

# REIT 1 LTD

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Registration Number: 513821488

To: Israel Securities Authority To: Tel Aviv Stock Exchange Ltd. Form Number: T081 (Public)  
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## Immediate Report on Cash Dividend Distribution for Securities

Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

1. We hereby report that on 11/08/2025, it was decided to pay a dividend.
2. Record date (ex-date): 04/09/2025

Payment date: 18/09/2025

3. Payment details:
  - Dividend distributed by a company resident in Israel (for the composition of the dividend sources and tax rates, see section 7a)
  - Dividend distributed by a Real Estate Investment Trust (for the composition of the dividend sources and tax rates, see section 7c)

Eligible Security Number	Security Name	Dividend Amount per Security	Dividend Amount Currency	Payment Currency	Representative Rate for Payment Date	Individual Tax %	Corporate Tax %
1098920	REIT 1 Ordinary Share	0.215	NIS	NIS		29.40	23.00

- Dividend distributed by a foreign resident company (for tax rates, see section 7b)

Please note: The dividend amount to be paid must be specified to a precision 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 if the dividend amount currency is another currency.

*The dividend amount per security is final. The total dividend amount may change if additional shares are allocated before the record date.*

4. The total dividend amount to be paid is: 41,952,891 NIS
5. The corporation's retained earnings as defined in section 302 of the Companies Law, 1999, after the distribution subject to this report, are: 2,581,338,109 NIS
6. Dividend distribution approval process: *Board of Directors' decision dated 11 August 2025 - for details see section 10 below*

The above distribution is not subject to court approval according to 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 can be updated up to 2 trading days before the record date.*

7. The withholding tax rates detailed below are for the purpose of withholding tax by the members of the stock exchange.

## **7a. Composition of dividend sources distributed by a company resident in Israel from shares and financial instruments, excluding REIT fund.**

	% of Dividend	Individuals	Companies	Foreign Residents
Taxable income (1)	_____	25%	0%	25%
Income from abroad (2)	_____	25%	23%	25%
Approved/benefited enterprise income (3)	_____	15%	15%	15%
Benefited Irish enterprise income until 2013 (4)	_____	15%	15%	4%
Benefited Irish enterprise income from 2014 (5)	_____	20%	20%	4%
Preferred income	_____	20%	0%	20%
Approved tourism/agricultural enterprise income (6)	_____	20%	20%	20%
Approved/benefited enterprise that submitted waiver notice (7)	_____	15%	0%	15%
Distribution classified as capital gain	_____	25%	23%	0%
Distribution by Participating unit	_____	_____	_____	_____
Other	_____	_____	_____	_____

**Explanation:** (1) Taxable income - income from profit distribution or dividend originating from income produced or accrued in Israel, received directly or indirectly from another entity subject to corporate tax. (2) Income from abroad is income produced or accrued abroad and not taxed in Israel. (3) Including income from a benefited tourism enterprise with a selection/operation year up to 2013. (4) Benefited Irish enterprise with a selection year up to 2013. (5) Benefited Irish enterprise with a selection year from 2014 onwards. (6) Including income from a benefited tourism enterprise with a selection/operation year from 2014 onwards. (7) Approved or benefited enterprise that submitted a waiver notice by 30.6.2015, after corporate tax was deducted.

Other financing source: \_\_\_\_\_

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**7b. Dividend distributed by a foreign resident company**

	Individuals	Companies	Foreign Residents
Dividend from foreign resident	25%	23%	0%

**7c. Dividend distributed by a Real Estate Investment Trust**

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	% of Dividend	Individuals (1)	Companies	Foreign Resident Companies	Exempt Trust Fund	Pension Fund (2)
From real estate appreciation, capital gain, and depreciation (3)	80	25%	23%	23%	0%	0%
Other taxable income (e.g., rent)	20	47%	23%	23%	23%	0%
From income-producing real estate for rental housing	0	20%	20%	20%	0%	0%
Income taxed by the fund (4)	0	25%	0%	25%	0%	0%
Extraordinary income	0	70%	70%	70%	60%	70%
Other	0	0	0	0	0	0
Weighted withholding tax rate	100%	29.40	23.00	23.00	4.60	0.00

(1) Individuals - including taxable trust fund, foreign resident individuals. (2) Pension fund for pension, provident, or compensation as defined in the Income Tax Ordinance, as well as a foreign pension fund resident in a reciprocating country. (3) From real estate appreciation or capital gain, except from the sale of real estate held for a short period, and from income in the amount of depreciation expenses. (4) Distribution from income taxed by the fund according to section 64A4(e).

*The weighted tax rate is determined according to the composition of the dividend sources as detailed above. If there are changes in the tax rates, the tax will be withheld at the rates in effect on the dividend payment date. Tax will be withheld at the rates specified above, unless a written exemption from withholding tax is provided in advance by the tax assessor.*

8. Number of dormant securities of the corporation not entitled to dividend payment and for which a waiver letter must be provided to receive the dividend payment: 0
9. Effect of the dividend distribution on convertible securities:
  - The company has no convertible securities
  - The dividend distribution has no effect on convertible securities
  - The effect of the dividend distribution on convertible securities is as follows:

Security Name	Security Number	Remarks
Warrants (unlisted) for shares	1133404	From the current exercise price, the gross dividend amount will be deducted

10. Recommendations and decisions of the directors regarding the dividend distribution according to Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:
11. On 11 August 2025, the Board of Directors approved the distribution of the dividend for the second quarter of 2025, in the amount of 0.215 NIS per share as detailed above ("the dividend") as part of the annual dividend for the company's 2025 profits. The approval was given in accordance with the company's dividend policy, according to which the annual dividend amount will not be less than its full annual taxable income. In March 2025, the company announced that the dividend amount for 2025 profits would not be less than approximately 168 million NIS (0.86 NIS per share based on the number of shares existing in the company's capital on the decision date). The distribution policy is subject to all laws, including the provisions of the Companies Law, 1999 ("the Companies Law") and the requirements of the Income Tax Ordinance [New Version] ("the Ordinance") for a Real Estate Investment Trust, and will be carried out in a manner that preserves the company's status as a Real Estate Investment Trust. The Board of Directors also has the authority to change the company's dividend policy as it deems appropriate from time to time, subject to all laws.
12. In addition, as a Real Estate Investment Trust, the company is required (according to the Ordinance) to distribute at least 90% of its annual taxable income, and it may (but is not required to) distribute amounts equal to depreciation expenses.
13. The Board of Directors approved the dividend distribution based on the company's reviewed financial statements as of 30 June 2025 and after examining the sources for repayment of existing and expected obligations that the company will be required to repay during the two years from 30 June 2025, with emphasis on bonds, cash balances and financial assets, signed and unused credit lines, and the company's FFO estimate. In addition, the Board examined the effects of the business environment on the company and its financial results, as well as its ability to meet its obligations in light of the possible implications as mentioned and after the dividend distribution, and determined that the distribution does not impair the company's financial strength and that its operations are based on several key parameters that contribute to its ability to meet its obligations, as detailed below. It should be noted that the Board of Directors was presented with the company's existing safety margins as part of its work plans and sensitivity analyses regarding various scenarios in relation to critical working assumptions, which are expected to enable it to cope with developments and possible effects of the business environment on its operations and results.

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For more details regarding the effects of the business environment on the company's operations, see also, by reference, section 5 of chapter A and section 1.1 of chapter B in the company's periodic report for 2024 published on 16 March 2025, and section 1.1 of the Board of Directors' report for the company's quarterly report as of 30 June 2025 published on 12 August 2025.



4. The Board of Directors approved the distribution in accordance with the tests set forth in section 302 of the Companies Law, as detailed below: "Profit Test" – According to the company's reviewed financial data as of 30 June 2025, the company's surplus is approximately 2,623 million NIS, and after the dividend distribution is approximately 2,581 million NIS; "Solvency Test" – The Board examined the company's FFO, cash balances and investments in liquid financial assets, unused credit lines, as well as the balance of financial debt and the expected payments for the company's obligations, including bonds of series E, F, G, and H issued by the company. The Board's position is that the distribution does not impair the company's financial strength and that its operations are based on several key parameters that contribute to its ability to meet its obligations: (a) The company generates regular cash flow from widely diversified lease contracts; (b) Most of the company's income-producing assets are unencumbered; (c) The company has significant cash balances and investments in liquid financial assets and signed and unused credit lines, and does not rely on the realization of assets as part of its operations; (d) In the company's assessment, it can raise additional sources to finance its operations;
5. The distribution is not expected to impair the equity attributable to the company's shareholders, which stands at approximately 4,353 million NIS (before the dividend distribution), and there is no warning sign (as defined in the Securities Regulations (Periodic and Immediate Reports) 1970) in the reviewed financial statements as of 30 June 2025.
6. The Board of Directors examined the company's compliance with the rules of a Real Estate Investment Trust according to the Ordinance, and its obligations under the trust deeds of the bonds issued by the company and under agreements with banks and others.
7. The Board does not rely on distribution from profits arising from the revaluation of investment real estate at fair value.
8. In the opinion of the Board of Directors, the distribution will not materially affect the company's capital structure, its leverage level, its compliance with the required financial ratios, or its ability to continue operating in its current format.
9. Based on the above and after the Board of Directors examined the company's obligations and its ability to meet them, and in view of the company's financial condition at the time of the distribution, it was determined that there is no reasonable concern that the distribution will prevent the company from meeting its existing and expected obligations when due. The Board's decision as stated was based, among other things, on forward-looking information as defined in the Securities Law, 1968, such as the company's projected cash flow analysis, and especially the information on which the FFO estimate was based. This information is uncertain and based on information known to the company at this time, and on various assessments and estimates, including expected

income from rent for existing contracts, expectations for their renewal, as well as interest and inflation rates. Actual results may differ materially from the above estimate, as these assessments and estimates may not materialize, in whole or in part, or may materialize in a materially different manner, due to factors beyond the company's control, including the effects of the business environment on the company and its operations or due to the realization of one of the company's risk factors listed in section 31 of the 2024 periodic report.

**Authorized signatories on behalf of the corporation:**

#	Signatory Name	Position
1	Dror Gad	Chairman of the Board
2	Aviram Benasouli	CFO

*Explanation: According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted under these regulations must be signed by those authorized to sign on behalf of the corporation. Staff position on the subject can be found on the Authority's website: [Click here](#)*

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**Previous reference numbers on this subject (the mention does not constitute incorporation by reference):**

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Securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Short name: REIT 1

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Previous names of the reporting entity:

Electronic signatory name: Benasouli Aviram Position: CFO Employer company name: - Address: 6 Nehoshet St., Tel Aviv 69710 Phone: 03-7686700, Fax: 03-7686710 Email: [aviram@reit1.co.il](mailto:aviram@reit1.co.il)

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