On March 15, 2026, the company's Board of Directors decided on a dividend distribution in the amount of NIS 42,300 thousand (**"the Dividend"**) to the company's shareholders in accordance with Section 302 of the Companies Law, 5759-1999 (**"the Companies Law"**) out of the company's distributable profits based on the company's financial statements as of December 31, 2025.

In this context, it should be noted that:

(a) On March 12, 2015, the company adopted a dividend distribution policy, according to which, subject to the provisions of any law and agreement, and including subject to the company's compliance at the time of any declaration of dividend distribution with the provisions of the distribution tests set forth in Section 302 of the Companies Law, the company will distribute quarterly as a dividend to its shareholders, an amount of 66% of the distributable profits accumulated in that quarter (**"the Dividend Distribution Policy"**). The dividend payment dates will be determined by the company's Board of Directors at its discretion.[1]

(b) The aforementioned distribution is payable out of the cash and cash equivalents held by the company (which, according to the company's financial statements as of December 31, 2025, total NIS 641,944 thousand), without derogating from additional and diverse funding sources available and/or to be made available to the company, including, among others, unutilized credit facilities, and cash flows arising from the company's operations.

(c) The Board of Directors determined, taking into account the company's financial position, and the significant risk factors to which the company is exposed, and after having examined, at the time of making the decision, the information presented to it as detailed below, that:

1. The company has "distributable profits" as defined in the Companies Law in the amount of NIS 711,517 thousand, and therefore the company meets the profit test (as defined in the Companies Law).

2. In the company's estimation, the distributable profits are of a sufficient scope for the purpose of carrying out the dividend distribution in the amounts specified above.

3. The company meets the solvency test, as defined in the Companies Law, meaning the Board of Directors is of the opinion that there is no reasonable concern that the dividend distribution will prevent the company from its ability to meet its existing and expected obligations as they fall due.

4. To the best of its estimation, the dividend distribution is not expected to affect the company's debt rating.

(d) The company's Board of Directors approved the dividend distribution based on the company's financial data as of December 31, 2025. As mentioned above, the company's surplus balance, as the term is defined in the Companies Law, is NIS 711,517 thousand. The company has equity as of December 31, 2025, of NIS 1,028,254 thousand. The company has working capital as of December 31, 2025, of NIS 349,106 thousand. In addition, the company's Board of Directors examined data not included in the financial statements regarding the company's expected cash flow, including sensitivity analyses of repayment sources for existing and expected obligations, and credit sources and unutilized credit facilities available to the company, in relation to the period ending on December 31, 2029 (**"the Forecasted Cash Flow"**). A significant part of the forecasted cash flow is expected to arise from the ongoing activities of subsidiaries in which the company has control.

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[1] *It is clarified that the adoption of the dividend policy should not be seen as a commitment by the company to declare or perform a dividend distribution, and any such declaration or distribution will be discussed separately by the company's Board of Directors, which may also decide that no dividend will be distributed at all. The company's Board of Directors may also adopt a dividend distribution policy different from the policy adopted, approve distributions of different scope than detailed in the Dividend Distribution Policy, and even approve distributions that are not by way of a cash dividend.*

(e) In the assessment of the Company's Board of Directors, the dividend distribution will not have a material impact on the Company's capital structure, its level of leverage, or its ability to continue operating in the Company's existing format of activity while implementing its business plans. The Company complies, and will continue to comply even after the dividend distribution, with its financial covenants toward the financing banks.

(f) The Company's assessments above and the information as presented within the framework of the projected cash flow constitute forward-looking information as defined in the Securities Law, 1968. Such assessments of the Company are based on the data available to the Company as of the date of this report, including the Company's loan balances, cash balances, credit balances, and order backlog. The Company's assessments may not materialize or may materialize differently and are dependent, among other things, on factors external to the Company's operations, over which the Company has no influence, and among other things following changes in the Company's financing needs and market conditions which may affect its ability to raise financing, changes in the competitive environment in which the Company operates, as well as changes regarding the implications of global inflation and/or changes in interest rates and/or the implications of the "Iron Swords" war on the economic environment in which the Company operates, and particularly on the Company's operations, its suppliers, and its customers.

In light of all the above, the Board of Directors decided to approve the dividend distribution.

Sincerely,

One Software Technologies Ltd.