



CONVENIENCE TRANSLATION The Hebrew version is the binding version

AN ISRAELI TECHNOLOGICAL BREAKTHROUGH, THE FIRST EVER
IN THE WORLD OF CHOCOLATE

**STRAUSS GROUP HAS REDUCED THE SUGAR IN ITS MILK CHOCOLATE
BY 30% WITH NO ARTIFICIAL SUGAR SUBSTITUTES**

THANKS TO GLOBAL EXPERTISE AND INNOVATION, WE SUCCEEDED IN
**REDUCING THE SUGAR IN MILK CHOCOLATE BY 30% WHILE PRESERVING
ITS GREAT TASTE**

After two years of research and development at our company labs in Nazareth Elite, Israel, led by Strauss Group's chocolate technology team and directed by the Group's CTO, Eyal Shimoni, we were the first to bring the good news to the consumer: a refined sweet milk chocolate bar with 30% less sugar. The sugar is replaced by two main components: dietary fiber (17%) and ground tiger nut flour (5%). Finding the unique raw materials and developing an exact recipe enabled us to retain the sweet taste while preserving the chocolate's creamy texture.

Eyal Dror, CEO of Strauss Israel: "Strauss Group invests great resources in developing food technologies to improve its product's profile. I applaud this international breakthrough in the field of chocolate, a product with a long-standing traditional recipe. Thanks to creativity, expertise and professionalism in the field, we have succeeded in producing a new and improved recipe, offering the consumer a line of products that are healthier while maintaining their great taste. Strauss will continue to work to improve its products by reviewing the recipes and providing technological solutions for their improvement."

The tiger nut tuber is a natural source of sweetness. It has its roots in Spain and is integrated into the local food culture of the country, as well as in South America and the eastern states. Rich in vitamins and minerals and non-water-soluble dietary fiber, the tuber contains fats similar to olive oil. It also has a high content of resistant probiotic starch serving as food and a substrate to gut-friendly bacteria. The tuber has a slightly sweet taste, hence in a complex development process it was found to be a source of sweetness that could significantly reduce sugar while preserving the familiar taste of chocolate.





STRAUSS GROUP

Strauss Group is a branded, multi-category and innovative food and beverage group. The group is an international corporation with a strong home base in Israel, where it is the second-largest food and beverage group. Overall, Strauss operates 30 production sites in over 20 countries around the world, including Brazil - where it is the largest coffee player; and the U.S. - where it leads the category of refrigerated fresh dips and spreads, including hummus. Strauss has strategic and financial collaborations with leading global players such as Danone, PepsiCo, Haier and Virgin. The Group is traded on the Tel Aviv stock exchange (Ticker: STRS) and is included on the TA35 Index (TASE largest public companies). Strauss is rated iAA+ by S&P Maalot and iAa2 by Moodys Midrug (equivalent to A-/BBB+ and A3/Baa1, respectively, on an international scale).

The Group's non GAAP 2018 sales were approximately NIS 8.5 billion (including partnerships sales), of which international operations accounted for approximately 50%.



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