

HILAN LTD.

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Registration Number: 520039942

To: Israel Securities Authority To: Tel Aviv Stock Exchange Ltd. Form Number: T081 (Public)
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Immediate Report on Cash Dividend Distribution for Securities

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

1. We hereby report that on the date 18/08/2025, it was decided to pay a dividend.
2. Record date (ex-date): 08/09/2025

Payment date: 18/09/2025

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

Eligible Security Number	Security Name	Dividend Amount per Security	Dividend Amount Currency	Payment Currency	Representative Rate for Payment Date	Individual Tax %	Corporate Tax %
1084698	HILAN Ordinary Shares	2.0	NIS	NIS	_____	25	0

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

Please specify the dividend amount to be paid with a precision of up to 7 digits after the decimal point when the dividend amount currency is NIS, and up to 5 digits after the decimal point if the dividend amount currency is another currency.

4. The total amount of dividend to be paid is: 45,895,354 NIS _____.
5. The balance of the corporation's profits as defined in section 302 of the Companies Law, 1999, after the distribution subject of this report is: 1,038,203,000 NIS _____.
6. Dividend distribution approval process:

Dividend distribution was approved by the company's board of directors on August 18, 2025.

The above distribution is not subject to court approval according to section 303 of the Companies Law: No

The final dividend amount per share is subject to changes due to _____.

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

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

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

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	% of Dividend	Individuals	Companies	Foreign Residents
Income subject to corporate tax (1)	100	25%	0%	25%
Income originating overseas (2)	0	25%	23%	25%
Approved/privileged enterprise income (3)	0	15%	15%	15%
Privileged Irish enterprise income until 2013 (4)	0	15%	15%	4%
Privileged Irish enterprise income from 2014 (5)	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Approved agricultural/tourism enterprise income (6)	0	20%	20%	20%
Approved/privileged enterprise that submitted 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 profit distribution or dividend originating from income produced or accrued in Israel, received directly or indirectly from another entity subject to corporate tax. (2) Income originating overseas is income produced or accrued abroad and not taxed in Israel. (3) Including income from a privileged tourism enterprise with a selection/operation year up to 2013. (4) Privileged Irish enterprise with selection year up to 2013. (5) Privileged Irish enterprise with selection year from 2014 onwards. (6) Including income from a privileged tourism enterprise with a selection/operation year from 2014 onwards. (7) Approved or privileged enterprise that submitted a waiver notice by 30.6.2015, after corporate tax was deducted.

7b. Dividend distributed from a foreign resident company

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

7c. Dividend distributed by a Real Estate Investment Trust

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	% of Dividend	Individuals (1)	Companies	Foreign Resident Companies	Exempt Trust Fund	Pension Fund (2)
From real estate appreciation, capital gain, and 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 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 rate	100%	_____	_____	_____	_____	_____

(1) Individuals - including taxable trust fund income, foreign resident individuals. (2) Pension fund for retirement, provident, or compensation as defined in the Income Tax Ordinance, as well as a foreign pension fund resident in a reciprocating country. (3) From real estate appreciation or capital gain, except from the sale of real estate held for a short period, and from income in the amount of depreciation expenses. (4) Distribution from income taxed by the fund according to section 64A4(e).

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

9. Effect of the dividend distribution on convertible securities:

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

Security Name	Security Number	Remarks
_____	_____	_____

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

After review and discussion, the company's board of directors approved the dividend distribution, based on the following reasons: (a) According to the company's financial statements as of June 30, 2025, the consolidated net profit amounted to NIS 126,964 thousand (the portion attributable to the company's shareholders is NIS 126,410 thousand), reflecting continued growth in the company's profitability in recent years; (b) The distribution meets the profit test and the solvency test as defined in the Companies Law, 1999 ("Companies Law"); (c) The dividend distribution as stated above does not constitute a prohibited distribution as defined in the Companies Law; (d) The distributable profit balance (June 2025) stands at approximately NIS 1,084,098 thousand (before the proposed distribution); (e) The distributable profit balance after payment of the proposed dividend will be approximately NIS 1,038,203 thousand. (f) The proposed dividend distribution does not impair the company's (solo) solvency, as the company has liquid resources (unused bank credit lines of NIS 30 million) and positive cash flow from operating activities for the period ended June 30, 2025 - NIS 71,658 thousand; (g) The equity attributable to the company's shareholders as of June 30, 2025, stands at NIS 1,217,689 thousand, constituting 45.2% of the consolidated balance sheet as of June 30, 2025. (h) On a consolidated basis, the company's liabilities to banking corporations as of June 30, 2025, amounted to NIS 43,541 thousand, constituting about 1.6% of the total balance sheet, and the cash and cash equivalents balance stands at NIS 305,323 thousand; (i) The company meets the financial covenants it has committed to with banking corporations and will continue to meet them after the proposed distribution; (j) The distribution does not require the approval of third parties, including the group's financing banking corporations.

The above information includes, in part, forward-looking information as defined in the Securities Law, 1968. The company's assessments as stated in this paragraph are based on an analysis of the company's cash flow, existing obligations, and scenarios that may affect its current and expected liabilities. These assessments may not materialize, in whole or in part, or may materialize in a materially different manner than expected, among other things, due to changes in market conditions and the realization of one of the risks detailed in the company's reports in the board of directors' report as of June 30, 2025, and in the description of the corporation's business in the company's annual periodic report for 2024.

Authorized signatories on behalf of the corporation:

	Signatory Name	Position
1	Tal Weiser	CFO
2	Bat-Sheva Boker	Company Secretary

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Explanation: 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. The staff's 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

Form structure update date: 15/07/2025

Short name: HILAN

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Previous names of the reporting entity: HILAN TECH LTD., Telov LTD.

Electronic reporter name: Bat-Sheva Boker Position: Company Secretary Employer company name:

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