

Hilan Ltd.

("the Company")

April 19, 2026

To

The Tel Aviv Stock Exchange Ltd.
via MAGNA

To

The Israel Securities Authority
via MAGNA

Subject: Immediate report regarding a subsidiary entering into a transaction

The Company is pleased to announce that on April 17, 2026, Ness A.T. Ltd. ("**Ness**"), a subsidiary held by the Company at a rate of approximately 98%, entered into an agreement with third parties unrelated to the Company or its controlling shareholder ("**the Sellers**"), for the purchase of their full holdings (100%) in Log-On Software Ltd. ("**the Acquired Company**"), including its subsidiary and sub-subsidiary Log-On Systems and Communication Ltd. ("**Log-On Systems**") and Log-On Inc ("**Log-On Inc**") (together: "**the Acquired Subsidiaries**") which engage in the development and marketing of software solutions, computing services, managed IT services, and technological consulting ("**the Transaction**" or "**the Agreement**").

Below are details and data regarding the main points of the Agreement:

1. At the completion date, Ness will purchase the full issued and paid-up share capital of the Acquired Company, representing 100% of its issued and paid-up capital on a fully diluted basis ("**the Sold Shares**").
2. The Consideration - Subject to the fulfillment of the closing conditions, at the completion date and against the transfer of the Sold Shares free and clear, Ness shall pay the Sellers a total of NIS 164.5 million ("**the Consideration**"). Furthermore, Ness has committed to inject a sum of NIS 27.5 million into the Acquired Company for the purpose of paying a dividend to the Sellers. Until the completion date, the Acquired Company may decide on the declaration of an additional dividend in an amount not exceeding NIS 10 million; if such a dividend is declared, the Consideration amount will be reduced accordingly.
3. Closing Conditions and Completion of the Transaction - The completion of the Transaction is subject to the fulfillment of several closing conditions common in agreements of this type, including receiving approval from the Competition Authority for the purchase of the Acquired Company's shares and the consent of a third party. The completion of the Transaction will take place no later than 7 days after the fulfillment of all closing conditions, or at such other time as agreed upon between the parties ("**the Completion Date**"). If within 90 days from the date of signing the Agreement, the Transaction is not completed due to the non-fulfillment of any of the closing conditions and/or the non-completion of other required actions for the completion date as detailed in the Agreement, in whole or in part, each of the parties to this Agreement shall have the right to terminate the Agreement.

4. The Transaction was made, among other things, based on representations, commitments, and indemnities provided to Ness by the Sellers, as is common in transactions of this type. Generally, except in connection with certain determined exposures, which the Sellers will bear, the liability for breach of the Sellers' representations will be covered by a representations insurance policy purchased by Ness, under conditions common in transactions of this type.

5. Non-competition - Within the framework of the agreement, the sellers committed that for a period of 47 months from the completion date ("**the Restriction Period**"), they will not compete, directly or indirectly, with the acquired company and the acquired subsidiaries and in the areas of activity of any of them, except as specified in the agreement, and to avoid, directly or indirectly, soliciting or encouraging employees and/or consultants and/or subcontractors who are employed at the completion date by the acquired company and the acquired subsidiaries to cease being employed by them and/or to employ them.
6. Details regarding the acquired company and the acquired subsidiaries, as provided to the company -
- a. The acquired company and the subsidiary Log-On Systems operate in Israel and specialize in providing computing services, managed IT services, technological consulting services, and providing services using an operational outsourcing method to dozens of clients, primarily in Israel.
- b. In addition, the acquired company together with the sub-subsidiary LOG ON INC (which was incorporated as a private company in Delaware, USA) engage in the development and marketing of software products in their ownership, primarily outside of Israel.
- c. The acquired company and the acquired subsidiaries together employ approximately 1,000 employees, most of them in Israel.
- d. Below are key financial data based on the consolidated financial statements of the acquired company for the years 2024 and 2025, which were prepared based on generally accepted accounting principles in Israel and on which adjustments were made, among other things, for the purpose of presenting them on an accrual basis, in order to reflect the assessment of the company's management regarding the results of the acquired company's operations*:

	For a 12-month period ended on December 31, 2024	For a 12-month period ended on December 31, 2025
	NIS thousands (rounded to NIS thousands)	
Total assets	132,397	139,154
Total liabilities	86,199	83,054
Total equity attributable to owners	46,198	56,100
Revenue turnover	358,791	390,142
EBITDA	23,600	19,000

* It will be noted that the acquired company's financial statements were prepared using the cash-basis accounting reporting method and adjustments were made to them, among other things, for the purpose of presenting them on an accrual basis. It will further be noted that the data detailed above are from the acquired company's financial statements for which the audit work has not yet been completed. Therefore, there may be changes between the data presented above and the actual data (mainly regarding the timing of recognition

in revenues). However, in the Company's opinion, the data detailed above provides relevant information for examining the performance of the acquired company.

7. **Financing method of the transaction** - Ness intends to finance the transaction from its own resources and, as required, from unutilized bank credit facilities.
8. **The Company's plans regarding the acquired company** - The acquisition subject of this immediate report, subject to its completion, is in accordance with the group's growth strategy, as the activities of the acquired company are synergistic with the activities of Ness. According to the Company's assessment, Ness's engagement in the transaction will allow Ness to expand the services offered by it. Ness intends to leverage the activity of the acquired company and expand its business, among other things, due to Ness's positioning in the industry, its business relationships in Israel, and the managerial, marketing, commercial, and financial resources existing in the company.
9. **Personal interest of interested parties in the transaction** - To the best of the Company's knowledge, the sellers and the acquired company are not entities related to the Company, and the Company is not aware of any personal interest of any of the interested parties in the Company in the transaction subject to the agreement.
10. **Delay of reporting** - The Company delayed the reporting regarding the negotiations conducted between it and the sellers in connection with the agreement because its publication to the public could have prevented the completion of the negotiations or significantly worsened the terms of the transaction. Upon the signing of the agreement on April 17, 2026, the impediment to reporting was removed.

It is clarified that the information in this report, including information regarding the feasibility of completing the transaction subject of this report and regarding the Company's plans in relation to the acquired company, is forward-looking information, as defined in the Securities Law, 5728-1961, whose realization is not certain and is not under the full control of the Company. Such information may not be realized, in whole or in part, or may be realized in a manner different from that described above, among other things, due to the non-fulfillment of any of the suspending conditions for the completion of the transaction and/or due to factors or influences that cannot be estimated in advance and/or are not under the control of the Company.

The Company will update on the progress in the stages of the transaction as required by law.

Sincerely,

Hilan Ltd.

Names of Signatories:

Tal Weiser, CFO

Adv. Bat-Sheva Boker, Company Secretary

