On the record date 10/04/2026 the amount of dividend to be paid: 50,000,000 NISfalse

Elco Ltd	152
ELCO LTD	
Registrar number: 520025370	2114

To: Israel Securities Authority	To: Tel Aviv Stock Exchange Ltd	T081 (Public)	Transmitted by MAGNA:	29/03/2026	
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Immediate report on the distribution of cash dividend to securities

Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970

1. We hereby report that on the date *29/03/2026*it was decided to pay a dividend.

2. Record date (ex-dividend date): *10/04/2026*

Payment date: *19/04/2026*

3. Payment details:

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

Entitled security number	Name of the security	Dividend amount per one security	Currency of dividend amount	Payment currency	Representative rate for payment for date	Individuals tax %	Corporations tax %
694034	*Ordinary share*	*1.8566829*	*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	Currency of amount	Tax abroad %	Treaty tax %	Remaining individuals tax to be withheld in Israel %	Remaining corporations tax to be withheld in Israel %
_________	_________	_________	_________	_________	_________	_________	_________
		Amount to be paid in Israel per one security	Payment currency	Representative rate for payment for date		Actual individuals tax in Israel %	Actual corporations tax in Israel %
		_________	_________	_________		_________	_________

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

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4. The total amount of dividend to be paid is: *50,000,000NIS*_________.

5. The balance of the corporation’s profits as defined in section 302 of the Companies Law, 5759-1999, after the distribution that is the subject of this report, is in the amount of:

*1,487,000,000NIS*_________

6. Procedure for approving the dividend distribution:

Pursuant to a decision of the company’s board of directors, see section 10 below.

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 *the possibility of share buy-backs.*

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

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

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

	% of the dividend	Individuals	Corporations	Foreign residents
Income subject to corporate tax (1)	*100*	25%	0%	25%
Income whose source is abroad (2)	*0*	25%	23%	25%
Income from an approved/benefited enterprise (3)	*0*	15%	15%	15%
Income from a benefited Irish enterprise until 2013 (4)	*0*	15%	15%	4%
Income from a benefited Irish enterprise from 2014 (5)	*0*	20%	20%	4%
Preferred income	*0*	20%	0%	20%
Income from an approved tourism/agricultural enterprise (6)	*0*	20%	20%	20%
Income from 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 dividend whose source is income produced or accrued in Israel received directly or indirectly from another body of persons liable for corporate tax.

(2) Income whose source is abroad is income that was produced or accrued abroad and was not taxed in Israel.

(3) Including income from a benefited tourism enterprise where the year of choice/operation is up to 2013.

(4) Benefited Irish enterprise whose year of choice is up to 2013.

(5) Benefited Irish enterprise whose 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 that it was liable for was deducted from it.

7b. Dividend distributed by a foreign resident company

	Individuals	Corporations	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)	Corporations	Corporate foreign residents	Exempt mutual fund	Pension fund (2)
From real estate appreciation, capital gain and depreciation (3)	________	25%	23%	23%	0%	0%
Other taxable income (such as: rent)	________	47%	23%	23%	23%	0%
From yielding real estate for residential 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 withholding tax at source %	100%	________	________	________	________	________

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

(2) Pension fund for annuity or for benefits 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 appreciation or from capital gain, except from the sale of real estate held for a short period, and also from income in the amount of depreciation expenses.

(4) Distribution from 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 dividend payment and for which a waiver letter must be submitted in order to receive the dividend payment *7,711,030*

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	Remarks
Elco Employees	1211259	Other *If the company distributes a dividend (in cash or in kind) to all its shareholders and the date determining the right to receive such dividend falls after the allocation date of the warrants but before their exercise date, the exercise price of each warrant will be reduced by the gross dividend amount per share distributed by the company, provided that the exercise price of a warrant will not be reduced below the par value of the company's share.*

10. Recommendations and decisions 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:

Below are details regarding the examination conducted by the company's board of directors when making the decision on the dividend distribution mentioned above (the "distribution"): 1. The company's board of directors examined the company's compliance with the profit test and the solvency test set forth in section 302(a) of the Companies Law, 5759-1999 (the "distribution tests" and the "Companies Law", respectively), and following this examination approved that the company meets the distribution tests, i.e. that the distribution is out of profits (as defined in section 302(b) of the Companies Law) and that there is no reasonable concern that the distribution will prevent the company from meeting its existing and expected liabilities when they fall due, and also that the company meets the conditions set forth in the deeds of trust for the company's BONDS (Series 13 and 14) as well as the terms of the company's commercial papers. 2. With regard to meeting the profit test, the company's board of directors approved the distribution based on the accumulated surplus (as defined in section 302(b) of the Companies Law), according to the company's audited financial statements as of December 31, 2025 – namely approximately NIS 1,537 million. 3. With regard to meeting the solvency test, the board of directors considered the following considerations: the scope of the distribution, data regarding the company's financial position, including data regarding the company's projected cash flow until December 31, 2027, and also taking into account, inter alia, the company's investment plans, including with respect to certain expected expenses, against a forecast of income sources that will be used to meet them. It should be emphasized that in the framework of this examination the company's board of directors relied on information that is forward-looking information, which may not materialize, or may materialize in a manner different from what was anticipated. 4. In the opinion of the company's board of directors, the distribution will benefit the shareholders on the one hand and, on the other hand, in light of the company's financial position, it will have no adverse effect on the company's financial position, including its capital structure, its leverage level, its compliance with financial requirements or its liquidity position, its operations in their current form, and its investment plans.

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

	Name of signatory	Position
1	Eliezer Wesly	*Chief Financial Officer*

Explanation: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted under these regulations shall be signed by those authorized to sign on behalf of the corporation. The staff's position on the matter can be found on the Authority's website: Click here .

Reference numbers of previous documents on the subject (the reference does not constitute incorporation by reference):

The corporation's securities are listed for trading on the Tel Aviv Stock Exchange Form structure update date: 21/10/2025
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Previous names of the reporting entity: Elco Holdings Ltd

Electronic reporter name: Wesly EliezerPosition: Chief Financial OfficerEmploying company name:
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