

EL AL ISRAEL AIRLINES LTD

Company number: 520017146

To:

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

Form Number: T081 (Public) Report Date: 05/01/2026 Reference: 2026-01-001900

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 **05/01/2026** it was decided to pay a dividend.
- The record date (ex-date): **16/01/2026**
- Payment date: **27/01/2026**

3.1 Payment Details:

- ☒ Dividend distributed from an Israeli resident company (for composition of dividend sources and tax rates see Section 7a)
- ☐ Dividend distributed by a Real Estate Investment Trust (REIT) (for composition of dividend sources and tax rates see Section 7c)
- ☐ Dividend distributed by a foreign resident company (for tax rates see Section 7b)

Security No.	Security Name	Dividend per Security	Currency	Payment Currency	Representative Rate Date	Individual Tax %	Corporate Tax %
1087824	El Al Ordinary Share	0.57	NIS	NIS	-	25	23

- 4. The total amount of the dividend to be paid is: **106,000,000 dollars**
- 5. **Remaining distributable profits of the corporation**, as defined in Section 302 of the Companies Law, following the distribution in this report: **827,700,000 dollars**
- 6. **Approval process of the dividend distribution:** Decision of the Board of Directors dated January 5, 2026. For further details see Section 10 below.

Is the above distribution with court approval according to section 303 of the Companies Law? **No**

- The final dividend per share is subject to changes due to ____.
 - The final dividend per share can be updated up to 2 trading days before the record date.
7. **Withholding tax rates as specified below are for the purpose of withholding tax by stock exchange members.**
- 7a. Composition of sources of dividend distributed from an Israeli resident company (excluding REIT):**

Dividend Source	% of Dividend	Individuals	Companies	Foreign residents
Taxable income subject to corporate tax (1)	0	25%	0%	25%
Income originating overseas (2)	0	25%	23%	25%
Approved/preferred enterprise income (3)	0	15%	15%	15%
Irish preferred enterprise income until 2013 (4)	0	15%	15%	4%
Irish preferred enterprise income from 2014 (5)	0	20%	20%	4%
Preferred Income	100	20%	0%	20%
Approved tourist/agricultural enterprise income	0	20%	20%	20%
Approved enterprise that submitted 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

Explanations:

- 1. Taxable income subject to corporate tax – income from profit distribution or dividends originating from income produced or accrued in Israel that was received directly or indirectly from another corporate entity subject to corporate tax.
- 2. Income originating overseas is income produced or accrued from abroad and not taxed in Israel.
- 3. Including income from a preferred tourist enterprise, with a selection/operation year up to 2013.
- 4. Irish preferred enterprise with selection year up to 2013.
- 5. Irish preferred enterprise with selection year from 2014 onwards.
- 6. Including income from a preferred tourist enterprise with a selection/operation year from 2014 onwards.
- 7. Approved/preferred enterprise that submitted a waiver up to 30.6.2015, after paying the required corporate tax.

7b. Dividend distributed from a foreign resident company

	Individuals	Companies	Foreign residents
Dividend from foreign resident	25%	23%	0%

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

Source	% of Dividend	Individuals (1)	Companies	Foreign resident companies	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-producing real estate for rental	—	20%	20%	20%	0%	0%
Income taxed at the fund's level (4)	—	25%	0%	25%	0%	0%
Extraordinary income	—	70%	70%	70%	60%	70%
Other	—	—	—	—	—	—
Weighted withholding tax rate	100%	—	—	—	—	—

(1) Individuals – including a taxable mutual fund, individuals who are foreign residents (2) Pension fund for pension, provident, or severance as defined in the Income Tax Ordinance, as well as a pension fund or foreign pension fund resident in a reciprocating state. (3) From real estate appreciation or capital gain, excluding from the sale of real estate held for a short term, and income to the amount of depreciation expenses. (4) Distribution from income taxed at the level of the fund according to Section 64A4(e).

8. **Number of dormant securities of the corporation not entitled to dividend payment and for which a waiver letter must be provided to receive the payment:** ____

9. **Effect of the dividend distribution on convertible securities:**

- ☐ The company does not have convertible securities
- ☐ The distribution has no impact on convertible securities
- ☒ The impact of the dividend distribution on the convertible securities is as follows:

Security Name	Security Number	Remarks
El Al Warrant 3	1205467	The current conversion ratio will be multiplied by the ex-share price and divided by the share closing price on the trading day before the ex-date.
El Al Warrant 11/22	1191014	From the exercise price of the warrants will be deducted an amount equal to the dividend amount distributed per share.

10. **Recommendations and decisions of the directors regarding the dividend distribution in accordance with Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:**

The Board of Directors, after being presented with the retained earnings available for distribution of the company as of the financial statements as of September 30, 2025, resolved as follows:

1. To approve the distribution of a dividend in the amount between 100 million and 106 million dollars (depending on issued share capital as of the record date for the distribution), with the maximum distribution amount constituting about 30% of the company's net profit as detailed in the company's financial statements for the nine-month period ended September 30, 2025. It should be clarified that the determining amount is the dividend per share, which stands at 0.57 NIS per share.
2. Regarding the maximum distribution amount, the Board of Directors examined the company's compliance with the profit test and the solvency test as prescribed in Section 302(a) of the Companies Law, as well as limitations set in the company's agreements with the State of Israel, and determined that the company complies with the tests and limitations for the purpose of the distribution. As for compliance with the profit test, the board examined the balance sheet and the distributable retained earnings as of September 30, 2025.
3. Regarding compliance with the solvency test, the board considered, among other things: (1) the company's liquid sources as of September 30, 2025; (2) expected cash flow, including various sensitivity analyses; (3) the company's plans for anticipated investments. Following the examination, the board confirmed that the company meets the solvency test regarding the aforementioned distribution, including in conservative scenarios.
4. In the board's assessment, the distribution will not materially and adversely affect the company's financial position, including its capital structure, leverage, liquidity, and ability to continue to operate as currently and realize its investment opportunities.
5. The board does not rely on the company's ability to realize assets, except for cash sources resulting from subsidiaries held by the company.
6. The board does not rely on the distribution of profits arising from financial asset revaluations or other accounting effects not considered "realized" under accepted accounting principles, to the extent applicable.

Authorized signatories for the corporation:

#	Name	Position
1	Amikam Ben Tzvi	Chairman of the Board
2	Gil Feldman	Chief Financial Officer

Note: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted under these regulations must be signed by those authorized to sign on behalf of the corporation. Staff position on the matter can be found on the authority's website: [Click here](#).

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

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