TELSYS LTD.

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Registration Number: 520038100

To: Israel Securities Authority To: Tel Aviv Stock Exchange Ltd. Form Number: T081 (Public) Transmitted via MAGNA: 21/08/2025 www.isa.gov.il www.tase.co.il Reference: 2025-01-062248

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 the date 20/08/2025, it was decided to pay a dividend.

2. The record date (ex-date): 15/09/2025

Payment date: 30/09/2025

3. Payment details:

- Dividend distributed from an Israeli resident company (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 %
354019	TELSYS ORD 1 NIS	3.3139647	NIS	NIS	_____	20	0

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

Please note: 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 if the dividend amount currency is another currency.

4. The total amount of the dividend to be paid is: 30,000,000 NIS _____.

5. The remaining profits of the corporation as defined in section 302 of the Companies Law, 1999, after the distribution subject to this report, are: 10,463,000 NIS _____.

6. Dividend distribution approval process: According to the decision of the company's board of directors, 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 _____.

It is possible to update the final dividend amount per share 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 stock exchange members.

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

	% of Dividend	Individuals	Companies	Foreign Residents
Income subject to corporate tax (1)	0	25%	0%	25%
Income originating abroad (2)	0	25%	23%	25%
Approved/benefited enterprise income (3)	0	15%	15%	15%
Benefited Irish enterprise income until 2013 (4)	0	15%	15%	4%
Benefited Irish enterprise income from 2014 (5)	0	20%	20%	4%
Preferred income	100	20%	0%	20%
Approved tourism/agricultural enterprise income (6)	0	20%	20%	20%
Approved/benefited enterprise that submitted waiver notice (7)	0	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 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 originating 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.

7b. Dividend distributed from a foreign resident company

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

7c. Dividend distributed by a Real Estate Investment Trust

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

(1) Individuals – including taxable trust fund income, 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).

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8. Number of the corporation's dormant securities not entitled to dividend payment and for which a waiver letter must be provided to receive the dividend payment: 303,107

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
_____	_____	_____

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:

Prior to approving the distribution, the company's board of directors examined the company's compliance with the profit test and the solvency test as set out in section 302 of the Companies Law, 1999 ("the Law"). The board also examined the sources of funding available to the company for the repayment of its existing and future debts and obligations, as well as the company's expected cash flows, equity, liquidity status, and the impact of the distribution on these variables and on the company's ongoing operations and business plans.

Summary of the board's reasons for approving the distribution:

1. Regarding compliance with the profit test, the board approved the distribution based on the company's retained earnings as defined in section 302 of the Law, according to the company's financial statements as of June 30, 2025, amounting to approximately 40.5 million NIS before the distribution.

2. Regarding compliance with the solvency test, the board examined the company's financial data before and after the distribution, including cash and cash equivalents, credit from banking corporations, and the company's equity. In this context, the board relied on the company's and its subsidiary Variscite's projected cash flow.

3. In light of the above, the board estimates that there is no reasonable concern that the distribution will prevent the company from meeting its existing and expected obligations when due, and the distribution is not expected to materially adversely affect the company's financial condition, including its capital structure, liquidity, or its ability to continue operating.

Authorized signatories on behalf of the corporation:

	Signatory Name	Position
1	Boaz Finkelstein	Other
		CFO and Company Secretary

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. The staff's position on the matter can be found on the Authority's website: Click here.

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

Short name: TELSYS

Address: Granit 5, Petah Tikva 4951404 Phone: 03-7657666, 03-7567622 Fax: 03-6497407 Email: boaz@telsys.co.il Company website: www.telsys.co.il

Previous names of the reporting entity:

Electronic signatory name: Finkelstein Boaz Position: CFO and Company Secretary Employer company name:

Address: Granit 5, Petah Tikva 4900102 Phone: 03-7657622 Fax: 03-6497407 Email: boaz@telsys.co.il

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Form structure update date: 15/07/2025

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