



CONVENIENCE TRANSLATION
The Hebrew version is the binding version

10/11/2022

Strengthening international operations

**Strauss Group and São Miguel extend partnership
in Brazilian Três Corações Alimentos S/A coffee
joint venture for 20 more years**

Ofra Strauss: The extension is an expression of satisfaction with the collaboration between the companies as well as the mutual trust and esteem shared by the families

Pedro Lima: The companies' knowledge and professionalism, combined with their commitment to continue as family-owned businesses, was a formula for success in the past as it will be in the future

Strauss Group yesterday signed an agreement with members of the Lima family (through São Miguel Fundo de Investimentos em Participações Multiestratégia) to extend its partnership in Brazil's leading coffee company, Três Corações, for 20 more years.

The renewal includes several adjustments to the original agreement and is designed to help Strauss continue expanding its core coffee business, while entering other synergetic businesses in the coming years. It will also facilitate the possibility of taking the company public should the partners decide to do so in the future. The renewal includes an automatic renewal option for an additional term of 20 years.

Strauss Group and the São Miguel signed the original agreement in 2005 for a 20-year term with an automatic renewal option for an additional 20 years. Over the past few months, the parties negotiated modifications to the agreement, concluding with yesterday's signing of a renewed agreement until 2042. The extension represents an additional layer in Strauss Group's strategy, which calls for growth through the expansion of its international activities.



The original agreement between Strauss Group and the Lima family was formed at the end of 2005 through the merger of two companies, Santa Clara and Três Corações, with the latter chosen as the joint venture's corporate name. Through the partnership, Três Corações became the leading player in the Brazilian coffee market. Starting with a market share of about 12%, it expanded into all regions throughout the country, launched new coffee categories, entered into a new line of business, and acquired several coffee brands, including Brasileiro, Iguazu, Letícia, and Fino Grão. Três Corações subsequently expanded into the coffee machine and coffee capsule category and expanded its manufacturing locations and capacity. Following strong sustained growth, Três Corações is Brazil's coffee market leader, is active nationwide with a variety of brands and coffee products and maintains a 32% market share. The company achieved dozens of percent of growth and 2.5 billion NIS in sales at the end of the first half of 2022. In 2021, Três Corações recorded 3.4 billion NIS in sales.

Ofra Strauss, Strauss Group Chair: "Over time, the partnership in Brazil has led to achievements across a wide range of categories. The two companies' expertise in the world of coffee, coupled with their passion to really understand and serve as consummate professionals in the business, have enabled the joint venture to become a leader. This is an opportunity to thank the Lima family for nearly 20 years of fruitful cooperation, during which together, we have turned Três Corações into the biggest company in the Brazilian coffee market. The agreement extension that we signed yesterday is first and foremost an expression of the great satisfaction with the collaboration between the companies over the years, as well as the mutual trust and esteem shared by the companies and the families. I am confident that the new agreement will result in continued leadership, innovation and growth of the company's business in Brazil."

Pedro Lima, Três Corações CEO: *In our founder's words, "Our objective is to create legitimate and lasting bonds with whom we partner with simplicity and sincerity."* I am delighted with the renewal and extension of our agreement with Strauss Group. The knowledge and professionalism of both companies, combined with their being owned by families with a long history in the business while cultivating the next generation, is the formula that has enabled this joint venture to be so successful for so many years. I thank the Strauss family for their trust, and I am confident that we will continue to see Três Corações grow, innovate and thrive for many more years."

Giora Bardea, CEO & President Strauss Group: "The extension of the partnership is an additional layer in Strauss Group's strategy, which calls for growth through the expansion of its international activities."



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