

November 26, 2025

Villar International Ltd. (the Company)

To: Israel Securities Authority Via Magna System

To: Tel Aviv Stock Exchange Ltd. Via Magna System

Dear Sirs,

Re: Notice of Dividend Distribution

The Company hereby reports that on November 25, 2025, the Company's Board of Directors resolved to distribute a dividend of approximately NIS 1.856909 per share, totaling approximately NIS 32.9 million, constituting about 24.9% of the Company's net profit and about 25% of the net profit net of asset revaluation effects and net of share-based payment expenses to Company employees, for the first nine months of 2025 ended September 30, 2025 (the Distribution and the Dividend), as detailed below:

1.

The Company's Board of Directors approved the dividend distribution based on the Company's reviewed financial statements as of September 30, 2025 (the Financial Statements).

2.

The Board of Directors examined the dividend distribution and confirmed that the dividend distribution meets the profit test and the solvency test, as stipulated in Section 302(a) of the Companies Law, 1999 (the Companies Law), and that it does not constitute an unlawful distribution:

2.1.

Profit Test - According to the financial statements, the profit available for distribution under the Companies Law stands at approximately NIS 3,286 million. Therefore, the dividend distribution under consideration fulfills the profit test as defined in the Companies Law.

2.2.

Solvency Test - After examining the impact of the distribution on: the Company's financial position; its capital structure; its leverage levels; its liquidity status; its forecasted operating cash flow; compliance with existing financial covenants; and its effect on the Company's ongoing operations, the Company's Board of Directors determined that carrying out the distribution does not adversely affect the Company and that there is no reasonable concern that the distribution will prevent the Company from meeting its existing and expected obligations as they become due.

3.

After executing the distribution, the Company's retained earnings available for distribution will stand at approximately NIS 3,253 million.

2024-06-10

4. Board of Directors' Rationale for Making the Distribution:

- 4.1. The execution of the distribution meets the distribution tests established in the Companies Law and, in the opinion of the Board of Directors, the dividend distribution does not have a negative effect on the company's financial standing, its capital structure, compliance with existing financial covenants, or its current operations.
- 4.2. The dividend distribution will share the company's profits with its shareholders and yield returns for their investment in the company.
- 4.3. The dividend distribution is in accordance with the company's dividend distribution policy.

Respectfully,
Villar International Ltd.
By: Matan Tisser
CEO of the Company