Total dividend amount to be paid: **34,667,616 NIS**
- 5. Retained earnings of the corporation as of this report after the dividend distribution: **184,000,000 NIS**
- 6. Procedure for approval of the dividend distribution:  
*Board of Directors’ decision on 24.11.2025. For more details see further in this report.*

Court approval under Section 303 of the Companies Law: **No**

**The final dividend per share may change due to: \_\_\_\_\_**

**It is possible to update the final dividend per share up to 2 trading days before the record date.**

- 7. The following withholding tax rates are for use by TASE members for applying withholding tax at source.

**7a. Composition of Sources of Dividend Distributed from an Israeli Resident Company from Shares and Financial Instruments (excluding REITs):**

Income Type	% of Dividend	Individuals	Companies	Foreign Residents
Income liable for corporate tax (1)	100	25%	0%	25%
Income derived from abroad (2)	0	25%	23%	25%
Income from approved/preferred enterprise (3)	0	15%	15%	15%
Income from preferred Irish enterprise up to 2013 (4)	0	15%	15%	4%
Income from preferred Irish enterprise from 2014 onwards (5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Income from approved tourist/agricultural enterprise (6)	0	20%	20%	20%
Income from approved/preferred enterprise with waiver (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 liable for corporate tax – income from profit distribution or dividend originated from income generated in Israel, received directly or indirectly from another entity subject to corporate tax.
2. Income derived from abroad refers to income generated overseas that was not taxed in Israel.
3. Includes income from privileged tourist enterprise for a selection/operation year up to 2013.
4. Preferred Irish enterprise, selected up to 2013.
5. Preferred Irish enterprise, selected from 2014 onwards.
6. Includes income from privileged tourist enterprise for a selection/operation year from 2014 onwards.
7. Approved or preferred enterprise that filed a waiver notice by 30.6.2015, having already been subject to corporate tax.

**7b. Dividend Distributed by a Foreign Resident Company**

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

**7c. Dividend Distributed by a Real Estate Investment Fund:**

Type of Income	% of Dividend	Individuals(1)	Companies	Foreign Company Residents	Exempt Mutual Fund	Pension Fund(2)
Real estate appreciation, capital gain, depreciation (3)	—	25%	23%	23%	0%	0%
Other taxable income (e.g., rent)	—	47%	23%	23%	23%	0%
From income-generating real estate for rental housing	—	20%	20%	20%	0%	0%
Income taxed by the fund (4)	—	25%	0%	25%	0%	0%
Extraordinary income	—	70%	70%	70%	60%	70%
Other	—	—	—	—	—	—
Weighted withholding tax %	100%	—	—	—	—	—

Explanations:

1. Individuals – Including taxable mutual funds and individual foreign residents.
2. Pension funds for pension/savings/compensation as defined by the Income Tax Ordinance, and foreign pension funds from agreement countries.
3. Real estate appreciation or capital gain, except from the sale of properties held short term and depreciation expense amounts.
4. Distribution from income taxed by the fund under section 64A4(e).
5. Number of dormant securities of the corporation not entitled to dividend payment, requiring a waiver letter for payment: **469,972**
6. Effect of dividend distribution on convertible securities:

• The company has no convertible securities

• The dividend distribution does not affect convertible securities

• The effect of the dividend distribution on the convertible securities is as follows:

Convertible Security Name	Security Number	Remarks
Danel Warrant 2021	3140167	The exercise price will be reduced by the gross dividend per share
Danel Warrant 2023	1198654	The exercise price will be reduced by the gross dividend per share

## 10. Directors' Recommendations and Decisions Regarding the Dividend Distribution under Regulation 37(a)(1):

Below are the details regarding the review conducted by the Board of Directors at the time of the dividend distribution decision, concerning the company’s compliance with the distribution tests:

1. The Board of Directors, after examining the company’s compliance with the distribution tests in section 302(a) of the Companies Law, 1999 (the "Distribution Tests"), including the "profit test" and the "solvency test", concluded that the company passes the tests.
2. The company has retained earnings sufficient for dividend distribution (retained earnings before distribution stand at 218.7 million NIS).
3. The Board of Directors examined the company’s ability to distribute the dividend while considering its financial status, including, but not limited to:
  - 3.1. The company's cash and cash equivalents as of 30 September 2025 total approximately NIS 202.2 million.
  - 3.2. The company’s liabilities to banks providing credit facilities as of the dividend distribution approval date.
  - 3.3. Various cash flow scenarios for the coming years.
  - 3.4. The impact of the dividend distribution on the company's capital structure, its liquidity status, and its ability to continue operating as usual, including investment plans and necessary means for their implementation.
4. The Board of Directors concluded:
  - 4.1. That the company’s cash and cash equivalents as of 30 September 2025, and the cash forecast for the following years, allow for the dividend distribution without adversely affecting the company’s financial position, capital structure (including working capital), future investment plans, and leverage level.
  - 4.2. After the dividend distribution, the company will continue meeting all financial covenants under its credit agreements, banking obligations, and other obligations.
5. The above information in sections 4.1 and 4.2 is forward-looking information as defined in the Securities Law, 1968. These assessments are based on the company's analysis of its cash flows, existing and anticipated liabilities to banks and bondholders, cash flow expectations, and examination of its financial covenants. These estimates may not be realized, in whole or in part, or may be realized materially differently due to, among other things, changes in the company's investment needs (including unexpected investments), market conditions, political and security changes, regulatory changes (including regarding national insurance), or a change in the company’s assessment of its ability to operate in its fields.

Authorized Signatory:

Name	Title
Ilan Ovadia	CFO

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Securities of the company are listed for trading on the Tel Aviv Stock Exchange.