Israel Shipyards Industries Ltd
ISRAEL SHIPYARDS INDUSTRIES LTD
Number in the register: 516084753

To: Israel Securities Authority www.isa.gov.il | To: Tel Aviv Stock Exchange Ltd www.tase.co.il | T081 (Public) | Filed via MAGNA: 18/03/2026 Reference: 2026-01-023736

Immediate report on distribution of cash dividend for securities
Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970

1. We hereby report that on the date *17/03/2026*it was decided to pay a dividend.

2. The record date (ex-date): *25/03/2026*
Payment date: *06/04/2026*

3. Payment details:
- ◯ Dividend distributed by an Israeli resident company (composition of dividend sources and tax rates – see Section 7a)
- ◯ Dividend distributed by a real estate investment trust (REIT) (composition of dividend sources and tax rates – see Section 7c)

Eligible security number	Name of the security	Dividend amount per one security	Currency of dividend amount	Payment currency	Representative rate for payment as of date	Individuals tax %	Companies tax %
1168533	*Israel Shipyards*	*0.4*	*NIS*_________	*NIS*	_________	*15*	*0*

- ◯ Dividend distributed by a foreign resident company (tax rates – see Section 7b)

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Security number	Name of the security	Gross amount per one security	Amount currency	Tax abroad %	Tax under treaty %	Remaining tax for individuals to be withheld in Israel %	Remaining tax for companies to be withheld in Israel %
_________	_________	_________	_________	_________	_________	_________	_________
		Amount payable in Israel per one security	Payment currency	Representative rate for payment as of date		Actual tax for individuals in Israel %	Actual tax for companies in Israel %
		_________	_________	_________		_________	_________

The dividend amount to be paid must be specified to an accuracy 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 where the dividend amount currency is another currency.

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4. The total amount of the dividend to be paid is: *10,000,000NIS*_________.

5. The remaining profits of the corporation as defined in Section 302 of the Companies Law, 5759-1999, after the distribution that is the subject of this report, amount to:
*33,000,000NIS*_________

6. Process of approving the dividend distribution:
On March 17, 2026 the Company's Board of Directors resolved on the dividend distribution. For further details 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 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 stock exchange members.

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

	% of the dividend	Individuals	Companies	Foreign residents
Income subject to corporate tax (1)	*0*	25%	0%	25%
Income originating abroad (2)	*0*	25%	23%	25%
Income from an Approved/Benefited Enterprise (3)	*0*	15%	15%	15%
Income from an Ireland Benefited Enterprise up to 2013 (4)	*0*	15%	15%	4%
Income from an Ireland Benefited 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)	*100*	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 that was received directly or indirectly from another body of persons subject to corporate tax.

(2) Income originating 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) Ireland Benefited Enterprise where the year of choice is up to 2013.

(5) Ireland Benefited Enterprise where the year of choice is from 2014 and thereafter.

(6) Including income from a Benefited Tourism Enterprise where the year of choice/operation is from 2014 and thereafter.

(7) Approved or Benefited Enterprise that submitted a waiver notice by 30.6.2015, after corporate tax payable by it was withheld.

7b. Dividend distributed by a foreign resident company

	Individuals	Companies	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)	Companies	Foreign resident companies	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: rental income)	________	47%	23%	23%	23%	0%
From income-producing real estate for residential rental purposes	________	20%	20%	20%	0%	0%
Income taxed at the fund level (4)	________	25%	0%	25%	0%	0%
Exceptional 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 provident or severance pay as defined in the Income Tax Ordinance and also a pension fund or foreign pension fund that is a resident of a treaty country.

(3) From real estate appreciation or capital gain, except from sale of real estate held for a short period, and also from income in the amount of depreciation expenses.

(4) Distribution out of income taxed at the fund level in accordance with Section 64A4(e).

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8. Number of the corporation's dormant securities that are not entitled to dividend payment and for which a waiver letter must be provided in order 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 the convertible securities
- The effect of the dividend distribution on the convertible securities is as follows:

Name of the security	Security number	Comments
_________	_________	

10. Recommendations and resolutions of the directors regarding the dividend distribution in accordance with Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970:

1. The resolution of the Company's Board of Directors regarding the said dividend distribution was adopted after the Board examined the Company's profits (as defined in Section 302(b) of the Companies Law, 5759-1999 (hereinafter: the "Companies Law")) and the Company's compliance with the solvency test (as provided in Section 302(a) of the Companies Law), based on the sources of repayment for the Company's existing and expected obligations in the coming years, taking into account, inter alia, the expected cash flow from the Company's ongoing operations, all as per the Company management's review. 2. The position of the Company's Board of Directors is that the distribution does not impair the Company's financial position, and that there is no reasonable concern that the distribution will prevent the Company from being able to meet its existing and expected obligations. 3. The dividend distribution is not expected to adversely affect the Company's financial position, including its capital structure, its liquidity status, its level of leverage and its ability to continue operating in its current mode of operations. 4. The Board of Directors considered the total working capital in the Company's financial statements as of 31.12.2025, the Company's financial debt balance, the Company's unused bank credit facilities, the cash flow of 2025 and the forecast cash flow.

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

	Name of signatory	Position
1	Tzvi Shechterman	*Chief Executive Officer* _________
2	Liat Merchav	*Chief Financial Officer* _________

Explanation: According to Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, a report submitted pursuant to these regulations shall be signed by the persons authorized to sign on behalf of the corporation. The Staff's position on this matter can be found on the Authority's website: Click here .

Reference numbers of previous documents on the subject (the reference does not constitute inclusion by way of 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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