

NETO MALINDA TRADING LTD

("the Company")

August 24, 2025

To:

Israel Securities Authority
Via MAGNA

Tel Aviv Stock Exchange Ltd.
Via [MAGNA](#)

Subject:
Immediate Report - Dividend Distribution in the Amount of NIS 25 Million

The Company is honored to report that at the meeting of the Company's Board of Directors held on August 21, 2025, the Board of Directors approved a dividend distribution in the amount of NIS 25 million (hereinafter: "the Distribution" and "the Distribution Amount", as applicable).

The Board of Directors approved the Distribution based on the Company's consolidated financial statements as of June 30, 2025 (hereinafter: "the Financial Statements").

Below are details regarding the examination conducted by the Company's Board of Directors at the time of making the decision regarding the Company's compliance with the distribution tests ("Profit Test" and "Solvency Test", as defined in Section 302 of the Companies Law, 1999 (hereinafter: the Companies Law)) for the purpose of the aforementioned Distribution:

1. Profit Test - The balance of retained earnings as defined in Section 302 of the Companies Law, 1999, as reflected in the Financial Statements as of 30.6.25, amounts to NIS 1,345 million before the Distribution and NIS 1,321 million after the Distribution. ^[101]

2. Solvency Test - According to the projected cash flow prepared by the Company for the period up to December 31, 2027 (hereinafter: "the Projected Cash Flow"), subject to the assumptions and forecasts detailed therein, which were discussed and examined by the Company's Board of Directors, the dividend distribution does not prevent the Company from being able to meet its existing and expected obligations as they become due, taking into account the expected uses of the Company's funds.

3. The Company's Board of Directors concluded, based on the above data, that the aforementioned Distribution does not adversely affect the Company's financial and business condition and/or create a future problem for the Company in repaying any existing and/or expected liability, considering the Company's financial condition as of the date of approval of the Distribution decision, the Distribution Amount, the Company's existing and expected sources, and the scope of the Company's existing and expected liabilities as known as of the date of approval of the Distribution.

¹⁰¹ It should be noted that the Company's subsidiary, M. Malinda Ltd., holds 417,796 ordinary shares of the Company, entitling it to approximately NIS 500 thousand from the Distribution Amount; the subsidiary D.S.P (1993) Import Agencies Ltd. holds 344,685 ordinary shares of the Company, entitling it to approximately NIS 413 thousand from the Distribution Amount; and the subsidiary Tibon Veil Holdings Ltd. holds 323,035 ordinary shares of the Company, entitling it to approximately NIS 387 thousand from the Distribution Amount.

In light of the above, the Company's Board of Directors determined that the Distribution meets the distribution tests set forth in the Companies Law.

4. The Board of Directors' reasons for executing the Distribution:

The execution of the Distribution meets the distribution tests set forth in the Companies Law, and in the opinion of the Company's Board of Directors, there is no reasonable concern that the Distribution will prevent the Company from being able to meet its existing and expected obligations as they become due.

Additionally, the dividend distribution does not materially affect the continued operation of the Company in its current form.

Finally, the dividend distribution constitutes a sharing of the Company's profits with its shareholders, as it yields returns for them on their investment in the Company.

5. The record date for the dividend payment will be Monday, September 1, 2025. The dividend payment date will be Wednesday, September 17, 2025.

The Company's assessments regarding the projected cash flow on which it relied in determining that the Distribution meets the distribution tests set forth in the Companies Law, and regarding the effects of the Distribution on the Company, constitute forward-looking information as defined in the Securities Law, 1968. The assessments and assumptions on which the projected cash flow was prepared are based on information available to the Company as of the date of approval of the Financial Statements regarding its existing engagements and on its forecasts, including with respect to its future obligations and revenues, as applicable and subject to their terms, towards financing entities and third parties. The aforementioned assessments and assumptions, all or some of them, may not materialize or may materialize differently than expected due to external factors over which the Company has no control or limited ability to influence, including proceedings that may be taken against the Company and/or its subsidiaries, including by creditors and/or third parties, the actual outcomes of existing legal proceedings, changes and developments in the economic environment and markets in which the Company operates, deterioration in the business, cash flow, or financial condition of the Company's subsidiaries, as well as the realization of any of the risk factors, all or some of them, characterizing the Company's operations.

Respectfully,

NETO MALINDA TRADING LTD

Signed by: Ami Goldin, Director

FOOTNOTE:

¹⁰¹ It should be noted that the Company's subsidiary, M. Malinda Ltd., holds 417,796 ordinary shares of the Company, entitling it to approximately NIS 500 thousand from the Distribution Amount; the subsidiary D.S.P (1993) Import Agencies Ltd. holds 344,685 ordinary shares of the Company, entitling it to approximately NIS 413 thousand from the Distribution Amount; and the subsidiary Tibon Veil Holdings Ltd. holds 323,035 ordinary shares of the Company, entitling it to approximately NIS 387 thousand from the Distribution Amount.