April 3, 2026

Villar International Ltd. ("the Company")

To

Israel Securities Authority

Via MAGNA

To

The Tel Aviv Stock Exchange Ltd.

Via MAGNA

Dear Sirs,

Subject: Notice regarding damage to a complex owned by the Company pledged to the holders of BONDS (Series 10)

The Company hereby updates that on April 2, 2026, as a result of a missile attack that occurred in the evening, 4 buildings owned by the Company's subsidiary, Villar Properties (1985) Ltd., located in the Segula Industrial Area in Petah Tikva ("the Damaged Complex"), were damaged, with no injuries or casualties.

According to the Company's assessment, out of the four damaged buildings, three sustained estimated minor damage, which is not expected to impair the possibility of their use by existing tenants, while a fourth building sustained significant damage that does not allow for its continued existing use by existing tenants.

The Damaged Complex is pledged by the Company to secure its obligations for the benefit of the trustee for the holders of BONDS (Series 10). Based on the Company's review, and in light of the existence of pledges on additional assets for the holders of BONDS (Series 10), there is no impairment to the collateral value of the assets pledged to the holders of BONDS (Series 10).

In the estimation of the Company's management, the described damage has no material effect on its financial results.

The Company's assessments above regarding the extent of the damage and its effects on the collateral value of the assets pledged to the holders of BONDS (Series 10) and on its financial results constitute forward-looking information as defined in the Securities Law, 5728-1968, and as such is uncertain and may not materialize, in whole or in part, or may materialize differently than expected. The Company's assessment is based, among other things, on preliminary scans conducted on the site of the Damaged Complex. It is clarified that full identification of all possible damages and all possible effects is a lengthy process involving elements of uncertainty requiring extra caution alongside, among other things, adherence to safety instructions, including malfunctions and/or injuries and/or damages and financial consequences that may become apparent at a later stage, and whose materialization is uncertain and beyond the Company's control.

Sincerely,

Villar International Ltd.

By: Matan Tisser

CEO of the Company

Copy:

Strauss Lazar Trust Company (1992) Ltd., the Trustee for the holders of BONDS (Series 10)