

To: Tel Aviv Stock Exchange Ltd. Via MAGNA

3. The Company's Board of Directors concluded, based on the above data, that the proposed distribution will not adversely affect the Company's financial and business condition and/or create a future problem for the Company to repay any existing and/or expected debt, considering the Company's financial position as of the date of approval of the distribution, the distribution amount, the current and expected sources of the Company, and the extent of existing and expected obligations of the Company as known at the approval date of the distribution.

It should be noted that the Company's subsidiary, M. Melinda Ltd., holds 417,796 ordinary shares of the Company, entitling it to approximately ILS 721 thousand from the distribution amount. The subsidiary D.S.F (1993) Import Agencies Ltd. holds 344,685 ordinary shares of the Company, entitling it to approximately ILS 594 thousand from the distribution amount. The subsidiary Tibon Vil Holdings Ltd. holds 323,035 ordinary shares of the Company, entitling it to approximately ILS 557 thousand from the distribution amount.

2024-06-22

In light of the above, the company's Board of Directors has determined that the distribution complies with the distribution tests stipulated by the Companies Law.

4. Reasons of the Board of Directors for executing the distribution:

The execution of the distribution complies with the distribution tests stipulated by the Companies Law and in the view of the Board of Directors, there is no reasonable concern that the distribution will prevent the company from fulfilling its current and expected obligations when they fall due.

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

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

5. The record date for the dividend payment will be Sunday, December 7, 2025. The payment date for the dividend will be Thursday, December 18, 2025.

The company's assessments regarding the projected cash flow upon which it relied for determining that the distribution complies with the distribution tests as stipulated by the Companies Law, and regarding the impact of the distribution on the company, are forward-looking information as defined in the Securities Law, 1968. The assessments and assumptions upon 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 commitments and on its forecasts, including with respect to its commitments and future revenues, as may occur and subject to their terms, towards financing entities and third parties. The said assessments and assumptions, in whole or in part, may not materialize or may materialize differently than expected

as a result of external factors, over which the company has no influence or very limited ability to influence, including proceedings taken against the company and/or its subsidiaries, including by creditors and/or third parties, the actual results 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 situation of the company's subsidiaries, as well as the realization of any of the risk factors, in whole or in part, which characterize the company's activities.

Respectfully,

Net Melinda Trading Ltd.

Signed by: Ami Goldin, Director